



OFFICIAL REPORT
AITHISG OIFIGEIL

Meeting of the Parliament

Tuesday 14 June 2016

Session 5



The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot or by contacting Public Information on 0131 348 5000

Tuesday 14 June 2016

CONTENTS

	Col.
TIME FOR REFLECTION	1
ONE MINUTE'S SILENCE	3
TOPICAL QUESTION TIME	4
Hate Crimes (Lesbian, Gay, Bisexual, Transgender and Intersex People).....	4
Scottish Recording Centre.....	10
GREENHOUSE GAS INVENTORY 2014	13
<i>Statement—[Roseanna Cunningham].</i>	
The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham)...	13
COLLEGES AND UNIVERSITIES	25
<i>Motion moved—[Shirley-Anne Somerville].</i>	
<i>Amendment moved—[Liz Smith].</i>	
<i>Amendment moved—[Iain Gray].</i>	
The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville)	25
Liz Smith (Mid Scotland and Fife) (Con)	30
Iain Gray (East Lothian) (Lab)	33
Jenny Gilruth (Mid Fife and Glenrothes) (SNP).....	36
Jamie Greene (West Scotland) (Con)	38
George Adam (Paisley) (SNP)	40
James Kelly (Glasgow) (Lab)	42
Gillian Martin (Aberdeenshire East) (SNP).....	43
Alexander Stewart (Mid Scotland and Fife) (Con).....	46
Daniel Johnson (Edinburgh Southern) (Lab).....	48
Colin Beattie (Midlothian North and Musselburgh) (SNP).....	49
Ross Greer (West Scotland) (Green)	51
Rachael Hamilton (South Scotland) (Con)	54
Tom Arthur (Renfrewshire South) (SNP).....	56
James Dornan (Glasgow Cathcart) (SNP)	59
Monica Lennon (Central Scotland) (Lab)	61
Ross Thomson (North East Scotland) (Con).....	63
The Minister for Employability and Training (Jamie Hepburn)	66
DECISION TIME	70
ROYAL BANK OF SCOTLAND (PRESTONPANS BRANCH)	71
<i>Motion debated—[Iain Gray].</i>	
Iain Gray (East Lothian) (Lab)	71
Bruce Crawford (Stirling) (SNP)	73
Rachael Hamilton (South Scotland) (Con)	74
Jackie Baillie (Dumbarton) (Lab)	76
Bob Doris (Glasgow Maryhill and Springburn) (SNP)	77
Rhoda Grant (Highlands and Islands) (Lab).....	79
Neil Findlay (Lothian) (Lab)	80
The Minister for Business, Innovation and Energy (Paul Wheelhouse)	82

Scottish Parliament

Tuesday 14 June 2016

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

Time for Reflection

The Presiding Officer (Ken Macintosh): The first item of business this afternoon is time for reflection. Our time for reflection leader today is Bishop John Keenan from Paisley.

The Right Rev John Keenan (Bishop of Paisley): Every day the church celebrates holy mass, and the gospel reading for today's mass, which Pope Francis and parishes all over the world have read, is this:

"Jesus said, 'You have learnt: You must love your neighbour and hate your enemy. But I say love your enemies and pray for those who persecute you; in this way you will be sons of your Father in heaven, for he causes his sun to rise on bad men as well as good, and his rain to fall on honest and dishonest men alike. For if you save your greetings for your brothers, are you doing anything exceptional? You must therefore be perfect just as your heavenly Father is perfect.'"

Here, Jesus gives us a new idea about being perfect, or about how to become the politician of the year in his book, if you like. Even if our politics must be founded on loyalty to our party, our integrity should go further and be rooted in loving service to the whole Parliament above and beyond partisan lines.

The kind of loving service that the gospel speaks about is not easy, but its values are already written into the very furniture of the chamber. We could have followed Westminster and its adversarial layout with benches confronting each other. Instead, we opted for an opened-out circle, pointing into a centre of consensus and reaching out, beyond itself, to include everyone.

That, friends, should also be the landscape of the politician's soul. The good member of the Scottish Parliament knows that he has opponents, but he hopes to be no one's enemy. Even if she has to face what, from time to time, has hallmarks of hatred from sections of society, she does not wallow in persecution complexes. For as long as he is in power, he does not govern in a way that prefers only his own supporters but does so with a heart that serves the whole people, so that we all suffer rainy days together and enjoy the sunshine equally and to the full.

We pray, dear friends, for business today.

God our Heavenly Father, we thank you for our elected representatives here in this place and we pray that, as each day begins, they come ready to greet all their peers so that

our democracy can grow ever richer in the service of our great nation.

One Minute's Silence

14:03

The Presiding Officer (Ken Macintosh): Before we move to this afternoon's business, I am conscious that this is the first meeting of Parliament since the horrific shooting in Orlando in the early hours of Sunday morning. I am sure that Parliament will want to know that I have written on your behalf to the President of the Florida Senate, to the Speaker of the Florida House of Representatives in Florida, and to the principal officer in the American consulate here in Edinburgh to express our condolences following this cowardly shooting. I have also expressed our solidarity with the people of Florida, and with members of the LGBTI community in Florida and beyond.

I invite all members to join me in offering a minute's silence to pay our respects to the people of America.

Topical Question Time

14:05

Hate Crimes (Lesbian, Gay, Bisexual, Transgender and Intersex People)

1. **Claire Baker (Mid Scotland and Fife) (Lab):** To ask the Scottish Government what action it is taking to tackle hate crimes against LGBTI people. (S5T-00022)

The First Minister (Nicola Sturgeon): Presiding Officer, as you have done, I will first extend the thoughts and sympathies of the people of Scotland to the families and friends of all those whose lives were so cruelly and tragically taken from them in Orlando in the early hours of Sunday morning. We also send our very best wishes to those who sustained injuries in the attack.

The attack on the Pulse nightclub was, as the United States Government has made clear, an act of terror, but it was also a hate crime. It was the worst targeted attack on LGBTI people that we have seen in the western world in recent times. It is therefore vital that, in addition to playing our part in the fight against terrorism, we stand shoulder to shoulder with the LGBTI community here at home and across the world.

Scotland has made great progress in becoming a fair and equal society. We are considered to be one of the most progressive countries in Europe in terms of LGBTI equality. The Government, the Parliament and, I believe, the people of Scotland firmly believe that there is no place in Scotland for prejudice or discrimination and that everyone must be treated fairly and equally.

Tragically, the events in Orlando at the weekend show that there are some who do not share that belief and who prefer to hate and to do so violently. Yet, we should also take heart and comfort from seeing people across the world—people of all faiths and none—gathering together to express solidarity with those killed and injured and with the LGBTI community as a whole. However, those tragic events and the latest hate crime figures for Scotland, which were published on Friday last week, remind us that there is no room for complacency. Therefore, I thank Claire Baker for her focus on the actions that the Scottish Government and Scottish society must continue to take to tackle LGBTI hate crimes, and indeed all forms of hate crime.

We have already implemented strong laws that create new offences and aggravations; we will continue to work closely with Police Scotland and others to encourage increased reporting of hate crimes; and we will do everything possible to

ensure that perpetrators are brought to justice. Above all, we should all take the opportunity today to reaffirm the kind of country and the kind of world that we are determined to live in, one where hate or hate crime—whether on the basis of race, faith, disability, sexual orientation or gender identity—will simply not be tolerated.

Claire Baker: I associate the Scottish Labour Party with the First Minister's remarks. We all watched in shock at the weekend as the news came through from Orlando. It was a dreadful crime that was driven by homophobia and hatred. I know that our thoughts and prayers across the chamber go to the families and friends who have suffered great loss and to those who are still in hospital. Throughout the United Kingdom, we are seeing demonstrations of solidarity, and the chamber can be proud of the work and the legislation that we have undertaken to make Scotland a more inclusive and tolerant society—not least the Marriage and Civil Partnership (Scotland) Act 2014.

However, we must always be alert. The Scottish crime statistics that were released on Friday show that, in the past year, there has been a 20 per cent increase in charges for hate crimes relating to sexual orientation. In light of that increase, what action is the Government taking to redouble efforts to tackle violence and aggression towards people based on their sexuality and to support those who come forward to report such crime?

The First Minister: I thank Claire Baker for her comments and for her question. She is absolutely right to point to the figures that were published last Friday, which underline the point that I made in my original answer. There is no room for complacency. Those figures showed a 20 per cent increase in hate crimes based on sexual orientation and revealed that transgender hate crime is at its highest level since 2009, when the legislation was introduced. That underlines the importance of not just continuing the work that we are doing but redoubling those efforts.

The Scottish Government will continue to take action—indeed, we will increase our action—across a range of fronts. Education and prevention remain of paramount importance, as is ensuring that we support—where necessary, with funding—LGBTI organisations so that they can work with individuals and the community as a whole. Later this week, the Cabinet Secretary for Communities, Social Security and Equalities will make an announcement on future funding to achieve our goal of a Scotland where equality is a reality. In addition, our independent advisory group on hate crime, prejudice and community cohesion will report over the summer.

We also need to continue to take action to ensure that people have the confidence to report

hate crimes so that our justice system can do its job in bringing perpetrators to justice. Across a range of issues, the Scottish Government is alert to the risks that many people live with and face, sometimes on a daily basis.

I will end with the comment that I have already made: Scotland is making progress in becoming a fairer and more equal society, but we will achieve that goal only if we also face up to the areas in which it is clear that there is work still to be done. Today, I give Parliament an assurance and a commitment that the Government will do that.

Claire Baker: I very much welcome the First Minister's response. I assure her that, when it comes to tackling such behaviour across Scotland, she has the full support of the Scottish Labour Party.

I accept that it is always difficult to fully understand the hate crime figures. When the crime stats go down, we welcome the fact that they are reducing, and when they go up, we welcome the fact that more people are reporting crime. If we are to fully tackle LGBTI crime, we must fully understand the figures. On Friday, the Scottish Government published another report, which analysed the breakdown of religiously aggravated offending. Will the First Minister ensure that a similar breakdown is available for LGBTI hate crimes in Scotland so that we can better understand the nature of those crimes?

The First Minister: Yes, I give an assurance that we will give consideration to what we can do by way of further analysis and breakdown so that we better understand those figures. The equalities secretary will look at that specifically, and I will make sure that she continues to liaise with members across the Parliament about the progress on that.

It is important that we understand the figures. Claire Baker rightly makes the point that, often in such cases, an increase in offences—although it is to be deeply regretted—will come about because of an increase in the number of people who are coming forward to report such crimes. We must continue to encourage that, but the deeper our understanding of the figures and what lies behind them, the more targeted and effective our actions to tackle hate crime in all its forms will be, so we will continue to take action on that front and to keep Parliament updated.

Ruth Davidson (Edinburgh Central) (Con): The events in Orlando were an act of terror. They were a homophobic attack that was directed at the city's LGBTI community and which was perpetrated in a space that was designed to offer sanctuary, acceptance and enjoyment—a safe space to show love that was violated by extreme hate. In Glasgow, London and cities across the

world, we stood in solidarity with Orlando last night, and this Parliament stands in solidarity again today. We have stood here too often in recent years as such extreme hate has shocked us all.

However, we know, too, that in the past our own country has not been immune from attacks born of a twisted ideology. We also know that, without leadership, fear can lead to anger or even reprisal. Therefore, does the First Minister agree that we must continue to work with our young people to push them away from extremism and must reaffirm our commitment to upholding the common values of tolerance, freedom and acceptance within and between all Scotland's communities?

The First Minister: Yes, I do. I welcome Ruth Davidson's comments. I am aware that she and, I think, Kezia Dugdale were in London last night, showing solidarity there.

There has been commentary in the media about whether what happened in Orlando was a terror attack or a homophobic hate crime. In truth, it was both of those things, and we must be very clear about that.

I absolutely agree with the point that was made about the importance of leadership and not thinking that we in Scotland are immune from the type of event that we saw in Orlando at the weekend and from what lies behind such events. It is vital that we work with our young people in particular. As I said to Claire Baker, the importance of education—and, through education, prevention—is paramount.

It is also important that we work with all our communities—our faith communities and all our other communities. I have been heartened, as I am sure have others across the chamber, at the voices in our Muslim community making clear that their horror at what happened in Orlando is just as strong as the horror that any of us feels.

We must not be complacent and we must not assume that these are the problems only of other people. That is why the range of activity that I have spoken about is so important. It is vital that we join together in the Parliament, and that the Parliament joins with all sections of Scottish society, to send that message and do what requires to be done to turn that message into reality. Hate and hate crime will not be and cannot be tolerated in Scotland.

Anas Sarwar (Glasgow) (Lab): Our thoughts and prayers are with all those affected by the attacks in Orlando. We all, across this chamber and across this country, stand shoulder to shoulder with them, regardless of race, religion, gender or sexuality. This tragedy comes during the holy month of Ramadan, when millions of Muslims across the world are making personal sacrifices to

recognise and learn about those less fortunate. As the First Minister said, they are saying loudly and peacefully: not in our name. Will the First Minister, therefore, join me in sending a message to the spreaders of hate that we will not allow their intolerance, mindlessness or heartlessness to divide us or, indeed, to define us?

The First Minister: I thank Anas Sarwar for his comments; I know how deeply and sincerely he feels. As he rightly says, we are right now in the holy month of Ramadan, which is a period of peace and sacrifice for all those who adhere to the Islamic faith. I have said in this chamber on previous occasions when—sadly, all too often—we have come here together to reflect on terrorist atrocities, and I will say again, that I am acutely aware, because of the many Muslim constituents I represent, not just that the Muslim community feels the same horror as we do, but that often their horror is added to by the sense that, somehow, they are being held responsible for acts that they are not culpable for.

In many respects, the Islamic faith is as much a victim of this twisted ideology as others are, because it is a perversion of Islam. That message is one that we must send loudly and clearly: we must make it clear to people of all faiths and of no faith that this kind of intolerance and hatred will not be tolerated. I hope that we will continue—as we have done so often in the past—to join together as a Parliament and as a society to voice that message very strongly and very loudly.

Patrick Harvie (Glasgow) (Green): I add the support of the Scottish Green Party for the First Minister's comments and those of other speakers regarding the atrocity in Orlando. Many of us joined together in Glasgow yesterday as well. I have only ever felt joy at seeing the rainbow flag flown from the city chambers and I cannot quite express how it felt to see it at half mast.

The First Minister spoke about the vision of a Scotland in which there is no place for prejudice and discrimination. That has not been achieved yet—sadly, there are still people, including young people, who are subjected to the ideology that says that certain sexual orientations or gender identities are inherent moral defects. The First Minister has described herself as a huge supporter of the TIE—time for inclusive education—campaign. How long does the First Minister think it will be before all schools in Scotland actively promote the equality and dignity of all of their young people, including LGBTI young people?

The First Minister: First, I share Patrick Harvie's overwhelming sense of sadness at seeing the rainbow flag fly at half mast yesterday. It flew at half mast over the Scottish Government headquarters yesterday as well. That was an appropriate mark of respect, but we do not want to

see it again; I want to see the flag fly proudly, as its name suggests that it should, on happy, uplifting and joyous occasions, and I hope that it will do so again before too long.

Patrick Harvie is right: our aspirations for Scotland to be a place of fairness, justice and equality have not yet been achieved. Scotland is not unique in that regard. I am not sure that there is a single country in the world that could stand and say that that aspiration, ambition and vision have been achieved, but we must make sure that we continue to take the action that will allow us to achieve it. That includes action on education. I do not want to live in—let alone be First Minister of—a country in which any young person is, due to their sexual orientation or gender identity, subject to judgment or made to feel in any way less than any other individual in our society.

As Patrick Harvie is aware, I have given a commitment that the Government will work with the campaign for inclusive education. I will not stand here and, off the top of my head, give timescales—that would not be appropriate. However, I give a commitment that I, as First Minister of this Government, will continue to work with such campaigns to ensure that, whether in schools or any other part of our society, the environment for young people growing up, regardless of their sexual orientation or gender identity, is one in which they feel comfortable and able to fulfil their potential. All of us in this country should aspire to that.

Willie Rennie (North East Fife) (LD): On behalf of the Liberal Democrats, I express our deep sadness at the horrific events in Orlando. I agree with the First Minister that there was some comfort from the darkness in the crowds gathering in cities not just in the United Kingdom but across the world. Does the First Minister agree that one of the most powerful signals that we can send would be to accelerate our programmes on equality for all the LGBTI community? All of us in the Parliament have common programmes that we want to deliver. Let us use this incident to accelerate those programmes, so that we send the strongest possible signal to haters and terrorists that we will not be intimidated.

The First Minister: I am happy to agree with that sentiment. I hope that I have made clear in my previous answers today that the Scottish Government is determined not just to continue our work on equality but to accelerate its progress. We will certainly make sure that we use the reflection on what has happened over the past few days to enable us to do so. I want all in the Parliament—across the chamber—to be part of that. We are open to ideas and suggestions about how we pick up the pace of progress and, indeed, on whether there is more that we can do in any area to

accelerate progress towards the vision that Patrick Harvie spoke about. Any member of any party in this chamber should feel free to come forward with ideas and suggestions, and they have a commitment from me that the Government will consider them seriously and carefully.

Rona Mackay (Strathkelvin and Bearsden) (SNP): In light of the outrage in Orlando, what is the Scottish Government's preparedness for pride marches and other LGBTI events that could take place in Scotland?

The First Minister: Obviously, the police will continue to make their own assessments and preparations to ensure that pride marches can happen safely so that all those attending can enjoy them as the joyous and uplifting occasions that they are intended to be. The Scottish Government will continue to make sure that we are in close liaison with the police on all those matters.

Of course, we will see a number of pride marches take place in Scotland and, indeed, elsewhere, in the coming weeks. Perhaps something that we can all do is not only to remember and to pay respect to those who died in Orlando, but to show our solidarity with the LGBTI community by turning up and taking part in a pride march somewhere in Scotland. If we all do that, that would be a vivid representation of this Parliament standing shoulder to shoulder.

Scottish Recording Centre

2. **John Finnie (Highlands and Islands) (Green):** To ask the Scottish Government what its response is to reports of concerns about the threat to individuals' privacy arising from the surveillance activities of the Scottish recording centre. (S5T-00012)

The Cabinet Secretary for Justice (Michael Matheson): This Government takes the protection of our citizens' civil liberties extremely seriously and we are clear that investigatory powers should be used only when it is necessary and proportionate to do so. However, we must always balance the protection of those fundamental civil liberties with the need to ensure that our law enforcement bodies have effective powers to investigate and deal with serious organised crime. The interception of communications is governed by the Regulation of Investigatory Powers Act 2000. All matters pertaining to the interception of communications are independently overseen by the Interception of Communications Commissioner. That inspection regime includes an annual inspection of Police Scotland's activities in this area.

John Finnie: There are distinct human rights obligations for the police under the Human Rights Act 1998, and the Scotland Act 1998 makes it

clear that any decisions of both the Scottish Government and the Scottish Parliament in relation to policing must be compliant with the European convention on human rights. No one would suggest for one minute that the cabinet secretary would interfere in operational matters, but he is obliged to uphold those acts, so people would reasonably expect him to be able to confirm that all Police Scotland operations and, indeed, all police operations in Scotland have a legal basis that respects the Human Rights Act 1998 and the Scotland Act 1998. Can he confirm that, please?

Michael Matheson: I confirm to the member that it is important that the actions that Police Scotland and other law enforcement bodies in Scotland take are compliant with the ECHR. Additionally, the legislation under which they operate and the powers that we provide them with as a Parliament also need to be compliant with the ECHR. That is why it is important that we recognise every aspect of the approach that our law enforcement bodies are implementing with the powers that we provide them with. The member will also be aware that a key part of the oath that all officers in Police Scotland take includes upholding human rights.

We are very clear that the legislation that governs areas around the interception of communications and the other powers that Police Scotland has need to be compliant with human rights legislation.

John Finnie: The cabinet secretary will be aware of my long-standing interest in the relationship between the responsibilities of his post and of the United Kingdom. We have learned, for instance, that GCHQ feels that it does not need the investigative powers legislation—of course, that is because it is doing what it covers anyway. However, nothing absolves the person in the cabinet secretary's post of responsibility for defending the privacy of people living in Scotland, which means that he needs to have an understanding of the issues. Is all police work in Scotland, including liaison and collaborative work with external agencies, carried out in accordance with a strict Scottish legal and policy framework? Will the cabinet secretary publish the framework for the surveillance regime?

Michael Matheson: The member will recognise that the operation of GCHQ and the way in which it undertakes its responsibilities are a matter for the UK Government. There are laws and regulations that apply to the way in which GCHQ operates in obtaining information. I certainly would not condone any practices that operate outwith the law or that are conducted in an inhumane way—that is not to say that that is the case in this particular set of circumstances.

The legislation that pertains to the interception of communications for Police Scotland is based on the Regulation of Investigatory Powers Act 2000, and there is a clear process that Police Scotland has to go through to exercise its powers. For example, when it comes to matters relating to the interception of communications, warrants must be sought from Scottish Government ministers—largely from me—before actions can be taken. Two very clear statutory provisions need to be satisfied in respect of these matters: they are considered on the basis of necessity and proportionality in every individual case. Police Scotland is inspected by the Interception of Communications Commissioner's Office on an annual basis to ensure that it is complying with and operating within the law and the regulations that pertain to the Regulation of Investigatory Powers Act 2000.

Liam McArthur (Orkney Islands) (LD): Will the cabinet secretary confirm whether he has asked for assurances that the data processed by the Scottish recording centre was acquired lawfully and, if so, whether those assurances were forthcoming? Is he confident that the information handled by the SRC was held in accordance with not just human rights requirements but data protection rules?

Michael Matheson: I suspect that the member is referring to information that was passed by GCHQ, as suggested in the press over the weekend. As I have said, the way in which GCHQ operates is a matter for the UK Government, in particular the Home Secretary. Obviously, it must operate within legal confines including the regulations that pertain to it.

On the operation of the powers that Police Scotland has under the Regulation of Investigatory Powers Act 2000, I can assure the member that it is inspected by IOCCO, which considers whether it is compliant. No concerns have been brought to our attention by IOCCO, so I am confident that Police Scotland is operating within the legal framework that has been set, partly by this Parliament and by the UK Parliament, when it comes to the interception of communications.

Greenhouse Gas Inventory 2014

The Presiding Officer (Ken Macintosh): The next item of business is a statement by the Cabinet Secretary for Environment, Climate Change and Land Reform, Roseanna Cunningham, on the greenhouse gas inventory 2014. The cabinet secretary will take questions at the end of her statement. I would appreciate it if all questions were as concise as possible, and possibly even the statement too.

14:30

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): In 2009, this Parliament unanimously passed the Climate Change (Scotland) Act, establishing Scotland as a world leader in tackling one of the defining challenges of our time. The act set out an ambitious long-term target to reduce Scottish greenhouse gas emissions by 80 per cent by 2050, relative to the 1990 baseline. It also contains an interim target for a 42 per cent reduction by 2020, and annual targets for each year.

The latest official statistics on Scottish greenhouse gas emissions, covering 2014, were published this morning. I would like to update Parliament on those figures and what they mean in terms of progress towards our existing targets, and also to set out our next steps in developing new and even more ambitious targets. These statistics show that Scotland is making outstanding progress in reducing greenhouse gas emissions. Not only has the annual target for 2014 been met; we have exceeded the level of our interim 2020 target six years early.

For the purpose of target reporting, Scottish emissions in 2014 were down by 12.5 per cent from 2013 and down by 45.8 per cent from baseline levels. Over this period, reductions in emissions have been delivered in every sector, including energy supply; homes; transport; waste management; business and industry; and agriculture.

The new figures also show that Scotland has, yet again, outperformed the United Kingdom as a whole in reducing emissions. Comparisons with other western European EU 15 countries are not yet available for 2014 but, as of the previous year, only Sweden had delivered greater reductions.

The science of measuring and reporting on greenhouse gas emissions is complicated, but I can assure members that we have met our targets as the result of real progress in reducing actual Scottish emissions. As in previous years, today's statistics reflect on-going improvements to the science of how emissions are accounted for.

However, even without such revisions, both the annual 2014 and interim 2020 targets would still have been met.

The 2014 figures should also be seen in the context of Scotland's strong, long-term progress, which has been acknowledged by a range of independent experts.

Lord Deben, the chair of the Committee on Climate Change, has said:

"Scotland is leading the UK in its ambitious approach ... and is to be commended for doing so."

Christiana Figueres, head of the United Nations climate body, has described our approach as "exemplary".

Although emission statistics provide the big picture, what really matters is the range of real-world, everyday changes—large and small—that underpin our progress. I will provide some examples of the transformative changes that are occurring throughout Scotland.

On energy efficiency, the Scottish Government's record investment is reflected in big improvements to Scotland's housing. The share of homes that are rated energy performance certificate band C or above has increased by 71 per cent since 2010 and by 11 per cent in the past year. Our efforts are helping to reduce emissions and tackle fuel poverty by making homes warmer and more affordable to heat while supporting low-carbon jobs and regenerating communities.

On renewables, I join the Minister for Business, Innovation and Energy in welcoming the announcement that construction of the £2.6 billion Beatrice offshore wind farm will commence later this year. Scotland's early adoption of clean, green energy technology and infrastructure means that renewables are now Scotland's biggest electricity generator. Projects such as the Beatrice offshore wind farm will also help to deliver a wide range of employment and community benefits.

The Scottish Government's 2020 target for 500MW of local and community-owned renewable energy capacity has also been delivered, five years early. That has been independently estimated to be worth up to £2.2 billion to the Scottish economy over those projects' lifetimes.

On transport, we are determined to free Scotland's towns, cities and communities from damaging vehicle emissions by 2050, with significant progress by 2030. Adequate provision of refuelling infrastructure will be key. The chargeplace Scotland network now comprises more than 550 publicly available electric vehicle charge points, including more than 140 rapid chargers, which makes it one of Europe's most comprehensive networks. That forms part of the

Scottish Government's annual investment of over £1 billion in public and sustainable transport.

Since 2008, more than 550 Scottish communities have been supported by the climate challenge fund to address climate change and make the move to low-carbon living. We are committed to retaining that fund and sharpening its focus.

Under this Government, Scotland has delivered significant reductions in greenhouse gas emissions through such initiatives and many other actions. Although I am delighted by that progress, I am in no way complacent regarding the scale of the challenge ahead. I am also excited by the scope of the opportunity before us.

This is an especially important time for climate change in light of the international agreement that was reached in Paris last December. That agreement represents the first time that all countries have joined in recognising the scale of the challenge and agreeing the route that we need to take. As the Scottish Government hoped and argued for, the Paris agreement has raised global ambition; it must now serve as a call to action for all Governments. Ours is no exception and we will heed that call.

The Government intends to raise still further our ambition on climate change and to continue to lead the world in the transition to a low-carbon economy. That is why the First Minister has already confirmed our plan to establish a new and more testing 2020 target. Our manifesto also included a commitment to improve the transparency and accountability of our targets by basing them directly on actual Scottish emissions. We are committed to setting emission reduction targets that are based on the best available evidence and expert independent advice.

I can advise members that I am writing to the Committee on Climate Change today to seek its advice on Scotland's future targets in response to the Paris agreement. The ambitious new targets will serve as a statutory impetus to further action. Delivery will require co-ordinated approaches across portfolios and the reflection of climate change considerations at the very highest level of the Government. In that context, I can also announce that the Cabinet sub-committee on climate change has been reconstituted.

Just as we must work across Government on that vital issue, so we should engage across Parliament. I have already begun to meet party spokespeople, and I am keen to offer regular cross-party round-table meetings during this session to discuss progress and share ideas and information.

One of the Cabinet sub-committee's first tasks will be to develop the Scottish Government's next

emissions reduction plan—the third report on proposals and policies. I intend to lay a draft of RPP3 before Parliament before the end of the year.

The Government understands that tackling climate change requires action from not only the public sector, but from businesses, charities and individuals. We will capture that through the participation process for RPP3.

Climate change is a global challenge, of course, and other countries must step up and match our ambition and action. In particular, recent UK Government policy reversals on renewable energy and energy efficiency stand in stark contrast to the scale of Scotland's vision. The UK Government will also bring forward an emissions reduction plan this year. We need the UK to support Scotland's drive to develop renewables and carbon capture and storage, not stymie it, as it has done over the past year. My Cabinet colleagues and I will take every opportunity through our engagement with UK ministers to make the case to reverse recent decisions.

The statistics that were published this morning are excellent news for Scotland and for everyone who lives here. They show that through the drive and determination of this Government and by the actions of people, communities, organisations and businesses all around the country, we have met the 2014 emissions reduction target and exceeded the 2020 target for a 42 per cent reduction six years ahead of schedule.

We set ourselves a high bar and we are showing by our deeds as well as our words that Scotland can indeed lead the world. Our progress provides a strong platform upon which to build but there is more to do and the advice that we receive from the Committee on Climate Change will inform our next steps, as will the deliberations of the Cabinet sub-committee.

This Government remains absolutely committed to tackling climate change and to delivering the bold actions that are needed to meet our targets. I hope that all members will welcome the progress shown in today's statistics and support our next steps.

Maurice Golden (West Scotland) (Con): I thank the cabinet secretary for the advance copy of her statement. Although I welcome the fact that the targets have been met after four years of missed targets, I am dismayed that, overall, that is a result of accounting changes rather than of attributable actions by the Scottish Government. Stop Climate Chaos Scotland has said:

"It is hard to see a ... fingerprint of Scottish Government policy".

For example, business and industry emissions have fallen by 39.6 per cent since 1990 but, crucially, most of that reduction was before the Climate Change (Scotland) Act 2009 was passed. Would the Scottish Government be willing to go beyond a 50 per cent reduction by 2020, as we predict that that target will be met anyway, as well as—crucially and critically—setting sector-specific targets for waste, buildings and transport?

Roseanna Cunningham: Oh dear. We have just announced fantastic news for Scotland—great statistics on greenhouse gas emissions—and I would have hoped for a slightly more enthusiastic response from the Conservatives this afternoon.

The truth is that Opposition parties, including the Conservatives, have stood in this chamber lambasting the Government when it failed to meet the targets. Now we have met the targets, it seems to me that the Conservatives need to rise a little to that challenge. There is a challenge for the Conservatives because, as I indicated in my statement, significant things are holding us back that emanate from the Conservative Government in Westminster. I hope that the Conservatives in Scotland are able to bring some pressure to bear on their colleagues down south.

As for increasing the targets, I indicated that we are willing to do so. We have talked of a target of a more than 50 per cent reduction by 2020. However, I am sure that the member will not be surprised to hear that I want to take evidence on that; I want to have serious discussions about it; and I want to be able to set targets that are realistic and achievable. We will do that but we have a commitment to look at a more than 50 per cent reduction. We were the only party going into the last election that had any such commitment in its manifesto.

Claudia Beamish (South Scotland) (Lab): I thank the cabinet secretary for the advance copy of her statement and I welcome the announcement. The Government has indeed met its target and the 2020 target has also been met. It would help if the cabinet secretary could provide clarification in relation to the European Union emissions trading system boost that some non-governmental organisations have highlighted as contributing to meeting those targets.

On RPP3, the UK Committee on Climate Change has stressed that there will need to be a significant strengthening of policies. I hope that the cabinet secretary will agree with that, particularly with regard to the heavy emitters, and that she will agree that research is absolutely vital to ensure that challenged communities are not excluded and that the right transferable skills are developed, along with unions, businesses and the education sector, to bring about new jobs.

Roseanna Cunningham: Claudia Beamish raises important points about the engagement that will be required across the board in order to move us forward from where we are and so that there is recognition of the big gains from what we are doing, which will accrue to many of the sectors that she talked about.

Claudia Beamish asked about the factors that have allowed us to get to where we are this year. Basically, there are three main factors. One is that there was a reduction in emissions at source—the largest reductions were in energy supply and the residential sector. It is true that there is an adjustment to reflect Scotland's share of the EU emissions trading system allowance. That adjustment is in line with legislation and is required for recording progress against targets. The method of calculation has remained exactly the same as it was in 2013, so we are not in any way moving away from what was used last year. The other thing is that the greenhouse gas inventory has been revised downwards in the latest year. However, despite that, previous upward revisions mean that the baseline level of emissions remains higher by 10 per cent than was the case previously. That means that the present fixed annual target is still tougher than was envisaged when it was set. Therefore, we are moving forward on all fronts. I hope that members will be able to acknowledge and endorse that movement.

Angus MacDonald (Falkirk East) (SNP): I welcome the announcement by the cabinet secretary that the Cabinet sub-committee on climate change is being reconstituted, as it is fair to say that we saw the benefits of that sub-committee in the previous session of Parliament. Can the cabinet secretary provide more detail on the sub-committee's role and membership?

Roseanna Cunningham: As Scotland's first dedicated Cabinet Secretary for Environment, Climate Change and Land Reform, I will chair the sub-committee. Its membership will include the Cabinet Secretary for Rural Economy and Connectivity, the Cabinet Secretary for Finance and the Constitution and the Cabinet Secretary for Economy, Jobs and Fair Work, as well as the Minister for Business, Innovation and Energy, the Minister for Transport and the Islands and the Minister for Local Government and Housing. One of the sub-committee's first tasks will be to develop the Scottish Government's next emissions reduction plan, which will be the third report on proposals and policies. The sub-committee will meet in due course and will discuss its remit at its first meeting. I would be happy to outline the remit in an update to the Parliament's Environment, Climate Change and Land Reform Committee later this year.

John Scott (Ayr) (Con): I, too, thank the cabinet secretary for providing an advance copy of her statement.

Given the poor performance of energy efficiency in contributing to meeting climate change targets, and notwithstanding the modest improvements, which we welcome, will the Scottish Government agree with the Scottish Conservatives that transformational action is still required, which means increasing the energy efficiency budget to 10 per cent of the capital budget, thereby creating a £1 billion investment by 2020?

Roseanna Cunningham: My colleague the Minister for Business, Innovation and Energy has just whispered in my ear that it would be timely to remind members that, just a year or so ago, Westminster pulled the plug on the green deal. Discussions about energy efficiency are relevant and important, but let us not forget that much bigger context.

Energy efficiency is a priority for the Scottish Government and it has been designated as a national infrastructure priority in recognition of its importance. The cornerstone of our approach will be Scotland's energy efficiency programme. In January, we announced that up to £14 million is available to support pilots to integrate actions on domestic and non-domestic energy efficiency, and we expect awards to be made this month. We are also giving early consideration to how we can use new powers over the warm homes discount and the energy company obligation, and we aim to consult on proposals later this year. The member might be interested in following that up when the consultation takes place. There is also the short-life fuel poverty strategic working group and the rural fuel poverty task force, which the member will be interested in. Those groups will report their recommendations by the end of this year, which will help us with programme development.

I hope that members will accept that, despite the difficult financial times, the Government is completely committed to driving forward that particular aspect of policy.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I express enormous gratitude to all who have contributed to the possibility that, when we meet the 2050 target of an 80 per cent reduction, I might be not 104 years old but 84 years old—I might survive for that long. However, it is clear that the UK Government's policy change on renewables will have an impact on our ability to reach that target. Now or later, will the cabinet secretary give us a quantitative indication of how much more difficult the UK Government's changing of renewables support makes meeting the target under the Climate Change (Scotland) Act 2009, which I was greatly honoured to take through Parliament in 2008 and 2009?

Roseanna Cunningham: The UK Government has made a number of policy decisions that could have a serious impact on our climate change ambitions, which I have referred to. The renewables obligation for large-scale onshore wind and solar photovoltaics projects was closed early, and support for small-scale renewables projects through the feed-in tariffs was cut. Delays in and uncertainty about contracts for difference are also having an impact on investor confidence.

The UK Government's Department of Energy and Climate Change conducted an impact assessment of the early closure of the renewables obligation that estimated that the UK could lose a reduction in additional source emissions of up to 63 megatonnes. To put that in context, that is the equivalent of more than a year's worth of Scotland's entire emissions level.

In Scotland, we have made it clear that our ambition is to create a low-carbon energy future while keeping the lights on and keeping consumer bills low but, if we are to achieve those three aims in the absence of subsidies, we will need a mechanism to stabilise the market and ensure investment in our more cost-effective low-carbon technologies.

David Stewart (Highlands and Islands) (Lab): The cabinet secretary is well aware that transport is still a major source of climate change emissions. There are two areas for improvement—through moving freight off the roads and on to rail and sea and through developing low-emission zones. Will she confirm that the freight facilities grant has been unspent in the past four years? What assessment has been made of the effect that low-emission zones would have on climate change emissions?

Roseanna Cunningham: I thank the member for his questions, which might have been more helpfully directed to the transport minister. The Scottish Government has increased investment in sustainable transport to support work on the modal shift to active and public transport, and to rail and water transport for freight. We are committed to that and to new technologies that will reduce vehicles' emissions.

We are investing more than £1 billion a year in public and sustainable transport. Since 2012, £11 million has been spent on the electricity network to support electric vehicles—I have a constituent who is keen on that.

I do not think that any of us doubts that the transport part of the process is one of the most challenging. One reason for that is that transport is one of the hardest areas in which to change people's behaviour.

I will endeavour to establish the detailed answer that I have no doubt that David Stewart was

hoping for and I am sorry that I cannot give it this afternoon. I will have the transport minister write directly to the member.

Mark Ruskell (Mid Scotland and Fife) (Green): I thank the cabinet secretary for the advance copy of her statement and for her commitment to reconvene the Cabinet sub-committee on climate change. I hope that there will be opportunities for Opposition spokespeople to engage with that sub-committee.

I welcome the figures that have been released today. It is clear that quirks in accounting and the impact of warm weather, wind farms and recycling have finally resulted in a met target after five years, but it is hard to see how Scottish Government policy has delivered much of the progress, and we still have much to do on transport and housing. Will the cabinet secretary commit today to a real-terms increase in climate change funding year on year for the parliamentary session and to scrapping the climate-wrecking policy to slash air passenger duty?

Roseanna Cunningham: The member raises a number of issues, not least the list of things that have contributed to the fact that we have now met our targets. The fact is that, eventually, when our target was met, there would be a list of things that had allowed us to do so, and it does not seem to me to be reasonable to discount the things that have been done simply because the target has now been met.

I note that the member referenced warm weather or mild winters. I remember some seriously cold winters that we have had, but I do not recall the Government getting any credit for where we had got to with the targets when we dealt with those winters. He cannot really have it both ways; all of these things contribute over the longer term, which is surely what this was all about and what we want to see.

Some very serious impacts on funding were brought about by changes made by the Westminster Government, some of which caused difficulty. Cuts to climate change budget lines have been made predominantly as a consequence of changes made by the UK Government in rolling back its green policies. As I have already indicated, the UK Government has slashed renewables support, and all of that has an impact on us, too. Without the UK hampering us in that way, we would have seen an overall £13.3 million increase in our budgets with regard to climate change.

The APD issue has, understandably, been raised by a number of people. We are showing global leadership by including both domestic and international aviation in our emissions reduction targets, but of course there are important

environmental issues to consider. We are working with environmental groups, and we have consulted on the proposed scope and methodology of a strategic environmental assessment, which will be carried out later this year. When we have looked at all of that, we will take a balanced approach to the matter in recognition of the wider negative economic impacts that UK APD has on the Scottish economy.

Finlay Carson (Galloway and West Dumfries) (Con): I thank the cabinet secretary for notice of her statement.

Given that agriculture and land use account for 23.4 per cent of Scotland's emissions, and given the slow progress of the biorefinery road map, will the Scottish Government commit to investing in biorefining as the best method of dealing with our biomass waste?

Roseanna Cunningham: I will look into the issue of biorefining, but I have to say that I always find Conservative calls for more spending interesting, as it is not the party's usual position.

However, I am glad that Finlay Carson has referenced agriculture. We are making some progress with agriculture emissions, but it needs to be said that progress has been made across all the sectors. That is very important, because emissions from agriculture and related land use have fallen 25 per cent since 1990. We have done a number of things over the years, including investing a huge amount of money in the beef efficiency scheme, of which Finlay Carson is no doubt well aware and which will help thousands of herds become more efficient. We are also introducing other things.

From 1998 to 2014, net emissions from the agriculture and related land use sector have gradually declined. That decline is linked to the impact of historic changes in land use, changes to crop land and grassland, and a decline in cattle and sheep numbers, and we expect it to continue.

Liam McArthur (Orkney Islands) (LD): I thank the cabinet secretary for early sight of her statement and warmly welcome the achievement of the targets that she has announced.

The cabinet secretary is of course right to point to the challenge now of sustaining and accelerating momentum. In that light and given her comments about the difficulty of changing behaviours with regard to transport, does she believe that Scottish Government policy or proposals to slash air passenger duty will help reduce transport emissions, which have reduced by only 2.8 per cent since 1990?

Roseanna Cunningham: I welcome the member's welcome for the figures, but I am not entirely sure whether he is questioning me about

the overall issue of APD or APD in respect of Scottish Government activities. I have responded to Mark Ruskell on the wider issue of APD. A balanced decision must be made here. We are making that decision with as much care as we can do.

An interesting truth is that the EU ETS adjustment process means that changes to APD do not necessarily make much difference when we count emissions in relation to our overall targets. There is an interesting interplay in how the stats are brought together, which is quite complicated, as I am discovering, but is nevertheless the case.

Graeme Dey (Angus South) (SNP): The very welcome figures that were released today indicate that changes in public behaviour are beginning to have a positive impact and to reduce carbon emissions, at least in some areas. How will the Scottish Government seek to ensure that behavioural change spreads to other areas, such as heat, transport and land use? Does the cabinet secretary agree with WWF Scotland that changing public behaviour in those areas must be at the heart of achieving further significant reductions in Scotland's carbon emissions?

Roseanna Cunningham: Changing individual behaviour is key to unlocking quite a lot of this. We have seen quite a big drop in emissions from residential establishments, which we suspect is because people have heeded the advice to turn down their central heating. That gives people the benefit of lower fuel bills, and the cumulative effect across Scotland is an impact on overall emissions—that is an example of how behaviour change can be a win-win if it is approached in the right way.

The member is right to raise the issue more widely. Today's figures provide us with a platform on which to build for the future. We will succeed in achieving our climate change ambitions only if we take the people of Scotland with us, so understanding and influencing how people act is key—Claudia Beamish referred to the issue in her question.

The breakdown of where reductions have been achieved shows where we might want to focus efforts to achieve further and faster change. How we encourage people to change how they act will be embedded in the development of our next emissions reduction plan.

The weather in 2014 helped to influence people's behaviour, in that people used less energy at home, but we need to encourage people to continue to make changes and to keep the thermostat turned down.

The Presiding Officer: That brings us to the end of questions on the statement. I apologise to the three members whom I was not able to invite

to speak. I am afraid that we are already 12 minutes behind schedule. I would encourage all members to keep questions short and ministers to keep their answers short, too.

Colleges and Universities

The Presiding Officer (Ken Macintosh): I give notice to everyone who is arriving for the next debate that because we are so far behind schedule I intend to limit back benchers' speeches to five minutes—at least, I will ask members to aim for five minutes rather than six. If every member does so, we will get everyone in.

The next item of business is a debate on motion S5M-00431, in the name of Shirley-Anne Somerville, on the contribution of colleges and universities to Scotland's success.

15:03

The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville): I am delighted to open the debate. As well as being my first ministerial outing, this speech is my first in the chamber since my rather enforced absence from the previous session of Parliament. I therefore want to pay tribute to the work of my predecessor in the Dunfermline constituency, Cara Hilton. I wish her all the best for the future and send my best wishes to her and her family.

Colleges and universities educate, build confidence, develop skills, encourage innovation and, crucially, help to drive the economic growth that can make Scotland a fairer and more prosperous country. Their contribution promotes Scotland's international standing as a competitive nation, based on the skills of our people and the quality of our ideas.

I will focus on two main areas this afternoon. First, I want to emphasise the high values—equally high—that this Government places on colleges and universities, and to talk about how we work in partnership with both sectors to benefit students, communities, wider society and the economy. I also want to set out the Government's key ambitions for further and higher education over the next few years and beyond. I have no doubt that, under the Scottish National Party Government, colleges and universities have continued to thrive and evolve, and that Scotland's students, researchers and employers continue to benefit from that.

In 2016-17, the Scottish Government will again make direct investment of over £1.5 billion in colleges and universities combined. In a period of continued austerity, our direct investment points to the confidence and trust that we have in our tertiary education sector. Elsewhere in the UK, it appears that, increasingly, the market will determine the fortunes of tertiary education. Although we will always work with the United Kingdom Government in areas of mutual benefit

and to protect Scotland's interests, this Government retains the belief that education is a public good.

I do not want to run through a long list of facts and figures, but the following three points illustrate the continuing positive progress that our colleges and universities have made in recent years. First, in 2014-15, 97 per cent of learning hours in colleges were delivered on courses leading to a recognised qualification. That represents an increase of 8 percentage points since 2006-07. I believe that placing the emphasis on full-time courses that can lead to employment is an approach that provides our young people in particular with maximum benefit from their periods of study.

Secondly, the number of Scotland-domiciled higher-education qualifiers from the country's most deprived areas increased by more than 2,300 to 10,395 in 2014-15, which represents a rise of 29 per cent. That positive achievement has been delivered by both colleges and universities. I, for one, am proud of that clear progress, but further and faster progress must be made. I will return to that, and to the work of the commission on widening access, in a moment.

Thirdly, I highlight the continuing international renown of our universities and other higher education institutions. Scottish universities have a world-class reputation for research, with 77 per cent of their research being assessed as "world leading" or "internationally excellent" in the 2014 research excellence framework exercise. For example, only last week, the Deputy First Minister and I were privileged to see at first hand the work that is being done at the University of Glasgow on gravitational wave detection by the new chief scientific adviser, Professor Sheila Rowan. Such achievements could not have been realised, and will not be realised further, without the strong and durable partnerships that have been formed between the Scottish Government, our colleges and universities, and businesses throughout Scotland.

Tavish Scott (Shetland Islands) (LD): I welcome the minister to her position on the front bench. On partnerships, does she agree that the University of the Highlands and Islands is a good example because it has a federal structure involving partner institutions? Does she share my concern about the top-slicing of the individual budgets to individual institutions across the UHI that is currently being done by the centre—by which I do not mean her Government, but the centre of the UHI?

Shirley-Anne Somerville: I thank Tavish Scott for his welcome. There is no doubt that the University of the Highlands and Islands is in many ways a unique institution, and one that has great

positive examples from which the further and higher education sector can learn. There are always challenges for individual budgets for institutions, but as the member said, that is not a matter directly for the Scottish Government.

There is no doubt that, across a number of policy areas, our colleges and universities are delivering for team Scotland. Research that was commissioned by Universities Scotland notes that Scotland's universities contribute £7 billion gross value added to Scotland's economy, and that the university sector employs 38,000 people directly and supports around 140,000 jobs indirectly. The most recent information that is available shows that our colleges employ 14,000 people, and a 2015 study that was commissioned on behalf of Scotland's colleges noted that for every £1 that is invested in Scotland's colleges, a return of £6.30 is delivered.

I turn to setting out the Government's key priorities for tertiary education during the current session of Parliament. I say at the outset that the Government remains committed to free access to education: we will not impose tuition fees on students either up front or through the back door—not now and not ever. This girl from a Fife mining village—the first in her family to even consider going to university—will not take away the very access to free education that has allowed her to stand here today as the Minister for Further Education, Higher Education and Science.

Recently, a variety of commentators have appeared to suggest that ending free tuition might hold the key to faster progress on widening access to higher education. That is really what the very end of the Tory amendment is all about. However, how asking students to pay the fees of up to £27,000 that are charged elsewhere in the UK for degree courses would make higher education a more attractive option for our young people is something that leaves me—and the National Union of Students Scotland—utterly baffled.

We have committed to maintaining the number of full-time equivalent college places. In doing so, we will ensure that opportunities continue to be available to young people to improve their skills, their future employment prospects and their chances of progression to future study. The Government wants to drive progress even further on a number of key items that were set out in the SNP manifesto. Those priorities include: enabling wider access to higher education in universities and colleges; reviewing the system of support for students in order to ensure that they can choose the right course; and expanding the success of colleges and universities in respect of the part that they play in our strategy for improving youth employment.

Through efforts such as the creation of access agreements between universities and the Scottish Further and Higher Education Funding Council, as well as investment in additional fully funded university places, we have made progress on widening access. However, I know, and the Government knows, that there is so much more to do. In the near future, we will make a statement on taking forward the recommendations in the report from the commission on widening access. A significant part of that effort will be recruitment of a dynamic commissioner who can help to drive progress and co-operation between all parties. Achieving fair and equal access to higher education is critical. Full stop, no argument. In fact, during the election campaign there was a fair degree of consensus across the political parties—with the obvious exception of the Tories, of course—on the need to implement all the commission's recommendations. There is also in the tertiary education sector recognition that we need further improvement. I intend to use that consensus and recognition to push on at pace in order to widen access further and, thereby, to develop opportunities for our young people.

It is right that Parliament debates any Government's progress on that core ambition. However, I believe that the Government is embracing a bold and ambitious agenda for change. Furthermore, I believe that our approach represents the most radical set of actions that are being adopted anywhere in the UK.

I turn to the important matter of student support. In addition to free tuition, Scotland-domiciled students from lower-income families who are in higher education at university or college and live at home will benefit from the best package of support in the UK. The Government is committed to maintaining the minimum income guarantee for those students. In 2015-16, we increased the sum to £7,625 by adding £125 to the maximum bursary. The improvements will continue. As of the next academic year, eligibility for the maximum level of bursary will broaden to include students from families with a household income of up to £19,000, rather than the current limit of £17,000.

We are also supporting students who are taking further education courses with record levels of support. The budget for 2016-17 of more than £106 million in college bursaries, childcare and discretionary funds is a real-terms increase of 30 per cent since 2006-07. In 2016-17, further education students will be able to receive a non-repayable bursary that is the highest anywhere in the UK.

Last year, the Scottish Government worked hard, in tough financial times, to increase the maximum higher education bursary that is available in Scotland. Compare that to the UK

Government, which will, from 2016-17, end bursaries entirely for new students going to university.

Iain Gray (East Lothian) (Lab): The minister must surely accept that that was a small increase on a bursary that her own Government had slashed by 40 per cent.

Shirley-Anne Somerville: When we read Labour motions and listen to Labour interventions, it is interesting to note that they focus continually on additional spending on higher education, on further education, on other parts of the education sector, on the national health service or on whatever the debate is on. The Labour Party has changed position in the chamber, but it has not changed its position on anything since the election or got a grip on the reality of the tough economic times that we are taking. I will not take any lessons from Iain Gray or the Labour Party on how we should spend our money. The electorate decided fairly enough during the election.

The SNP manifesto committed to a review of student support in Scotland, which will be taken forward in dialogue with all key partners. It is important that students have the support that they need to access and to attend college or university, and that they are clear about all entitlements and means of assistance.

A variety of Governments have over time, and with the best of intentions at each point, developed a system that is overly complex, for further education in particular. That must change for students, and when I say “students”, I mean all students, whether they are straight out of school, returning to education, have dependents, have a disability, or have experience of the care system, and regardless of their age.

I turn to our ambitions for skills development and improving prospects for employment. Colleges and universities are central to our efforts to develop Scotland’s young workforce. By continuing to strengthen their engagement with employers, our tertiary education institutions will ensure that the skills of our young people match the requirements of a vibrant economy.

We must advance the development of a responsive and adaptable learner journey and of a wider education system that is easy to access and move through. That means clear progression routes from school through college, university or training and work—whichever is right for the individual. In addition, we must enable closer partner engagement in order to meet the needs of industry through further development and delivery of skills investment plans.

I conclude by reinforcing the point that education, access to it, and the benefits that flow from it are central to the Government’s priorities.

Individual testimony and hard evidence point to a good education system’s leading to increased confidence, wellbeing and productivity in our young people and other learners.

Scotland’s colleges and universities have been providing learners with opportunities for many years; for hundreds of years, in some cases. I want to continue to work with our colleges and universities to ensure that learning is open to everyone who wants to access it, and can benefit from its life-changing impact.

I ask Parliament to join me in recognising the pivotal contribution of our colleges and universities to Scotland’s continuing success.

I move,

That the Parliament welcomes the central contribution of colleges and universities to Scotland’s success; recognises that the provision of high quality learning is the bedrock of a fair and economically successful country; further recognises the wider contribution of colleges and universities to growing the economy through developing a skilled workforce and supporting business formation, growth, innovation and the translation of world-class research into social and economic good; agrees that the Scottish Government should implement the recommendations of the Commission on Widening Access; further agrees that student support for both further and higher education students should be reviewed; reaffirms the Scottish Government’s commitment to free tuition as the basis for ensuring that education is based on the ability to learn, not the ability to pay, and believes that all Scotland’s young people should have access to a rich variety of high quality learning and training opportunities that prepare them for life and work.

15:16

Liz Smith (Mid Scotland and Fife) (Con): I congratulate the Cabinet Secretary for Education and Skills and his new team. It is good to see Shirley-Anne Somerville back in the chamber.

One of the great privileges that I had in the previous parliamentary session was to chair the cross-party group on colleges and universities. I hope that it will soon be reconvened. As everyone knows, parliamentary CPGs provide an opportunity for debate that goes well beyond the party political bubbles in the chamber. They are often the catalyst for new ideas, they provide a platform for the relevant sectors to showcase their success, and they are a source of the detailed information that we all need if we are to be well briefed.

I take this opportunity to thank all the colleges and universities for what they have contributed to the life of the Parliament and, more important, to Scotland. Ahead of this debate, we were well briefed by Colleges Scotland and Universities Scotland, as well as by many individual institutions. I do not think that any of us could deny that their work is impressive.

The two sectors combined, and increasingly integrated, encompass some of the finest institutions in the land, but I suspect that the cabinet secretary and his team are well aware that, in spite of the sectors' undoubted success, they have felt a little under siege in recent years, such has been the extent of the challenges that they face in the global environment and in education progress, particularly when it comes to closing the attainment gap and widening access, securing closer links with business and industry, and ensuring that their campuses are fit for the 21st century.

I also suspect that universities and colleges will tell the cabinet secretary that they would like a little bit of peace. They want to be able to get on with the job that they do pretty well and have, in some cases, been doing for hundreds of years, without the Government constantly telling them what to do.

Notwithstanding the fact that it is important to ensure that those institutions are fully accountable for the large sums of public money—

The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney): Will the member take an intervention?

Liz Smith: Yes, of course.

John Swinney: Will Liz Smith clarify something for me? A moment ago, she raised the issue of university and business co-operation. She then went on to say that the Government should step back from encouraging universities to do certain things. Was she including encouraging more university and business collaboration in the list of things that the Government should stop asking universities to do?

Liz Smith: No, absolutely not—but the cabinet secretary will recognise that, during the past year or so, colleges and universities have felt pressurised by the Scottish Government. I do not think that even the cabinet secretary could say that the passage of the recent Higher Education Governance (Scotland) Bill was the SNP's finest moment.

I listened carefully to what the minister said about ambitions and, although I do not agree with it, I accept that the Scottish Government is looking to continue having free higher education, although it is not actually free. If its ambition is to widen access to deprived communities by 20 per cent by 2030, I ask the Scottish Government to tell this Parliament whether that means universities will have more places or—if new places cannot be funded due to budget constraints—whether some students who would normally enter university will be squeezed out.

That is a very important part of this debate. The Government's line that it should fund university education is perfectly rational, but we on the Conservative side of the chamber do not agree with it. If squeezing out some students is not the Government's intention, we believe that the pressure is on to find more spaces. It is important that widening access is adequately funded and I ask the Government to explain how it will fund the widening access project. All of Scotland, including the many people in colleges and universities, wants to know the answer to that. Perhaps, in summing up, the minister could provide the answer.

When it comes to punching above their weight, our universities and colleges—as the minister has rightly said—are second to none. That cannot continue at the same time as the institutions ensuring that they are globally competitive, that they widen access and that they are at the cutting edge of research and development unless there is some more money in the sector. That is agreed; the controversy is about how that is funded, as it is a major issue for Scotland, not just for the institutions.

Universities rightly claim that a great deal of their success lies in their diversity and that the one-size one-shape form of delivery is never appropriate when it comes to higher or further education.

One of the great successes of colleges in this country is that they have been able to respond to the delivery of the local economy. They have been in the position of being able to provide employment in the local economy. I understand what the Government says about the intention to provide full-time places, but, for goodness' sake, can we not take away so many part-time places? Part-time places are what allow colleges to be flexible in the way that they respond to local economies. They bring in so many different types of students who, in previous days, would have been remote from the employment situation.

There is a big issue with what colleges want to achieve. They are excellent institutions, but they feel that some of that excellence is being diminished. When it comes to the regional structures that colleges have now, they want to know a little bit more about the spend in that regional structure so that they can take advantage of the local economies that reflect their individual situation—that is very important.

When we look at the future for our colleges and universities, we look at a country that is full of talent, ambition, top-quality staff and students. However, we will not be able to maintain all of that unless the Scottish Government addresses some of the big issues on funding, Scottish funding council structures, whether the outcome

agreements will be based on the current ones, and whether changes need to be made to the funding council.

That is notwithstanding some of the issues that we had with the Scottish funding council when Audit Scotland presented a rather difficult picture of it in relation to the situations at North Glasgow College and Coatbridge College. Is that funding council triangle important, and will it continue to deliver the quality that we want to see in the years ahead? I think that there are questions about the Scottish funding council and whether it best serves both our colleges and our universities.

I will conclude my remarks by saying that I am probably one of the biggest supporters of our further and higher education sectors. I had the privilege of working closely with them through the cross-party group, which is something that I treasure. They are very well informed, they provide information on a fairly non-party political basis, and they are objective in their analysis. That objectivity in analysis is crucial, which is why I am asking the Scottish Government to give us some answers today about how it is going to fund HE and FE.

I move amendment S5M-00431.1, to leave out from first “agrees” to end and insert:

“acknowledges the key recommendations raised by the Commission on Widening Access, which lay the foundations for the Scottish Government to work with schools, colleges and universities to deliver quality learning and training for all young people, and believes that, in view of the desire to widen access and to ensure that colleges and universities can maintain academic excellence and continue to meet global challenges, there is an urgent need to review both student support and higher education funding.”

15:25

Iain Gray (East Lothian) (Lab): I, too, welcome the Minister for Further Education, Higher Education and Science to her position.

I agree whole-heartedly with the minister on the importance of colleges and universities to Scotland's past, our present and our future. That is not new, of course, particularly when it comes to universities, which have played a central role in who we are, where we are going and how we are seen for hundreds of years. Indeed, when Voltaire said,

“We look to Scotland for all our ideas of civilisation,”

the enlightenment that he so admired was centred on our great universities and their academic stars.

Now, those same institutions and many new universities make an enormous contribution to present-day Scotland, not just through ideas or the teaching of almost a quarter of a million students, but—as the minister pointed out—in economic

impact and in attracting research funding of more than £750 million every year. As for the future, that research and the new companies that spring from it, along with the highest quality graduates that our universities produce, are the basis of our potential prosperity. In this globalised world there is no future for a country such as ours in low-skilled, low-quality work and enterprise; rather, the future lies in high-skilled jobs and leading-edge innovation in technologies that are perhaps only just being thought of now.

Just as important to that future are our colleges, which, after all, not only deliver 20 per cent of higher education courses but create other pathways, through apprenticeship training and vocational courses, to those high-skill, high-value jobs on which our prosperity will depend. Like universities, they also create billions of pounds in economic value every year, and they increasingly drive innovation, particularly in the small and medium-sized enterprise sector.

Tertiary education is therefore a sector to be cherished, protected, developed and invested in, but the picture is not exactly as the minister glossed it. Education budgets have been cut by 10 per cent over recent years. Colleges—with 152,000 fewer students and some 3,500 fewer staff—have been the hardest hit. Forced mergers have not produced the savings that we were told they would. Reclassification as public bodies has curtailed colleges' ability to manage their budgets over the long term.

Universities have not escaped the Scottish Government's austerity either. Higher education funding fell by 7 per cent between 2008 and 2014 and, last year, university budgets were cut by 3.3 per cent, and their baselines for next year were cut by even more than that. One result has been pressure on staff. As we speak, University of Edinburgh staff are on strike, and University of Glasgow staff will follow suit on Thursday. That dispute, which is over low pay, the gender pay gap and universities' continued use of casual and zero-hours contracts for staff, is at least in part a reflection of staff being asked to pay the price for budget cuts.

College lecturers, too, had to resort to strike action earlier this year. Many college lecturers have been redeployed to new colleges and new campuses; some have even been redeployed to new towns. All of them have seen colleagues lost to the sector. The one positive promise that they were made was that there would be a move towards equal pay for equal work, whether it was carried out in Aberdeen or Galashiels. That promise was made by the Scottish ministers, but they have tried to walk away from it.

Colleges Scotland estimates that delivering equal pay would cost £30 million to £60 million per

year, yet colleges' budgets have been cut in real terms yet again. The truth is that, if we are serious about the importance of FE and HE, we cannot escape the need to use the powers of this Parliament to stop the cuts and to protect education budgets. I say to the minister that that is how we do it—that is how we show real confidence and trust in tertiary sector, instead of simply offering warm words.

That is not just for the sake of staff, but for students too. The Sutton Trust tells us that a young person from a rich family in Scotland is more than four times more likely to go to university than one from the most deprived families. Last week's Universities and Colleges Admissions Service—UCAS—figures showed a 7 per cent drop last year in the number of school leavers accepted into university from the poorest families.

Shirley-Anne Somerville: I thank Iain Gray for allowing me to intervene. Does he recognise that, as he himself pointed out, the colleges also play an important role in delivering higher education, and that that was not included within the Sutton Trust report? While we can learn from what the Sutton Trust has said, the figure that he has given is not quite comparable.

Iain Gray: What seems to escape the minister is that her own Government's widening access target is a target for access to university. That is what the commission on widening access was charged with looking at.

I will say something about colleges and articulation into universities, because we know, too, that those from poorer families who get into university are more likely to drop out, and that if they take up a student loan they will end up more indebted, than students who start off from a better-off background.

We also know that, if poorer students enter a degree course through college, as many do, more than 50 per cent of them will end up having to repeat a year. Some universities, such as the University of the West of Scotland, have a good track record on that, but if a student articulates to an ancient university they will almost certainly have to spend an extra year in education.

Students in FE rather than HE find that they have no entitlement to support, that it varies from college to college, and that they cannot be sure that it will continue, because the Scottish Government routinely underfunds the student maintenance budget for colleges and then tops it up later in the year. It is some time since the president of the NUS told this Parliament that student support in FE is not fit for purpose, and yet nothing has changed.

That is why we do not simply need an access commissioner and a review of student finance. We

need urgency, a commitment at least to reverse the cuts in grants now, and help for current students—not just for future students—to see their studies through. We need to stop the abolition in this year's budget of those extra places for widening access that we talk about so often in this chamber.

The Deputy Presiding Officer (Linda Fabiani): You must wind up, please.

Iain Gray: What we need to see are properly funded, properly integrated colleges and universities, working together; students supported to study; and access based on ability and potential, not how much someone's family earns.

The Deputy Presiding Officer: You must wind up, please, Mr Gray.

Iain Gray: Our amendment simply asks that we get those fundamentals right, quickly.

I move amendment S5M-00431.2, to leave out from "implement" to "Scottish Government's" and insert:

"immediately accept and implement all the recommendations of the Commission on Widening Access; further agrees that any review into student support from further (FE) and higher education (HE) should commit to at least reversing the cuts made to HE grants and bursaries for students from poorer families during the last parliamentary session and should introduce guaranteed levels of support for students in FE; calls on the Scottish Government to protect FE and HE budgets for the duration of the current parliamentary session; reaffirms the Parliament's".

The Deputy Presiding Officer: We now move to open speeches of up to five minutes. Brevity would be appreciated.

15:32

Jenny Gilruth (Mid Fife and Glenrothes) (SNP): As most of you now know, I am a proud Fifer. I went to school in St Andrews, the home of the oldest university in Scotland. St Andrews is the third oldest university in the world and it was founded in 1413, when the Pope issued six papal bulls formally constituting the university. From growing up in that town, I know how important a role universities can play, and are playing, in Scotland's success.

The University of St Andrews contributes over £484 million per year to the Scottish economy. It supports nearly 9,000 full-time jobs—including my mum's—and with students and staff from over 120 countries it is the most international small community in Scotland and, indeed, in the UK.

Nationally, universities provide a strong export role, worth £1.5 billion to the Scottish economy. Of Scottish graduates, 91 per cent find work or further study within the first six months of completing their

studies, and since 2013-14 Scotland's universities have provided over 6,000 students with courses as part of this Government's commitment to widening access.

In Scotland's colleges the picture is similarly positive. The college sector delivers £14.9 million to the Scottish economy every year and employs more than 10,000 full-time staff. This Government is committed to an education system that creates a level playing field. The salient point in today's debate is that we have a higher and further education system that is based on a student's ability to learn and not on their ability to pay.

Liz Smith: The member is rightly full of praise for the University of St Andrews, but at St Andrews the high number of students who come from the rest of the UK and from the international community do have to pay.

Jenny Gilruth: I recognise the member's point, and I will come on to that issue. However, the SNP has based its legacy on education for Scottish students that is free at the point of use. We do not agree with the Tory plans to charge £6,000 a year in tuition fees. That goes against the grain of free education. We believe that people should be able to learn irrespective of their income.

It was not always like that. When I left school in 2002, I went to study at the University of Glasgow. At the time, Labour and the Liberals controlled the Government benches. At university, I qualified for a full student loan and a bursary, but on graduation I was met with a bill for more than £2,000. How can it be the case that a daughter of a single parent family can qualify for a bursary and a full student loan and yet still be expected to foot the bill for her tuition?

The graduate endowment was a backdoor tuition fee—make no mistake about it. It was not means tested; it applied to everyone regardless of their income. Although the fee may have been forgotten by my younger sister's generation, we should never forget the financial burden that the previous Administration attached to learning.

The SNP is committed to helping more low-income families stay in full-time education by maintaining the education maintenance allowance, for example. Today, Scotland provides the highest college bursary and the best support for university students in the UK, and the Scottish Government is reviewing the provision of student support, so that funding follows individual students as opposed to where they study.

Iain Gray: Will the member give way?

Jenny Gilruth: I will come back to the member.

I know that the SNP is not alone in advocating the key role that education plays in providing a route out of poverty. It provides students with the

necessary currency to trade in the employment marketplace. Fundamentally, we believe that every child, irrespective of their background, should have an equal opportunity of pursuing higher or further education.

When I was at university, I worked for the GOALS—greater opportunity of access and learning with schools—programme. GOALS focused on widening access by targeting schools with the lowest progression rates into higher education in the west of Scotland. It focused on 46 secondaries and more than 250 associated primaries.

As a group of students, we visited schools and tried to demystify higher education, often through informal discussion. I remember confiscating a pen from an unsuspecting pupil during one such chat, so perhaps I was always destined to become a teacher. Nonetheless, the point of GOALS was to raise ambition and aspiration, to reach out to pupils who had never considered going to university before and to normalise higher and further education outside the classroom.

The First Minister has been clear about the need to widen access to learning.

Liam Kerr (North East Scotland) (Con): Will the member give way?

Jenny Gilruth: Yes.

The Deputy Presiding Officer: The member needs to be very quick.

Liam Kerr: Of course. The motion and the current speaker both say lots about widening access, but neither talks about reinstating funding and reversing the cuts in order to allow the universities to deliver the facilities.

The Deputy Presiding Officer: You must answer and wind up, please, Ms Gilruth.

Jenny Gilruth: That comes from the Tory benches—you really could not make it up.

As the constituency MSP for Mid Fife and Glenrothes, I am absolutely delighted about the partnership working among Fife College, the Scottish Government and Fife Council on the creation of the new Levenmouth campus. Scottish Government funding of £25 million is supporting that capital investment.

Work is yet to be done to widen access, particularly in our ancient universities. However, today's motion is about celebrating the vital contribution of Scotland's higher and further education institutions in moving Scotland forward.

15:38

Jamie Greene (West Scotland) (Con): I left school at 16, which might surprise some people,

as I was a studious and capable young man who did well at school. However, I perhaps struggled with its culture, for lots of the reasons that I explained in my maiden speech. I went off to James Watt College in Greenock to study for my highers rather than stay in secondary education. It was a bold but controversial choice; in fact, my teachers were quite horrified.

I received a lovely email the other day from my French teacher, Ms Mary Henry—or Madame Henrie, as we used to call her. She was absolutely thrilled that I had been elected to Parliament, and it was moving to hear from her. We all have a story to tell about a special teacher who helped us along in life, who spotted a spark and nurtured it. I had many such role models, and if I may be indulged, I would like to thank them. However, they were certain that I would be distracted by being in college instead of at school. That was quite true to the reality. There was a student union, an altogether political place for debate. There were adults in my class—retired folk, businesspeople, unemployed people, curious pensioners, failed school leavers trying again to get the grades that they needed for university, and even hobbyist learners—and I was treated like an adult, not a child. Why do I mention that? It is largely due to the fact that I fear that funding for student support is struggling to keep up with demand. Let us have a think about the effect that that might have on someone contemplating going to college in Scotland. In terms of budget spend in an academic year, by December 2015, 67 per cent of colleges had already committed 100 per cent of their bursary spend. We could argue that the funding system is based not on demand but on the availability of cash. The majority of colleges in Scotland have to top up their bursary schemes with additional funds because they do not have enough money to meet student demand. The in-year redistribution is an attempt by the SFC to ensure that money is being allocated in FE where it is needed, but its figures show that, in 2015-16, only 43 per cent of colleges had their requests met, leaving a shortfall of £2.4 million.

Year after year, the same story unfolds: the SFC is unable to meet the demand from colleges and their requests are unmet. That means that many students in disadvantaged situations are unable to pursue their aspirations. Even Colleges Scotland has said that that has

“led to a system that has caused inequalities”.

Over half of all FE students who were questioned in a survey said that they had no idea how much money would be coming to them before they started their course, and 70 per cent of them said that not knowing how much support they would have makes it more difficult to decide whether to go to college.

So, where would we like to see things go? It is important that we have a proper debate about a higher education graduate contribution. I moved on from college and went to university in 1997 on a no-fee basis, but I dropped out one year later. Why? Quite simply, I could not afford to go to uni. Even if I had been accumulating fees that I would later pay back once I started earning a decent wage, I would still have found it difficult to stay on as there was no other support available. The cost of living—housing, travel, food, books and bills—was prohibitive.

I am not in favour of a graduate contribution scheme because of ideology or some political whim; I am driven by the idea that the money raised would and should be used to help to give poorer students—like me, at the time—the support that they need to go to college and university. The latest figures from the SFC show that the withdrawal rate for further education is 25 per cent.

FE students continue to exist in a system in which funding decisions that affect them have been a lot more volatile than those that affect HE students. College learners are often those who are having a second chance at education or who prefer a vocational path in life. They are often the ones who will need support the most, which is why it is critical that the Scottish Government listens to the needs of the sector and makes sensible decisions to support those poorer students. We simply must do better.

15:43

George Adam (Paisley) (SNP): I, too, congratulate Shirley-Anne Somerville on her new post. We have known each other for a very long time—it is probably best just to leave it at that because it is obviously not polite to indicate how many years.

It is interesting to listen to this debate because the Tories have constantly tried to move away from their rhetoric in the election campaign and are trying to sound as if they are almost reasonable. It is quite strange to hear them discussing things such as how they would deal with poorer students and allow them to go to university by charging them more money. It seems bizarre to me to think that that is going to increase access.

It is correct that we finally get into the nitty-gritty of such a debate in this parliamentary session and talk about the great success that is our higher and further education sector. The First Minister has said, and the Minister for Further Education, Higher Education and Science has today confirmed, that education will be one of the most important aspects of the Scottish Government's

work in this session, building on the successes of previous years and working towards bridging the educational attainment gap and providing access for all to university or to the training that is necessary for young people in Scotland to be successful in their desired industries.

I applaud the Scottish Government's focus on ensuring that young people have access to a rich variety of high-quality learning and training opportunities that prepare them for life and for work. Who in this chamber would not agree with that goal? Who would not want to work with the Scottish Government on that project?

Our colleges and universities are very successful and are a major part of our economy. A Colleges Scotland report found that our colleges deliver £14.9 billion for the Scottish economy each year. Our universities employ 38,000 people directly and support 140,000 jobs in the Scottish economy indirectly. Those numbers alone explain how vital they are to our economy. However, it is in their success as places of learning that they excel. On a practical point, I note that 91 per cent of graduates from Scottish universities were in work or further study six months after graduation—compare that with the UK average of 88 per cent. In the latest employer skills survey, 85 per cent of new graduates were judged to be well prepared for work. That shows that our university sector is not only preparing young men and women for life but ensuring that they are equipped for work.

Our world-class research sector provides a vital foundation to innovation in our economy. The 2014 research excellence framework results showed that Scotland's HE institutions undertake research of world-leading quality and that the impact of the research of those institutions is greater than that of those in the rest of the UK. That success—and everything that has been happening—has been framed partly by the fact that the sector is working extremely hard but also by the fact that this Government has been supportive of higher and further education and the fact that, since 2008, higher education for all undergraduates has been free. That policy has protected 120,000 undergraduates studying in Scotland, saving them from incurring an additional debt of up to £27,000.

Liam Kerr: Does the member agree that the undoubted success of those institutions will be difficult to maintain when the funding cuts that the Government found so amusing lead to job losses for our excellent staff?

George Adam: I know that the member is new, but I say to him, "Gonnae chuck it?" He has already had a slap in the face from my colleague Jenny Gilruth. The Tories have a cheek, coming here and talking about any form of cuts, when it is

they who are cutting the budget of the Scottish Government.

On widening access, which has been a major part of this debate, I want to talk about a place that has already been mentioned by our friend and colleague Iain Gray: the University of the West of Scotland, which is based in Paisley. More than 20 per cent of its students are from lower-waged backgrounds, and it is already widely recognised throughout Scotland as being able to deliver that level of access. Around 18 per cent of the students at its Paisley campus are from the 20 per cent most deprived areas. Over all three campuses, the figures are the same. The only institution that comes close to that is Glasgow Caledonian University; the rest do not. We need to look at the work that those places are doing and find out how we can make that difference and achieve that level of access. At the same time, I hope that the Tories will come into the real world and bring us some debate that has a bit of sense in it.

15:48

James Kelly (Glasgow) (Lab): I congratulate Shirley-Anne Somerville on her appointment and welcome her to her post.

This important debate focuses on the role of colleges and universities, which—as a number of members have said—fulfil a number of key roles. They are places of opportunity for young and mature students alike to enhance their skills base, to learn more and to go on to contribute not only to their own self-advancement but to Scotland's economic growth. They also serve as centres of research—Iain Gray covered that in his speech—which ensures that we can build areas of expertise that link well with industry.

The key point about colleges and universities is that we need to see them as the drivers for economic growth. Gross domestic product forecasts have recently been revised down the way, which will be a concern to every member in the chamber because we all want a growing Scottish economy that provides jobs and a good standard of living for people in all constituencies and regions. It is important that we get the set-up of colleges and universities right in order to contribute to that goal.

From that point of view, it is important that colleges and universities have a strong link to business in the courses that they provide. Employers tell me that students who leave college and university sometimes do not have the skill set that is required for them to fit in to the workplace right away and to make a good contribution. There are good examples throughout the country of colleges working closely with business. I compliment the City of Glasgow College in the

region that I represent. It has set up an industry academy, which is good because it is employer-led and is focused on building industry into the curriculum. The academy is in its second year, and it has had some success: there are 3,677 students on work experience and 1,932 on work placement. That will go a long way towards addressing the skills shortfalls that exist.

The importance of engineering and information technology cannot be overstressed. Earlier in the year, the Institution of Engineering and Technology held an event in the Parliament. It focused on the fact that, in its survey, 59 per cent of businesses were concerned that the shortage of engineers could undermine business and business growth. That continues to be an issue, as does information technology—a report last year said that there is a shortage of 11,000 jobs in the information technology sector, which is the case particularly in respect of computer coders. I used to be a computer coder in a previous life. That stresses the importance of building in those subjects and supporting them through school, college and university levels.

I think that we all agree that we want widened access to colleges and universities. It is therefore a matter of concern, as a Sutton Trust report highlighted recently, that gaps in university participation between the most disadvantaged and the least disadvantaged areas are wider in Scotland than they are elsewhere in the UK. Cutting bursary support from £100 million to £64 million has an impact. The demand in Labour's amendment to reverse

“the cuts made to HE grants and bursaries for students from poorer”

backgrounds is not unreasonable in order to address the concerns about widening access.

To sum up, colleges and universities play an important role, but it is also important that we get the set-up correct, that they link to business, that they contribute to economic growth, and that they prioritise areas in which we have skills shortfalls. It is also important that we ensure that we widen access in order for the sector to burgeon and to continue to flourish.

15:53

Gillian Martin (Aberdeenshire East) (SNP): Political discourse around education too often relies on numbers, but the success of people can never simply be measured in figures. I am very aware of a tendency to judge the success of young people and the Government purely in terms of how many young people go to university.

I want to talk about colleges and partnerships. Colleges provide higher national qualifications, which fall into the category of higher education, as

the minister mentioned. We should always be mindful that higher education is not reserved to universities, especially when we talk about figures. Colleges provide a pathway to university degree courses, and that pathway can often allow a person to get a better idea of what degree courses are and are not most suitable for them, which means that they will not drop out of university so easily. Leaving college with a higher national qualification and going straight into employment is also a measure of success.

When it comes to education, one size most definitely does not fit all. In the past 10 years, I have seen FE change to reflect that. In particular, there is the new focus on courses that lead to recognised qualifications and employment, and there has been the success of the two plus two programmes between colleges and universities. The relationship between my former employer, North East Scotland College—which I will call NESCOL from now on, because saying that is quicker—and the Robert Gordon University, or RGU, is a terrific exemplar of that. Working together, they have created a north-east articulation hub that is a model for the rest of Scotland. Not only does the programme facilitate progression, it ensures that the college and the university make a major contribution to widening access. The partnership also works with schools in areas that have been traditionally less likely to access education beyond school. Funded by the Scottish funding council, RGU has developed a suite of programmes designed to support secondary 5 and S6 pupils who are considering studying at degree level, either via the college route or by direct entry to the university. Those “access to” programmes offer the pupils an opportunity to get first-hand experience of undergraduate degree study courses and student life on campus via twilight sessions that are held after school.

I also want to tackle the rhetoric that I have been subjected to by my political opponents over part-time courses and cuts to college places—which Liz Smith alluded to, as did Iain Gray. As someone who has taught across both the Labour-Lib Dem Administration and the SNP Administration, I was something of a Banquo's ghost when Lib Dem and Labour opponents thought that they could trot out the “college places cut” line at debates, because I have lectured during both political administrations.

There are two myths around the subject. The first is that full-time college places actually mean full-time hours. No—they comprise 16 hours per week class-contact time, and those hours are usually timetabled over two to three days to allow students to hold down additional employment or to manage family responsibilities. That was certainly the experience in the college that I taught in.

Myth number 2 is that people are disadvantaged because they now do not have opportunities because of the lack of part-time courses. Returning and mature students can still access courses that can fit their circumstances and full-time courses. However, part-time courses are still available in colleges—it is just that their number does not equate to the sheer number of such courses under the agenda that was promoted by the previous Administration. That agenda was well-meaning, but had some unfortunate manifestations.

Leisure courses accounted for a great deal of the stats that have been quoted in political rhetoric about part-time courses. As enjoyable as teaching to people of retirement age a one-off afternoon course on using your camera is, such part-time courses rarely encouraged anyone to come back to access courses that have recognised qualifications attached, they tended not to lead to employment, and they competed with other institutions that were offering leisure courses, including community centres, libraries and third sector organisations.

Jamie Greene: Does Gillian Martin accept that cutting courses such as IT courses from 45,000 to 21,000 will contribute to a real skills shortage? It is not just photography courses that we are talking about.

Gillian Martin: It is not my experience that such courses are being cut. I am talking about leisure courses, which made up the bulk of those 152,000 college places.

I will give an example of a third sector organisation that is also delivering part-time courses. On Saturday, I went to the Belmont Filmhouse to watch the British Film Institute film course screenings; the course is taught by Station House Media Unit. SHMU is working in partnership with NESCOL, which provided equipment and teaching rooms. In the previous funding model, SHMU and NESCOL would have been competitors, but now they are partners and 12 16 to 18-year-olds got a great experience—many of them are from regeneration areas and now have confidence and a route into FE and beyond.

When we reduce the educational debate down to targets and numbers, we miss the substance of what we are trying to achieve—improvement of the life chances of our population and provision of skilled people to grow our economy. Partnership across institutions is the way forward, and just looking at the numbers simply does not take that into account.

15:59

Alexander Stewart (Mid Scotland and Fife) (Con): I congratulate the Cabinet Secretary for Education and Skills, John Swinney, and his team on their appointments. Following my short contribution to the members' business debate on the treaty of Perth, I would like to take this opportunity—in my first full debate in the chamber—to give a bit more information about my background prior to my election as a member for the beautiful region, Mid Scotland and Fife, that I now represent.

I have had a varied career working in many sectors and I have run my own businesses. I hope to bring my knowledge and experience in those areas to the chamber when I am participating in debates over the next few years. Over the past 17 years, I have had the honour and privilege of serving Perth and Kinross Council as a councillor and I have a proven track record of standing up for hard-working families.

My family has been involved in politics and business for a long time, and many members of my family have actively supported parties from across the chamber. My great-grandfather, Bailee Stewart, would have been sitting on the Labour benches in his time, and my mother's mother would have been with the Liberals—if there were any here—which would give them a gender balance in their group. Moreover, my father was a major donor to the Scottish National Party and was the agent for Douglas Crawford when he was the member of Parliament for Perth and East Perthshire.

So, my family has a chequered history of individuals being involved in politics over the generations, but there is no doubt that I have always been, from my earliest recollections, a Conservative. I believe in the values of traditional institutions, the rule of law and the idea that people should be allowed to make their own choices in life, and I believe that local democracy should be part of our being. However, those values are being greatly eroded by the SNP Administration. Furthermore, I fundamentally believe in the union and Scotland's place in it.

Conservative representation in Mid Scotland and Fife doubled in May, and I am delighted to join my long-standing colleagues Liz Smith and Murdo Fraser in the chamber. They have represented the Conservatives very well over the years in which they have been involved in the Scottish political scene and debate. The increased representation is a result of the direct influence of the many people in my region and other parts of Scotland who wanted a strong Opposition and members that would hold the SNP to account. We will certainly do that.

Today's debate gives me the opportunity to be involved and give my views on the education system in Scotland. Benjamin Disraeli once said:

"Upon the education of the people of this country the fate of this country depends."—[*Official Report, House of Commons*, 15 June 1874; Vol 219, c 1618.]

I firmly believe that that is very true today. In this debate, I want to focus on Scotland's future—in particular, in terms of further education. Our college sector plays a crucial role in our economy; we have heard today that colleges contribute £15 billion a year. Recently, however, the vital services that colleges provide have been undermined by the SNP's reforms and savage cuts to the sector. Over the past few years, the SNP has cut 152,000 college places to fund its populist yet ineffective policies.

The Minister for Childcare and Early Years (Mark McDonald): Will the member give way?

Alexander Stewart: As I said, this is my maiden speech, so I am afraid that I will not.

For example, the policy on free university tuition has not only led to fewer students from poorer backgrounds going into higher education, but fails to recognise that a university education is not the right path for every individual. For too long, further education and vocational qualifications have been seen by some people as being second best. The Government's actions have served only to reinforce that.

As a Conservative, I believe fundamentally in the principles of localism; decisions are best taken by the communities and organisations that are directly affected, not by central Government. The nationalist rhetoric is about bringing power closer to the people, but the SNP's actions in government have done quite the reverse. Dramatic reorganisations and mergers of colleges have led to—[*Interruption.*]

The Deputy Presiding Officer (Christine Grahame): I am sorry about that noise. You are in your last minute.

Alexander Stewart: Thank you.

In Mid Scotland and Fife, Perth College UHI and Forth Valley College have led the way on flexibility in the economy, and I pay tribute to what they have achieved.

There is no doubt that the Parliament has an opportunity to stand up for education. Following the recent election results, it is apparent that the SNP will have to take part and listen in the new and more politically diverse Parliament. I greatly look forward to playing my part in that.

The Deputy Presiding Officer: Thank you very much, Mr Stewart. I will not tap my microphone

again—I did not expect it to sound like a drumbeat.

16:04

Daniel Johnson (Edinburgh Southern) (Lab): I, too, welcome the minister to her new role.

I am pleased to speak in the debate, because our universities are undoubtedly important to Scotland's future and have played a unique and distinctive role in Scotland's identity and culture. Scotland has long placed a value on literacy, and the number of universities here means that we have a legacy of learning that makes us unique in the nations of the United Kingdom and globally. However, the debate is about the future rather than the past. A number of members have talked about universities' contribution to date, but it is vital that we talk about the future.

At a recent meeting, Jamie Hepburn—I note that he is no longer in his chair—accused me of being a little paranoid about a takeover by Skynet because I talked about the importance of looking at technological change in our economy. However, such changes will be profound, and the role of tertiary education will be vital.

If our future economy is to be knowledge based, it is clear that universities will play a pivotal role. They already have a direct impact and influence on our economy. Given my constituency, my focus is on the University of Edinburgh, which makes a £2 billion contribution to the Scottish economy. For every £1 that it receives from the Scottish funding council, the university generates almost £10.

Universities also have an important role in economic generation as a bed for creating start-ups. Like me, many people might have heard of FanDuel but been a little worried that they did not understand what it does. That is because it creates online fantasy games that are almost completely focused on the US market. We now have a global company that started from the King's Buildings in my constituency. Hundreds of other high-growth start-ups that came from universities support thousands of jobs in Edinburgh.

Spin-outs are another huge success story. Almost a quarter of UK academic-based spin-outs have emerged from Scottish institutions. One example is Celtic Renewables, which was spun out from Edinburgh Napier University, and creates renewable energy sources from whisky by-products.

It is clear that if universities are to embrace their role in generating the future economy, emphasis on places and support will be vital. We must not hamper that role. In a recent survey, the NUS found that a majority of students had anxieties

about their finances that impacted on their studies. Likewise, UCAS statistics show that a lower proportion of 18-year-olds from Scotland are going to university than the proportion from the rest of the UK. The poorest in Scotland are four times less likely than their wealthier counterparts to go to university, whereas the poorest in England are only two and a half times less likely. We can maybe quibble about the numbers, but that disparity of access shows that we are squandering talent, which is tragic not just for the interests of those involved but for the wider economy.

If universities are to play the role of creating the industries and jobs of the future, the role of colleges will undoubtedly be to ensure that our people are skilled to fill those jobs. We have talked a lot about FE providing HE courses, but for the future economy the emphasis must be on skilling and—most important—reskilling our workforce.

I come from the retail industry—this is where Skynet comes in. Every day, when a delivery comes to a shop, a man—unfortunately, it is typically a man—drives a van and takes the boxes out of the back of the van. In 10, 15 or 20 years, the van might well be there, but it will drive itself, and the boxes might even carry themselves into the shops. That might seem like a trivial anecdote, but one in 10 workers works in the transport and distribution sector, so it will be vital to reskill them. Colleges' historical role in providing such skills points to the future role that they could play.

By December last year, 67 per cent of colleges had allocated their entire bursary budget, and 45 per cent were topping up bursaries from discretionary funds. If we want colleges to play the role that I described, we need to make sure that they are resourced properly. Gillian Martin said that the number of 152,000 might not be quite correct, but those 152,000 places have gone. She might accuse those places of having been for leisure courses, but they are precisely the courses that allow people to skill and reskill themselves for the future economy.

Economic changes are coming. Getting it right for universities and colleges will be key to protecting jobs. We cannot stop the changes, but we can equip ourselves to embrace the future, rather than just endure it.

16:09

Colin Beattie (Midlothian North and Musselburgh) (SNP): Over the past decades, it has become very evident that education is one of the primary routes for young people to reach their life goals and fulfil their aspirations. Colleges and universities play an essential and irreplaceable role in that; they can help to ensure that, whatever a person's background, they will have the same

life opportunities as anyone else. As a result, it is more important than ever to acknowledge and understand the work that colleges and universities do and support them as they should be supported.

Looking at the statistical changes in further and higher education over the past decade, we can see how the sector has responded to the Government's call for more focused support for school leavers. Of the 97,040 students who qualified from higher education in 2014-15, 55,990 were from the 16 to 24-year-old age group; if we compare that with the fact that of the 81,165 students who qualified in 2005-06, 40,160 were in that age group, we will see that there has been an increase of about 7 per cent.

We must not forget that the key factor is the number of students who complete their studies. According to the Scottish funding council's own statistics, we know that the overall percentage increase in the number of qualifiers over the past 10 years stands at 19.6 per cent—or, to give that a number, 15,875.

The importance of multiculturalism in our education system and, by extension, Scotland's global reach should not be underestimated. Universities Scotland's report "Richer for it: The positive social, cultural and educational impact international students have on Scotland" outlined the benefits of international students as being

"the enrichment of the learning experience ... the development of an international outlook amongst home students and graduates ... positive impacts within the wider community ... and the creation of a vast network of alumni around the world who maintain strong and enduring connections to Scotland".

Although having alumni across the globe helps to raise Scotland's profile, attracting foreign students to Scotland is key to providing home-based students with a global outlook. Nearly 80 per cent of business leaders were reported as saying that knowledge and awareness of the wider world were important to them in recruiting, and 85 per cent confirmed that they valued employees who could work with stakeholders from a range of cultures and companies.

In my Midlothian North and Musselburgh constituency, I am privileged to have Queen Margaret University in Musselburgh and Edinburgh College's Dalkeith campus. Queen Margaret University has taken a number of innovative steps to support a range of Scottish sectors. Four years ago, in order to reflect the strength of Scotland's food and drink sector, the university launched the Scottish centre for food development and innovation. In its work with various enterprise agencies on developing innovative healthy products, the centre has engaged around 250 businesses and delivered more than 70 projects since 2011. Given that

health is the main reason for a particular food choice in one out of four meal occasions—and therefore accounts for £11.4 billion to the UK food industry—such initiatives should be applauded, especially given the university's receipt of two Interface awards for innovation and sustained partnership and the Edinburgh Chamber of Commerce award.

QMU has also taken steps to help nurture business start-ups through the rebranding of its business innovation zone to support graduate start-ups in the creative industries. The zone, which includes business incubation units alongside an on-campus business gateway, gives start-ups the opportunity to have premises and advice close to hand. That gateway is the first of its kind to be situated in a university.

With the launch of the student tourism ambassador role Scotland—or STARS—the university has taken steps to enhance our tourism industry. A partnership between the university and Edinburgh airport, the STARS scheme, which sees QMU students acting as paid official international tourism ambassadors at the airport, has been such a success that it has been endorsed by Marketing Edinburgh and will be expanded this year.

In the longer term, the university is continuing to develop the Edinburgh innovation park, which is expected to form part of a network of innovation hubs throughout the greater Edinburgh region. The East Lothian area alone will see an additional and very welcome 13,000 jobs. Although the full extent of the development is likely to take 15 to 20 years, the dividends will clearly be exceptional.

Edinburgh College plays its own very strong role in contributing to Scotland's society. As of May, it was the single biggest provider of students to Edinburgh's universities, and 92 per cent of its graduates were recorded as being in employment or further studies within six months of graduating. Given that the college has around 20,000 students, that is a highly impressive statistic.

There is no doubt that colleges and universities play substantial and invaluable roles in contributing to Scotland's success. I am glad to have had the opportunity to highlight some of the steps that the establishments in my constituency have taken, and I look forward to working with them over the coming years.

16:14

Ross Greer (West Scotland) (Green): Like other members, I start by passing on congratulations from my party and from me to the minister on her appointment.

Without question, our colleges and universities contribute immensely to the Scottish economy and to our society. No member should dispute the opportunities that they provide to individuals, communities and the country as a whole. We can all acknowledge that, and we have all done so.

However, in this session of Parliament, the question is whether we are willing to give the institutions, students and staff the support that they need. The Greens believe that an entitlement-based support system for students in further education would be an ideal place to start. Currently, there is immense uncertainty for FE students about the funding that is available to them. In 2015, more than half of all FE students were not sure how much financial support was available, and most of those students reported that that uncertainty made the decision to undertake their course more difficult.

The uncertainty comes from a funding support system that is based on fixed sums of money rather than the needs of students in further education. A freedom of information request from the National Union of Students found that, by halfway through the year, two thirds of colleges had already committed 100 per cent—or more—of their FE bursary budget.

The situation means that the vast majority of colleges use core teaching funds to make up shortfalls. Many are forced to use their discretionary budget, which is intended to support students who have an immediate financial need, to make up for the shortfall in the bursary budget. Although it is entirely understandable that colleges have felt the need to do that, a system that makes it necessary to transfer money between equally vital funds is not the system that FE students need.

When almost a third of colleges have to stop applications to or limit the amount that they award from the hardship fund because that budget has been diverted, there is a clear need to move to an entitlement-based system that is centred on students' needs. If we do nothing else, we should treat our further education students as the equals of higher education students. There should certainly not be such a disparity in support, depending on whether a student has come through the doors of a college or a university.

Every pound that is invested in colleges results in a net return to the taxpayer of almost £6. We cannot continue with a system that creates such uncertainty that it puts many people off applying in the first place, and which can hold people back from gaining the skills and qualifications that they need, not just to prosper as individuals but to contribute towards improving Scotland's economy.

There are challenges to moving to an entitlement-based system, not least the risk that students who made use of such a system would see their access to social security reduced. A move to an entitlement-based system should protect students from such reductions. We are keen for the Scottish Government to investigate the options in that regard.

An area that is key to supporting all students but in particular those who face barriers to education is the provision of support over the summer months. We are all aware of the serious issue of students dropping out of their course over the summer, primarily as a result of financial pressures. The issue particularly affects students who resit exams.

That is why the Scottish Greens have called for a national hardship fund that can support students between academic years, rebalancing their bursaries or extending payments to cover the summer. Given that last year most students felt that they had little control over their own finances and half seriously considered leaving their course, the need for such a fund is clear. The establishment of a national hardship fund would not only reduce the number of students who drop out of their course but tackle the serious problem of commercial loans, which contribute considerably to the unsustainable levels of debt with which too many students leave education.

We welcome the Scottish Government's commitment to review student support, but of course that is not the whole story. Staff at our colleges and universities have faced real pressure in recent years. I highlight the work of the two major unions in the sector: the University and College Union and the Educational Institute of Scotland Further Education Lecturers Association. The unions have continued to represent their members in the face of unequal pay, real-terms pay cuts and senior management who are indifferent or worse, and they have won notable victories. As Iain Gray said, disputes continue; staff at the University of Edinburgh are on strike today.

Higher education staff have faced a real-terms pay cut of 15 per cent over the past seven years. If we are serious about the benefits that our universities bring, as members of all parties seem to be, can we really see that as acceptable? In a week when yet another university principal hit the headlines—for receiving a salary for his second job that is equal to that of MSPs on top of the frankly obscene salary that he gets from his institution—it is no surprise that staff morale is suffering.

Like the minister, my party and I are committed to keeping Scotland's universities tuition free for our students. Like the minister, I was the first

member of my family to go to university—in an ironic twist of fate I did not complete my course, due to a job offer I could not refuse, which the minister herself made and for which I am still grateful.

The debate must go further than focusing only on tuition fees, and the Greens welcome the Government's commitment in relation to the findings of the commission on widening access. We will push the Government to be bolder and we will challenge it where necessary, but we will also work to ensure that our students and staff at universities and colleges receive the support that they deserve. It is their priorities and their voices that must be at the heart of this debate.

16:20

Rachael Hamilton (South Scotland) (Con): In my maiden speech, I highlighted the importance of colleges in the delivery of Scottish tourism. As the motion states,

“Scotland's young people should have access to a rich variety of high quality learning and training opportunities that prepare them for life and work.”

It is with that in mind that we must recognise the benefit of colleges to our local communities. For example, skills that are gained at Borders College are more likely to be used by employers in the Borders. In the south of Scotland, jobs are typically in low-paid sectors including agriculture, forestry and fishing, and accommodation and food services linked to tourism. I disagree with Gillian Martin, in that college courses play a crucial role in the development of the key skills that are needed in those sectors.

Our colleges serve some of the most rural communities and play a significant role in fair access. There are courses in areas such as catering and hospitality, gamekeeping and wildlife management, which are popular career choices for school leavers. The fact that accessible courses are delivered on their doorstep means that talent is home grown, which allows local businesses to take advantage of those skills. That formula will create increased productivity and growth.

Shirley-Anne Somerville: Does the member recognise that the whole point of the way colleges deliver part-time education is entirely to ensure that courses are based on the needs of local businesses and the local economy, and that those short-term courses are still being funded?

Rachael Hamilton: I draw the minister's attention to my area, where businesses are very reliant on such courses, particularly in hospitality and in the service sector. It is important that we keep hold of part-time courses for rural areas.

There is cross-party agreement that support for skills development is a key driver of productivity in Scotland. Improving productivity is not only vital to business growth but critical to enable employers to pay the living wage and Scotland to remain competitive.

We are all familiar with the Federation of Small Businesses survey that reports that a lack of skills is a barrier to business growth, and with the statement by the commission on developing Scotland's young workforce that young people leave school ill-equipped to progress into the jobs market. The latest unemployment figures for Scotland are disappointing: the jobless total is now 6.2 per cent compared with 5.1 per cent for the rest of the UK. With increasing unemployment and a skills gap, we must ask whether our young people will grow up never realising their potential, trapped in low wages or unemployed, leading to poor health and depression.

In East Lothian, there is currently a mismatch of skills. Some 21 per cent of employers reported that their staff are not fully proficient. A large proportion of people work in elementary jobs in areas such as customer services, care and leisure, and skilled trade occupations. A priority must therefore be to ensure that the demands of the East Lothian community are met and that workers have the skills that the community requires. It is therefore no surprise that, in East Lothian, just 18 per cent of people enter further education, compared with the Scottish average of 24 per cent.

Gillian Martin: Does the member recognise that the comments that I made were about leisure courses and not vocational courses? I think that she might have misheard me.

Rachael Hamilton: I may have misheard the member. I think that she was in quite a rush to deliver her speech, perhaps because she had a time limit. However, I specifically heard her mention services.

Sir Ian Wood's report talks about a world-class system of vocational education in which colleges work with schools and employers to deliver learning that is directly relevant to getting a job. An example of that is Earlston high school in the Borders, where secondary 3 to 6 pupils have a weekly lesson on employability skills called "The Learner Journey", plus a meet the local employer speed-dating session that helps pupils to identify the types of skills that employers require.

The report also makes numerous references to more young people in Scotland accessing college places, and it encourages an uptake in vocational qualifications. The Scottish Government must encourage all schools to offer vocational choices

in the senior phase of the curriculum for excellence to tackle attainment inequalities.

We have heard today that 152,000 college places have been lost under the SNP Government. Part-time courses have been obliterated, mainly to the detriment of women, people who need to work and students with care responsibilities. The SNP needs to stop reducing college funding and help our further education providers respond to the recommendations of the commission for developing Scotland's young workforce.

Colleges are key to unlocking growth and they contribute £14.9 billion each year to the economy, which is 8.8 per cent of our total economic output. The importance of college places is all too clear and exposes the damage that the SNP Government has done to future generations. One could argue that the college funding cuts are a direct consequence of a free tuition policy.

I cannot pass by the number of college places cut in science, technology, engineering and maths subject areas. On the SNP's watch, STEM places have been slashed by 30,000. Our economy is crying out for skilled engineers and a workforce to meet our digital era.

I see that the Deputy Presiding Officer is getting ready to make her drum roll for me, so I will conclude here and skip along.

The Deputy Presiding Officer: Thank you.

Rachael Hamilton: The time to act is now and act we must—

The Deputy Presiding Officer: You will conclude there—you are not skipping anywhere, Ms Hamilton, and it is nothing to do with drum rolls.

I call Tom Arthur, to be followed by James Dornan, who will be the last speaker in the open debate. Members should be back in the chamber for the winding-up speeches.

16:26

Tom Arthur (Renfrewshire South) (SNP): Thank you, Presiding Officer. I will be terse.

I congratulate Shirley-Anne Somerville on her appointment. I very much welcome the Government's motion, which recognises the centrality of FE and HE to building a fairer and more prosperous Scotland. As the first person in my family to go to university, I am keenly aware of what an immense privilege it is to live in a country where we have so many outstanding institutions and, indeed, of just how fortunate we are to have access to those fantastic institutions based on the ability to learn, not the ability to pay.

The commitment to implement the recommendations of the widening access commission and to review support for FE and HE students demonstrates that making sure that Scottish education is world class for all our young people is the central mission of this SNP Government.

Many contributions in this debate have recognised the role of our colleges and universities in driving forward our economy. However, as the debate also considers the broader benefits that our colleges and universities bring to Scottish society, I will focus my remarks on another aspect of their contribution—both here and further afield—which is how it empowers young minds and enables critical thinking.

Before I do, I will share with the chamber my pleasant surprise that the amendment in the name of Liz Smith makes no explicit mention of reintroducing tuition fees. Indeed, it is the third Conservative amendment brought before us in recent weeks that offers a rather different policy position from that set out during the election campaign.

Liz Smith: Will the member take an intervention?

Tom Arthur: No. I am sorry—I am pushed for time.

The Deputy Presiding Officer: You can take an intervention if you like. You have an extra minute. It is up to you.

Tom Arthur: I am pushed for time and I have a lot to get through.

As we are in the midst of a summer of international football, it would be remiss of me not to congratulate the Tories on achieving a hat trick of climbdowns before the summer recess.

I will push on. Today we are considering the work that our colleges and universities carry out and, as is implicit in the Government's motion, we are recognising education's vital role in equipping our young people with the skills to find employment, start a business and contribute to our economic future. However, it is important to recognise that the contribution that our colleges and universities make goes beyond the training of a highly skilled workforce. It is now 200 years since Thomas Jefferson wrote:

"If a nation expects to be ignorant and free, in a state of civilisation, it expects what never was and never will be."

Over the past few days, as I have considered what my contribution to this debate would be, Jefferson's words have come to mind again and again. I must confess that, for me, those words have taken on the tone of a warning to heed, as it seems that we approach troubled times.

It is now more than two decades since Fukuyama declared "The End of History". Since then, it has become increasingly clear that our confidence in the triumph of liberal democracy across the Western world was as misplaced as Hegel's belief in the durability of the Prussian monarchy. In some parts of this island, continent and beyond, there is a rising tide of intolerance, fear and mutual suspicion, evinced in the rise to prominence of populist demagogues and politician plutocrats who draw strength from ignorance and traffic in misinformation.

The fruits of antiquity and the enlightenment—empiricism, logic, scientific method—should be the common currency of all public discourse but, as the late Carl Sagan once noted, too often the products of science have been accepted but not the method. To know what to think but not how to think is to have surrendered that which makes us human. Orwell was correct to observe that the greatest threat to liberty is, as he put it, not the gramophone record but the gramophone mind.

Just as our economy depends on colleges and universities for a skilled and talented workforce, so our democracy depends on all our educators and educational institutions being robust defenders of free inquiry, articulate scepticism and liberty of expression. All our colleges and universities embody that, and it is an achievement we should never fail to celebrate. We should be proud of it and always acknowledge it.

I appreciate that some might regard such a remark as rather obvious, or perhaps overstated and unnecessary. It is certainly easy to take academic freedom for granted. It is easy to take the role that our colleges and universities play in ensuring that for granted. However, we must remember that many people who come to Scotland to study arrive from countries that were subject to the rule of tyrants in our own lifetimes. Against that backdrop and in the context of ever-increasing censorship across the world, our colleges and universities are progressive beacons. It is vital for the future of our colleges and universities that the freedoms that allow students from beyond our shores to study here are not jeopardised by those who value isolation over co-operation.

Our colleges and universities have given so much to Scotland and to the world. They will continue to be central in driving forward economic growth and equipping our young people with the skills to compete in the workforce of the future, and they are formidable ambassadors for our country and our values.

The Deputy Presiding Officer: And that is a good place to stop. You are well over time.

I call James Dornan as the final speaker in the open debate.

16:32

James Dornan (Glasgow Cathcart) (SNP): As the SNP's nominee for the convener of the cross-party group on education and skills, I am delighted to have this opportunity to take part in the debate.

While we are so focused on making a fairer Scotland, it is right that education should be at the heart of that. Every child in Scotland, regardless of their background, deserves an equal chance to succeed in life. Children and young people are the building blocks of our future and every single one should have a fair chance to move into further education and develop. That will only benefit the Scottish economy in the long term.

Colleges play a vital part in the on-going journey to give our young people the best tools in order to succeed. In my city of Glasgow, we are fortunate to have three large colleges—Glasgow Kelvin College, Glasgow Clyde College, which has a campus at Langside in my constituency, and the City of Glasgow College.

The City of Glasgow College occupies more than 11 sites, secures £200 million of private sector funding and £25 million of funding from the Scottish Government. That super-campus is probably Europe's largest campus, serving more than 40,000 students. The college seeks to guarantee employability and prosperity to its students, while maintaining more than 15,000 partnerships with prospective employers. It strives to be at the forefront of learning in the fields of technology, nautical studies and industry, ensuring that the city of Glasgow and Scotland has a workforce that is capable and ready to cope with the economic challenges ahead.

City of Glasgow College is an example of what other colleges up and down the country are doing to ensure the best start in life for our young people. The hub model that colleges follow ensures that there are vital and valuable links between the institutions, schools and local employers.

Colleges are a huge asset to adult learners and people who need retraining or to enter into education and learning for the first time after many years out of high school. At the time of enrolment, many of those adult learners are unemployed or from one-parent families, and colleges are an excellent resource to help people to re-enter the workforce.

Reports have shown that college can be an excellent confidence builder and a bridge that takes many young people into university. I am proud of the Government's commitment to not

introduce the front-door tuition fees that the Tories want or back-door graduate tax as Labour did previously. Young people should be able to enter the workforce and adult life without the noose of thousands of pounds of debt around their neck. For anyone to suggest that tuition fees are a means of closing the attainment gap is complete madness.

Iain Gray: If James Dornan believes that about debt, why does he think that it was the right thing for his Government to replace maintenance grants with loans?

James Dornan: Loans were in place when the Labour Party was in government. Surely what we have to do is work under the economic system that we now have and ensure that we have the support structure for students that is the best in the UK.

The Open University, which has been sadly neglected in today's debate, is another example of the way in which the playing field for education and learning has been levelled. The open entry policy means that there are no formal entry requirements for most qualifications and modules. Some interesting statistics that stood out for me are that 38 per cent of Open University students live in Scotland's 40 per cent most disadvantaged communities; 64 per cent of new OU undergraduates earn less than £25,000; 70 per cent of OU students are in full or part-time work; 15 per cent of students have a disability; 40 per cent of students study STEM subjects and 44 per cent of those are female; 20 per cent do not have traditional university entry qualifications; and 15 per cent of new undergraduates at the OU go there with a college higher national certificate or higher national diploma. There is a lot to admire in the Open University: it makes it much easier for people to access further education and, instead of having to go to university, the university can come to them. Having studied at the Open University many years ago, I know about its benefits.

While all those statistics show that the Open University plays a vital part in levelling the playing field, access to part-time learning is another excellent tool. The university's flexible approach to learning means that people who are in work but wish to change their role, those with families and those in the caring community can access learning on a timescale that best suits their needs. That encourages many who would, in any other circumstances, find a barrier in accessing further education.

Universities have a huge positive economic impact in Scotland. Not only does further education play its part in providing Scotland with a future well-rounded and skilled workforce who will contribute to the economy, but it has a great economic impact on communities. In Glasgow,

universities add £3.7 billion to the economy and they provide 5,800 jobs.

Nelson Mandela once said:

“Education is the most powerful weapon which you can use to change the world.”

If I am fortunate enough to become the convener of the Education and Skills Committee tomorrow, that phrase will be at the forefront of my mind during the period that I am in that role.

16:37

Monica Lennon (Central Scotland) (Lab): I, too, welcome the Minister for Further Education, Higher Education and Science to her position.

Each time education is discussed in the chamber, I find myself thinking back to my own learning journey. Only yesterday, I was in touch with those at my high school to congratulate them on a recent achievement. The work of the staff and students there continues to inspire me—believe it or not, it is almost 20 years since the school gates closed behind me.

I am sure that I echo my report cards when I say that, as a conscientious pupil at St John Ogilvie high school in Hamilton, it was the guidance and encouragement of my teachers that helped me find a path to university. I recognise the sentiments of Shirley-Anne Somerville and others when they said that they were first in their families to attend university. Growing up, I always felt sad that, despite having the ability, nobody in my family had made that journey from school to university.

Fortunately, a clutch of highers and a 20-minute ride on the 267 bus from Blantyre to the University of Strathclyde gave me a ticket to becoming a successful learner and, later, to enter a profession where I hope that I was able to help communities. The opportunity to attend a university easily by public transport and to live with family members in my home town made higher education possible for me, along with some 12-hour night shifts in a local factory. I get that not everyone has a bank of mum and dad behind them and that travel and accommodation costs are a huge barrier for those with the least resources.

I was pleased to hear George Adam recognise the significant contribution that the University of the West of Scotland makes to widening access. I know that Paisley is the centre of George Adam’s world, but I hope that he will not mind my mentioning that UWS is a multicampus university.

Last year, when the UWS campus in Hamilton—the only university based in my region of Central Scotland—faced the threat of closure and relocation to a place that is not easy to reach by public transport, I was horrified. In coalition with

students, staff, residents, businesses, trade unionists and political figures, our local newspaper—the *Hamilton Advertiser*—became the platform for the keep UWS in Hamilton campaign. I thank Richard Lyle for joining the campaign without hesitation and without thinking about party lines. That made it a truly cross-party effort.

For me, it was not about building a political campaign; it was highly personal. People who know Hamilton well will know that, in pre-merger days, UWS Hamilton was Bell College of Technology, which served as a gateway for lifelong learning, was highly accessible and had fantastic transport links and links with local businesses. That remains the case today—mention has been made of UWS’s role in widening participation.

The rejection of a bid to the Scottish funding council to regenerate the ageing campus put the future of the university in our community at risk but, through a highly effective campaign that allowed for a pause in the process, I am pleased to say that a local solution was reached that allowed the campus to remain in Hamilton.

We have much to celebrate in this debate. Shirley-Anne Somerville rightly acknowledged the world-class reputation of Scotland’s universities for research, but Iain Gray mentioned the industrial action that is taking place today and later this week. According to UCU Scotland,

“it is difficult to remain an exemplary teacher or world leading researcher when you face the very real threat of losing your job on an annual basis.”

That is the reality of year-on-year real-terms pay cuts. I echo Iain Gray’s sentiment that staff are paying the price for Scottish Government budget cuts, and that we should be using the Parliament’s powers to stop those cuts and to invest in the HE and FE sectors.

Jamie Greene was right in his diagnosis that student support is struggling to keep up with demand, but I do not think that Labour members agree with the prescription of Conservative members.

Ross Greer made an important point about student support and the hardship that some students face over the summer. Just yesterday, I spoke to Erin, who is a student teacher from Irvine. She described her place at university as her golden ticket, but she told me that there is an assumption that all students can pack up their stuff and return to their family homes over the summer, where they will be looked after financially, practically and emotionally, when that is simply not the case for everyone.

UCAS figures show that the number of 18-year-olds from poorer backgrounds who are applying to

university has dropped, and that the number of places that are offered has dropped even further. Quite simply, the vow is melting away—the rich are still benefiting the most.

That is why in this debate the Scottish Labour amendment seeks a review into student support across the HE and FE sectors. We should commit at least to reversing the cuts made in the last parliamentary session to grants and bursaries, we should introduce guaranteed levels of support for students in FE, and we should protect FE and HE budgets for the duration of this parliamentary session.

The Deputy Presiding Officer: I call Ross Thomson to wind up for the Conservatives. I can give you eight minutes. You do not have to use them all, but you can if you wish.

16:42

Ross Thomson (North East Scotland) (Con): Thank you, Presiding Officer.

I am honoured to represent a region that has such a strong reputation for world-class education and pioneering research. Whether we are talking about Abertay University, which is a centre of excellence for computer games education and the first institution in the world to offer a computer games degree course, Robert Gordon University, which partners with Oil & Gas UK to improve health and safety practices in the energy industry, or the University of Aberdeen and its world-leading research in the field of life sciences, the staff and students of our universities and colleges deserve our most grateful thanks for the contribution that they make to our communities and to our wider economy.

Their economic contribution is considerable. In Aberdeen city and shire, the university and college sector accounts for more than 16,000 jobs and adds more than £1 billion to the local economy. Scotland-wide, the industry is a major exporter in its own right—it brings in more than £450 million in student fees, more than £450 million in student spend and more than £400 million for research and innovation contracts every year. It also attracts foreign direct investment, which helps Scotland to make the most of international opportunities.

Let us not forget, either, the real impact that our colleges and universities can have on our communities. For example, the University of Aberdeen, in partnership with Aberdeen City Council, has developed the Aberdeen sports village as a world-class facility for the north-east of Scotland that provides sport and exercise opportunities for students, schools and the wider community.

However, universities are facing a challenging landscape. Earlier this year, the Scottish Government announced major grant reductions, with both Aberdeen and Robert Gordon universities in my region having their cash cut by a crippling 3.9 per cent. In cash terms that means that Aberdeen university loses almost £3 million and RGU nearly £1.5 million, a move that could lead to large-scale job losses as universities try to find ways to save cash.

Our colleges, meanwhile, have not escaped the cuts. At a time of crisis in the North Sea energy industry, when retraining and trying to retain skills is essential, particularly in our schools, our colleges are shedding jobs and cutting places, with 152,000 places lost since the SNP came to power in 2007.

Colleges are telling us that their current funding settlement is unsustainable, putting many of them in an extremely vulnerable position. I agree with Iain Gray that the fact that colleges are now wholly within the public sector is restricting their ability to raise funds commercially or to borrow. The status has put constraints on them and has pushed a number of them into operational deficit.

It is crucial that we ensure sustainable funding to maintain what our colleges do day-to-day, providing people with the skills that they need to be the workforce of the future and to take Scotland forward. Touching on a point raised by the minister in her opening speech and by my colleague, Rachael Hamilton, I note that I met people from Colleges Scotland this morning and they told me that they are seeking regional flexibility in order to better meet local job market demands, so that people can have flexibility in determining between part-time and full-time courses. Nowhere is that more clearly demonstrated than in the north-east of Scotland in the current economic climate.

On top of that, the much heralded transition training fund, aimed at supporting those made redundant in oil and gas who want to retrain, was launched—or relaunched—yesterday by the Government. I would like to know, on behalf of my constituents, why it has taken four months to get that fund up and running and why it took three months to set up a website to help those affected.

I now turn my attention to contributions made during the debate. We heard a very good contribution from Jenny Gilruth, obviously heralding free tuition in Scotland and making reference to St Andrews. Of course, we know that the truth is that, as with all Scottish universities, there are fees in St Andrews that are comparable to those in England. They are being paid by international students and students from the rest of the UK.

It was great to hear from Jamie Greene about his own experiences at school and college, and great to hear that his teachers are feeling proud of him; given that contribution, they should be. He touched on an important point, which is the reality that a student who is studying a college course in Edinburgh will receive a different level of support to a student studying in Dundee, despite studying the same course.

I agree with Gillian Martin that partnership working needs to be recognised and that there are many positive destinations for our young people; these are not arbitrary choices between college and university but include apprenticeships, work experience and going directly into the world of employment. However, the decisions of this Government have had an impact on colleges with a reduction in availability and choice, which is having a negative impact on the positive destinations of many young people.

I congratulate my colleague Alexander Stewart on his maiden speech to the chamber. He may have had a chequered family past, but he clearly has a bright future ahead of him, given that contribution.

My colleague Rachael Hamilton mentioned the work undertaken by Sir Ian Wood. I congratulate him on his most recent award; he absolutely deserves it, given everything that he has contributed to the north-east and wider Scotland. His report advised that it is best to prepare pupils for work by ensuring that they are given vocational options, and that there is greater partnership and collaboration between schools, employers and colleges. We need to work to meet that challenge.

I congratulate James Dornan, although I know that we have to wait until tomorrow when he will be appointed as convener of the Education and Skills Committee, but I look forward to working with him constructively in that new role.

For those of us on the Conservative benches, education policy is one of our top priorities. As Liz Smith has convincingly laid out, we believe that for our universities to remain competitive as well as meeting the requirement to widen access it is essential that they can raise the income required to meet those challenges with a modest graduate contribution, payable once graduates are in a good job.

Perhaps in summing up the minister can answer this question: if the Scottish Government is aiming to widen access by 20 per cent to students from the most deprived areas, how will that be funded in the context of not squeezing out other students who are already studying?

On colleges, we want to support the case to boost funds to provide more support for training and skills. The SNP's college cuts during the

previous parliamentary session should be reversed immediately.

Scotland should again be a beacon for first-class education in the world. We must remember that it was figures here in Scotland such as David Hume, James Watt and Adam Smith who, through the Scottish enlightenment, helped to shape the modern world that we live in today. I call on members, in that same tradition, to show some enlightenment and to support Liz Smith's amendment.

16:50

The Minister for Employability and Training (Jamie Hepburn): I thank members for their speeches. First, I highlight my colleague Ms Somerville's point that the Government supports free access to education, because we believe education is a public good. For our colleges and universities, this is about developing pupils' skills and nurturing the innovation that will not only allow them to grow individually but contribute to the creation of new employment sectors.

Jamie Greene—in the first speech that I have seen him make in the chamber, although it was not his first speech—mentioned his positive experience of further education at James Watt College and its impact on his life. I certainly agree that further education and our colleges have an important role to play. The Government has a strong track record. Over the previous session, we maintained 116,000 full-time equivalent college places. We will continue that commitment. We said that we would do that, and we did it. It is what we will do going forward, and we will again meet that commitment.

Rachael Hamilton, among other members, commented on the need to support part-time courses. I readily concede the need to do that. Of course, as Ms Somerville set out, this Government supports part-time courses that are geared towards on-going employment. Ms Hamilton also picked up on concerns about college STEM courses. That was an interesting observation to make. Of course, there were more than a third more full-time equivalent engineering, science and maths students in colleges in 2014-15 compared with 2006-07. Again, we have a strong record in that area.

We also have a strong record in supporting further education students. This year's budget of more than £106 million in college bursaries, childcare and discretionary funds is a real-terms increase of 30 per cent since 2006-07. In hugely tight financial times, our budget for this year protects college resource funding at £530 million, providing certainty—

Iain Gray: In every previous year, there has been a budget shortfall for FE student support. In fairness, the Scottish Government has, every year, made an in-year payment for additional support. Is the minister saying that that will not happen this year because the budget is so splendidly funded?

Jamie Hepburn: I am certainly willing to concede that our budget is splendidly funded. The member makes the point for me, does he not? Every year, when there has been a shortfall, the Government has met that shortfall and its commitments to further education students. That is rather at odds with the story that we hear from the Labour benches.

We recognise that there is more to do to expand the reach of our college sector. That work is under way, and it is beginning to bear fruit. Since 2006-07, the number of women studying full-time courses is up by 16 per cent. We have also seen students with a recorded disability account for 16 per cent of all learning hours, which is an increase of 4 percentage points during the same period. Our expansion of the reach of tertiary education is under way.

Liz Smith: The minister is quite right about expanding the reach of the college sector. There has been a modest improvement in the level of bursary support, but that improvement is not as strong as it is in Wales, Northern Ireland and England. What will the Scottish Government do to address that?

Jamie Hepburn: I have set out our strong record of funding students at colleges in terms of our commitment of £106 million this year for bursaries and a range of support. This debate is about the contributions of both colleges and universities to Scotland's success, and it is interesting to hear the remarks from the Conservative benches about support for students. Conservative members would do well to reflect on what is happening across the entirety of the tertiary education sector under the Conservative Government's control compared with what is happening in Scotland. In contrast to the United Kingdom Government, which is abolishing maintenance grants entirely for new students in England from 2016-2017, we will increase the grant element of our package for poorer students by £125 in 2015-16.

We are maintaining free education. There has been much debate about the relative merits of free education. Incidentally, I cannot be the only member in this chamber who benefited by not having to pay tuition fees. It is always interesting to hear members who benefited by that policy come to this chamber and say that today's generation of students have to pay tuition fees so that others can access education. Frankly, the statistics do not bear that out. The reality is that in

the rest of the United Kingdom that is under Conservative control students are now paying fees of up to £27,000 and accruing an average student loan debt in England of £21,180. In Scotland, we have the lowest student debt in the entirety of the United Kingdom. We will take no lessons from Conservative members on our ambitions for supporting students in Scotland.

Rachael Hamilton: Does the minister not think that it is a fallacy that higher education is free in Scotland—the word “free” is sugar-coated—because it comes at a cost to colleges and those in the poorest areas who are prevented from having access?

Jamie Hepburn: I am happy to confirm that I do not think that it is a fallacy that we have free education in Scotland. I was very proud to vote for the reintroduction of free education in Scotland, which compares with tuition fees of £27,000 south of the border.

I was delighted to accept the position of Scottish Government Minister for Employability and Training, and the work that I will do will focus rigidly on those areas. Indeed, this Government will be rigidly focused on ensuring greater attainment in education for underrepresented groups. Looking at measures from the education system, we have school leavers from the 20 per cent most deprived areas of Scotland doing half as well in highers as those from the most affluent areas.

Not by any stretch of the imagination am I saying that the work on broadening participation in education is complete. It is important that our colleges and universities have an integral role in tackling the challenges of broadening attainment. They should provide an accessible and seamless route for learners and reach into industry to create a skilled, employable future workforce. Those are the key aims of our youth employment strategy—developing the young workforce—that has as its aim the reduction of youth unemployment levels by 40 per cent by 2021.

Again, there are considerable strengths to build on. The vast majority of students who leave our universities and colleges go on to a range of positive destinations. As Shirley-Anne Somerville set out in her opening remarks, the number of Scottish-domiciled higher education qualifiers from the country's most deprived areas has increased by over 2,300, from 8,035 in 2007-8 to 10,395 in 2014-15.

As a minister whose brief straddles the economy and education portfolios, I will be working with our tertiary education sector to capitalise on its many successes in a number of areas. We have a very clear blueprint for achieving much of that through the Government's

youth employment strategy, developing the young workforce. Our colleges and universities are central to developing the skills of Scotland's future workforce. The challenge is to ensure that those opportunities are of a high quality and are available to all, and that young people are well supported in the choices that they make.

We are making some progress in broadening the reach of our tertiary education sector but I recognise that there is more to do. That is something that this Administration is absolutely committed to, but—to be clear—we can reflect on the fact that Scotland's colleges and universities provide a modern, responsive and valued part of our education and training system.

This Government is committed to ensuring that everyone in Scotland has an equal opportunity to succeed and contribute. I hope that that commitment is reflected across the chamber. I invite members to join the Government in recognising the value of our colleges and universities and supporting them and Scotland's learners to build on their successes.

Decision Time

17:00

The Presiding Officer (Ken Macintosh): As members might be aware, there has been a slight problem with the terminals and our voting system. In order to resolve that problem, we are going to reboot the system. Therefore, I ask all members to withdraw their cards from their terminals. Do not put them back in yet, please—take them out.

The system will now be restarted.

I ask all members to reinsert their cards in the terminals. Thank you.

If members could bear with us for a few more minutes, we will try to get an explanation to you. *[Interruption.]* I am sorry to say that the reboot did not work. I know that Mr Swinney has offered to put 50p in the meter, but that will not work either.

I have thought about the matter, and we discussed it beforehand. We could have a roll-call, but they take eight minutes per vote, so I am going to use my power under rule 11.3.3 of the standing orders to take the questions on the motion and the amendments tomorrow. However, the broadcasting team can still operate the terminals and we can move to the members' business debate, so we will do so.

Royal Bank of Scotland (Prestonpans Branch)

The Deputy Presiding Officer (Linda Fabiani): The final item of business today is a members' business debate on motion S5M-00113, in the name of Iain Gray, on the closure of the Royal Bank of Scotland's Prestonpans branch. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes with concern the proposed closure of the RBS branch in Prestonpans on 9 August 2016; understands that this will leave RBS customers without a branch in the town and with a trip to either Tranent or Musselburgh for their nearest branch; is unaware of any effort made by the bank to consult the local community and that RBS cites an increase in online and mobile transactions as a contributing factor to the closure; believes that this is unfair to many customers who have been loyal to RBS over the years particularly older customers and those without access to the internet who will be most affected by the closure, and notes calls for the bank to reconsider this decision and put the needs of its customers first.

17:07

Iain Gray (East Lothian) (Lab): I confess that this is not the first time in my time as an MSP that a bank has closed a branch in one of the communities that I represent, but it is the first time that I have brought a closure to Parliament through a motion and debate. The reason for doing so is very straightforward: the RBS branch in Prestonpans is the last bank branch there and when it closes—the closure is planned for August—there will be no banks in the town. That rather brings home a truth that we in the Parliament sometimes forget: Scotland is not a country of half a dozen cities, but is much more a country of hundreds of small towns. We should guard their sustainability and viability with great care.

There are certain institutions in any town that make it viable: a school, a post office, a doctor's surgery, a police station and a bank. To lose the last bank in a community is therefore a serious matter. Indeed, the banks themselves understand that, because they had, until recently, an agreement that wherever a branch in a community was the last bank, whichever bank ran it would not close it. That agreement has simply been binned.

The closure has provoked such a reaction in the town of Prestonpans and the county of East Lothian because of the seriousness of the matter and the threat to the community's sustainability and viability. That is why the local Labour Party—Prestonpans branch Labour Party—has mounted a petition against the closure and has been out on the street in front of the bank collecting signatures

for some weeks now. It is also why the first signatory to that petition was one Jimmy Yule, who is the chair of Prestonpans community council. The council has also made clear its concern about the closure of the bank.

I understand that the institutions that I listed that make our communities viable—schools, post offices and so on—are largely public sector, or partly public sector, or were once public sector, and that RBS is a commercial operation. I cannot deny RBS's case that fewer of its customers are using branches directly, with more customers banking online and so on. However, RBS must understand that that does not mean that no one uses that bank branch. In fact, a number of people sent their experiences to me; all are in a similar vein. Here is one person's experience:

"Unbelievable experience in the bank this afternoon, queues constant, average waiting time 20/25 minutes, the reaction from members of the public was amazing with people constantly coming up and wishing us good luck with the campaign. A few old ladies were explaining to me that they don't have computers so don't bank online,"

and there were

"people opening the door and saying, 'oh hell the queues are out the door again' and leaving."

It is not a branch that has no customers. The customers who use it do not understand why they are now expected to go to RBS branches in Tranent or Musselburgh; those communities are not easy to reach and have several branches of different banks themselves. Customers are also reluctant to trust RBS because they remember that branches close by, in Port Seton and Longniddry, were closed many years ago, and that commitments that were made then about ATMs and alternative facilities were not kept.

Above all, the closure will not suit elderly or disabled customers. One person who signed the Labour Party petition made that clear when she said:

"My aunt is disabled and can't get any further than the Prestonpans branch due to her disability and panic attacks when she gets on the bus to go further afield this local branch is needed for the disabled/elderly".

Another said:

"I work as a care worker with the elderly in Prestonpans. They are all so worried and stressed with the thought of the bank closing. Since receiving the letters last week"

their conversation is about nothing else.

The closure does not suit small businesses, either. A number of people who work in small shops on Prestonpans High Street have expressed concern to me because part of their duties when they close in the evening is to take cash to deposit in the drawer in the branch, which is just across the road. They certainly do not want

to be asked to get on a bus and travel to another town altogether while carrying the day's takings.

Curiously, however, it is also a closure that does not suit children. One signatory to the petition said:

"I use the bank regularly to pay in my account and also my 4 year old son likes to go weekly and pay in ... his ... savings account book".

They added that he loves

"his weekly routine of banking for him then lunch from bakers straight from nursery, which he will miss if I have to travel ... to another branch".

That is the nub of it; that four-year-old boy is RBS's customer of the future and he is one of the people who is losing faith in that branch.

RBS is a bank that often spends time trying to promote a very positive image. In another campaign that I am involved in with Grace Warnock—the "Grace's sign" campaign—RBS has been very supportive of that new sign for disabled toilets and has installed Grace's sign in its own offices. However, in the end it is how RBS treats its customers that matters and there are customers of many years' standing who are angry with the bank. They are angry, too, because they know that not so long ago the bank looked to them, as taxpayers, to bail it out when it was on the point of collapse. The bank promised then that it would return to doing the things that we expect our banks to do. One of the things that we expect our banks to do is to be there on our high streets when we need them. That is why RBS should change its mind about the decision.

17:14

Bruce Crawford (Stirling) (SNP): As is customary, I begin by thanking Iain Gray for lodging the motion. He has effectively set out the position in Prestonpans on the proposed closure of the bank there. As members might imagine, the story that Iain Gray has just told could be told about small towns in many parts of Scotland; indeed, two banks are due to close in my constituency, in Stirling and in Callander. It is not good that the one in Stirling is closing, but at least there is another Royal Bank of Scotland and other banks for people to choose there. However, the closure in Callander could have a real impact, which I want to come back to.

Iain Gray rightly reflected on the reality of new technology such as online banking. Of course, more and more young people are doing their banking online. I do not know whether I am still classed as young, but I certainly do my banking online—I am not so chronologically challenged that I cannot achieve that. However, many people who are a generation older than I am are not as able to access online banking. I know that there is potential for post offices to be involved in banking

for older people, but older people want banks on their high streets.

Iain Gray is right about the issues for small businesses. There is a particular issue about cash at night when businesses close; there is a real security fear for some small businesses if the cash that they have raised during the day cannot be taken care of effectively.

Obviously, closures are about the bottom line, how the bank works and whether it can be a profitable organisation following some of the challenges that it faced a number of years ago after the crash in 2008. However, I believe that the majority of the shares are held by the Government; therefore the shareholders are the people who are being affected by the closures—whether they are in Prestonpans, Stirling or Callander. I have stressed to RBS that although there might be a bottom-line issue and the market might be changing, it has social responsibilities to the customers whom it has served over a long period. The bank has taken financial resources out of the communities in which it has operated and has used those in its own way to make profit, so it has a bit of responsibility back the other way in those communities.

That is particularly true in Callander, which has had challenges in Main Street in the recent past. I spoke to the bank and tried to persuade it not to consider closing the branch there, please, because of the potential impact on the town as it begins to try to readdress its place in the marketplace. That is probably a forlorn hope of mine—as Iain Gray's hope is probably forlorn—but I have asked the bank to consider at least extending the life of the branch until a better outcome is found for Main Street in Callander.

Iain Gray talked about other issues in the Prestonpans area and about what holds the community together. Alongside issues in small rural towns throughout Scotland such as lack of connectivity or the fact that public transport is becoming more and more of a difficulty, a bank closure becomes a really significant issue in people's lives.

I am delighted that Iain Gray has provided us with the opportunity to speak on this important matter. The debate allows members to highlight not only Prestonpans but the particular challenges in their communities, which I am sure they will do. I thank Iain Gray again.

17:19

Rachael Hamilton (South Scotland) (Con): RBS continues with its savage cuts—closing down more branches on our Scottish high streets, this time in Prestonpans. Only in banking could a company post a loss of £2 billion, hand out

£370 million in bonuses to staff and then continue with its ruthless foray into branch closures. Banks should think more about their social responsibilities to vulnerable people and less about profit margins.

I am not sure whether anyone remembers that back in 2010 RBS pledged never to close a branch that was the last branch in town. So what has changed? RBS says that low footfall is to blame and that a significant shift to digital services has happened. However, a large proportion of Prestonpans residents are pensioners and are not all—contrary to the belief of RBS senior management—adept with an iPad. Over-the-counter banking should still be available to those for whom internet banking is not an option.

Business customers are equally important. They require daily banking services and change orders, for which the bank charges handsomely. Competition from out-of-town centres is fierce, and small shops and businesses require essential services to survive and compete.

Sadly, a similar and irretrievable pattern of closures has emerged in the Borders. The RBS branch in Newtown St Boswells shut recently, shortly followed by the Earlston branch. The RBS website does not mention lunch-time closures at the Melrose branch, but the branch religiously continues inconveniently to take a lunch break. Perhaps it is covertly but purposefully weaning its loyal customers off its services.

I remember when my old man enjoyed a whisky at the kitchen table with, and was on first-name terms with, his bank manager, who knew the business inside out. Banks have lost the plot, and I urge RBS to reconsider its proposals.

That brings me on to another contentious subject in East Lothian; service-supply issues are not associated only with banking there. More than 10,000 homes are expected to be built there by 2024, and communities have repeatedly raised concerns about the impact that additional housing will have on the county's infrastructure. Fears that schools and doctors' surgeries will be unable to cope, and concern about the potential for there to be thousands more vehicles on the roads and overcrowding on trains are topped by the on-going closure of high street banks, which is unacceptable. I hope that the Scottish Government will set out its plans for how best to deliver that growth.

It is important that residents of East Lothian receive the best possible deal on infrastructure, and the implementation of a strategy that will best mitigate the impact of population growth. There is an underlying assumption that the A1 and the east coast main line can accommodate the growth, but that is untrue: both are at capacity. Our local train

services are full before they reach Wallyford, and car parks are overflowing. Abellio has said that it will be years until it increases capacity to meet current demand, so how can we have any confidence that it will be able to meet demand? Peak-time rail services between Edinburgh and North Berwick are woefully overcrowded and we are still waiting for the long overdue reopening of the East Linton and Reston stations and for the dualling of the A1 trunk road to the English border.

The pressures on East Lothian continue. Many residents require a car to travel beyond Edinburgh, yet the trunk road network is grinding to a halt, and that is before the massive cumulative predicted growth of Midlothian and Edinburgh. Old Craighall, Sheriffhall, the Edinburgh city bypass and beyond all need massive amounts of investment and planning, but nothing has been done to address that.

I ask Transport Scotland and the Scottish Government not to fail East Lothian as RBS has failed it and I urge them to outline how they will address the infrastructure issues. I also ask RBS to reconsider the Prestonpans closure.

The Deputy Presiding Officer: I remind members that members' business speeches should address the motion in hand and that the minister will respond only to the motion.

17:23

Jackie Baillie (Dumbarton) (Lab): Like others, I thank Iain Gray for securing the debate. It is clear that a number of communities are affected by RBS's latest round of closure announcements. Many of us will remember the television adverts that boasted about the Royal Bank of Scotland's commitment to local communities; I ask members to forgive me for feeling slightly bitter about that and wondering whether that breached the trade descriptions act, as the claim was clearly not the case.

August seems to be the designated month for closures. Following Prestonpans, Callander and Stirling, the impact in my local community centres on Alexandria. The proposal there is to use the post office and ATMs. If people want face-to-face consultations, they will need to travel 4 miles to Dumbarton. However, I think that no matter how accessible the bank attempts to make some of its alternative solutions, the reality is that this is about our towns and town centres. I should state for the record that every time that I have been in the Alexandria branch it has been enormously busy.

There is of course the UK Government protocol on branch closures that all of the banks signed up to last year and which commits them to finding suitable alternative provision for individual communities and to putting in place alternative

banking services where a branch has closed. I accept that RBS has tried to do that, although what it has done is not adequate.

However, in my view, the principal provision of the protocol—that banks should work with local communities to establish the impact of the branch closure, prior to its closure—has not been met. People have not been consulted in advance; the bank announced the closure of the branch and then said, “We’ll talk to you about it.” In my book, that is not consultation but a fait accompli, and I do not think that it is in the spirit of what was intended in the protocol.

Local people are rightly concerned, and I will share two comments with the chamber. First, someone said:

“I’ve been a customer at the RBS Alexandria branch for over 10 years and I doubt I’ll ever switch to online banking because I don’t even use cashline machines.”

I will introduce them to colleagues in the chamber after the debate for instruction.

Meanwhile, someone else said:

“I’ve banked there since I was a child and if it closes I will be moving to another bank. It’s not always suitable to go to Dumbarton. No consultation with clients, just a letter yesterday saying it was closing and we would be kept informed.”

The proposal is so short-sighted, given the regeneration plans for Alexandria town centre and the £6.5 million that is being pumped into the local high street and Mitchell Way, where the bank branch is situated. I also note that the council has already invested just shy of £1 million to improve signage, including improvements to RBS’s premises.

The one thing that makes me absolutely convinced that this is the wrong thing to do is not just the regeneration plans for the town centre but the fact that RBS’s actions have managed to unite the Labour and Scottish National Party groups on West Dunbartonshire Council. That does not happen too often, but the groups have come together to urge RBS to think again. They are absolutely right to do so.

The Deputy Presiding Officer: Thank you, Ms Baillie. I should say well done—you do not sound too well.

Jackie Baillie: Thank you for your concern, Presiding Officer.

17:27

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Like others, I start off by thanking Iain Gray for lodging the motion, making it available for debate and giving members right across Scotland the opportunity to put on record

their deep concerns about local RBS closures affecting their constituencies.

Two branches in Glasgow Maryhill and Springburn are set for closure: Possilpark on 9 August and Maryhill on 17 August. I recently met RBS officials to ask them to review and halt that decision, and I will say more about that in a moment. However, I note that the meeting included representatives from Maryhill and Summerston community council; Possilpark community council; Parkhouse community council; Lambhill and district community council; NG Homes, which represented the social housing movement in the constituency; some of our councillors and Patrick Grady MP. I apologise for not mentioning the many more who were involved, but that gives the chamber a sense of the range of the individuals and citizens who are concerned about the closures.

RBS has put on record the low usage numbers, but when we met its officials to discuss the matter and I asked, “Do you know how many people in the area actually have bank accounts?”, they did not have that information, and I do not know whether they knew it before they made their decision. When I then asked whether they knew how many people were connected to the internet, they did not have that information either. They had not done the very basics to identify the impact of the closures, not just on those who currently use RBS in Possilpark and Maryhill, but—and this makes me just as, if not more concerned—on those in areas such as Possilpark who do not have bank accounts in the first place. As RBS is the only bank in town, it is their only hope of accessing mainstream financial services—and now RBS wants to take that away from them.

That approach directly contradicts RBS’s corporate social responsibility policy. In its “RBS Sustainability Report 2015”, RBS talks about people who

“find themselves at risk of financial exclusion: being unable to access the basic financial services they need for day-to-day living”,

and goes on to say:

“One risk is that people can end up borrowing from payday loan companies or doorstep lenders, which pushes them even further into difficulty as they struggle to pay back high interest charges.”

I asked RBS whether it knew the levels of indebtedness in Possilpark and Maryhill and how many people were seeking alternative lending arrangements such as payday loans, but RBS did not have that most basic information. Its decision was based on a business model that paid no regard to the social consequences, and its consultation is about mitigating the worst effects of its decision, as Jackie Baillie said. That is deeply worrying.

Other organisations have contacted me to express concern. Ruchill Credit Union provided a detailed submission in which it explained how the decision will impact on its organisation, but given the time constraints I will not read out what it said. A local church leader told me that the decision will devastate the local community.

I have to say—after all that—that I had a pretty constructive meeting with RBS in Possilpark about trying to save the branches. We thought about alternatives, such as co-location of branches with other organisations. We had met in a brand new building, in which NG Homes is the anchor tenant and which Jobs and Business Glasgow runs. The building has capacity for an RBS branch, if such blue-sky thinking about co-location can be entertained. RBS said that it would consider alternative co-location options in Maryhill and Possilpark, as well as other suggestions that we were keen to make.

However, RBS cannot possibly consider such options by 9 August, in the case of Possilpark, or by 17 August, in the case of Maryhill. We insist on continuity of banking services across the constituency. RBS has pledged to consider giving a stay of execution to the Possilpark and Maryhill branches, on the basis that we are coming up with alternative solutions. The consultation was flawed, but the meeting was positive.

I know that RBS will be listening to this debate. I urge it to give branches, not just in Possilpark and Maryhill but in all our communities, a stay of execution, so that it can go back to the drawing board and think again. I hope that the minister will back that call.

17:31

Rhoda Grant (Highlands and Islands) (Lab): I congratulate Iain Gray on securing the debate. I understand that the RBS branch closure is a big problem for his constituents in Prestonpans.

I share Iain Gray's concern, because RBS is taking similar action throughout the Highlands and Islands, which is causing problems for my constituents. Most recent is its decision to reduce opening hours in the branches in Campbeltown, Bowmore and Scarinish. The two island branches are open only two days a week, and access to an alternative branch involves a ferry journey. People in Campbeltown and Prestonpans might not be on islands, but they too cannot easily access an alternative branch.

Those service reductions by RBS follow last year's closure of branches in the Highlands and Islands—in Lochinver, Stromness, Invergordon and Lybster. However, the problem is not just to do with RBS; many high street banks, including

the Bank of Scotland, are following suit and closing branches in remote areas.

It is simply wrong of the banks to take a wholly business-focused approach and ignore the needs of their customers, who are the very taxpayers who bailed them out not so long ago. It is simply wrong that banks are ignoring their duty to repay their debt of gratitude and are cutting services.

Banks cite internet banking as the reason for the reduction in services, telling us that there is reduced footfall. In my area, that adds insult to injury, because banks are targeting service cuts at places where internet access is patchy at best. Areas that have an unreliable internet service and no branch have no banking services at all.

In addition, elderly people are less likely to bank online and are more vulnerable to fraudulent activity through telephone or email banking scams. The needs of the most vulnerable people in our communities are being ignored. If we are to help to protect such people, we need to ensure that they have access to information and services at local branches of their banks.

We perhaps also need to think about how we support credit unions to open branches in small communities, to enable elderly people, people who do not use internet banking and people who do not have bank accounts to access financial services. It seems to me that banks have altogether given up that role in the community and we need to look at alternative provision.

Banks have a duty to the customers who bailed them out. It is time for Government to intervene on behalf of customers to try to stop the closures.

17:34

Neil Findlay (Lothian) (Lab): The Royal Bank of Scotland, like the banking sector in general, is going through a mass evacuation in its branch network. Across the country, a cull of branches appears to be going on, and that cull is clear evidence of a complete failure of planning and absence of managerial competence.

On the one hand, we have a marketing strategy that is aimed at moving people away from branches and on to telephone and internet banking because, as well as it being promoted as convenient for the customer, it also cuts costs. On the other hand, we have a policy that, when it was launched, stated:

"We pledge to stay open for business if we are the last bank in town".

Since that policy was announced, we have witnessed bank after bank close—600 since 2010—and many of them were the last bank in town.

How on earth can senior banking executives have got it so spectacularly wrong? Is it not obvious that, if a company drives a policy that leads people away from banking in person towards using and relying on technology, it will inevitably run down the branch network? To promote a “last bank in town” policy at the same time was either complete incompetence or a policy that deliberately sought to mislead customers and the public. RBS has never declared which of those is the case.

Many branches have closed in my region, such as at Fauldhouse, Armadale, South Gyle, Tollcross, the royal infirmary, North Bridge, Balerno, Goldenacre and Newtongrange, and more closures are planned at West Calder, Broxburn, Fairmilehead, Colinton and Heriot-Watt. Indeed, there may be more.

This is a bank that we control, with a 73 per cent stake. As a shareholder in the bank, I do not give my authority for the closure of branches; I hope that none of us does. We are indeed the shareholders. Maybe the Conservative member who is here in the chamber could have a word with the chancellor, because he has a bit of influence over what goes on in this situation.

This is a bank that we had to bail out and a bank where successive corporate failure has been rewarded, with £17.4 million being awarded in shares to 10 of the senior management team. The chief executive is on a salary of £3.8 million and £2.6 million-worth of shares, and all the time banking staff are lucky to get 1 per cent increases. That reinforces the view that there is one law for a certain group of people and another law for the rest.

The closure programme is just another example of RBS’s failings. There has been no discussion with loyal customers and no consultation—just corporate diktat from the boardroom.

RBS could do one thing to try to get its way out of things, or to gain some credibility with communities. Of course, it could stop the closures, or at least some of them, but it could also think about how it could give something back to the communities that it has profited from over the years. Where there is a desire for it and where it is practical to do so, it could transfer the asset—the building—to the community. That would at least do something to reward those loyal communities. I have asked for that in my area, and RBS has refused. Even though the bank closed about 18 months ago, the building still lies vacant. That is just another example of poor management by RBS. Members of the public deserve much better.

Bob Doris said that RBS did not have basic information such as the number of people with bank accounts or the number with internet access.

It does not have that information because it does not care. It does not want to have it. It has a programme of closure and it is going to ram it through come what may. That is the reality.

I have requested a similar meeting to the one that Bob Doris had. Unfortunately, I am still waiting on a reply.

The Deputy Presiding Officer: I call Paul Wheelhouse to wind up the debate.

17:39

The Minister for Business, Innovation and Energy (Paul Wheelhouse): I thank Iain Gray for lodging his motion. I am not sure whether I have congratulated Linda Fabiani on her appointment as Deputy Presiding Officer since we returned to Parliament, but I do so now.

The Parliament has previously debated the closure of bank branches, which is an extremely important issue. I appreciate that members have raised genuine concerns as the Royal Bank of Scotland and other banks continue to close branches, not only in Mr Gray’s East Lothian constituency but, as we have heard, across Scotland. I have made a rough tally—I apologise, as it may not be accurate. In the current year, nine Clydesdale Bank branches, 13 Bank of Scotland branches, eight TSB branches and 13 RBS branches have closed. That gives a sense of the scale of the change that is happening at the local level.

I am aware of a number of closures in East Lothian and the Scottish Borders, including the loss of the historic branch in my own village of Ayton, which was hard felt locally. Concerns have been raised again today about the impact of branch closures on our local communities, and members have made very important points. Many members highlighted branches that appeared to be busy on recent visits. Sometimes it is difficult for us to understand the business driver for branch closures. I will come to that later.

Banks have an essential role in Scottish society, as members across the chamber have recognised. They are particularly important to our local economies. We all rely on banks in order to conduct our daily lives. The Scottish Government is absolutely clear that customers must be at the heart of what banks do and the decisions that they make. Iain Gray made the important point that the RBS branch in Prestonpans was the last one in the town. That is particularly significant to that community, but it has also been the experience in other places around the country.

RBS’s branch closure decisions will have an effect on everyone in the local community, not least the staff employed at those branches—let us

not forget them. The staff have, often for many years, provided a much-valued service to their customers. Iain Gray hit on the point that the branch in Prestonpans is very much valued. I am not at liberty to give out details, but I understand that there are no plans for compulsory redundancies, which at least is something positive to take from the discussion.

As Iain Gray identified, there are commercial drivers, and we all accept that the banks must address their long-term financial sustainability. RBS is undertaking a restructuring process to bring the bank back into profitability and, ultimately, to take it out of public ownership. RBS has made it clear that, to do that, cost savings and, unfortunately, difficult decisions must be made. We understand that.

However, it is clear from today's debate and from previous debates that members do not feel that RBS gives sufficient weight to the views of customers and the wider community when it is deciding whether to close a branch. As Jackie Baillie highlighted, there are concerns about engagement with local communities such as the community in Alexandria, which can ill-afford to lose vital employment. The closure of a branch should be a last resort and should occur only where business and personal customers will still have ready access to the banking services that they need. Rhoda Grant gave an important perspective when she set out in some detail how closures would impact on rural areas.

When a decision is made to close a branch, there is a three-month period between the closure announcement and the closure itself. That timescale was agreed by the banks, consumer bodies and the UK Government, and is set out in a branch closure protocol. RBS and other banks are clear that the 12-week period is a notice period, not a consultation period, but it can and should be used for genuine engagement with customers. Alternative arrangements should be clearly explained and any particular difficulties resolved where possible. As members have highlighted, there appears to be no opportunity for customers and communities to influence a bank's decision. When a closure is announced, the decision has already been made. It is, as Jackie Baillie put it, a fait accompli, which is a matter of great regret to us all.

As Mr Gray highlighted in his motion, there is no doubt that many bank customers are increasingly using alternative methods to access banking services. For example, RBS reports that branch transactions have declined by 40 per cent since 2010. However, although online and mobile transactions have grown by more than 400 per cent in the same period, Bruce Crawford talked effectively about the impact on older customers of

our overreliance on looking at online banking as the solution to branch closures. RBS notes that only 9 per cent of its total transactions are now branch based, which is down from 25 per cent in 2010. However, people often go into a branch because they want face-to-face contact, as they may have a more complex issue that needs to be resolved—they may be seeking advice and support at a time of distress.

As internet and mobile banking continues to grow in popularity, the impact on the number of customers who actively use a physical local branch is inevitable. Such solutions do not and cannot suit all customers—not everyone has easy access to the internet or to mobile banking. Face-to-face banking is still considered to be essential by many customers, and a physical branch presence will continue to be a requirement for many years to come. Banks must therefore consider access to suitable alternative service provision in any decisions that they make about the delivery of branch services.

As members have highlighted, disabled and elderly customers will be disproportionately affected.

Neil Findlay: Does the minister agree that it is absurd to pursue a policy of moving people on to telephone and internet banking at the same time as promoting the last bank in town policy? That, to me, is crazy.

Paul Wheelhouse: It is not for me to criticise banks' decisions about how they go about their business and whether they promote telephone or online banking. However, I agree that it is important for banks to understand the impact of a branch closure on customers such as those who cannot take advantage of telephone banking because they do not have access to a telephone or those who do not have access to the internet. It is essential to take on board the impact on someone who is disadvantaged in a digital sense. I listened with great attention to what Bob Doris said about that.

Bob Doris rose—

Paul Wheelhouse: As he is asking, I will give way to him.

Bob Doris: The minister talked about a shift away from high street banking. In areas such as Possilpark that suffer from deprivation, people have never made the shift from being financially excluded to being financially included. If the bricks and mortar bank is no longer on the high street, the area is being written off for generations to come. Should RBS not think about that before it decides to close a branch?

Paul Wheelhouse: That is an important point, to which I was about to turn. In his speech, Mr

Doris made some important points about his constituency and I commend him for the action that he has taken in engaging with RBS to discuss the impact on his local community. He is quite right that we face a big challenge in Scotland in relation to access to banking services for many people, but the situation is obviously not helped if the only local branch that people can access physically is being closed.

The banks might also be missing an opportunity. They might gain customers who might not be high-net-worth individuals, but who could be of value to the business in future. I regret that that does not appear to have played more of a part in the decision-making process.

Bruce Crawford made an important point about businesses that generate cash—I apologise if other members have mentioned them as well. Whether we are talking about the local farmer or a hospitality business—particularly in areas that have many tourism businesses, such as Mr Crawford's constituency—businesses that take a lot of cash every day need somewhere to safely deposit that cash.

RBS maintains that it is continuing to invest in its mobile branches. They provide services in many areas where local branches have closed and visit communities that previously had no branch presence. However, that is very much a supply-led approach that is not necessarily as flexible for consumers as a physical branch would be: customers can choose when they decide to appear at the branch but the van service might not be available to them at that time.

I welcome the use of post offices as an alternative location for banking transactions, although the post office network has also contracted in recent years, and major changes mean that it is not necessarily in a particularly stable place either.

There are other providers of financial services in Scotland. The Scottish Government has long recognised the valuable contribution of credit unions.

Bob Doris: Will the minister give way?

Paul Wheelhouse: I was just going to touch on credit unions but I will give way.

Bob Doris: The minister mentioned the post office as an alternative, but people cannot open a bank account, set up or alter a direct debit or standing order, or get loans advice or mortgage advice at the post office. Post offices just do not cut it.

The Deputy Presiding Officer: Minister, can you wind up fairly quickly, please?

Paul Wheelhouse: I will, Presiding Officer.

I do not want to criticise the post office network; I merely make the point that, as a fallback and in the absence of a local bank, at least the post office improves access and allows people to obtain funds. However, I take on board Mr Doris's points about the services that it provides.

There are other service providers, including credit unions, that tackle financial exclusion of the kind that Mr Doris mentioned, and I was pleased to hear him refer to credit unions in his speech. Credit unions provide vital financial services to a wide range of customers. As I said, I have been very struck by Mr Doris's intervention for his local branch and I wish him success with the campaign.

I appreciate members' concerns about the impacts of the closures on our communities across the country, whether they are in the Borders, as Rachael Hamilton said, or in East Lothian, as Mr Gray said. In my new ministerial role, I will meet representatives from the banks regularly and I undertake to raise the issue when I have the opportunity to do so to ensure that the banks are aware of the strength of feeling across the chamber today.

As Bruce Crawford, Iain Gray and Neil Findlay pointed out, RBS is 71 per cent publicly owned, and I urge it to listen to and work with local communities and their representatives. It must ensure that banking services remain readily accessible to all and meet the needs of Scottish communities, and must work to ensure that the closure of bank branches in remote and vulnerable communities does not harm the common good. I hope that a positive outcome can come from Mr Doris's discussions with RBS regarding his constituency and—if Mr Findlay is given an appointment—that there are opportunities to look at alternative models, which Government will be supportive of where it can be.

Thank you very much for your patience, Presiding Officer.

The Deputy Presiding Officer: Thank you, minister.

Meeting closed at 17:50.

This is the final edition of the *Official Report* for this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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

All documents are available on the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba