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Scottish Parliament

Tuesday 4 October 2016

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

Time for Reflection

The Presiding Officer (Ken Macintosh): Good afternoon. The first item of business today is time for reflection, for which our leader is the Rev Manson Merchant from Dyce parish church in Aberdeen.

The Rev Manson Merchant (Dyce Parish Church, Aberdeen): Thank you, Presiding Officer. Members of the Scottish Parliament, I thank you for the opportunity to address you this afternoon.

It was on this very day—4 October—in 1883 that the Boys Brigade was founded in Glasgow by Sir William Alexander Smith. From that one unit—the 1st Glasgow company—the Boys Brigade has grown into a worldwide movement. It is one of the largest Christian youth organisations in the United Kingdom and the Republic of Ireland and is committed to lives being enriched by supporting children and young people to reach their full potential through providing opportunities for them to meet and engage in a range of fun developmental activities and experiences.

For more than 130 years, the Boys Brigade has partnered local churches to work with children and young people, through sharing the gospel and encouraging the development of personal faith in Jesus Christ. Today, it works alongside 1,400 churches of all denominations to reach out to over 50,000 children and young people each week.

As a youngster, I became involved with the Boys Brigade. It played a pivotal role in my life, for it was through that involvement that I eventually felt the call to the ordained ministry in the Church of Scotland, so I am truly thankful for the Boys Brigade.

The motto of the Boys Brigade, as many of you will know already, is “Sure & Steadfast”. The crest—the emblem—of the Boys Brigade is an anchor set in front of a red cross. What is the purpose of an anchor? Its main purpose is to stop a ship from drifting. The anchor is cast into the sea so that the vessel does not drift unnecessarily from its position because of currents. The Boys Brigade offers a sense of stability to many young people in what can often be a stormy world. Long may it continue to flourish and to help many of our young people to grow up to be well-rounded citizens.

Members of the Scottish Parliament, my prayer for all of you as you seek to discharge the great honour that has been conferred upon you by the electorate is that you be sure in your decision making and steadfast in your calling to be servants of the people of Scotland, who have entrusted you to lead this great nation. May God bless you all.

Topical Question Time

14:04

Common Agricultural Policy Loan Scheme

1. Stewart Stevenson (Banffshire and Buchan Coast) (SNP): To ask the Scottish Government whether it will provide an update on progress that it has made in delivering the national common agricultural policy loan scheme. (S5T-00117)

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): I announced the national basic payment support scheme for 2016 to Parliament on 13 September, and delivery has proceeded on the timescale that was set out in that announcement.

Letters inviting farmers and crofters to apply for loans were issued dated 27 September, and everyone who is eligible to apply for a loan should receive their letter this week.

I regret that after letters were sent, manual checking of a sample of the calculations uncovered an undervaluation of entitlement that affected some potential applicants. Clearly, that is regrettable and I appreciate fully that it will have caused confusion for people receiving letters. Revised loan letters will be issued to the affected farmers and crofters this week. However, it is important to note that no farmer or crofter who is entitled to receive a loan will be worse off as a result of that undervaluation. Indeed, every single farmer or crofter who is affected will be entitled to receive more than they were originally notified of.

Stewart Stevenson: I thank the cabinet secretary for his explanation and assurance about what are clearly difficult circumstances. Can he advise when all payments can be expected to be made under the scheme after the closure of applications in about two weeks?

Fergus Ewing: I can advise that our aim was that the bulk of the payments should be made in the first fortnight of November, and that is still our intention. I would not use the term “closure” because we have asked farmers to return the form by 12 October, and those who are affected by the adjustment following the undervaluation will be given a further week to do that. However, there is no cut-off period; no one is excluded if they do not meet the deadlines. In other words, those who miss the deadlines will still receive a loan payment but might not receive it at the same time as everyone whose forms are returned timeously.

Stewart Stevenson: I am sure that the flexibility that the Government is showing will be very welcome. The cabinet secretary said in a

statement to Parliament that a small number of businesses will not qualify for a loan. How many might be involved, why might they not receive loans and what help might be forthcoming for them?

Fergus Ewing: A relatively small minority of businesses will not receive loan offers at this stage because of the complexity of their cases. There is a variety of cases in that category, and we are absolutely determined to work through all of them. As the validity of each case is resolved and where eligibility is established, loan offers will be issued case by case.

Peter Chapman (North East Scotland) (Con): I remind members of my farming interests, which are noted in the members’ register of interests.

The shambles continues. To be frank, you could hardly make it up. However, my question is this: can the cabinet secretary explain why only an estimated 17,000 farmers are to be offered loans under the scheme, rather than the 18,300 businesses that are eligible for CAP payments? Are those the same businesses that are still awaiting substantial sums of money from the 2015 scheme? In other words, are they facing a double whammy?

Fergus Ewing: We expect to issue loan offers to more than 17,000 businesses, so I do not agree with that part of the Peter Chapman’s contention. I will be able to provide more details in the time that will be available tomorrow, when there will be a statement in the chamber on the matter. However, I respectfully point out to the member that I believe that the loan scheme that I announced has been broadly welcomed—apart from by the Conservative Party and the Liberal Democrats—by the National Farmers Union Scotland and certainly by individual farmers and crofters to whom I have spoken. That is the case not least because the loan payments—which are, in most cases, 80 per cent of entitlement of basic payments—will be received considerably earlier than the money would have been received in normal years. That has the fortunate benefit that there will be a substantial injection into the rural economy of up to £300 million during the course of November. I am very pleased that that has been welcomed by the overwhelming majority of people, albeit that they are outwith this chamber.

Rhoda Grant (Highlands and Islands) (Lab): The cabinet secretary said that the mistake was picked up during manual checking. Was it another fault in the new computer system?

Fergus Ewing: As soon as I was alerted to the matter, I instructed that an internal investigation be conducted by an independent team—in other words, people who were not directly involved in the scheme’s administration. It is best to wait until

the results of the investigation are known. I will certainly come back to Rhoda Grant and other members once the investigation has taken place. I intend to ensure that it is conducted with due expedition.

Mike Rumbles (North East Scotland) (LD): Last Thursday morning, Mr Ewing's officials told the Public Audit Committee that farmers had nothing to worry about and that the system's information technology problems were being fixed. By that afternoon, we knew that another shambles was in the offing, as hundreds of farmers were left in the dark over their loan applications. Why were the minister's officials not more forthcoming when they came to Parliament's Public Audit Committee last Thursday morning?

Fergus Ewing: I do not accept Mr Rumbles's assertions. First of all, he asserts that there was, necessarily, an IT problem. I just gave an answer a moment ago in which I said that the precise nature of why the mistake arose—[*Interruption.*] I am being barracked again by Mr Rumbles, as is normally the case. Let me repeat: a moment ago I said in answer to Rhoda Grant that we are quite appropriately carrying out an internal investigation into precisely what went wrong. I think it better to wait for the outcome of that, frankly, before one assumes—as Mr Rumbles did a moment ago—that it was necessarily related to an IT problem.

I am absolutely delighted—[*Interruption.*]. There Mr Rumbles goes again, Presiding Officer. I am absolutely delighted that my officials corrected the error, which they spotted almost immediately. No one—not one farmer and not one crofter—will lose a penny piece.

I am delighted that we have taken the step of responding to the situation by providing a national payment scheme, which will inject considerable amounts of money into the rural economy. I am also pleased that that policy seems to have the broad support of the farming community—if not of Mr Rumbles.

John Scott (Ayr) (Con): I declare an interest as a farmer. The cabinet secretary will be well aware of the growing clamour about the continuing failure of basic payments to be made for 2015, with approximately 700 recipients still waiting for their payments. Peter Chapman's question about that group remains unanswered. Will the same group suffer twice from being excluded from payments?

The loan scheme for 80 per cent of the 2016 basic payment is welcome, but will the cabinet secretary tell us when the remaining 20 per cent is likely to be paid, to give certainty to cash-flow predictions of hard-pressed farmers?

Fergus Ewing: That goes somewhat beyond the province of the original question—if I may say so, Presiding Officer—because it relates to the

loan scheme. However, I am happy to say two things in response to John Scott's question. First, I will provide more information about the matter tomorrow when we will have considerably more time to discuss the issue. Secondly, I assure Mr Scott that my officials are working extremely hard to make sure that the balance of the basic pillar 1 payments that are due to farmers is paid as quickly as possible.

Neil Findlay (Lothian) (Lab): As members are declaring their interests, I declare an interest as a taxpayer. The matter appears to be the latest in a long line of shambolic Scottish Government IT project fiascos. If the Government cannot sort out farm payments, what chance will we have when some of the benefits system is transferred to it?

On farm payments, how much taxpayers' money has been poured down the drain?

Fergus Ewing: The cost to the taxpayer of the mistake—which was corrected immediately—will be the cost of posting out the letters.

Edward Mountain (Highlands and Islands) (Con): I declare an interest as a partner in a farm partnership. Will the cabinet secretary give us an idea how many letters were sent out, thereby telling us how many people were given the wrong information?

Fergus Ewing: I have said that a relatively small minority of farmers were affected and that I will come back to Parliament with full details in the statement that I will—thanks to the Parliamentary Bureau—be able to make tomorrow.

The Presiding Officer (Ken Macintosh): Thank you, cabinet secretary. A motion to that effect will be moved later today. The motion will include a statement to be made at 2.40 tomorrow, for members' interest.

Clair Oil Platform

2. **Tavish Scott (Shetland Islands) (LD):** To ask the Scottish Government what environmental assessment it has made of the leak from the Clair oil platform, west of Shetland. (S5T-00102)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): Marine Scotland has been working with the Maritime and Coastguard Agency, the Department for Business, Energy and Industrial Strategy, the Joint Nature Conservation Committee and the operator, BP, to assess the environmental impact of the leak from the Clair field. It is understood that the oil came from the produced-water system rather than from a leak from the well.

Initial aerial surveillance and modelling show that the oil is moving north-north-east from the platform. That presents a low risk to environmental

sensitivities such as seabirds and sea bed features and has informed Marine Scotland's advice that the most appropriate response is to allow the oil to disperse naturally. BP has been asked to carry out further modelling to allow a full environmental impact assessment to be undertaken. BP is also deploying a vessel to the area, which will take water samples. Marine Scotland will be passed the information for review.

Tavish Scott: Does the cabinet secretary accept the inherent risks of oil and gas extraction in the United Kingdom continental shelf, particularly west of Shetland, both to the offshore workforce, which it is important not to forget on these occasions, and to the marine environment? Will she ensure that BP and other operators guard against those risks through robust operational procedures and measures to minimise the impact of spillages at sea? Can she confirm that BP's Clair field has operated since 2005 without any spill that we are aware of?

Roseanna Cunningham: On the last point, I think that Tavish Scott is correct and that this is the first such incident since the Clair field began operations.

On the more general issue, all industrial activity has to have regard to the safety of its workforce and the environment—all that is taken into account on an on-going basis. In this particular set of circumstances, the environmental risk has been assessed as low. There is always the potential for such incidents to happen. However, we need to remember the importance of the oil and gas industry to the Scottish economy.

I remind members that the regulator for the oil and gas industry is the Department for Business, Energy and Industrial Strategy. The department is investigating and will carry out enforcement action if that is considered necessary.

Tavish Scott: Can I take it that BP's environmental assessment has been shared with the Scottish Government? Does the cabinet secretary understand that it states that there is some risk of seabirds being oiled to the north-north-east? Finally, has the Government been informed as to why the spill occurred, and when does it hope to find out the details, to ensure that this does not happen again?

Roseanna Cunningham: The member asked about three different areas. On when we will find out the details, when the Department for Business, Energy and Industrial Strategy finalises its review, the information should be shared with us.

Impact on the sea bed is not a current concern. The oil might sink to a depth of about 25m, but the sea bed in this area is at 140m, with the nearest marine protected area some 20km away, in water depths of between 300m and 600m. The advice

about natural dispersal has been accepted as the best way to proceed at present, on the information that we have.

As I indicated in my first answer, BP has been asked to carry out further modelling. We are looking at the potential for a full environmental impact assessment to be undertaken. BP is deploying a vessel to the area, which is taking further water samples. That information will, of course, be passed to Marine Scotland in due course.

Maurice Golden (West Scotland) (Con): There are 571 platforms in the North Sea that, if removed via a single lift, would need to be floated past Scotland to decommissioning yards that are big enough to handle them in England or elsewhere, with the risk of causing environmental harm. What plans does the Scottish Government have to support a large-scale decommissioning port in Shetland or elsewhere to provide jobs and to realise the true value of decommissioning for Scotland as part of our journey to a more circular economy?

The Presiding Officer: That is fairly broad so the minister might wish to give a short answer.

Roseanna Cunningham: That is a little beyond my portfolio responsibilities. However, the Scottish Government is always on the lookout for potential further developments to help the economy of Scotland.

John Finnie (Highlands and Islands) (Green): Environmental assessments are very important, as are marine protection areas, and I am concerned about a pattern of marine behaviour that places our oceans at risk. The BP spokesman said:

"The release was stopped within an hour".

The Transocean Winner was carrying 280 tonnes of diesel when it ran aground off Lewis. Cromarty Firth Port Authority plans to transfer 8.4 million tonnes of oil between ships in the open seas of the Moray Firth. The cabinet secretary referred to the Marine Scotland report from February, which states:

"A further area of increased activity by Marine Scotland is the service provided for Ministers on emergency responses to maritime incidents."

Does the cabinet secretary agree that the Scottish Government needs to be more robust at heading off emergencies, and that it can do that by formally objecting to the ship-to-ship transfer of oil in the open seas and by supporting robust action against reckless and negligent operators? If the Government does that—the cabinet secretary is shaking her head, but it is an important issue—it will protect not only the pod of orcas that swim between Iceland and the Moray Firth coast but

wider marine life, our fishermen and our tourism industry.

The Presiding Officer: Again, that was quite a broad follow-up question.

Roseanna Cunningham: With the greatest of respect, Presiding Officer, it also ranged over a number of different areas that are not covered by Tavish Scott's question. John Finnie's initial comments related to the rig that ran aground on Lewis rather than to issues that relate directly to the incident off Shetland.

As I have indicated, the regulator of the oil and gas industry is the Westminster Department for Business, Energy and Industrial Strategy. Marine Scotland is a consultee in that process and the Scottish Government will continue to liaise with key stakeholders such as BP and any others that might be involved in incidents.

I reiterate that the oil and gas industry is extremely important to the Scottish economy. We rely on a mixed energy portfolio and oil and gas is an integral part of that. It is important that we maximise recovery from the North Sea, but we have to do that in a responsible and efficient manner. A successful sector is also important in helping us to transition to a low-carbon economy, in which the skills and capabilities that have been built up over decades will be critical.

There is a constant balance between what is required to ensure that the economic interest continues and what is required to minimise environmental incidents and ensure that they do not become such an issue that we begin to lose the economic benefit. Although the regulator is reserved, Marine Scotland is involved in the matter and we are, as always, involved in the discussions to ensure the best possible outcome.

My major concern is, obviously, the marine environment and I have been assured that this incident has minimal risk for the marine environment. It does not impact the sea bed, which is too far below the surface to be affected. The product of the produced-waters system is crude oil mixed with sea water; it is not a straightforward oil leak. The incident was a single event; it has not been a continuous leak. In terms of what might have happened, the result is at the absolute minimum, so we have been extremely lucky. However, part of the outcome of the investigation will be to inform future action and the decision on whether enforcement is required as a result.

Rhoda Grant (Highlands and Islands) (Lab): How long will it take for the oil to disperse naturally, and will there be a risk to fish and sea mammals while that happens?

Roseanna Cunningham: I am not advised of any such risk. I can try to establish whether there is any estimate of the time that it will take for the dispersal to occur. If it is possible to give that kind of estimate, I will ensure that the member receives the information. However, at this point, I do not know whether it is possible to make any prediction about how long it will take for dispersal to take place.

Draft Budget 2017-18 (Timetable)

The Deputy Presiding Officer (Christine Grahame): The next item of business is a debate on motion S5M-01788, in the name of Bruce Crawford, on the timetable for the Scottish Government's draft budget 2017-18.

We have a little time in hand, so I will make allowances for interventions.

14:26

Bruce Crawford (Stirling) (SNP): This is my maiden speech as convener of the Finance and Constitution Committee. I can safely say that I have had a steep learning curve over the past month. I also concede that I had not anticipated spending quite so much time considering the timetable for the draft budget.

There are two main areas that I want to cover on behalf of the committee. First, there is the immediate issue of the timetable for 2017-18; and, secondly, there are issues arising from the new financial powers, which will have a significant impact on how we conduct our budget scrutiny this year and beyond.

On that specific matter, the committee and the Cabinet Secretary for Finance and the Constitution have agreed to establish a budget process review group. The group's work will include examining the impact of the new powers. I am delighted that a number of senior public finance experts, including the Auditor General, have agreed to join the group. Along with the cabinet secretary, I welcomed the external experts before they began their work at the group's first meeting last Thursday. The group has a huge challenge in considering the impact of the new powers and redesigning the budget process, together with its timetable, prior to the publication of the draft budget for 2018-19.

With regard to the draft budget timetable for 2017-18, it might be helpful to the Parliament if I provide some procedural context for the debate. Under the terms of the written agreement, the Scottish Government is required to consult the Finance and Constitution Committee on a revised timescale for the budget process if it believes that it might not be able to publish the draft budget by 20 September. As a result, the cabinet secretary wrote to the committee on 23 June, indicating that his preferred option would be for the draft budget this year to be published after the United Kingdom Government's autumn statement.

As we now know, the autumn statement will be published on 23 November, and the cabinet secretary has indicated to the committee that he intends to publish the draft budget three weeks

thereafter, which takes us to the week beginning 12 December. The committee recognises that the timescale is challenging but emphasises that it is necessary in order to allow some evidence to be taken prior to the Christmas recess. The committee has sent the cabinet secretary a draft timetable for scrutiny of the draft budget 2017-18 that fully demonstrates that point.

In order to more fully understand the financial and fiscal context in which we are operating, two weeks ago the committee took evidence from the Fraser of Allander institute on its excellent, detailed and challenging report on Scotland's budget. One of the main themes of that discussion was the potential impact of Brexit on the public finances at the same time as the new tax powers are being devolved. As the Fraser of Allander institute report points out,

"Delivering these new powers in 'normal' times would be challenging enough. But ... they are being delivered at a time of significant fiscal challenge and economic uncertainty."

The Fraser of Allander institute report includes a number of hypothetical scenarios for the resource block grant arising from the autumn statement. If on 23 November the UK Government announces a further reduction compared with what was set out in March this year, the Scottish block grant could bear significant consequential effects. One of the report's scenarios involves a further cut to the resource block grant of around £200 million for 2017-18. As the institute's report points out, given the budgetary commitments that the Scottish Government has already made, the implication of a further reduction to the block grant of £200 million is that unprotected areas of spend could experience a real-terms cut of 2.2 per cent between 2016-17 and 2017-18. The FAI report further points out that an added challenge is that those areas

"have borne a significant share of the burden of fiscal consolidation since 2010-11."

The committee recognises that the Scottish Government faces significant challenges in preparing the draft budget while there is so much economic and fiscal uncertainty arising from Brexit. It also recognises that a number of subject committees have already begun their budget scrutiny in advance of the draft budget being published. That is an approach that we and the previous Finance Committee have encouraged as part of a move towards more outcomes-based financial scrutiny. For example, I know that the Education and Skills Committee has begun to scrutinise a number of public bodies that fall within its remit. That work includes seeking information on the performance of those public bodies against the outcomes that are expected of them by the Scottish Government.

Although the committee supports a move towards a more flexible approach to financial scrutiny that may be carried out throughout the year, that should not be viewed as a replacement for scrutiny of the Government's actual spending proposals. However, the committee recognises that this year is different, given the unique set of circumstances that currently exist as a consequence of Brexit and the imminent devolution of further tax powers.

Therefore, the committee has sought to work with the Cabinet Secretary for Finance and the Constitution to consider what level of information could reasonably be provided to support scrutiny prior to the publication of the draft budget. On 7 September, the cabinet secretary informed the committee that he would be willing to produce as much scenario planning information as possible. There followed an exchange of letters between the cabinet secretary and the Finance Committee. I make it clear to the cabinet secretary today, as the committee did in its letter of 21 September, that the committee would find it unacceptable if he confirms that he is not prepared to publish any such information in advance of publication of the draft budget.

To move forward on a more positive note, it is also important to emphasise that the Government has agreed that the arrangements for scrutiny of this year's budget process should not be viewed in any way as setting a precedent for future years. Part of the important work that the budget review group will now do over the coming months is to examine the effectiveness of scrutiny of the draft budget for 2017-18.

I want to touch briefly on some of the very important and complex issues that the review group will have to grapple with as a consequence of the operation of the fiscal framework; I understand that the deputy convener will also address some of those issues in his closing speech. The process will be highly complex and I am no expert, but it is essential that colleagues across the Parliament are well aware of how the money that will be available to the Scottish Government is calculated each year.

There are a number of elements to the process that are worth highlighting. As is obvious from the settlement, the budget will increasingly depend on the money that we raise through the devolved taxes as well as the block grant from Westminster. As the money that we raise increases, there will be a corresponding reduction in the size of the block grant. However, that will not necessarily be a zero-sum calculation, as the reduction to the block grant will depend on the impact of the relative performance of the UK and Scottish economies in respect of tax receipts. If, for instance, the Scottish economy outperforms the UK economy, the

Scottish budget should benefit, but it will suffer if we underperform against UK economic growth.

The size of the annual Scottish budget will initially be based on forecasts, which will then be subject to a reconciliation process. The annual adjustment to the block grant will be based on forecasts that the Office for Budget Responsibility has prepared, and the expected tax receipts will be based on forecasts that the Scottish Fiscal Commission has prepared. That is quite a complex set of information that the review group, the Finance and Constitution Committee and the Parliament will have to grapple with.

Understanding the interrelationship between those forecasts and the subsequent reconciliation process will be one of the main challenges that face the budget review group and, in due course, the Finance and Constitution Committee and the Parliament. Obviously, we wish them well.

These are challenging times, and it is essential that we redesign our process to ensure that the Parliament can rise to meet those challenges. I look forward to hearing the contributions of members of the Finance and Constitution Committee and of other members in this important debate and to hearing the cabinet secretary's response to my speech.

On behalf of the Finance and Constitution Committee, I move,

That the Parliament notes the timetable for the Scottish Government's Draft Budget 2017-18.

14:36

The Cabinet Secretary for Finance and the Constitution (Derek Mackay): I welcome Bruce Crawford to his position as convener of the Finance and Constitution Committee and very much agree with him about the joint approach that we are taking on the longer-term look at the budget approach in the Scottish Parliament, in a partnership style.

There was a strong record of co-operation between the Scottish Government and the Finance Committee. As a former member of that committee, I look forward to maintaining and, indeed, strengthening that relationship in this session with a highly transparent approach to budget scrutiny that dates back to 1998. That approach provides much more satisfactory arrangements for holding the Government to account than is the case at Westminster.

As I have said previously to the Finance Committee, even before the EU referendum result there was already a strong reason for publishing the draft budget after the UK autumn budget statement. That is a legacy issue from the previous session that required to be addressed.

The referendum result has given rise to significant additional economic and financial uncertainty. The Chancellor of the Exchequer emphasised that point just yesterday in his party conference speech. He has also warned us this week that we should expect that the UK economy is heading for a “rollercoaster” ride over the coming two years or more, during negotiations to leave the European Union.

The uncertainty continues, and we will not discover until 23 November what all this really means for the content of the autumn statement and the accompanying economic forecasts that the Office for Budget Responsibility sets out. Both could potentially impact on the overall spending power that is available to the Scottish Government positively and negatively in respect of Barnett consequential and the calculation of the block grant adjustment. It is also conceivable that the chancellor could set out changes to tax policy, welfare and pay, all of which we would want to consider and respond to.

James Kelly (Glasgow) (Lab): The Government has a £30 billion budget. The cabinet secretary heard Bruce Crawford say that the Fraser of Allander institute reckoned that the variable could be in the region of £200 million, which is less than 1 per cent of that budget. Does the cabinet secretary agree that that is a reasonable assessment?

Derek Mackay: That relates to the point about uncertainty. I am uncertain about what the chancellor might do. I do not think that even he has clarity about what he might do, as he will be reliant on the OBR forecasts that drive his decisions, which in turn affect the Scottish budget.

I say again that publishing our budget before the autumn statement would mean that forecasts for tax receipts in Scotland and in the rest of the UK would rely on economic data that was published alongside the March 2016 UK budget. We have serious concerns about the validity of such data in light of the economic upheaval following the EU referendum outcome, which was also referenced in the letter—

Patrick Harvie (Glasgow) (Green): Will the cabinet secretary take an intervention?

Derek Mackay: I am afraid that I do not have time.

That was also covered in the letter from the Finance Committee, which stated:

“the resulting economic and fiscal uncertainty arising from the Brexit vote means that there is now an arguable case for delaying the publication of the draft budget until then.”

It therefore makes sense, in my view, to defer finalising and publishing our spending plans until

we have the additional clarity that the autumn statement should bring.

Having set out the factors that will influence the timing of the Scottish Government’s draft budget this year, I today confirm my intention to publish the draft budget 2017-18 on 15 December 2016. That is in line with the aim that I set out at the committee on 7 September: that I am committed to producing a budget as quickly as possible after the chancellor’s autumn statement, and that we will work incredibly hard to produce the draft budget in those three weeks after the autumn statement.

I am acutely aware of the potential impact that that will have on budget scrutiny in the traditional sense, so I was heartened to read the convener’s acknowledgement that a number of committees have already adapted their approach to budget scrutiny ahead of any draft budget publication to ensure that effective scrutiny continues to take place.

Back in 1999, when the written agreement was designed, the Scottish budget was funded almost entirely from the block grant from Westminster, and only around 10 per cent of the budget was funded from taxation. The increased scale and complexity of the fiscal responsibilities that the Scottish Parliament and Scottish Government are adopting is hugely significant.

Patrick Harvie: Will the cabinet secretary give way?

The Deputy Presiding Officer: Please sit down, Mr Harvie—the cabinet secretary is not giving way.

Neil Findlay (Lothian) (Lab): He has plenty of time.

Derek Mackay: I will make further progress, and then I will take an intervention.

The changes over the next few years will take us to a position in which more than 50 per cent of our budget will be funded directly from taxation. The arrival of those new powers necessitates a long-overdue and essential reform of the budget process, as opposed to further minor adjustments. I welcome the work that is now being undertaken on that joint approach, and I am very supportive of the establishment of the joint working group to look at the budget process with that external advice.

It is important to ensure that we develop a process that balances the time that is required for proportionate and effective parliamentary scrutiny with the need to ensure that the information that is being scrutinised is as accurate as possible and based on the most up-to-date forecast information.

I reiterate my willingness to provide the committee with additional strategic information to

assist committees in preparing for the autumn statement and the draft budget. On 7 September I offered to provide further work on updated economic financial modelling, which could provide analysis that demonstrates the impact that changes in economic performances would have on the Scottish budget.

I can go on further about the detail that the committee requested, but I certainly intend to honour the commitment that was made to the committee on providing further information. What I cannot do is provide a draft spending plan and budget—that would be a draft budget—but I will hold true to what I promised the committee.

I am happy to take Patrick Harvie's intervention.

Patrick Harvie: I am grateful to the cabinet secretary for giving way. He knows very well that the committee looked at the letter from him at the beginning of September and said that what it amounted to was unacceptable. He also knew, before he got to his feet today, that a majority of members in this Parliament had already formally recorded a request for him to put scenario planning information with indicative figures into the public domain by the end of the October recess.

We could have pushed the matter to a vote—we could have sought a vote at 5 o'clock and dramatic headlines at the end of the day—but the committee has bent over backwards to give the cabinet secretary alternatives to producing a draft budget because we understand the difficulty that he is in. Will he not say anything, following the position that he offered at the beginning of September, to go further than he has gone so far and allow Parliament to do its job in budget scrutiny?

Derek Mackay: I have said to members in the chamber that I will honour the commitment that was given to the Finance Committee on sharing as much information as I possibly can. I cannot produce a scenario plan that is a draft spending budget without having all the information that will come from the chancellor's autumn statement, and the committee recognised that point.

I will produce as much information as I possibly can, but I cannot produce a draft budget that would be credible because of the uncertainty that exists within the system. I will continue to work constructively with the committee and share as much as I can to give as much certainty as I can, but that does not mean that we can produce a draft budget. That will come in a credible way through the channel that has been outlined in the committee's draft timetable. I hope that members will appreciate a positive approach to try to share as much as I can to support scrutiny of the Parliament and welcome the fact that many committees are already undertaking pre-budget

scrutiny. That is a helpful approach in the Parliament.

14:45

Murdo Fraser (Mid Scotland and Fife) (Con): I start by thanking the committee convener, Bruce Crawford, for setting out the committee's position very fairly in his opening speech. As someone who is noted for his loyalty to the Government, I appreciate that this has not been an easy job for him to perform personally, but the role of a committee convener is to represent the committee view, even when one might hold different personal opinions, as I know from my own experience.

The finance secretary essentially had a choice when he came to the chamber this afternoon: he could either listen to the will of Parliament as expressed in the number of signatures to Mr Harvie's motion, which represents a majority of Parliament, and offer concessions to meet Parliament and the Finance and Constitution Committee half way; or he could try to brazen it out. I regret that he has decided to take the latter path in this afternoon's debate.

The key point that we need to stress is that the issue is not actually the timing of the draft budget. The committee is not calling for the finance secretary to publish his budget before December. Much as we would like the budget to be published in September, we entirely recognise the difficulties that that would cause the Scottish Government and the parliamentary process.

This debate is about whether sufficient information can be provided by the Scottish Government prior to the publication of the budget to allow effective parliamentary scrutiny. It is clear that neither I nor the other members of the Finance and Constitution Committee, from all different parties, are satisfied with the cabinet secretary's response. In the letter of 21 September from the committee to the cabinet secretary, language is used that might well be unprecedented in such a communication.

The matter revolves around the level of information that can be provided to subject committees prior to the publication of the budget. As Bruce Crawford reminded us, when the cabinet secretary came to the committee on 7 September, he said, in response to a question from Mr Harvie:

"I am willing to produce as much scenario planning information as I can."—[*Official Report, Finance Committee, 7 September 2016; c 16.*]

In his subsequent letter to the committee, the finance secretary declined the committee's request that he publish indicative budget figures or scenarios at the level of individual portfolios or programmes in advance of the draft budget to assist scrutiny. He stated:

“I think this would risk creating some confusion.”

The concern is that the finance secretary has now gone back on his word to the committee and is offering less than he previously promised. That is what led the committee to write in the very strong terms that we have seen.

As Patrick Harvie has already said, all Opposition members have signed up to a motion in his name that calls on the Scottish Government to do what the committee asked the Government to do and publish budget scenario planning information and illustrative figures before the end of the October recess. I sincerely hope that, even if the cabinet secretary does not do so during the debate, he will reflect on the stated view of the majority of members of Parliament and hold true to his original promise to the committee.

This is not merely an academic matter. Effective democracy requires appropriate parliamentary scrutiny of the actions of Government, and nowhere is that more important than in relation to scrutiny of the draft budget. In “OECD Best Practices for Budget Transparency”, the Organisation for Economic Co-operation and Development states:

“The government’s draft budget should be submitted to Parliament far enough in advance to allow Parliament to review it properly.”

Our Parliament’s past record in this area has been excellent. Indeed, it has been far better than that of Westminster. Last year, the introduction of the budget was delayed because we were awaiting the outcome of the UK Government’s spending review. At that time, we were told by the Scottish Government that that would be a one-off. It is therefore very disappointing that budget scrutiny is being truncated for the second year in a row.

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

Murdo Fraser: If the former finance secretary wants to intervene, I will listen to what he has to say.

John Swinney: I have a simple point to make. The budget process was delayed this year for the same reason that it was delayed last year: the delay to the UK autumn statement. It is delayed for exactly the same reason, so I do not quite know why Mr Fraser is working himself up into a lather about this particular point.

Murdo Fraser: Perhaps if Mr Swinney was still finance secretary, he would treat the Finance and Constitution Committee with a bit more respect than his successor seems to. The point, surely, is that the autumn statement will come at the same time every year. If we get into a pattern of delaying

the Scottish Government’s budget on an annual basis, that is clearly not acceptable.

We are trying to find a compromise position that allows the committees of this Parliament to do their job properly by getting them the information that they require at least to start their budget scrutiny work. They are unable to do that at the moment because of the lack of information.

On the risks to the Scottish Government’s budget, it is worth looking at the advice that the Finance and Constitution Committee has been given by its own adviser, whose actual words were that the impact of the autumn statement on the overall Scottish Government budget was likely to be “relatively minor”—those were the actual words that he used. He suggested elsewhere that the overall impact on the budget—as Mr Kelly said in his intervention—was unlikely to be higher than £200 million. That is in the context, of course—

Bruce Crawford: Will the member give way?

The Deputy Presiding Officer: The member is in his last minute.

Murdo Fraser: I am sorry, Mr Crawford.

That is in the context of an underspend that was revealed in the latest Audit Scotland report on the Government’s consolidated accounts of double that figure, or £400 million.

There is a very simple way for the Scottish Government to resolve the issue to the satisfaction of Parliament, and that is for the cabinet secretary to keep his word to the committee. He needs to provide enough information to Parliament and to subject committees to allow them to do effective and proper scrutiny work. To do otherwise, frankly, is to show contempt both for the work of this Parliament and for the work of its Finance and Constitution Committee. I am pleased to support Mr Crawford’s motion.

14:52

Kezia Dugdale (Lothian) (Lab): Setting a budget is this Parliament’s most important responsibility. The budget determines how much money is available to spend on the national health service—the most precious institution in this country. The budget allocates funding for nurseries, schools, colleges and universities—the institutions that will give our young people the skills that they need to compete for the jobs of the future and, indeed, to grow our economy. The budget decides how much money our councils receive, which has major consequences for the funding of vital local services such as social care.

In an age of austerity, a Government’s budget requires more scrutiny than ever before, not less, yet less scrutiny is exactly what the SNP is

attempting to deliver. Derek Mackay's decision not to publish the draft budget until December will severely limit the ability of the Parliament's committees to scrutinise the budget properly.

In addition, by refusing to provide as much information as possible in advance of the publication of the draft budget later this year, Derek Mackay is treating the Parliament with contempt, particularly as he is going back on a promise that he previously made to the Parliament. The late publication of the chancellor's autumn statement has consequences for the Scottish budget—of course it does—but that is not sufficient justification for Derek Mackay's refusal to publish indicative figures and budget scenario planning information. In response to an intervention, the cabinet secretary suggested that we were looking for absolute figures. Of course we recognise that that is unreasonable. We are asking for indicative figures and the ability to look at different scenarios—that is all that we are calling for today.

As the Finance Committee confirmed, the consequential from last year's autumn statement impacted just 0.5 per cent of the Scottish block grant. Given the cuts that we face, that is not an insignificant amount of money, but it cannot be used as an excuse to avoid scrutiny of the Government's spending decisions.

We are only having this debate because the committee's convener—a member of the governing party—rightly would not accept the finance secretary's attempt to avoid parliamentary scrutiny as much as possible. To quote Bruce Crawford, it is "unacceptable" that the finance secretary is

"not prepared to publish any such scenario planning information in advance of ... the draft budget."

I am pleased to support Patrick Harvie's motion, which urges the Government to come forward with budget scenario planning before the October recess. I have yet to hear anything from the cabinet secretary in response to Patrick Harvie's intervention as to whether that clarity will be provided. At the last count, the motion had received the support of the majority of MSPs across the chamber.

I say to the cabinet secretary that there is an irony about the two debates that we are having this afternoon. We support the Government's efforts when it comes to debating the impact of Brexit on Scotland's economy—we have lent the First Minister our support on that. Each time that we have a vote in the chamber on an issue such as the impact on higher education, the First Minister takes that message out of the Parliament and presents it to other European countries as the will of the Parliament. How can the First Minister

rely on the will of the Parliament when she is beyond it but not listen to the will of the Parliament while we are in it? I ask Mr Mackay to reflect on the seriousness of the motion that Patrick Harvie has lodged.

The Parliament must hold the Government to account for the budget that it seeks to pass, and the Labour Party will certainly do that. I have three specific questions for the finance secretary. Will he commit to producing a three-year spending review so that public services and all organisations that are dependent on Government funding can plan ahead? Will he guarantee that next year's draft budget will revert to being published in September, as in previous years? Will he support Labour's calls for the Scottish Fiscal Commission to independently scrutinise all Scottish Government accounts, including spending commitments?

The Labour Party will not vote for any budget that meekly passes on cuts or even doubles them, as has been the case with local government. The First Minister promised voters that she would be an anti-austerity champion; instead, she has become an administrator for that austerity. Therefore, when the Scottish Government presents the budget to Parliament, Labour will lodge amendments to introduce a 50p tax on those who earn more than £150,000 to invest in our schools and nurseries, and we will seek to add a penny on income tax to pay for public services. That is making decisions for Scotland that the Tories would never make and using the powers in this place that we have argued for. That, together with our other tax proposals, will enable us to stop further cuts to the public services that we all rely on.

Given the full range of powers that the Scottish Parliament now has, the Scottish National Party faces a clear choice: accept a Tory budget from Westminster or go our own way with proposals to grow the Scottish economy and protect our schools and hospitals. More and more cuts to Scotland's budget harm our country's growth and risk jobs and prospects for our young people. We need to invest to provide the next generation of Scots with the chances that they need to succeed. If the SNP minority Government does not accept those proposals and forces another austerity budget on Holyrood, we the Labour Party will vote against it. If the SNP wants support, it will need to look to the Tories for that. Labour will not and cannot help the SNP to pass an austerity budget.

The Deputy Presiding Officer: I gave the member a bit of leeway, but the debate is about scheduling and timetabling. I expect that we might wander a little, but members should keep a lookout not to wander too far from the topic in hand.

We move to the open debate, with speeches of four minutes or thereabouts. I have room for interventions.

14:57

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): Judging by the Conservative Party conference yesterday, we are all in for a treat, as Mr Hammond takes us for a rollercoaster ride. After all, he and Ms May are stationed at the controls and, while she promises to push the button on article 50, he is ready to reset the economy in the autumn statement.

This is not a normal year, so I think that we all agree that it cannot be a normal budget process. New fiscal powers introduce greater risk and reward to the Scottish budget at a time of economic uncertainty following the referendum and unknown plans at the hands of a new UK chancellor.

Yes, there are some clues. The Fraser of Allander institute has suggested that

“a weaker economic outlook and rising inflation”

mean that the chancellor is even more likely to cut the Scottish budget by perhaps up to 6 per cent by 2020-21. However, those are clues and, unless Mr Hammond chooses to enlighten us now with one stroke of the pen or one word in person, we will be dealing with clues until his autumn statement on 23 November.

Adam Tomkins (Glasgow) (Con): Given that the member quotes the Fraser of Allander institute, does she agree with its point that

“the role of Parliament and civic Scotland in scrutinising and influencing budgetary plans should be strengthened”

and not weakened?

Kate Forbes: Precisely. I agree with that, but scrutiny should be judged not solely by the number of weeks but by the focused attention to the budget. The cabinet secretary has said that he will assist in that process as much as possible by providing modelling and information in advance of the budget.

For the Government to publish detailed numbers or scenario plans—which are, in essence, the budget—in advance of the autumn statement, when Scotland’s relative performance is more important than ever before, at a time of economic uncertainty, and when we are entirely in the dark about the UK Government’s spending plan would be not just unwise but downright irresponsible. The cabinet secretary has a responsibility to the people of Scotland to manage our finances with prudence and reason, which is precisely what he is doing.

I agree fully with those such as Adam Tomkins who argue that scrutiny is more critical than ever, and I do not underestimate the time pressures on the Finance and Constitution Committee and subject committees—I am a member of one of them. To ask members such as me to scrutinise numbers that we know to be incorrect and then to ask us to do that all again when we have the right ones is not effective scrutiny or a good use of parliamentary time. As I just said, scrutiny should be measured not solely by the number of weeks but by its effectiveness, and it must be based on highly accurate and up-to-date forecasts.

I am not usually one to quote the Tories, but yesterday their chancellor said:

“When times change, we must change with them”.

It is to the credit of members in this Parliament that every subject committee has already adapted its approach to budget scrutiny, be that through high-level pre-budget scrutiny or extra committee sessions. That is happening already.

This is not a normal year and it cannot be a normal budget process. Our budget timetable was designed nearly two decades ago. The original principles of the financial issues advisory group should underpin the budget process every year, but how we apply those principles must adapt to the changing economic and political climate. In sharp contrast to Westminster, this Parliament is noted for its adaptability to change and its scrutiny of the Government’s budget. We have the opportunity to do both: to refocus our efforts by adapting our timescale for more effective scrutiny. There is a responsibility on all of us to the people of Scotland to get on and do that.

15:02

Graham Simpson (Central Scotland) (Con): The Parliament has been criticised in the past for its poor standard of scrutiny—that was certainly lacking before the current session. Governments do not tend to like scrutiny, and this one certainly does not, but it is vital that laws and budgets are put through the wringer so that we end up with better legislation and better spending plans. To do that, MSPs need adequate time in which to carry out our vital role.

Stuart McMillan (Greenock and Inverclyde) (SNP): Will the member give way?

Graham Simpson: No.

For Derek Mackay to give the subject committees two weeks in which to scrutinise his draft budget is frankly ridiculous and unacceptable. We can see how Parliament feels about it by the strength of support for Patrick Harvie’s well-crafted motion.

Derek Mackay had an opportunity today to give concessions, but he chose not to take it, which is disappointing. It must have pained Bruce Crawford to write the letter that he did to the cabinet secretary. Mr Crawford clearly takes his role seriously and he is to be commended for acting in the way that he did.

Derek Mackay can bleat all he likes about the timing of the autumn statement, but it is a pathetic excuse.

Derek Mackay: What does Graham Simpson make of the Northern Ireland Executive delaying its budget until after the chancellor's autumn statement?

Graham Simpson: The National Assembly for Wales has not delayed. Derek Mackay is the finance secretary of Scotland, so let us deal with Scotland and his responsibility to this Parliament.

As the adviser to the Finance Committee stated, if Derek Mackay published the draft budget before the autumn statement, any changes afterwards would be likely to be "relatively minor" and "marginal". Derek Mackay is the finance secretary of Scotland and he is answerable to Parliament.

Bruce Crawford: Will the member give way?

Graham Simpson: No.

Mr Mackay owes it to members of committees to allow us to do our jobs effectively. He is a former council leader, so he should know that people need time to consider things such as budgets. They also need a heads-up on what is likely to happen. It was quite reasonable for the Finance Committee to ask for scenario planning information. Mr Mackay initially said that he would help, but then he performed a screeching U-turn.

I say to Derek Mackay that he is not there to be a roadblock; he is there to help smooth the way. I once had high hopes for him—particularly when, as a council leader, he agreed to speak to a meeting of Conservative councillors at my invitation. However, those high hopes are dwindling. It comes to something when an SNP committee convener tells a minister of his own party that his behaviour is "unacceptable". Derek Mackay would do well to heed Bruce Crawford's words. Derek Mackay should reflect on the matter and, when he has done so, he should conclude that, as I said at the start, proper scrutiny is essential and two weeks does not allow for that.

Scotland used to be a world leader when it came to the time that is allocated for budget scrutiny, second only to the United States. Derek Mackay is taking us to the bottom of the pile and that is simply not good enough.

15:05

James Kelly (Glasgow) (Lab): I must say that I found Derek Mackay's response disappointing. This is a serious debate about how best the Parliament can scrutinise the budget. The Finance Committee had reasonable discussions with him and Mr Harvie offered him a reasonable way forward but, to be honest, we got seven minutes of absolute waffle.

The bottom line is that we have a £30 billion budget to consider and the Finance Committee was looking for scenario planning. That means having an optimistic scenario that involves a budget of £30.4 billion, a middle scenario that involves a budget of £30 billion and a pessimistic scenario that involves a budget of £29.6 billion, and running all the high-level figures through them.

It is disingenuous of Mr Mackay to pretend that it is difficult to do that, because a lot of the information has already been published. The Government budget holders do not sit with a blank piece of paper each year, waiting for the budget to come round; they go back to the previous year's budget and start with that. We should not forget that 55 per cent of the Scottish budget is made up of staff costs, which do not vary a great deal from year to year, and there are other fixed costs. In the programme for government, we heard the Government make a number of spending commitments that will roll over into the budget. There is no excuse for not being able to produce different scenarios with high-level indicative figures.

When the Finance Committee discussed the matter, I favoured publication of the budget according to the normal timetable, because I was not convinced by the cabinet secretary's arguments. However, the committee—very reasonably—gave Mr Mackay a way forward and asked for scenario planning and indicative figures. At the meeting, he gave the committee the impression that he was prepared to go along with that solution. It therefore came as something of a shock—a slap in the face for the committee—when Mr Mackay wrote to the committee to refuse to provide that information.

Where does that leave us now? We cannot carry out proper scrutiny. How can the subject committees properly scrutinise the budget in a matter of two weeks? That weakens and undermines the process. The irony in all this is that it is the most important budget in the history of the Scottish Parliament, at a time when we have more powers at our disposal than ever before, yet Derek Mackay is seeking to curtail and close down the debate. More than at any time before, we should be opening the budget process up for scrutiny, looking for ideas and involving more

people, but it is difficult for us to do that when the timescale has been reduced.

I say once again that Mr Harvie's motion, which has the support of the majority of the Parliament, gives Mr Mackay a way forward. Mr Mackay should seriously reflect before he stands up to respond to the debate, because if he does not respond positively and does not seek to address the issues in that motion, he and his Government will be seen to be treating Parliament with contempt.

15:10

Patrick Harvie (Glasgow) (Green): I am grateful that the smaller parties have a chance to participate in what is a relatively short debate. It is important for us to have the debate, and I argued in the Finance Committee that the issue should be brought to the chamber. I pay tribute to Bruce Crawford for the way in which he has chaired that committee and sought consensus, which I acknowledge was not easy.

I also acknowledge the difficult position that Mr Mackay and the Scottish Government are in. I do not pretend for a moment that this is easy. However, it is important to acknowledge that, instead of a committee debate, with a motion that says that we should debate the timetable, the Opposition parties could have insisted on a substantive debate, with motions, amendments and votes at decision time. We did not do that. We could have agreed to a letter that demanded that a draft budget be published in October, as set out by one of the earlier proposed timetables. We did not do that either. At every stage, we have sought to give the cabinet secretary not only an incentive but an opportunity to bring forward a budget process that is up to the job.

The letter that Mr Mackay referred to, which told us what he was able to talk about, largely indicated that he was willing to expand on information that is already in the public domain or to set out some of the choices that the UK Government might make. We can all speculate about that, just as the Fraser of Allander institute can, but what we—and our subject committees—need is to be able to consider the choices that the Scottish Government will make in response and how that will impact on many of the things that we all care about.

I will disagree with some of the things that are anticipated in the budget when it is proposed, and I will agree with others. I want radical investment in the provision of much more childcare in Scotland. I want the investment that has long been needed in a national infrastructure priority for energy efficiency. As our subject committees meet and take evidence ahead of the draft budget, I

want to know whether those things are under threat and what the impact will be if the Scottish Government's budget is indeed cut.

Others might be concerned to know whether the Scottish Government's existing tax plans—on income tax or air passenger duty or at a local level—will have to change as a result of the budget. Local councils and other public bodies around Scotland are trying to make their plans now. They are trying to look ahead and they are all having to do that under the assumption of the worst-case scenario, because nothing else is out there.

I express gratitude to the members who have added their names to my motion. I reinforce to SNP colleagues that I lodged a motion deliberately to express the support of members who share that view and not to force a vote but to give the cabinet secretary the opportunity—I hope that he will take it in his closing speech—to give us more information about what he will put into the public domain.

Derek Mackay: I expressed in my opening remarks a willingness to continue to work with the Finance and Constitution Committee to share as much information as possible. I hear the request for scenario planning. Members have said that they do not expect a budget, but there has to be room for agreement about something that, although short of a budget, contains enough information to allow fuller scrutiny. I say genuinely to Patrick Harvie that I think that there is room for agreement and that I will continue to work on that and to listen to voices in Parliament.

Patrick Harvie: I agree that there is room for agreement and that we have to accept something that is short of a budget, but that is what we discussed a month ago at the Finance Committee, on the record, when the cabinet secretary told us:

"I am willing to produce as much scenario planning information as I can."—[*Official Report, Finance Committee*, 7 September 2016; c 16.]

Since then, that commitment has been withdrawn, which the committee has agreed is unacceptable.

I respect and understand the position that the Government is in. Regrettably, we need to acknowledge that something that is short of a draft budget will be necessary. However, we need more detail. I would like to hear a commitment from Mr Mackay, in his closing speech, that he will accept the will of the majority of Parliament and publish that scenario planning information, with illustrative figures, by the end of the October recess. That is what Parliament has asked for. It is not only MSPs who have a right to expect that but all the people we serve and the organisations whose livelihoods, work and public service depend on the public

spending plans that the Government will bring forward.

15:15

Willie Rennie (North East Fife) (LD): I have always thought that Bruce Crawford is a wise, sensible and reasonable man. That has been confirmed this afternoon. I see him squirming in his chair as I give him that commendation, but it comes to something when somebody of his stature is prepared to put forward such a powerful case and to use phrases such as “unacceptable behaviour”. The cabinet secretary should pay heed to that.

We all accept that circumstances have changed with the new powers on welfare and tax, plus the autumn statement and Brexit. They make the case for more scrutiny—not less. They make the case for having a more detailed discussion with the country, not a less detailed one. Of course we understand that Derek Mackay cannot produce a draft budget that has all the variables in place, but let us understand a bit more of the detail. After all, the SNP Government is expert on everybody else’s responsibilities. Apparently, we have projected the cost of Brexit for the next 20 years but cannot predict the budget just a few weeks ahead.

We need a bit more perspective and understanding. The Fraser of Allander institute report that the minister has repeatedly quoted made projections over five years. That report must have some credibility, because he spends quite a bit of his time giving credit to it. However, he seems to be incapable of using all the might and resource of the Scottish Government to produce anything to compare with it.

It would be helpful if the minister were to pay heed to what has been recommended on producing scenario planning with indicative figures by the October recess. That is a reasonable thing to do and I think that I have seen a bit of movement from him today. I hope that it is movement towards that position so that we can have greater scrutiny and debate.

I fear that the hesitation and resistance that are clear from him are an indication of uncertainty about the SNP’s manifesto commitments, which were worked out months ago in advance of the election. What does the £500 million extra spending on health mean for the headline budget? What do the real-terms increases in police spending mean for the final budget? I would also like to see some profiling on the childcare commitment—one of the Government’s biggest and boldest commitments—to test whether some of the predictions that have been made about its

roll-out can come true. Also, what is the real price of the cut in air passenger duty?

One of the biggest points that the Fraser of Allander institute makes is the need for detail on what departments are protected and which are unprotected so that we can fully understand the implications for the unprotected ones. The First Minister, who has quoted the Fraser of Allander institute’s report at First Minister’s question time, has made it clear on a number of occasions that the cuts could be something like £1.6 billion. We need, before the budget is finally published, to see some of the detail of what that could mean for the unprotected departments. That is some of the detail that the Parliament deserves to see.

I hope that we have seen some movement from the minister and that he pays heed to Bruce Crawford’s wise words so that we can come to an acceptable compromise on the matter, and so that the situation is no longer unacceptable in the Finance and Constitution Committee’s eyes.

15:19

James Dornan (Glasgow Cathcart) (SNP): Before I make some comments about the role of the Education and Skills Committee, I will comment on one or two things that have been said.

I take on board Patrick Harvie’s comments about how the Finance and Constitution Committee could have gone another way and I accept his sincerity in going the way he did. However, when I look at some politicians from the other parties, I see people who are playing political games with the situation. Kezia Dugdale gave us some of her top lines from her failed manifesto, Graham Simpson used the issue to attack Parliament but then praised Parliament for exactly the things that he had attacked it for, and then we got Willie Rennie scaremongering about the consequences of the SNP’s manifesto commitments. That is not what the debate should be about.

My colleague Kate Forbes made a very good speech in which she talked about effective scrutiny being not about time—not about weeks—but about the quality of scrutiny. She is quite right.

James Kelly: Will the member take an intervention?

James Dornan: No.

How can we possibly scrutinise when we do not know how much money we have to spend? Surely it is important that we have the budget there—then, we can scrutinise it closely. If that means that the Education and Skills Committee needs to work longer or more often, then that is what we have to do.

Bruce Crawford very kindly referred to the Education and Skills Committee having done work on pre-budget scrutiny, but it is quite clear that we are not alone in having done that. We agreed to undertake scrutiny this autumn, prior to the expected publication of the budget, on the performance of four public bodies: Skills Development Scotland, the Scottish Further and Higher Education Funding Council, the Scottish Qualifications Authority and Education Scotland. We have recently written to those bodies asking them to set out their performance in delivering outcomes, how outcomes are measured, how they have adopted the Christie principles of reform, and how their work contributes to the Scottish Government's climate change targets. We expect a response by 14 October and we will hear from the bodies at committee in November. That is all stuff that we could be doing in the run-up to the budget coming from the cabinet secretary. Our work follows the work of our predecessor committee, which looked at the same bodies last year, and it is also influenced by the then Finance Committee's guidance to subject committees, which was issued at the beginning of summer.

Neil Findlay: Will the member take an intervention?

James Dornan: No.

Our work is not just something that popped into our heads when we were thinking about what we could do while we were waiting on the budget. The purpose of the work is to hold those bodies to account for their spending and strategic decisions, and to help to ensure that their continuing performance is of the highest quality. The Education and Skills Committee is keen to get a good understanding of how those bodies have delivered outcomes and positively affected the lives of the people of Scotland. Looking back in that way also puts the committee in a good position to evaluate future spending decisions.

As well as writing to the bodies involved, I have written to a number of stakeholders and experts seeking their views on how the four public bodies perform. It is important also to hear from the people who deliver and use public services. We will, of course, accept relevant submissions from anyone, and in order to help to ensure that everyone is able to speak freely, we have agreed to publish submissions anonymously, if an individual asks us to do so.

Along with my colleague Ross Greer, from Patrick Harvie's Green Party, I will tomorrow be speaking to teachers here in Parliament about their direct experience of the bodies and the impact that they have on the teachers themselves, their schools and outcomes for their pupils.

The Education and Skills Committee will soon publish a short survey—again, with a focus on how the bodies deliver on outcomes. Committee members also plan to undertake a number of visits to get a real feel for the work of the organisations. The purpose of the engagement work is to get a well-rounded understanding of those public bodies and their work. That will support the committee's scrutiny, and we want to include as many people as we can in the process.

I make it clear that the Education and Skills Committee includes two Labour members, two Conservative members, one Green member and one Lib Dem member, and that they have all signed up to the pre-budget scrutiny and all see it as the way forward. They have all accepted the timetable that has been put in front of us. For me, that is what highlights that the criticism that we have heard is not about the very important issue of scrutiny of the budget. We have to accept that the matter is out of our hands. If it was not for the Brexit vote and the UK Government's awaited autumn statement, which could have a devastating impact on the Scottish budget, we would not be in the current situation in the first place.

The cabinet secretary has said that he will work closely with the Finance and Constitution Committee, so let us hold him to his word on that, but let us, at the end of the day, support him in doing so.

The Deputy Presiding Officer (Linda Fabiani): We move to the closing speeches. I call Alex Rowley. You have around four minutes please, Mr Rowley.

15:23

Alex Rowley (Mid Scotland and Fife) (Lab): The debate has been fairly consensual in that there is an acceptance that the Government is not in full control of the situation in terms of the UK Government's autumn statement. However, when I looked at the papers last night and at what the Finance and Constitution Committee and Bruce Crawford were saying, I did think that we would be able to reach consensus today in respect of being able to provide as much information as possible. That is a point that I will come back to.

The OECD principles of budgetary governance state that

"the national parliament has a fundamental role in authorising budget decisions and in holding government to account",

and that "government" should provide

"for an inclusive, participative and realistic debate on budgetary choices, by ... offering opportunities for the parliament and its committees to engage with the budget process at all key stages of the budget cycle".

The concern that all parties have raised here today is that we will not be able to do that with this year's budget. Clearly, we were not able to achieve those principles with last year's budget, either.

The Scottish Parliament information centre's budget briefing said that overall, at least, the Scottish process comes out relatively favourably when measured against most OECD criteria. Scotland is in line with best practice when it comes to the time that is allocated for budget scrutiny, to the committee structure that is in place for dealing with budgets, and to the involvement of the Finance and Constitution Committee in ordinary legislation. Scotland is also better placed than many legislatures because it has some capacity for obtaining expert advice and research on financial matters. In general terms, our Parliament would be up there among the best, but given what has happened over the past two years, we are not. Nobody here today has suggested that that is the fault of the Scottish Government. The situation is clearly to do with the autumn statement.

Bruce Crawford talked about a budget process review group, which will examine the situation in the light of what has happened over the past two years. The minister might want to say something more about that. As Kezia Dugdale said, we do not want to find ourselves in the same situation next year. I hope that the minister also picks up Kezia Dugdale's point about a three-year budget cycle, which has been called for by most of local government and the third sector.

I am a bit lost, however, because Derek Mackay said to the then Finance Committee on 7 September:

"I am willing to produce as much scenario planning information as I can."—[*Official Report, Finance Committee, 7 September 2016; c 16.*]

What has changed? He has then gone on to tell the committee that he will not publish any such scenario planning in advance of the draft budget. It is a legitimate question. Some people have suggested that his officials told him that it would be too difficult. That information is all that the committee is asking for.

Yesterday, I met a group of local government leaders from across Scotland. Right now, they are looking at their budgets and agonising over where cuts will have to be made. One of them said to me that they have been told by Derek Mackay that things are likely to get much worse in the coming years. Given that we are talking about real people who depend on public services, the situation is not satisfactory.

Bob Doris: Will Alex Rowley take an intervention?

The Deputy Presiding Officer: The member is too far on, Mr Doris.

Alex Rowley: All that the other parties are asking for today is for the cabinet secretary not to go back on his word. He told the committee that he would look at scenario planning and bring forward that information: I urge him to do that.

15:27

Adam Tomkins (Glasgow) (Con): We are a parliamentary democracy. We do not elect our Government directly; Government emerges out of Parliament and is accountable to it—not the other way round. Effective and robust parliamentary scrutiny is the very lifeblood of our democracy, so any attempt to dilute that effectiveness and to undermine Parliament's ability to do its job of holding the Government of the day to account for its policies, decisions and actions should be tested against the highest standards. If they are found to be wanting they should be resisted. The cabinet secretary's proposal not to publish the draft budget until the middle of December manifestly fails that test.

The finance secretary first brought his proposal to the then Finance Committee in June. On that occasion his excuses for seeking the evisceration of effective parliamentary scrutiny included that this Parliament, in comparison with its predecessors, has increased spending powers, particularly on social security. However, as those responsibilities are to come in later years of this session, and not in the current budget cycle, it was obvious that the cabinet secretary was pulling a fast one or—if that is not parliamentary language, Presiding Officer—pulling the wool over the eyes of the then Finance Committee.

As the committee said in its letter of 21 September to Mr Mackay, we did not consider that the reasons as set out in June would have been sufficient to justify delaying the publication of the draft budget. It was only much later, and in some evident desperation, that the finance secretary turned to the SNP's favourite excuse for inaction—Brexit—as the all-too-convenient hook on which to hang his shoogly plans. I do not believe a word of it. What I believe are the words of the Finance and Constitution Committee's independent adviser, who said that the effects of the UK Government's fiscal decisions on the Scottish Government's budget are likely to be "minor", "marginal" and "limited".

Bruce Crawford: A number of members have raised that point. Does Mr Tomkins accept that following the Fraser of Allander institute's report, the committee adviser's perspective changed a bit?

Adam Tomkins: As James Kelly and other members have pointed out repeatedly throughout the debate, we are talking about a margin of about £200 million, in a budget of more than £30 billion. That is relatively minor in comparison with the devastating impact that Derek Mackay's proposals will have on effective parliamentary scrutiny. When we consider the marginal impact that the UK autumn statement is likely to have on the Scottish Government's budget against the significant impact on effective parliamentary scrutiny that the cabinet secretary's proposals will have, it is obvious where the balance of public interest lies.

The cabinet secretary's plans are disproportionate, unnecessary, profoundly disrespectful of Parliament's authority and—to be frank—unworthy of him. As Audit Scotland said:

"Effective Parliamentary scrutiny is critical to ensure that decisions being taken by government are thoroughly tested and independently reviewed."

Audit Scotland went on to say that there is "the need for a step change in budget scrutiny".

Well, this is a step change in budget scrutiny, but it is not quite in the direction that Audit Scotland had in mind. The proposals are unworthy of the cabinet secretary and should be resisted.

15:31

Derek Mackay: This afternoon's debate has been helpful, constructive and useful.

Of course, Adam Tomkins cannot help himself—he has to add a bit of colour to the debate. I challenge some of what he said about the chancellor's autumn statement presenting us with marginal budget challenges. That is not the impression that I get from the Chief Secretary to the Treasury or from the chancellor, who has spoken about a need to reset fiscal policy and about economic turbulence.

The current Tory chancellor has abandoned the economic policy of the Tory chancellor whom he replaced, and there is a great deal of consensus that the Brexit vote will have a profound impact on the UK economy and, of course, the Scottish economy. That is thanks to the party-political games that the Tories have been playing—look at the mess that they have left the UK economy in. There will have to be a response to that.

The Scottish Parliament's Finance Committee in the previous session left the Parliament wise advice about addressing legacy issues to do with wise use of forecasts and making decisions as close to the forecasts as possible. That information was helpful, which is why I immediately embarked on the transformation of our scrutiny processes, in recognition of the

powers that we have, the increased complexity and the role that Parliament should have.

Of course the Parliament's role should be respected. That is why we embarked on the joint working group, which has representation from the Scottish Parliament, the Scottish Government and well-respected external participants.

Kezia Dugdale: Will the cabinet secretary take an early opportunity to explain to the Parliament exactly what he will publish between today and 15 December to allow the Parliament to do its job?

Derek Mackay: I will do that, and I appreciate the member's intervention. What I am hearing from members is that this is about publishing not a draft budget but more information to take forward the debate that we have had in the committee. I repeat that I will be happy to provide the Finance and Constitution Committee with additional strategic information, to assist committees in preparing for the autumn statement and draft budget. I commit to producing that information by the end of the October recess.

I have been grateful for the interventions and comments of members. In previous correspondence, I have outlined the information that I think it would be helpful for Parliament to consider on current spending, on the outcomes focus and on other areas. I will also include a set of high-level analyses of the Scottish Government's financial position and of the way in which possible UK tax and spending scenarios arising from the autumn statement could impact on the resources available to us. That is what members have repeatedly told me that they are looking for and I will provide that within the timescale that has been requested.

Patrick Harvie: Will the cabinet secretary take an intervention?

Derek Mackay: I would like to make some further comments.

It is really important to produce credible information—not just to produce something for the sake of it—and to produce incredibly accurate information so that the Parliament's function to scrutinise a credible budget is used. Kate Forbes is absolutely right—it is about not just the length of time spent on scrutiny, but the quality of that scrutiny. It is also important that what is being scrutinised is robust, accurate and close to the forecasts from the OBR, the autumn statement and the work of the Scottish Fiscal Commission. We will allow those statutory duties to bed in before we look further at that role.

On Kezia Dugdale's question about the three-year spending review, we are one year into that so there are two years remaining. I have publicly said that I will look at a multiyear spending review after

this year's one-year budget—that does not set a precedent. The joint working group will look at the entire process in a constructive way and will produce recommendations by next summer to inform the way in which we do business in future. That does not set a precedent, but we are in unprecedented times regarding the uncertainty that we face and the increased complexity in place for Scotland's budget.

I hope that there is recognition that it is not just Derek Mackay and the Scottish Government taking that approach. The Northern Ireland Executive has taken the same view regarding that level of uncertainty, which has informed its position to defer its budget until not just later this year, but into next year. I have set a timescale that I will keep to—about three weeks after the chancellor's autumn statement—and I will hold true to that. I have repeatedly made the commitment—to the Finance Committee and to Parliament—to provide as much information as possible and I think that that information should be sufficient to address the number of concerns that has been raised.

Patrick Harvie: The cabinet secretary has one last chance—he keeps using the same language that he used in the letter that the Finance Committee described as “unacceptable”. Will he publish as much information as he can about the spending plans that the Scottish Government is considering in the wake of the impact, or will he publish only information about what he thinks the impact will be?

Derek Mackay: The Parliament has asked for high-level scenario planning, and I have been quite clear that I will provide that within the required timescale. I am happy to write to the Finance and Constitution Committee and Mr Harvie will take great interest in that.

I have said repeatedly that I will not publish a draft budget. I cannot publish a credible draft budget—or a number of draft budgets—but I will publish the scenario information as I pledged to the committee. We will take it forward in a mature and rational way because, as we embark on using the new powers of the Scottish Parliament, it is important that we do that in a credible and robust way, which involves proper parliamentary scrutiny. That process should be sound.

15:39

Alex Johnstone (North East Scotland) (Con): This has been a worthwhile debate that has been useful in highlighting some of the challenges that this Parliament faces in revising our processes following the devolution of significant new powers.

Before I summarise some of the excellent speeches that we have heard, I want to focus

briefly on two issues. First, I want to comment on the need for some level of scenario planning to be published to support parliamentary scrutiny in advance of the publication of the draft budget; and, secondly, I will return briefly to some of the complexities of the challenge, which the convener mentioned in his thoughtful opening speech.

Members of the Finance Committee made it quite clear at our meeting on 7 September that, in agreeing to the draft budget being published after the UK autumn statement, some level of scenario planning would need to be provided prior to that. The cabinet secretary responded:

“I am willing to produce as much scenario planning information as I can.”—[*Official Report, Finance Committee, 7 September 2016; c 16.*]

The committee therefore finds it unacceptable that the cabinet secretary has gone on to say that he is not prepared to publish any such scenario planning. During the minister's closing remarks, we heard a further extension of that form of words. Unfortunately, I believe that it will take some time to work out exactly what has been offered and what the outcome of that is likely to be. The committee considers that, without such information, it is unlikely that there will be sufficient opportunity for the subject committees to scrutinise the Government's spending proposals.

I turn briefly to how we will address the complexities of the budget process in future years. As we have heard, the budget process review group will have the unenviable task of unravelling these complexities and designing a new process that meets the Government's emphasis on accuracy and the Parliament's emphasis on robust scrutiny. I am sure that that will involve a number of trade-offs and, in all probability, an element of compromise on all sides.

There are a number of issues that the committee has raised with the Scottish Government and which the review group is likely to consider. The first of those issues is data sharing. The fiscal framework makes it clear that the Scottish Government and the Scottish Fiscal Commission should

“have access to the necessary data, information and models held by the UK Government to support policy development and produce forecasts of a comparable quality to those produced by the OBR.”

That raises issues of timing and transparency. It is essential that data is made available timeously in order to maximise the time that is available for parliamentary scrutiny and that that data is published in a way that recognises the need for taxpayer confidentiality.

The second issue concerns levels of budgetary information. One of the benefits of budget scrutiny is that it has led to much greater levels of

transparency in the budgetary information that is provided by the Scottish Government. The level of information that is provided regarding the operation of the fiscal framework will be vital in ensuring effective scrutiny, especially in relation to the calculation of the adjustments to the block grant; the methodology and assumptions that are used to calculate forecast tax receipts; the reconciliation process; and the use of the new borrowing powers, including the operation of the Scotland reserve.

The third issue concerns the timing of the publication of the draft budget. The committee has indicated that the reasons that are set out in the cabinet secretary's letter of 23 June—which predates the Brexit result—would not have been sufficient to justify delaying the publication of the draft budget until after the autumn statement. One of the key challenges of the budget review group will be identifying an optimum time for the publication of the draft budget that can address both the relative accuracy of the numbers and the time that is available for scrutiny.

The final issue is the fact that the review of the budget process offers a real opportunity to improve financial scrutiny. In particular, the committee is keen to develop the move towards a more outcomes-based approach to budget scrutiny, which our predecessor committee began during the last session. That should involve much more scrutiny of the impact and effectiveness of how public bodies are spending public money before considering how it should be spent in future years. It should also result in an all-year-round approach to financial scrutiny and far better linkage between the audit and budgetary functions. However, the committee has made it clear that that new approach should not be viewed as a replacement for scrutiny of the draft budget document.

As I approach the end of my speech, it is appropriate for me to comment on some of the things that have been said during the debate. Some members—perhaps out of frustration—strayed into discussing the budget itself. Given today's notification that publication of the draft budget is still some 10 weeks away, that frustration is understandable.

Other members chose to demonstrate the level of tolerance that the committee has shown towards the cabinet secretary. Patrick Harvie, in particular, set out the fact that the committee and the Parliament have much to be concerned about. In the simplest terms, the committee has offered the cabinet secretary a compromise, and it appears—at the moment, at least—that the cabinet secretary has not yet accepted that compromise. As we go forward, it is vital to understand that, if a compromise is possible, it

must be reached quickly, because the worst possible outcome would be for the present stand-off to continue until 15 December and for the draft budget to be published with our having made no progress in advance.

Higher Education and Further Education (European Union Referendum)

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a debate on motion S5M-01792, in the name of Shirley-Anne Somerville, on the implications of the European Union referendum for higher and further education.

15:47

The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville): I welcome the opportunity to open this afternoon's debate.

The people of Scotland gave a strong and unequivocal vote to remain in the European Union. I believe that that is a result of Scotland recognising the social, economic and cultural benefits of EU membership for individuals, businesses and communities. Those benefits include benefits for the staff and students who study and work at the universities and colleges across Scotland.

Parliament will be well familiar by now with the five key interests that the First Minister set out following the referendum outcome and which are relevant to today's debate: democracy, economic prosperity, social protection, solidarity and influence. Given Scotland's unequivocal support for remaining in the EU, the First Minister secured a mandate from the Scottish Parliament to explore options to protect Scotland's relationship with the EU and to maintain membership of the single market and freedom of movement.

Since then, the Scottish ministers have engaged closely with our counterparts in the United Kingdom and across the EU to ensure that all options are kept on the table. We have established a standing council on Europe, led by the principal of the University of Glasgow, Professor Anton Muscatelli, to advise the Scottish Government on securing Scotland's relationship with Europe, and I welcome the council's prioritisation of universities and colleges as an early topic for consideration.

In the days immediately following the referendum, I personally made contact with most of our university principals, Universities Scotland and the National Union of Students Scotland to listen to their views. I have followed that up with further discussions with principals, staff and students during my visits to college and university campuses over the past few months. Indeed, I visited the University of Dundee this very morning. I add that I am grateful to our chief scientific adviser, Professor Sheila Rowan, for the role that

she has been playing in reaching out to the sector in a number of ways. She was in Brussels only last week to meet key stakeholders.

I would like to highlight three issues that I believe are greatly affecting the sector: the public, funding and influence.

Everyone to whom I have spoken has raised the issue of the impact of the EU referendum on students and staff, and that reflects my own concerns about the free movement of staff and students across Europe, as well as the attractiveness of our universities and colleges to staff and students from the rest of Europe.

We have a world-class further and higher education system; indeed, only last month, *Times Higher Education* confirmed that Scotland has five universities in the global top 200. That quality, underpinned by freedom of movement, has attracted the brightest and the best students from across Europe to study here and to make Scotland their home, and that has acted as a catalyst, reinforcing the quality and the reputation of our sector and supporting Scotland's influence as well as collaboration across Europe.

Latest figures from the Higher Education Statistics Agency suggest that almost 21,000—or nearly 9 per cent—of our university students are from the rest of the EU. Students from across the EU and beyond add to the diversity of our communities and campuses, enrich the learning experience for all, and support local businesses and jobs. The Scottish Government greatly values their contribution, which is why it moved quickly after the referendum to reassure EU students that there has been no change to the current funding arrangements. In June, we confirmed that eligible EU students who are studying in Scotland, including those who start this year, will continue to benefit from free tuition for the remainder of their course.

Ross Greer (West Scotland) (Green): The news on the funding status of students from the rest of the EU who are starting in 2016 is much welcomed, but we have already seen in evidence to the Education and Skills Committee concerns raised about the effect on potential students starting courses in 2017. Will the Scottish Government confirm that funding arrangements for those students will stay the same as they were this year?

Shirley-Anne Somerville: I fully appreciate the point that Ross Greer makes. Staff and students in universities have made the same point to me when I have visited them, and they continue to do so.

We are actively considering the contribution that we can make to moving forward the debate on that. We are looking at the 2017-18 cohort. I fully

appreciate the concerns that the universities have about that.

I am very proud that our universities are a destination of choice for staff and students from not just the EU, but across the globe. My ministerial colleagues have urged the UK Government to clarify at the earliest possible opportunity the immigration status of EU nationals who will be living in Britain once the UK formally leaves the EU.

I welcome the consensus in Scotland that we need to return to providing a post-study route to allow talented students to remain and contribute to the Scottish economy. The outcome of the EU referendum makes that more critical. I was therefore disappointed to see that the UK Government pilot scheme on post-study work visas applied to only four institutions in England, and I am greatly concerned by reports from the Conservative Party conference this afternoon about Amber Rudd's placing of further restrictions on the number of international students who can come to Scotland and the UK.

Liz Smith (Mid Scotland and Fife) (Con): The minister knows that I agree with much of what she has said about post-study work visas, but there has been some indication that there will be a consultation on them. That is a welcome step forward.

Shirley-Anne Somerville: It would be absolutely fantastic to have a consultation; and it would have been really good to have had the consultation before the four institutions in England were chosen, so that we could have taken part in the scheme. If the UK Government would like to take a step back and consult, that would be very welcome. We must be missing the letter in the mail that suggests that we could contribute with the four institutions that are currently taking part in the scheme.

Socrates or Erasmus exchanges for university students in Europe began almost 30 years ago. A recent impact study identified a range of benefits for Erasmus students, particularly around employability skills and levels of employment. Universities in Scotland are highly desirable destinations for Erasmus+ students from the rest of the EU. In 2014, the University of Edinburgh and the University of Glasgow were the top two universities in the whole of the UK for the number of Erasmus+ students. Retaining freedom of movement is a critical requirement for participation in Erasmus+.

Freedom of movement is important not only to students; it supports researchers' collaborations and careers. Scotland has always looked beyond its own borders to the rest of the UK, Europe and beyond. Science and research are, by their very

nature, international endeavours and have no respect for borders. Our universities and research institutions in Scotland are active and valued partners in a large number of research collaborations, many of which are underpinned by EU funding. I want to ensure that that continues.

Research collaboration is strongly linked to the second broad area that I wish to touch on, which is EU funding. EU funding benefits Scotland significantly by supporting jobs; delivering infrastructure; sustaining rural communities; and providing valuable support for the farming and fishing industries, businesses and—most relevant to this afternoon's debate—our universities and colleges.

Over the past three decades, EU funding has become intertwined with the fabric of overall funding for education and employability. It has helped to deliver high-quality college courses that benefit students, society and our economy. Funding has also significantly contributed to the modernisation of our college estates to ensure that we have the state-of-the-art facilities that learners need.

The Scottish Further and Higher Education Funding Council has estimated that, in academic year 2015-16 alone, £11.6 million of European funding was made available to the college sector, supporting upskilling, the development of young people's employability and student support. Together with funding from the Scottish funding council, that is estimated to support around 4,200 full-time equivalent college places. The potential loss of that EU funding in future would deal a serious blow to the levels of activity that colleges can deliver.

EU funding acts as an enabler of international collaboration to drive up the quality of our research and to encourage innovation. Horizon 2020, which was launched in 2014, is the EU's main programme for funding research and innovation projects. Our universities are highly successful in securing funding from horizon 2020, attracting €185 million up to July this year. It has also been a major source of funding for our research institutes, which have been awarded an additional €18 million until the same date.

I welcome Commissioner Moedas's confirmation that the UK remains fully eligible for horizon 2020 funding and that

"projects will continue to be evaluated based on merit and not on nationality."

However, I am concerned to hear anecdotal evidence suggesting that the outcome of the EU referendum may already be having an impact on research collaborations. Within weeks of the referendum, Professor Sir Ian Diamond gave

evidence to a House of Commons committee. He said:

“some researchers involved in European partnerships have already received word from their partners that they think it is better that the University of Aberdeen does not lead in the future.”

In the weeks following the referendum, I took action to agree a joint statement with Universities Scotland. Our published statement sets out our commitment to

“work together using our collective influence in Brussels and elsewhere to ensure that it is well understood that universities in Scotland remain committed to collaborating with our European partners and to attracting the best international talent.”

I welcome the UK Government’s guarantee on European funding, including horizon 2020, as far as it goes. However, the guarantee fails to take account of the impact of uncertainty on potential collaborations, as Professor Sir Ian Diamond highlighted, and it does not take account of the longer-term funding and other benefits that we otherwise would have received through continuing membership of the EU—for example, through future framework programmes. I firmly believe that the best way to guarantee European funding is by maintaining our relationship with the EU.

I will touch briefly on a third and final issue: our potential loss of influence in Europe. The challenges of having to comply with rules and regulations that are developed in Europe while not having a seat at the table are well documented. I believe that the same is true for the development of future funding programmes and policy direction in research and innovation. Should we leave the EU, Scotland would have no role in influencing or shaping European priorities.

Of course, there are some countries outwith the EU that benefit from EU funding, but they have no way of influencing EU priorities directly. Over the past decade, only 7 per cent of research money that is allocated by the EU and the European Research Council has gone to non-member states.

I am deeply concerned about the risk, to which the First Minister has referred, of

“a lost decade of uncertainty and turmoil”.

Scotland is, and always has been, an outward-looking nation. One of the key features of the Scottish enlightenment was its openness and commitment to share, spread and challenge ideas and norms. At a time when we find ourselves in such uncharted territory, it is good to remember those principles in thinking about how we chart a course for Scotland’s future relationship with the EU.

We are at the start of that process, but I strongly believe that we must work creatively, positively

and constructively, feeding into negotiations to agree a way forward and to shape a future that reflects and respects the interests of our existing and future staff and students. In that spirit, I urge all members to support the motion in my name.

I move,

That the Parliament recognises the benefits of EU membership to Scotland and that Scotland’s interests are best served by protecting Scotland’s existing relationship in Europe, maintaining membership of the single market and access to the free movement of labour; welcomes the Scottish Government’s reassurance on the tuition fee status of continuing EU students and those beginning an undergraduate course in 2016; acknowledges Scotland’s success to date in securing EU funding and recognises the benefits that this brings to Scottish universities and colleges; notes that the outcome of the EU referendum potentially makes it harder to attract EU students to study in Scotland, to maintain opportunities for Scottish students and academics in Europe and to collaborate across Europe; resolves to promote Scotland’s willingness to continue to collaborate with European partners and to attract the best international talent to maintain the world-class reputation of Scottish universities and colleges, and calls on the UK Government to ensure that Scotland has a role in decision-making, as well as full involvement in all negotiations between the UK Government and the EU, to protect the interests of staff and students in Scotland’s universities and colleges.

15:59

Liz Smith (Mid Scotland and Fife) (Con): I want to be very clear at the start of my speech that further and higher education institutions in Scotland and, indeed, the UK are world class in terms of the quality of their teaching, their research and their efficiency. I also want to be clear that being part of the European Union has played a major role in that. I am sure that my colleagues will provide lots of evidence of that.

We should be in no doubt that what has made our colleges and universities great—over many centuries, in the case of universities—is their outward-looking approach. They have been pioneers in so many respects because they have been at the cutting edge of intellectual thought, invention, innovation and, in modern times, knowledge exchange, which is now so much a part of the important things that they do.

As we ponder the effects of Brexit, we should be in no doubt about the extent of the EU funding that has supported projects, but nor should we be in any doubt about the adaptability that our institutions have shown throughout their development and their ability to meet head on what seem like relentless challenges and attract new streams of funding. They will need all that imagination and creativity like never before. They will also need resilience, because it is not going to be an easy time.

Let me set out some things that are essential if the Brexit process is to be made more smooth. I will speak first about some interesting things that John Kemp, the interim chair of the Scottish funding council, and Professor Andrea Nolan, chairman of Universities Scotland, said when they were at the Education and Skills Committee just three weeks ago. They said that although definitive evidence is only in the process of being compiled, there are already cases in which the Scottish or UK lead in a research project is being downgraded from that position because there is now uncertainty about the financial sustainability of the project if some EU funding is lost. Indeed, I note the comment from the vice-chancellor at Sheffield Hallam University that he thought four out of 12 current projects are now under threat. If that tendency grows, or if the money is not replaced by other funds, there could clearly be serious detrimental effects.

Research money is not just the odd investment here and there. It is a sizeable amount and is therefore significant in terms of what a university and its collaborative partners can or cannot achieve. In that respect, the UK Higher Education Research Bill is crucial, and I thank the convener of the Education and Skills Committee—I do not think that he is in the chamber just now—for being prepared to bring some evidence to the committee.

The message must be that leaving the EU does not mean leaving Europe or, I hope, becoming any less European in our educational ambitions. Happily, there has been extensive growth in the number of collaborative projects with nations outwith the EU, most especially China, India, Canada, Australia and America. Such collaborative experiences must be worked on like never before, and in doing so we must make sure that we are as attractive as possible to students and staff from those nations.

The first thing that will help is the message that Government sends out—including the Westminster Government's message about its approach to immigration. Members know that, prior to the Brexit vote, I had disagreements with my Westminster colleagues about the post-study work visa. Although I fully understand the practical failures within the previous system, which opened up too many loopholes in the immigration system, I firmly believe that a new post-study work visa can work, and work well, to the advantage of Scottish institutions and our economy. We have some of the best brains among the foreign nationals who are helping us with cutting-edge research to which millions of pounds of investment is attached. It cannot be right that, halfway through a project, they find that they must go home. If the universities of Bath, Cambridge and Oxford and Imperial College London can be permitted to run a

pilot PSWV, so should universities in Scotland. I remain hopeful that we will get somewhere on that, and I was pleased to hear about the consultation process at the Conservative Party conference.

The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney): I wonder whether Liz Smith would like to reflect on something else that came from the Conservative Party conference: the Prime Minister's remark that clinicians in our national health service from other countries will be welcome to stay in this country until such time as we have grown our own replacements for them. Does Liz Smith accept that that is a terribly bad signal to send clinicians who will be part of the self-same research process that she has commended and which I value enormously? Does that proposal not cause enormous uncertainty for the decisions that will be made by clinicians about where in the globe they choose to locate to in advancing their specialisms?

The Deputy Presiding Officer: I can allow Liz Smith some extra time for that intervention.

Liz Smith: Thank you, Presiding Officer.

I agree with the cabinet secretary, up to a point. We need certainty and we need the message to be absolutely correct. However, it is also important to give full clarity about how we will ensure that the best brains—domestic or foreign nationals—can be part of not only this country's institutions, which we value so highly, but our economic future. The Prime Minister said in her Marr interview on Sunday—and the point was repeated twice in speeches at conference—that there is a real determination to make sure that the two match up. I suggest to the Scottish National Party that there is some light at the end of the tunnel with the consultation process. I am clear that we did not have that before, so some things are moving in the right direction.

I believe very firmly that when it comes to the crucial funding streams that are attached to higher education and college education there is an opportunity for us to reset some of the issues.

Perhaps, in Mr Russell's case, there is a bit of a silver lining in all this. I remember an education question time in the Parliament some six years ago when my late colleague, David McLetchie, asked Mr Russell, then the cabinet secretary, how he would resolve the issue of the inherent unfairness of the Scottish Government paying EU students' fees when rest of the UK and international students who were studying the exact same courses had to pay their own fees.

Mr Russell said then, and several times thereafter, that he was working on ways to get round the problem. Of course, he should have said

that there was no way round the problem because of EU law. With Brexit, that problem will be removed; what will not be removed are the funding issues for those EU students. Will they be liable for fees in the same way as rest of the UK and international students, assuming of course that the SNP clings to its policy of allowing Scotland-domiciled students to go for free? What arithmetic is the SNP doing to assess whether the payment of fees by EU students in the future will lead to a possible fall in demand for places and, if it does, by how much? An awful lot of arithmetic has to be done to ensure that we get the background to that.

Where the Westminster Government has responsibilities, so too does the Scottish Government. As Ross Greer pointed out to the minister, it is very important that certainty can be given not just to students who are on courses just now but to students who are applying to join courses in the near future. That point was put very strongly at the Education and Skills Committee and the Scottish Government is responsible for ensuring that there is that certainty.

Let me be very clear. The Scottish Government continues to lambast the Westminster Government for its actions, but the Scottish Government is responsible for higher education in Scotland and for its funding. Brexit might not be what FE and HE wanted, but it provides the Scottish Government with a way of realigning its funding policy and building a new one that is based on what we would see as greater fairness.

The mantra that the SNP consistently uses—it is built into the rocks and the sun carving at Heriot-Watt University—is to claim that access to higher education is based on the ability to learn, not the ability to pay. That might work well for a Scotland-domiciled student but it has never really been true for a rest of the UK or international student.

Mr Russell knows more than most what needs to happen in higher education to bring in additional income so that our institutions remain wholly competitive on the international stage, not just the European stage. If he really wants to do something about that, we need to hear what it is.

We know from every briefing that the colleges and universities have given us that the Brexit problem is serious. However, on this side of the chamber, we have faith that the challenge can be met head on with the same resourcefulness and pioneering spirit for which our institutions are world renowned, and with good-quality negotiations between the Scottish Government and the Westminster Government.

I move amendment S5M-01792.1, to leave out from first “the benefits” to end and insert:

“that Brexit represents a significant change for both further and higher education, and that, alongside

challenges, there will be new opportunities for both colleges and universities, especially in developing closer international links with further and higher education institutions in non-EU nations with which Scottish colleges and universities already have expanding collaboration, research projects and knowledge exchange; pays tribute to the resourcefulness and creativity with which further and higher education institutions have always reacted to changing circumstances both at home and abroad; welcomes the existing commitments by the UK Government on EU-funding streams, and calls on the Scottish and UK governments to work together in a constructive manner to support higher and further education in Scotland”.

16:09

Iain Gray (East Lothian) (Lab): We recently celebrated the news that five of our universities continue to be rated in the top 200 in the whole world—an astonishing achievement for a country our size.

Only last week in this Parliament, Scotland’s colleges showcased their remarkable innovation and excellence across the broadest range of skills and technology imaginable.

Our universities support the learning of more than 230,000 undergraduate and postgraduate students and contribute an annual economic impact of more than £7 billion gross value added. As a driver of the economy, they come behind only the financial services and energy sectors. We should not forget—as I think the minister rather did—that colleges, in spite of swingeing cuts, continue to deliver 20 per cent of higher education and contribute £6 to the economy for every £1 invested. If we are to prosper in the future, that must only increase, for our future lies in high-tech, highly skilled jobs in industries that are driven by training, research and innovation from our universities and colleges, underpinned by knowledge and new thinking. In a globalised world, there is no other path that we can take.

How worrying, then, is the situation in which we find ourselves? Brexit poses nothing but difficulties, challenges, uncertainty and potential pitfalls for higher and further education, which is why we will oppose the Tory amendment at decision time tonight. Its Pollyanna formulation—that Brexit brings opportunities as well as challenges—attempts simply to elide responsibility for the unnecessary risk that the Tories have created for our universities and colleges through their Brexit fiasco. For today’s debate, we have had briefings from universities, collectively and individually, Colleges Scotland, the National Union of Students, the Royal Society of Edinburgh and the Institute of Physics, but not one has a good word to say about Brexit—not one. They are concerned, worried and uncertain, and the Tories’ rather hopeful claims of opportunity have completely passed them by.

First, there is the issue of students. We have 13,500 non-UK EU students—almost 9 per cent of undergraduates—in our universities. They not only enrich our universities' student body but currently can stay and work here when they qualify, which helps us to meet the demand for the highest of skills and the most imaginative of innovation. As has been mentioned, the Scottish Government has at least been able to provide those students who are already here with the assurance that their fees will be met for the duration of their course but, as has also been noted, no such assurance has been given for next year's entrants, who are now applying. Universities have had to publish prospectuses and seek students while unable to tell them whether their fees will be paid. I know that that situation is not of the Scottish Government's making, and I acknowledge that, as the minister said, she reached out quickly to the higher education sector. However, in the end, that really is not good enough. Universities have been left in an impossible position. Application closing dates are imminent or, in some cases, even past, so the Government must decide and decide soon.

Then we have university and college staff. Academia is one of the sectors that have relished the free movement of people, which goes with the grain of centuries of intellectual exchange. Around 16 per cent of our universities' staff are from the EU. That is more than 4,500 people who now face uncertainty about their long-term future. They need assurances from the UK Government now, and not just for the next few months or couple of years, because otherwise they will consider leaving. It is not just the formality of their immigration status that matters; their sense of being valued and wanted has been badly shaken.

Then there is research. In 2013-14, almost £90 million of research funding, which was 13 per cent of Scottish universities' total funding, came from European Union sources. The Prime Minister has given assurances that research funding will not suffer, but there is no detail and, frankly, there is not much confidence in the sector. That applies not just to the universities but to companies such as Sunamp in my constituency, which does world-leading research and development in renewable heat. Its work is driven by innovative chemistry from the University of Edinburgh and it looks to horizon 2020 for next-stage development. As the minister said, £165 million of horizon 2020 funding has already been won in Scotland, but what will replace that in future? Even if those funds are underwritten in the short term, in the long term, how do we replace access to an €80 billion fund to support research?

Once again, the issue is about people and not just money. As Liz Smith illustrated, we are already hearing about research collaborations thinking twice about UK partners, certainly as

project leaders if not as participants, because they are now unsure of our dependability and commitment to partnership.

All that is true of the college sector, too. There are 3,500 student places dependent on European social fund funding of £13 million per year, which is a significant contribution to the sector. Although it is true that fewer EU citizens come to Scotland to study in our colleges than come to study in our universities—there are hundreds rather than thousands—it is also true that thousands of students in our colleges are EU citizens who already live here and have chosen to access further education to pursue their careers. They are now unsure of how long they will be able to do that, what their status will be or whether they are welcome.

I close with a comment on an EU programme—Erasmus, the European exchange programme, which the cabinet secretary rightly mentioned. I hope that we can maintain Scotland's place in Erasmus, because it epitomises the internationalism that has underpinned our universities and colleges for centuries.

I am reminded of the example of John Mair, who was from North Berwick in my constituency. He was schooled at Haddington grammar in my home town and was a student alongside Erasmus at the Collège de Montaigu in France. He graduated in Navarre in Spain, taught at the Sorbonne and then returned to Scotland as principal of the University of Glasgow, before moving to St Andrews. He was the originator of the idea of the union between Scotland and England, and of the fundamental principles that underlie human rights law. Mair is an example who epitomises the internationalism of Scottish education: a historic strength that predated the EU but which sat so well with it—

The Deputy Presiding Officer: Come to a close, please.

Iain Gray: —and which we must now find ways to ensure survives the threat of Brexit.

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

16:17

Stuart McMillan (Greenock and Inverclyde) (SNP): Scotland did not vote to leave the EU. We voted to remain. Scotland continually punches above its weight in research, which ensures access to competitive research funding. Scotland is a country that needs to grow its population to help address skills gaps and deal with an ageing population, which is why free movement of people is crucial. All that is now at risk, and it will be people who pay the price in real life if jobs, investment and education suffer as a result.

In July, a joint statement from the Scottish Government and Universities Scotland reassured EU students in Scotland that they will continue to benefit from free tuition and associated support for the duration of their course. I very much welcomed that statement, which sent a clear message that EU students are welcome in Scotland and that their contribution is valued. We welcome all international students who choose to study at Scottish higher education institutions.

The number of EU international students at Scottish higher education institutions is a testament to our world-class university sector—five of our universities are in the top 200 in the world. Scotland is home to nearly 13,500 EU undergraduate students and nearly 5,400 postgraduate students, and we have 4,600 EU staff working in our higher education institutions. In anybody's language, that is a valuable economic, social and educational learning contribution to Scotland. It is good for Scotland, and indeed for the wider UK, for international students to be here and then go back to their country, become leaders and remember fondly their time in Scotland.

Skills shortages are a particular issue for Scotland. More jobs are hard to fill here because of skills shortages than in any other part of the UK. A report by the UK Commission for Employment and Skills found that in 2014 25 per cent of all job vacancies in Scotland were hard to fill because of a shortage in available skills, which was up from 15 per cent in 2011. The Scottish Government has raised concerns that the increase in skills shortages has occurred in the period following the closure of the post-study work visa, which has been touched on in the debate. The Scottish Government has consistently argued that improved post-study work routes would be beneficial to Scotland's economic growth.

The reintroduction of a post-study work visa, which would allow international students to remain in Scotland and contribute to the economy for a defined period on completion of their studies, is crucial for Scotland's future prosperity. Therefore, the UK Government's reintroduction of the scheme for the south-east of England at the expense of elsewhere in the UK flies in the face of the one-nation position that we continually hear about from the London Government.

I will touch on the Erasmus scheme, which Iain Gray spoke about a few moments ago. I have already put on record my personal involvement with studying in the EU via the then Socrates scheme as well as through receiving funding from the European social fund, which allowed me to study for my masters qualification. The Colleges Scotland briefing for the debate is correct in stating:

"The opportunity for student exchange within Europe enriches the learning experience, enhances employability and promotes greater understanding and respect of different people and cultures."

I have to say that the social side was not bad either.

I look back with great fondness on my time spent studying in France, Germany and Sweden and think of how my life has been enriched by my having had those opportunities. Without EU funding, I could not have gone there. My family were not flush with cash and, although my parents always helped my sister and me, there was no way that they could have paid the extra expense to allow me to study abroad. I am delighted that Scotland has 1,600 students going to study in EU countries via the Erasmus scheme. My disappointment is that it is only 1,600.

I could not wait to sign up to get the chance to study elsewhere, because I knew that the opportunities would be hugely beneficial for me. However, now that the Brexit vote has taken place and we have heard, at the weekend, that article 50 will be triggered by the end of March next year, what will the impact be on those Scottish school students who are thinking about studying at an EU institution but now cannot be guaranteed the funding to enable them to go? The easy response from some will be that the Scottish Government should fill the gap. However, it is not just a Scottish issue but a UK-wide problem; therefore, the UK Government, after creating the problem needlessly, needs to guarantee that school students across the UK who wish to study a language and have the opportunity to study abroad will still have that opportunity.

I was disappointed to read Amber Rudd's comments today about

"tougher rules for students on lower quality courses".

As I said a few moments ago, when someone goes to study abroad it is not just about the education; it is about the social, cultural and economically beneficial effects of that opportunity. I genuinely find Amber Rudd's comments offensive and narrow minded, to say the least.

Despite the misconceptions of some people, not every Scot grows up in a tenement. Equally, however, not every Scot grows up in a leafy suburb. Some Scots want to study languages and have the life experience of going to study in a different country. Surely, Brexit should not close off that opportunity and aspiration, but that is what appears to be on the horizon thanks to the UK Government.

I grew up in Port Glasgow. I have a great family and friends, and my parents were always encouraging me to have a better life and look for better opportunities than they had. That is what

parents do. My parents knew that, when I picked languages at school, the intention was to open up different opportunities for the years ahead. I want to do likewise for my children, but also for every child in my constituency and across Scotland.

In conclusion, Presiding Officer, the uncertainty caused by the UK Government in delaying decisions could lead to the financial exposure of many millions of pounds if it is not addressed, and it puts significant investment and jobs at risk, revealing the reality of Brexit.

Finally, Presiding Officer, addressing that uncertainty means the continuation of as close a relationship as possible with the EU and—for those of us in the SNP—our continued membership of networks such as Erasmus, agreements such as freedom of movement and the single market. Those things are crucial for Scotland's economy going forward.

The Deputy Presiding Officer: I remind members that, as far as I am concerned, “in conclusion” and “finally” mean the same thing.

16:23

Jeremy Balfour (Lothian) (Con): I think we can all agree that Scotland has one of the very best higher education sectors in the world. It is a tremendous achievement, of which Scotland should be proud. As we have heard from the minister and others, Times Higher Education recently published the 2017 world university ranking. Five Scottish universities featured in the top 200 and another seven Scottish universities featured in the list that represents the best 5 per cent of universities in the world. The UK is second only to the USA for the number of institutions in the world's best 800.

Europe has been and always will be an important partner of the higher education sector in Scotland. At undergraduate level, Scotland's higher education sector contains more than 13,000 students of EU domicile, accounting for 8.9 per cent of undergraduate students. A further 5,390 EU students study at postgraduate level at Scottish universities and pay fees to do so. Under current arrangements, EU graduates can stay and work in Scotland. By doing so, they meet demand for high skills and contribute to the economy by spending about £156 million off campus. Having a diverse student community, made up of different nationalities—from European and other countries—adds flavour to the student experience and benefits students from this country and the learning environment in general.

Scottish universities employ around 4,600 staff who are EU nationals, in a range of academic and professional roles. Although the UK contributes more overall to the EU budget than it receives, it is

one of the largest recipients of research funding in the EU.

Brexit presents challenges and a significant change for higher education but, alongside those challenges, there will be new opportunities. It is slightly depressing to sit here, week after week, and hear, from the SNP Government and back benchers, gloom and doom and more gloom and doom, without any positivity. They should try to learn a new lesson.

Stuart McMillan: On that point, will the member take an intervention?

Jeremy Balfour: I am sorry, but I need to push on.

As recently stated by Nick Hillman of the Higher Education Policy Institute, universities are international institutes—an international community of scholars and staff that predates the EU and will outlive our membership of the EU.

Universities recognise that they operate in a global—

Daniel Johnson (Edinburgh Southern) (Lab): I am very clear that universities do not need the EU for international collaboration, but they are already doing it. What is the upside for universities and colleges of leaving the EU?

Jeremy Balfour: Bear with me—I will get there in a moment.

As mentioned by Liz Smith, even if we leave the EU it does not mean that we will leave Europe or become less European in our ambitions. Universities want to maintain the closest possible relationship with our European neighbours and continue to see the exchange of talent across political boundaries.

We have heard about non-EU nations that do research. Switzerland and Norway take part in horizon 2020, despite not being part of the European Union. A total of 13 associated countries contribute to framework programme budgets in proportion to their gross domestic product, which allows them to take part in research and apply for horizon 2020 projects with the same status as those from EU member states.

Shirley-Anne Somerville: Will the member give way?

Jeremy Balfour: I am sorry—I need to push on.

It is possible for non-EU countries to contribute, based on their GDP. Clearly the UK will have to negotiate a new deal in order to do that, but there is precedent in that area and it can happen.

We have heard from other members about the Erasmus programme. Non-EU countries, including Norway, take part in the programme, as do

Turkey, Iceland, Lithuania and Macedonia. Again, we do not need EU membership to be part of the scheme.

There is also an opportunity to forge relationships with non-EU nations. Scottish universities have gone abroad to other parts of the world. Heriot-Watt University, here in the Lothians, has campuses in Dubai and Malaysia. There are opportunities to develop other such campuses in other parts of the world.

The Prime Minister has said that she wants the SNP Government to be fully engaged in Brexit negotiations. We need to ensure that Scotland and the UK continue to do that and to participate fully in future discussions about EU research programmes. Alastair Sim of Universities Scotland spoke of our universities being part of a cross-border ecosystem. On this issue, we cannot work in isolation but must collaborate with the whole of the UK.

Brexit will result in considerable change. The UK's Governments and higher education sector must work closely together throughout the Brexit negotiations to ensure that the UK remains one of the world leaders in higher education. I firmly believe that our institutions have the ability to achieve that and to cement Scotland's position within the UK as one of the greatest university nations in the world.

I am happy to support my colleague Liz Smith's amendment.

16:30

Gillian Martin (Aberdeenshire East) (SNP):

For once, I will not speak about colleges. I think that everyone expects me to speak about colleges all the time because I worked in one. However, while the debate has been going on, a photograph has come up on my phone of my former student Jakub Sirkowski being taught by Przemek Wasilewski, a former student of mine who is now teaching at North East Scotland College. They are very much in my mind as the debate progresses.

It is important to get testimony from the people who are most affected when we discuss the potential impact of Brexit. Recently, I got an email from Sam, who is a PhD research student and runs a lab at the University of Aberdeen that explores how inflammation and metabolism are linked and how we can treat diseases such as type 2 diabetes and cancer. I will do something unusual and, if it is okay, use my time to read out her email and give her a voice. This is what Sam wrote to me:

"The EU is critical to the medical sciences in Scotland. I can't even begin to express how important our EU membership is. Personally my lab is partially funded by EU money from several EU grants and initiatives. We have

some of the best research universities in the world for biomedical research, working on antibiotic resistance, stroke, heart disease, dementia and cancer.

One example of work being funded by the EU at my University is the development of next generation MRI scanners that will allow doctors to get more diagnostic information from people's scans for conditions like dementia, cancer, and arthritis. Giving better medical information but also more detailed research information that can help scientists develop new treatments.

Collaboration internationally is one of the biggest parts of science now, a move towards large ... collaborations, the sharing of data and specialist skills across many institutes has brought a revolution in quality of research. From 1981-2014 the number of science papers published with just a UK address dropped from 84% to 48% highlighting the amount of research done through international collaboration. The UK most certainly punches above its weight in international research and has the highest proportion of the world's most highly-cited scientific research ... placing it above the USA. EU funding and collaboration is at the heart of that success. The contribution to that figure from Scottish universities is disproportionate to our small population size. Scotland is a leader in university research in a wide range of disciplines. The quality of work conducted in this country is one of the reasons I chose to not go abroad to study for my PhD.

EU funding and collaboration is only part of it, though. The number of talented people that come to study here at doctoral level is incredible, in 2014-2015 there were 14,280 EU students studying for a full time research qualification.

Freedom of movement across the EU is critically important in allowing us to attract the best research students and the best staff from across the EU to Scotland. More importantly, it allows us to retain them. Abolition of the post study work visa has made it incredibly difficult for universities to retain international research students as students are now required to leave following completion of a PhD rather than being encouraged to stay and further their research.

And I worry about how the Home Office will allocate the work permits Theresa May is now talking about. In the biomedical sciences most jobs available are not on the Home Office's required list and therefore they are subjected to full visa conditions including earning requirements. Contrary to popular belief, research jobs are not well paid, the average starting salary for a researcher in biomedical sciences in the UK holding a PhD is £24,000 before tax, normally rising to around £30,000 after ten years of experience.

Will the loss of EU membership subject these staff to the Tier 2 visa scheme where a threshold of £35,000 in earnings is a requirement for indefinite leave to remain? We'll lose so many great people doing important work and progressing in the industry from doctoral researcher into independent researchers and the establishment of new labs and new expertise within the country-leading to who knows what scientific breakthroughs?

More generally, the morale is unbelievably low. Friends I have who work in research, who have come here to work, had children and are settled here are now unsure if they will be able to stay. These fears at present make it very hard for us to bring and retain talent within the scientific industry as people begin to seriously consider leaving the UK.

And that applies to me too.

I complete my PhD in September 2017 and I am now entering the phase of my career where I have to make

choices about where I will go post-graduation. Competition for postdoctoral roles in research are already highly competitive and loss of funding and the breakdown of collaborations that Brexit may bring make me hesitant to rely on staying in Scotland for my career. This is my home, I have lived here all my life and I deeply value the investment the Scottish Government made in allowing me to attend university for free, and then further supporting my PhD through both university and NHS Scotland research funding, I want to return that investment.

My dream is that one day I will be a professor at a Scottish university—teaching, researching and helping further our knowledge and passing it on to another generation ... Without EU funding, support and collaboration I fear that will be impossible and I will be forced to look abroad to get the most out of my career. Sam.”

Sam needs answers, Sam’s colleagues need answers and Sam’s university needs answers. Will that funding be replaced? Will that collaboration be possible? Will talented EU citizens still be able to study and work in our universities? They need to know now, not in two years’ time.

16:36

Daniel Johnson (Edinburgh Southern) (Lab):

One of the things that I have enjoyed most since becoming an MSP is the amazing visits that we get to go on. It is a huge pleasure and privilege for me to have King’s buildings—the home of science and engineering for the University of Edinburgh—in the heart of the Edinburgh Southern constituency. In fact, I am such a self-confessed geek that over the past two weeks I have made not just one visit to King’s buildings, but two. Part of the reason why is that there is such amazing work going on there.

I will describe two projects that are happening there at the moment. The first is the li-fi—light fidelity—project, which involves wi-fi replacement technology that uses ordinary LED lamps connected to a router. It allows the equivalent of wi-fi but uses light, and is 20 times faster than cable. Because it is cable free, applications for getting broadband into remote areas are incredibly promising and exciting. Likewise, I got to see the Edinburgh genome foundry, which is an automated robotic genetics laboratory where robots are able to undertake genetic sequencing and engineering round the clock. That means that while researchers are sleeping, their work is carrying on in the lab.

What struck me was that not only is that work at King’s buildings innovative and creating the future, but is, above all else, highly international. The research teams do not have just one or two people from other countries; they are full of many people from all over the world.

Universities are important to Scotland and have a history of groundbreaking discoveries, but they

also shape our future. As we know, the spin-outs from Scottish universities are highly successful and are a very real part of building our future industries. However, universities are international because—as Shirley-Anne Somerville pointed out—knowledge does not recognise borders. Clearly, collaboration builds progress: the broader that collaboration, the stronger the academic base.

I have to challenge Jeremy Balfour’s comments. I understand, and agree, that there are various programmes that we can renegotiate our position in and get access to. However, trying to doublethink our way into describing those renegotiations somehow as benefits or upsides to Brexit is perverse, because they are about things that we do already and are already part of. Any renegotiation would be an additional cost that we do not need.

Liz Smith: Notwithstanding the very considerable downsides that we on this side of the chamber have admitted to, there are upsides. For example, we can do a lot, in particular in relation to international projects that have been highly successful for some Scottish universities and are well beyond the boundaries of the EU.

Daniel Johnson: All that I heard was either about renegotiating our way back into programmes that we are in or about describing the international collaboration that we are doing. Where is the upside? I have yet to hear it.

If we look at the numbers, the impact of Brexit on our universities is very clear. At the University of Edinburgh alone, 10 per cent of its research funding comes from the EU, which is worth £23 million—a quarter of the Scottish funding total. It has 91 horizon 2020 projects worth €77.8 million, and 30 per cent of its research is co-authored with other EU institutions.

A number of members have mentioned the possibility—albeit that it has been anecdotal—of our researchers being asked not to take a lead on research projects. That is not an issue just because they like having their name at the top of the paper: academic work is built on reputation, and if the University of Edinburgh does not get the credit for its groundbreaking work, whether in wi-fi technology or genetics, other institutions will get that credit and be able to build their reputations.

This is not just a funding issue—universities are about people. The fundamental process of our universities is in taking the knowledge that our academics possess and passing it on to our students. When we consider that 14 per cent of University of Edinburgh students come from other parts of the EU, one can see the seriousness of the problem. One third of the students are doing science, technology, engineering and mathematics

subjects, which we know are so important to our economy.

The problem is even starker when we look at staffing numbers: almost 2,500 University of Edinburgh staff come from the EU. Of academic staff, 25 per cent are from the EU. We have a context of uncertainty and insecurity because of the visa system that the UK Government has imposed.

Jeremy Balfour: Is the Labour Party in favour of Brexit? Are you now campaigning for no Brexit?

Daniel Johnson: We campaigned against Brexit—

Jeremy Balfour: And now?

Daniel Johnson: Jeremy Balfour should let me finish. We continue to take the view that there will be negative consequences, but we want to make the most of Brexit. It is, however, important that we understand the realities of the negative consequences that Brexit poses. I am told—again, anecdotally—that staff and students coming to Edinburgh are being advised not to fly through Heathrow because the immigration controls are such a nightmare to get through. That is the reality of what we are putting our universities through.

We need clarity. There is a total lack of a vision or a plan from the UK Government. Through the summer, we heard that it was part of Theresa May's cunning plan not to say too much. I am sorry, but silence is not a strategy, it is not shrewd and it is not tactics; it is a dereliction of duty. We need to know some key things. We need to know the basics. Will EU nationals living here now continue to be allowed to live and work in this country? We do not know the answer to that. We need to understand what the vision is for research in this country. How will our research bodies work with EU bodies? The Scottish Government needs to provide clarity, too. We need clarity for students who are applying for courses this year, because the closing dates are upon us.

Some 8.9 per cent of students come from the EU, but we also need to investigate the possibility for bilateral relationships with EU research funding programmes. That work needs to be carried out now if we are to mitigate the undoubted damaging consequences of Brexit.

16:43

Graeme Dey (Angus South) (SNP): The past few years have presented challenges for colleges as they have adapted to regional FE delivery models, and to the need to better align course delivery with future job opportunities and cope with funding reductions.

Few colleges have responded better to those challenges than Dundee and Angus College. The merged college, under the leadership of Grant Ritchie and his team, boasts the most successful record in attainment for young people up to the age of 18. Its learners from the 10 per cent most-deprived postcodes achieve 16 percentage points higher than the Scottish average. It has expanded the number of learners moving into advanced places at university year on year, it has doubled its activity with schools and it is working more closely than ever with the University of Dundee and Abertay University.

The college has also won a string of national awards for sustainability, learner engagement and student enterprise. It was the only Scottish finalist at *The Times Educational Supplement* college of the year award and it was named the north-east of Scotland employer of the year at the cherries awards for human resources, beating off competition from major national companies. Members might think that Dundee and Angus College would be looking to the future with justified optimism. However, right now a cloud is hanging over that college and all Scotland's colleges, in the form of Brexit and the long-term implications of exiting the EU.

In its former existence as separate entities and in its current guise, Dundee and Angus College has benefited from some £30 million in EU funding since 1998. Annual income from EU sources will drop by some £2 million from the 2015-16 figure, following exit from the EU. The majority of the funding has been targeted at attracting learners from disadvantaged areas and supporting growth in small and medium-sized enterprises, and its loss will, according to the principal, "have a profound impact" on the college's service to the community.

It is worth exploring what EU funding, which is drawn from a variety of sources, delivers in practice. For example, it has enabled the creation of a business incubator and enterprise facility, a sustainable industries institute, with state-of-the-art engineering facilities, and an employability centre.

The funding has also opened up reciprocal learning opportunities. Last year, for example, Dundee and Angus College students had work placements in Sweden, Spain, Romania and Slovenia, and staff groups went to Finland, Spain and Sweden to look at teaching innovation. All told, 103 students and 38 staff members took part in 14 such projects, and returned to introduce the best practice that they had gleaned from their engagements. Groups from Finland, Spain and Sweden made seven reciprocal visits to Tayside, building on the EU networking arrangements that are so valued by the people who are involved in

them. In total, Dundee and Angus College has established partnerships with 33 organisations in a wide range of EU countries.

In addition, courtesy of funding from the European social fund—secured through a national funding application by the Scottish Further and Higher Education Funding Council on the back of the awarding of additional credits—during 2015-16 Dundee and Angus College was able to offer an extra 450 students the opportunity to study, mainly in future growth areas including business and finance, energy, life sciences, digital and healthcare. That EU funding has supported the delivery of about 20 courses to higher national standard, with an estimated 10 teaching posts.

It is little wonder that there is concern on the Kingsway and Arbroath campuses over what the post-Brexit future holds. It is about not just hard cash: it is also about the engagement opportunities that being part of the EU and its arrangements provide. The Tory amendment claims that

“there will be new opportunities for both colleges and universities, especially in developing closer international links with further and higher education institutions in non-EU nations”.

Perhaps so, but why go through unnecessary upheaval, and how will the exploration and delivery of such links be funded? In essence, we are faced with the tearing up of all the collaboration that has been established across the EU in recent years.

The impact of Brexit for Dundee and Angus College and other Scottish colleges goes even further. Around 10 per cent of the student cohort at Dundee and Angus College are EU nationals. They live in the communities that I represent and have secured employment locally in the soft fruit, retail and care sectors, for example. Will the students who might follow in the footsteps of those valued contributors to our society and local economies choose to go elsewhere when they potentially face having to secure visas and not having their fees paid? A Hobsons survey of EU students found that 82 per cent would view the UK as a less attractive option for study if it voted to leave the EU.

The Tory amendment talks about

“the resourcefulness and creativity with which further and higher education institutions have always reacted to changing circumstances”.

The institutions are adaptable, but why expose them to risk and uncertainty and to the pitfalls that Iain Gray talked about? Members should be in no doubt that the impact of Brexit looks likely to be severe for the sector, as I set out in the context of the college that has a footprint in my constituency.

No amount of deflection by the Tories can disguise that.

With every passing day since the UK voted to leave the EU, the wisdom that Scotland displayed in voting to remain becomes more obvious. With every passing day, the need for Scotland to avoid having its ties with the EU cut becomes clearer.

16:49

Alexander Stewart (Mid Scotland and Fife) (Con): As members said several times during the debate, the people who work in the further and higher education sectors were overwhelmingly in favour of remaining in the European Union. It is important that we recognise that and that we understand those people’s concerns and work together to address them. There is no doubt that both sectors will have to deal with change, but challenges provide opportunities. We must grasp the opportunities that exist on the new path that has been chosen by the United Kingdom.

Take the Scottish Government’s flagship free tuition fee policy for Scotland-domiciled and EU students. Part of that policy must now change and the response from the Scottish Government must be to reset the funding policy for higher education, which—as everyone knows—has within it financial inequalities depending on the nationality of the students, as well as a problematic cap.

The Minister for UK Negotiations on Scotland’s Place in Europe (Michael Russell): I thank Alexander Stewart for giving way. The policy is based on domicile, not on nationality. It is very important to recognise that; I am sure that the member would not want to misrepresent the policy to Parliament.

Alexander Stewart: I mentioned domicile, not nationality. I thank the minister for the intervention.

It might be the case that more Scots than ever are attending university, but according to statistics from the Scottish Further and Higher Education Funding Council, Scotland-domiciled students are a declining percentage of the total number of students attending university. We know that commitments were made regarding widening access so we have to ensure that that takes place.

I acknowledge that change needs to take place and that that change will come. The new status of EU students—whatever that will be—needs careful thought, particularly on the grounds of income stream, which is predominantly based on the Scottish Government—

Daniel Johnson: Will the member give way?

Alexander Stewart: No. I want to continue.

As my colleague Liz Smith pointed out, there is the possibility that the introduction of a fee for EU

students will reduce the number of applications from EU countries. In turn, that will necessitate some careful arithmetic, which the sector is keen to get as soon as possible. We encourage the Holyrood and Westminster Governments to work together to provide that arithmetic. As Universities Scotland has said, the arithmetic is very important, especially when looking at and challenging strategic planning for the future.

There will be more opportunities for Scotland's institutions as we move forward, and many institutions have already achieved a great deal. Heriot-Watt University in Edinburgh is just one example: it has already developed campuses in Dubai and Malaysia. As the UK agrees new free-trade arrangements with nations around the globe, Scotland's universities can seize the opportunity for international exposure.

Shirley-Anne Somerville: I am going to Heriot-Watt tomorrow. While I am there, perhaps I can explain to the principal—and to other principals—how they should adapt to what is already going on in China and the far east. Agencies there are already telling students, “Don't go to Scotland or the UK. It's closed. You should go somewhere else.” That is happening—just go out and speak to the principals. How do we deal with that?

Alexander Stewart: I thank the minister for her intervention, but Scotland is certainly not closed. We know it and she knows it. Scotland is open for business—the minister should listen to the rhetoric of her colleagues who occasionally try to say that.

One of the major concerns that has been raised by the universities has been about their future participation in European research. That has already been discussed this afternoon. It is important that we look at all streams of funding for research. Between 2007 and 2013, European Union research funding that was delivered through its seventh framework programme—FP7—accounted for 3 per cent of the UK's total funding for research and development. We must ensure that our universities are no worse off in terms of the research and development funding that they can obtain.

We have talked about the horizon 2020 programme, which shows a real opportunity. Thirteen countries have associated status, including European Economic Area members Norway and Iceland, but Turkey and Israel also have access. As Alastair Sim of Universities Scotland said, associated countries

“are closely involved in that programme and have accesses that are not so different from those that European Union members have.”—[*Official Report, European and External Relations Committee*, 28 July 2016; c41.]

Likewise, participation in the Erasmus plus scheme—which provides immense opportunities

to students—is open to countries that accept the free movement of people—for example, Norway and Iceland—and also to nations such as the former Yugoslav Republic of Macedonia and Turkey. Although the Erasmus scheme will continue for Scotland-domiciled students as it has done in the 2016-17 academic year, it is very important that we look forward to what can be achieved and what is being achieved as we progress.

The institutions that make up the higher and further education sectors in Scotland are world-renowned for their teaching and their research. That is, to a great extent, as a result of their openness and their ability to attract the best and the brightest staff and students from around the globe. The vote on 23 June this year should not be seen as any rejection of that approach. Although we have, no doubt, heard that we are leaving the European Union, we are not leaving Europe, and we should continue to welcome those who have something to contribute to Scotland, while also looking to the opportunities beyond the European Union that we will continue to have. I look forward to that being achieved.

The Presiding Officer (Ken Macintosh): I call Jenny Gilruth, who will be the last speaker in the open debate.

16:55

Jenny Gilruth (Mid Fife and Glenrothes) (SNP): I would like members to cast their minds back to the day—102 days ago, to be precise—when Britain voted to take itself out of the European Union, to take back control and to seize the opportunity to be a sovereign nation again. The doom and gloom of the remain camp was palpable. I quote:

“I do believe there are risks and uncertainties about the economy. I think people's jobs would be at risk”—

so said our new Prime Minister, Theresa May.

“If you don't know, don't go”,

warned Ruth Davidson.

To allay public concern in the run-up to the Brexit vote, the UK Government helpfully published a reassuring document entitled “The process for withdrawing from the European Union”. I am sure that we all share NUS Scotland's serious concern that it contained absolutely no reference whatsoever to education—nothing about schools, nothing about colleges and nothing about universities.

Perhaps Brexit is a good thing for Scotland. Education is devolved, after all, so we can take back control and seize the opportunities that the Conservative Party has so kindly foisted on Scotland.

Higher education and further education make a difference to people's life chances. In my constituency of Mid Fife and Glenrothes, 31 per cent of school leavers from the 2012-13 cohort went on to further education. More or less the same percentage of children live in poverty, after housing costs are taken into account. At the start of last year, our unemployment rate was nearly double the national average. Education therefore matters to my constituents, because education gives people currency—it increases an individual's earning potential and opens doors.

Colleges in Scotland have directly benefited from European funding, primarily via the developing Scotland's workforce fund and the youth employment initiative. In total in this academic year, Scotland's colleges will benefit from £18.2 million of European funding from those projects. Approximately £250 million of European funding has been provided towards historical capital projects in the college sector.

In our higher education institutions, 23 per cent of research-only staff are from the EU. Further, as has been stated, five of our universities—Edinburgh, Glasgow, St Andrews, Dundee and Aberdeen—are in the *Times Higher Education* world university rankings. Our universities receive almost £90 million of research funding a year from EU sources alone.

I am sure that members across the chamber were delighted by the statement from the Scottish Government and Universities Scotland in July that reassured EU students that they will continue to benefit from free tuition and support for the duration of their courses. The message from the Scottish Government is clear: EU students are welcome in Scotland and their contribution is valued.

Like colleagues across the chamber, I wrote to EU citizens in my constituency following the Brexit vote. One replied:

"When we heard the result of the EU referendum, my Polish friends and I were worried and frightened. Of course I love Poland too. But my life is easier here. I am very happy here".

Another said:

"I have lived in Scotland for 27 years and I have always felt welcome. But at the time prior to the referendum I did, for the very first time, feel like a foreigner because of careless comments people made."

That is the reality of the Tories' Brexit vote. EU citizens who are mothers, students and workers now feel unwelcome. They feel as if they do not belong.

Scotland is home to 173,000 EU nationals. It is the job of every MSP to ensure that those people recognise how much we value and need their contribution in Scottish society. Someone's

nationality should not be what qualifies them for employment—that is what qualifications are for.

Those are the reasons why higher education and further education are pivotal to Scotland's future.

Less than a month after the vote, our new Prime Minister met our First Minister—I am sure that it was a cordial affair. The Prime Minister gave the First Minister a commitment that the Scottish Government would be fully involved in the process of developing a UK position in advance of article 50 being triggered.

It was therefore interesting to note the tone flip this weekend, when the Prime Minister said:

"There is no opt-out from Brexit and I will never allow divisive nationalists to undermine the precious union of the four nations of our United Kingdom."

The divisive nationalism that will drag the UK out of Europe is acceptable. The divisive nationalism that led this country into a referendum on our EU membership, on the watch of a party that Scotland did not vote for, is fine. The divisive nationalism that resulted in the value of the pound falling to a three-year low against the euro yesterday is okay. However, the civic nationalism that my party stands for is dangerous. That is ugly separatism. That is parochial. That is isolationist. Scotland should know her place. The sheer audacity of the Conservative Party when it comes to Europe knows no bounds.

Scotland did not choose to be in this situation. Today's motion commits the Scottish Government to taking action to stand up for Scotland's best interests; to maintaining our membership of the European market and access to the free movement of labour; to maintaining the strong tradition of academic collaboration between European and Scottish higher education institutions; and to insisting that the UK Government ensures that we have a role in decision making and Brexit negotiations.

I will end with the words of the former Prime Minister, who said in 2009 as leader of the Opposition:

"We need mutual respect and a politics which is about discussion and delivery rather than about confrontation and grievance."

Whether it is a hard Brexit or a soft Brexit, the scrambled Brexit that Scotland is being served up by the Tories is simply not good enough.

The Presiding Officer: We move to the closing speeches. I call Monica Lennon, who has a generous six minutes.

17:01

Monica Lennon (Central Scotland) (Lab): Thank you, Presiding Officer. Many interesting points have been made during the debate by colleagues across the chamber. It has been clear from most members that the aftermath of the EU referendum is uncharted territory, particularly for the further and higher education sector in Scotland. I welcome the points that have been made in recognition of the sector's importance and benefits to Scotland and I echo those sentiments. It is for those reasons that clarity on the sector's future after the EU referendum is so important.

First and foremost, as has been said many times during the debate, we must reassure the students and staff at our colleges and universities. A lot of warmth towards and solidarity with the almost 13,500 undergraduate students from the EU and the 5,390 postgraduate students who study in our universities has been expressed. Postgraduate students from the EU make up more than 13 per cent of postgraduate taught students and almost 17 per cent of research students. As Daniel Johnson said, a third of those students study the STEM subjects, which are vital to the country's future jobs and economy. As we know, under the current arrangements, EU students can stay and work in Scotland after graduation.

EU students make a huge contribution to our universities and our society and I agree with members across the chamber that we must make sure that the result of the EU referendum does not damage that. To prevent any knock-on effect on the numbers of EU students, universities and colleges require urgent clarity from the Scottish Government on the fee status of EU students who are applying for courses in 2017-18. Students are already applying for courses that begin next year, and institutions and applicants are being left in limbo on what the fee status of those students will be throughout their studies. Last month, Andrea Nolan of Universities Scotland told the Education and Skills Committee that universities require a response one way or another.

I welcome Shirley-Anne Somerville's opening remarks. As the responsible minister, she has acknowledged the concerns, and I know that she appreciates the urgency of the situation. Labour hopes that the Scottish Government will soon be able to provide answers—and a timescale—on what the fee status of EU students will be for those who begin their studies in autumn 2017.

Stuart McMillan: On the point that Monica Lennon just put to the Scottish Government, it is clear that such a decision will have a financial implication, so the UK Government should ensure that the Scottish Government has any additional funds that will be required for such a guarantee.

Monica Lennon: If we were remaining in the EU, the Scottish Government would make that funding commitment anyway. However, I am heartened by Shirley-Anne Somerville's commitment to continuing to engage with the university and college sector and our students in that regard. In the same vein, I hope that the Scottish Government will provide clarity on the position of academic staff and researchers and that they, too, will be given assurances that they and their dependants have the right to live and work here.

There are 4,600 staff from the EU working across the 19 higher education institutions in Scotland. Researchers from EU countries make up 16 per cent of academic staff in our universities—that number rises to almost 20 per cent in some of our institutions—and their contribution to our teaching and research excellence is vital. I echo the call in the joint statement from the UK national academies that those people deserve to receive absolute clarity on their position in the coming years. Similarly, outward opportunities for UK staff to collaborate and gain experience in other EU countries need to be safeguarded.

I know that there is agreement across the chamber that, regardless of the EU referendum result, it remains vital that EU countries know that Scotland's further and higher education remains open and that the close relationship with our EU neighbours will remain in place. Reassurance from the Scottish Government and the UK Government regarding the funding of research projects and student places is central to that.

As we heard from some members, the college sector in particular benefits immensely from EU structural funds—in 2014, £13 million from the ESF created 3,500 extra college places. The impact of that funding for students in my Central Scotland region and the rest of the country cannot be overestimated. It is vital that the UK and Scottish Governments provide assurances about the continuation of funding in the event of Brexit and that they, along with the Scottish funding council, pursue all possible avenues to ensure that the college sector is not adversely affected.

Higher education institutions received £88.8 million of research funding from the EU in 2013-14, which accounts for 13 per cent of universities' total annual research funding. Those figures are not insignificant. We all celebrate the fact that Scottish universities consistently punch above their weight in respect of EU funding. Scotland receives almost 20 per cent of the UK funding that is delivered through horizon 2020, which is the EU's biggest research and innovation programme. Our excellence in research is recognised and

rewarded by EU funding, which allows that work to flourish and continue.

I reiterate that I hope that the minister will keep in mind the importance of consulting students and young people on affected policy areas during the Brexit negotiation process, particularly in areas such as Erasmus participation and research funding. Stuart McMillan spoke well about how his experience helped to broaden his horizons across Europe. He has turned out pretty well, and we do not want other people to lose out.

Stuart McMillan: Thanks very much. *[Laughter.]*

Monica Lennon: We should keep it in mind that young people—particularly 16 and 17-year-olds—will, as the students of the near future, be most affected by any changes and implications of the EU referendum for Scotland's further and higher education sector. I hope that the minister and the Scottish Government will keep that in mind in taking forward any discussions on the Brexit process and will make all necessary efforts to ensure that young people are engaged in that process.

17:08

Ross Thomson (North East Scotland) (Con): Since the United Kingdom voted to leave the European Union on 23 June, the SNP Government's response has been to show nothing more than belligerence rather than diplomacy. Rather than grasping the opportunity that Brexit presents, the SNP is working only to frustrate the process of the UK leaving the EU. It is working to shackle Scotland to the EU's failing institutions and to blinker us from the growing economies outwith the EU around the globe, and it is using the referendum to justify its agenda of independence at any cost. That is an attempt to further its own interests rather than those of Scotland.

It is natural that any change will present a new set of challenges. My colleague Liz Smith conscientiously articulated what those challenges are for further and higher education institutions.

Iain Gray: Will the member give way?

Ross Thomson: Thank you, but I am just getting started.

What will define the Scottish Government is whether it can rise to meet those challenges and maximise Brexit opportunities for the benefit of Scottish further and higher education.

I recently met Universities Scotland. The stark message that is coming from our institutions is that the current settlement on university funding is unsustainable, with Scottish students being

underfunded by 10 per cent. Our current membership of the EU means that we have to pay for the free tuition of EU students. EU law requires that applicants from Scotland and the rest of the EU—

Daniel Johnson: I believe that Mr Thomson is the fourth Tory member to hint today that EU students could cease to be funded by the Scottish Government. Is that now the position of the Conservative Party in this Parliament?

Ross Thomson: If Mr Johnson had allowed me to finish, I would have clarified that point.

EU law requires that applicants from Scotland and the rest of the EU are treated equally, with Scottish students often missing out on funded places at our universities. That costs more than £80 million a year, and the cost is rising.

When we leave the EU, we will have the new ability, if the Parliament chooses to use it, to charge EU students and use the money that is raised to fund bursaries and more places for Scots. It is important that our institutions and wider Scotland start to have a proper and well-thought-out debate about how exiting the EU can allow our institutions to raise additional revenue that could fund bursaries and places for Scottish students.

There is a myth that university tuition in Scotland is free. We know that international students from outwith the EU, as well as English students, pay thousands of pounds to study here. Our universities charge international students fees of up to £14,000. Just as an example, if our institutions charged EU students the full international rate, we could raise in excess of £220 million. If we were to charge EU students at the same rate as rest-of-UK students, we could still raise more than £90 million.

We should bear it in mind that the cost of providing free tuition to EU students is approximately £87 million. That money would be saved by not providing free tuition, and our universities would be better off by around £177 million, if the Scottish Government and the Scottish Parliament wanted to take that course of action.

Shirley-Anne Somerville: Can the member name one single higher or further education institution that thinks that what he espouses is a good idea? I certainly have not heard from any such institution.

Ross Thomson: I have said that it is for the Parliament to debate whether the idea is good. In my meetings with it, Universities Scotland has said that we need to have a fundamental debate about the matter. Brexit will present new opportunities and it is up to the Scottish Government to bring forward its plans. Such a policy could help to

ensure places for Scottish students and provide the bursaries to support students from the most deprived communities to get into university.

Our universities have raised natural concerns about research funding. My colleague Liz Smith mentioned that our institutions have shown tremendous adaptability in meeting numerous challenges, and they will no doubt continue to do so.

Members should bear it in mind that the vote on 23 June was to leave the structures of a political organisation—it was not a vote to turn our backs on our European neighbours. It was not about leaving Europe, and we will continue to co-operate closely with our European neighbours. We will now have the opportunity to look beyond the EU to some of the most exciting and dynamic regions of the world.

Daniel Johnson: Will the member take an intervention?

Ross Thomson: No—I would like to make progress.

Our world-leading universities will continue to collaborate with other European institutions, as well as collaborating with institutions elsewhere in the world. The EU-funded Ebola research programme, which involves the universities of Oxford and Stirling and the London School of Hygiene and Tropical Medicine along with 11 EU universities and Swiss universities, is a clear example of how countries outwith the EU, such as Switzerland and Norway, have been able to collaborate outwith the formal EU structures.

Lewis Macdonald (North East Scotland) (Lab): Will the member take an intervention?

Ross Thomson: No, thank you. This week, the Chancellor of the Exchequer, Philip Hammond, stated unequivocally that universities and researchers will have funds guaranteed for research bids that are made directly to the EU, including bids to the horizon 2020 programme, which is a £69 billion pot for science and innovation, and the Treasury will underwrite the funding awards even when projects continue post-Brexit. That move has been welcomed by Universities UK as providing much-needed stability for our universities during the transition period while the UK exits the EU, and it sends an important signal to European researchers that they can continue to collaborate with their UK colleagues as they have done before.

Currently, the UK is a net contributor to the EU budget, so the funding and grants that our institutions receive from the EU come nowhere close to the amount that we pay into the EU pot in the first place. In fact, even while we are a member of the EU, funding for our institutions is

not guaranteed, as it is subject to the decisions of the EU and its structures, which are made by people who are not accessible or accountable to our institutions here in the UK. After the UK leaves the EU, those decisions can be taken here in the UK by bodies that are accountable to us.

I will touch on comments made by Jeremy Balfour, who acknowledged the challenges ahead and mentioned the Erasmus scheme, which Iain Gray and Stuart McMillan also mentioned. It should be borne in mind that, although Erasmus is co-ordinated by the EU, it is a project for the European continent and involves countries such as Norway, Iceland, Turkey, Macedonia and—goodness me—Liechtenstein. If they are involved, there is no evidence whatsoever to suggest that the UK will not be. Opportunities to go abroad will exist for our students, but the difference is that those opportunities will be extended beyond Europe to the rest of the world.

So far, Scottish Government ministers have bemoaned the referendum result and stoked the flames of uncertainty in pursuing their independence cause, which, we have learned, transcends absolutely everything else. As I said at the beginning of my remarks, change brings challenge. Brexit brings challenge. The Scottish Government must remove its blinkers to see the swathe of new opportunities for our further and higher education institutions, for which the Scottish Government is wholly responsible. Mr Russell should bring forward a blueprint to demonstrate to us how he will seize the opportunities for our world-class institutions. Now more than ever, those in Scotland who advocated for leave and for remain must work together to secure the best possible deal for Scotland as we forge a new and positive relationship with the EU and the rest of the world.

The Presiding Officer: I call the minister, Mike Russell. If you want to speak until 1728 or 1729, I certainly will not object.

17:16

The Minister for UK Negotiations on Scotland's Place in Europe (Michael Russell): I shall do my best, Presiding Officer. [*Interruption.*] I am glad that my colleague Mr Swinney is looking forward to this.

At the outset, I declare an interest. Until 1 September, I was professor of Scottish culture and governance at the University of Glasgow, which, I should note, is one of the top 200 universities in the world.

As usual, I have spent the afternoon listening to the Tory description of the sunny uplands that lie ahead of us when we exit the EU. Those sunny uplands are so exciting that, while the debate was

going on this afternoon, the pound sank to a 31-year low and, just a few moments ago, the International Monetary Fund downgraded UK GDP growth because of Brexit. The sunny uplands are a fiction of Ross Thomson's imagination, and having heard what he imagines, that worries me considerably.

Ross Thomson: Will the minister take an intervention?

Michael Russell: Not at the moment. If the member lets me make a little progress, I will be happy to hear what he has to say.

I want to address two things initially: the present situation in higher and further education in Scotland; and the issue of research.

In May 2012, I led the Scottish delegation to the plenary of the Bologna process, which was held in the Palace of the Parliament in Bucharest—as anoraks in the chamber will know, it is the world's second largest administrative building. There were 47 delegations present, and not just from EU countries or sovereign states. The outer group was that larger group of nations and the inner group was the European higher education area. The purpose of the Bologna process is to ensure compatibility between higher education systems and to allow students and academics to move from one place to another.

Scotland has one of the highest ratings within the Bologna process. It is seen as a nation that has key advantages. It is English speaking, it has high-quality institutions, of which five are in the top 200 and many more in the top 1,000, there are no fees for domestic students and there is good access for others. Most important of all, Scotland is part of the EU, so there is free movement for staff and students.

Given those circumstances, in the international world of higher education, membership of the EU is seen not as a disadvantage but as an advantage. It does not stop collaborations; it enhances them. In that regard, the Tory amendment is, to put it kindly, fatally flawed. Perhaps I will put it more bluntly: it is completely and utterly wrong. Coming out of the EU does not remove a tiresome impediment; coming out of the EU damages higher education in Scotland.

Liz Smith: The minister and I wanted a different referendum result and we have acknowledged in the debate that the colleges and universities wanted a different result. Is it not our duty and obligation to ensure that we make the best of the result and move forward? There are opportunities, even if we have chosen in this debate to accentuate some of the challenges. There are opportunities and it is our obligation to work together to ensure that we exploit them.

Michael Russell: The first obligation in any inquiry is to tell the truth. I cannot see what those advantages are.

Scottish universities are doing work across the globe, and that has happened while we have been in the EU. I will give four brief examples from my own experience. I had the wonderful experience of hosting a dinner with Anton Muscatelli in Calcutta, at which we welcomed old boys who studied at the University of Glasgow in the 1930s—Scotland has had an international reach for generations. More recently, I signed a memorandum of understanding in Putrajaya, near Kuala Lumpur, for Heriot-Watt University, establishing a new university campus there. I helped to open the Strathclyde business school campus at Noida, outside New Delhi. I attended a seminar in Vancouver on Scottish literature involving the University of Aberdeen. None of those places is part of the EU; all of them are places where Scotland is working. Indeed, it would be hard to find a country in the world where Scottish universities do not have either a memorandum of understanding or live links.

There is nothing in membership of the EU that is holding back Scottish higher education. However, not being in the EU will damage Scottish higher education. The proof of that lies in research. We have heard some of the details around research funding but there is a more insidious problem. The UK is towards the bottom of the averages for spend on research—research spend as a percentage of GDP is 2.08 per cent across the EU nations; it is only 1.72 per cent in the UK. Outside the EU, at the mercy of the UK holding the purse strings, we will do worse in research funding than we do now—there is no doubt about that whatsoever. Therefore, the threat to research funding in Scotland comes from leaving the EU. Every researcher from every university will say the same—it is a key problem. Indeed, it is the opposite of what we heard during the 2014 referendum, when apparently staying in the UK was wonderful for research. However, that has not turned out to be the case.

The reality of the situation, which we should acknowledge in the chamber, is that Scottish HE and FE are doing well. They are world quality; they provide strong service to students; they undertake world-quality research; and they attract key staff from across the globe. That is a big thing in higher education. The five universities that are in the top 200 have to compete globally for staff, and staff often come with groups of students, and doctoral and post-doctoral students in particular, because they compete in that world. They will not do so if there is insecurity.

Unfortunately, Brexit gets in the way of success in higher and further education. That is the reality,

but how might we cope with it? There are four things that we need to consider. First, we must have free movement. Indeed, that is essential for participation in schemes such as Erasmus—there has to be free movement. Unfortunately, the Prime Minister appears to have ruled that out this very week. That is a threat that we have to overcome.

There has to be participation in key projects and if we are going to participate in key projects, we have to pay into them; we have to make sure that we are part of key projects.

There have to be guarantees of continuity of funding—not the flimsy guarantees that we have had up until now, but real guarantees.

Liz Smith: I am grateful to the minister for giving way again. Would he acknowledge that, within the guarantees that have to be provided, the Scottish Government has responsibilities in relation to the income stream that comes from different student categories?

Michael Russell: Absolutely, but I am sure that we would not expect to see the Tories taking advantage of the situation to push their own agenda of trying to impose fees on students. This Government has resisted that agenda and will go on resisting it—I am sure of that, knowing my colleagues in higher and further education.

After free movement, participation in projects and guarantees of funding, the fourth point relates to honesty and accuracy. I rarely quote Iain Gray with approval but he described the Tory attitude as a Pollyanna attitude, and that is what it is. Week after week, we have heard the attitude that if we just keep smiling and do not talk about the reality, it will all be okay in the end. Well, it will not be okay. We see from higher education what the problems are, so let us address the real issues: free movement; participation; guarantees of funding; and making sure that we are being honest to every sector in Scotland.

Let me address some of the points that have been raised in the debate. I have a strong admiration for Liz Smith, as she knows, although that has never been an advantage to her in her own party. I am pleased that she is so straightforward about the issue of post-study work visas and migration. That is very positive and I wish that her party listened to her more often on those matters because she is utterly right. Without the post-study work visa—without a realistic approach to migration and free movement—we will not be able to keep our unique position.

I hope that Liz Smith's party is also listening to her on the issue of Scottish Government responsibilities, because she correctly made the point that the Scottish Government is responsible for HE funding and said that she hopes that we will discuss and negotiate that with the UK

Government. I would welcome the chance to sit down and discuss matters of devolved competence with the UK Government, so I hope that Liz Smith will say that to her Tory colleagues in England. There are many solutions to the financial issues. They do not include removing the opportunity for free education, although they would of course include independence.

I move on to Iain Gray's position on colleges and the threats to the number of students and EU funding. Our college sector is sharper, leaner and more focused than before, but we need to do more, and the college sector will have to be assisted in some way if Brexit takes place. Iain Gray correctly identified two key problems. One is about the moneys from European sources that are used to support the college sector, and the second is about the income that colleges often get from students who are EU citizens and who work here. The biggest guarantee that we could look for immediately is a guarantee of the right of those individuals to stay in Scotland—that would help enormously.

Jeremy Balfour talked a great deal about research. He touched on a key point when he said that Norway and Switzerland are exemplars of countries outside the EU that are doing well. With Scotland, Switzerland is the most cited small country in the world in research per head of population because all the papers from CERN are published under the Swiss imprint. However, I should point out that CERN would not be possible without free movement of labour and that Norway also has free movement of labour. If the front-bench Tories in this Parliament believe in free movement of labour, I hope that that they will make that point to the hard Brexiteers who appear to be in control in Birmingham this week because, without that free movement, none of that research would be possible.

Gillian Martin made a tremendous speech. In reading an email from somebody else—I do not diminish her skills as a speaker—she made an important contribution to the debate and raised an important question that was not answered by Amber Rudd today when she talked about the “generous offer” that is made to students and looking at “tougher rules”. The reality is that the attitudes that have been shown today by Amber Rudd and by the UK Tory Government will drive away good researchers because, as Gillian Martin's correspondent Sam said, they will feel insecure and will question their future, and there are other places where they can work. My colleague Mr Swinney made the same point about doctors. In reality, university medical schools will suffer immediately, because the highly skilled medics who teach in universities can teach in other places. They will look at what has been said

today about doctors not being welcome and say, “I could work elsewhere.”

I will finish with Ross Thomson’s speech, although perhaps the debate would have been happier if it had finished before he spoke. Unfortunately, he showed that he has no knowledge of the sector and no support in it. His suggestions would damage the prospects not just of universities in Scotland but of every Scottish student. It is complete nonsense to say that Scottish students are being squeezed out in any way, as there are more students in Scottish universities than there ever have been and their results are better than ever. Ross Thomson’s approach to the debate was to inject a hard-line right-wing view of what universities should be. *[Interruption.]* Unfortunately, it is not laughable, Mr Thomson.

If we allow that hard-line right-wing view to dominate the debate on higher education, we will lose the precious advantages of Scottish higher education. Those advantages are threefold. One is that it is open and accessible, and it is honest to its traditions in that way. Secondly, it is of the highest quality—it is world beating. The third great advantage of Scottish higher education is that—as we believe—education is a societal good, not an individual good, and we all benefit from it.

Business Motion

17:29

The Presiding Officer (Ken Macintosh): The next item of business is consideration of business motion S5M-01809, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revision to the business programme.

Motion moved,

That the Parliament agrees to the following revisions to the programme of business for—

(a) Wednesday 5 October 2016—

after

2.00 pm Portfolio Questions
Health and Sport

insert

followed by Ministerial Statement: Supporting
Farming and Food Production in
Scotland

delete

5.00 pm Decision Time

and insert

5.30 pm Decision Time

(b) Thursday 6 October 2016—

delete

2.30 pm Scottish Government Debate: Draft BBC
Charter

and insert

2.30 pm Ministerial Statement: Review of
Underground Coal Gasification

followed by Scottish Government Debate: Draft BBC
Charter

followed by Legislative Consent Motion:
Investigatory Powers Bill – UK
Legislation—*[Joe FitzPatrick]*

Motion agreed to.

Decision Time

17:30

The Presiding Officer (Ken Macintosh): There are three questions to be put as a result of today's business. The first question is, that motion S5M-01788, in the name of Bruce Crawford, on the timetable for the Scottish Government's draft budget 2017-18, be agreed to.

Motion agreed to,

That the Parliament notes the timetable for the Scottish Government's Draft Budget 2017-18.

The Presiding Officer: The next question is, that amendment S5M-01792.1, in the name of Liz Smith, which seeks to amend motion S5M-01792, in the name of Shirley-Anne Somerville, on the implications of the European Union referendum for higher and further education, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Balfour, Jeremy (Lothian) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Corry, Maurice (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Greene, Jamie (West Scotland) (Con)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Thomson, Ross (North East Scotland) (Con)
 Tomkins, Adam (Glasgow) (Con)
 Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baillie, Jackie (Dumarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)

Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Glasgow) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (North East Fife) (LD)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)

Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Presiding Officer: The result of the division is: For 30, Against 93, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S5M-01792, in the name of Shirley-Anne Somerville, on the implications of the EU referendum for higher and further education, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)

Gray, Iain (East Lothian) (Lab)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Glasgow) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (North East Fife) (LD)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Smyth, Colin (South Scotland) (Lab)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Balfour, Jeremy (Lothian) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Corry, Maurice (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)

Greene, Jamie (West Scotland) (Con)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Ross, Douglas (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Thomson, Ross (North East Scotland) (Con)
 Tomkins, Adam (Glasgow) (Con)
 Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)

The Presiding Officer: The result of the division is: For 93, Against 30, Abstentions 0.

Motion agreed to,

That the Parliament recognises the benefits of EU membership to Scotland and that Scotland's interests are best served by protecting Scotland's existing relationship in Europe, maintaining membership of the single market and access to the free movement of labour; welcomes the Scottish Government's reassurance on the tuition fee status of continuing EU students and those beginning an undergraduate course in 2016; acknowledges Scotland's success to date in securing EU funding and recognises the benefits that this brings to Scottish universities and colleges; notes that the outcome of the EU referendum potentially makes it harder to attract EU students to study in Scotland, to maintain opportunities for Scottish students and academics in Europe and to collaborate across Europe; resolves to promote Scotland's willingness to continue to collaborate with European partners and to attract the best international talent to maintain the world-class reputation of Scottish universities and colleges, and calls on the UK Government to ensure that Scotland has a role in decision-making, as well as full involvement in all negotiations between the UK Government and the EU, to protect the interests of staff and students in Scotland's universities and colleges.

Hate Crimes against Polish Migrants

The Deputy Presiding Officer (Christine Grahame): The final item of business is a members' business debate on motion S5M-01257, in the name of Kenneth Gibson, on hate crimes against Polish migrants. The debate will be concluded without any question being put.

Motion debated,

That the Parliament condemns recent hate crimes perpetrated against people from Poland living in the UK; recognises that Scotland and Poland have a long-standing, strong and fruitful connection and that this thriving relationship has brought great benefits to both countries, including from the wave of long-settled Polish migrants who came to this country after World War II having resisted Nazism and Stalinism; understands that 92% of Polish-born residents in the UK are in employment or education, which is considerably higher than the figure for people born in the UK; acknowledges that Poles and other migrants from Eastern Europe play a key part in many areas of the Scottish economy, particularly services, agriculture, construction and business; appreciates the high skills and excellent work ethic of Polish people and all that they bring to Cunninghame North and Scotland; believes that the negative rhetoric against Eastern Europeans in Britain has been built up and encouraged, in part, by irresponsible and shameful reporting by sections of the media; understands that, even after over 40 years of EU membership, less than 5% of Britain's population were born in the other 27 EU countries; strongly condemns hate crimes of all kinds and the upset and fear that they cause; stands in solidarity with Polish people, both in Scotland and the rest of the UK, and will continue to welcome and support Polish migrants in Scotland.

17:33

Kenneth Gibson (Cunninghame North) (SNP): I thank all those Scottish National Party, Green Party and Labour Party members who signed the motion so that we could have this debate on a topic that is so relevant and important at this time. I am disappointed that none of the 31 Tory or five Lib Dem MSPs felt able to support it.

Hate crimes of any type, directed at any group of people, should never be tolerated in our society. In recent months, it has transpired, sadly, that a number of people find it acceptable to act out their dangerous and prejudicial views. As the European Commission against Racism and Intolerance has pointed out, there has been a rise in recent years of alleged attacks on Muslims, and anti-Semitism reached record levels in the United Kingdom only two years ago.

The focus of hate crimes in recent months has been on east Europeans, who appear now to be bearing the brunt of such crimes—particularly our largest and most visible east European community, the Poles. Polish migrants in particular have suffered at the hands of bigots. Only a few

short weeks ago, a Polish migrant lost his life allegedly solely because of his ethnicity. As that case is sub judice I cannot refer to it specifically, but I am sure that all our hearts go out to the family of the individual concerned.

There are more Polish nationals in Scotland than there are members of any other group from outside the British Isles, and our two countries share a deep, rich history that has been important for both nations. The links go at least as far back as the 1400s, when trade agreements between Aberdeen and the old Hanseatic sea port of Danzig, now known as Gdańsk, were signed. It is thought that around 30,000 Scots migrated to Poland over the following 200 years as they embraced the new opportunities. Scots integrated completely in Poland and often acquired great wealth, and the relationship between the two nations was greatly strengthened by prosperity as numerous Scots contributed to the growth of charitable institutions in their new home while still supporting their roots back in Scotland. Robert Gordon University, as it is known today, is a famous example of that. It was originally a hospital built by Aberdonian Robert Gordon, who earned his money trading in Danzig.

However, it was not until the second world war that there was a reciprocal arrival of Poles in Scotland. The two countries became more deeply intertwined as they fought a common enemy, and in Ayrshire there is a plaque on the Polish monument in Prestwick to commemorate the service personnel who died in the battle of the Atlantic. The majority of Polish soldiers who were based in the United Kingdom during the war were stationed in Scotland, and Wellshill cemetery, in Perthshire, is the largest of the many burial grounds in Scotland where Polish soldiers are laid to rest.

After the war, even stronger connections were drawn between Scotland and Poland as many Poles chose to stay on, and it is estimated that around 2,500 Polish-Scottish marriages took place in the immediate post-war period.

Those fruitful links between our two countries continue to this day and must be protected. They range from the informal twinning arrangement between Kraków and Edinburgh to steps taken by local councils to welcome Polish migrants, such as the offer of English language lessons on a one-to-one basis as well as through colleges and learning centres.

The Polish community brings much to Scotland and more often than people realise. Figures from the National Records of Scotland show that 86 per cent of people of Polish ethnicity who live in Scotland are economically active, and in the UK the figure rises to 92 per cent, making them the most economically active group in the country—

significantly above the figure for Scotland and the UK as a whole. Similar figures can be found in education, with Poles in Scotland having a considerably higher than average level of qualification. Indeed, 41 per cent of the Poles in Scotland are educated to degree level or above, compared with 22 per cent of those who define themselves as white Scottish.

The work ethic of the Polish community is renowned, and I have had personal experience of it. Many Poles came to Scotland during the recession and struggled to find an appropriate job despite their qualifications. Polish migrants have therefore taken roles in many areas of society, particularly services, agriculture, construction and business, and they have boosted the Scottish economy with their skills and hard-working attitude.

We should be extremely proud of the fact that people choose Scotland as the country they wish to call home. The Polish community has brought much to Scotland and should not suffer assault or the insecurity that the recent surge in reported hate crimes has caused in other parts of the UK. Sadly, the matter goes further than simply the Polish community. In recent months, the number of hate crimes committed against migrants from all areas has risen, and the number of reports of hate crimes increased by 42 per cent in the week before the EU referendum and by a similar figure in the week after it. Studies show that only around one in four hate crimes is reported to the police, so the real figure is likely to be significantly higher. A large part of that rise is undoubtedly due to poisonous and irresponsible reporting by certain sections of the media. "Patients at risk from EU Doctors" screamed a front-page headline in a particularly xenophobic newspaper only 10 days ago.

Sadly, a small minority of individuals seem to believe that the result of the EU referendum is a licence to behave in a racist and discriminatory way. We must ensure that Scotland's reputation as an open, accepting and tolerant country continues. There is no room for complacency regarding potential attacks on our neighbours, no matter who they are or where they come from. In the aftermath of the EU referendum, it is more important than ever that that reputation endures and that Scotland's—and, indeed, the UK's—message of welcome continues. No one should be made to feel uncomfortable and unwelcome in the country that they have chosen to call home.

There is no place for prejudice or intolerance, be it racial, religious or of any other kind. Recorded crime is at a 42-year low and our country is an increasingly safer place to live. We must therefore work even harder to ensure that intolerance of any form is not accepted, and the latest social attitudes

survey gives cause for hope. Although it appears that Scotland has experienced nothing like the spike in hate crimes that has been seen in England over the summer, one hate crime is one too many. It is the duty of us all—both in the Parliament and in Scotland as a whole—to condemn such acts of hatred and bigotry and do all that we can to protect and welcome all those who choose to live their lives here.

In times like these, solidarity is more important than ever. Scotland stands by the people of Poland and will continue to welcome and support our Polish community in the months and years ahead.

17:40

Alexander Stewart (Mid Scotland and Fife) (Con): I echo Kenneth Gibson's comments and thank him for securing a debate on this important issue. Such crimes of hate that are perpetrated against people from Poland who have made their home in Scotland and the United Kingdom must be categorically condemned in the strongest terms.

There has been a long tradition of migration from Poland to Scotland and the United Kingdom. Poland played a crucial role in the second world war. The Polish were the allies' fourth largest force, and they helped to secure essential victories against the axis and ensure victory.

The United Kingdom has a long history with our Polish friends. Between the 1930s and 1940s, more than 100,000 people from Poland settled in the United Kingdom. Moreover, in 1947, Parliament passed the Polish Resettlement Act, which recognised the outstanding contribution of Poles in the war and offered British citizenship to more than 200,000 Polish troops who had been displaced by the conflict.

Many of those Polish migrants found new employment in Britain and played a vital role in rebuilding it following the second world war. Mr Gibson talked about Wellshill cemetery. It was my honour and privilege to be the councillor for Wellshill from 1999 until 2007, when my ward was enlarged to become Perth City South. For the past 18 years, I have attended ceremonies at that cemetery and look forward to laying a wreath there on 6 November on behalf of the Scottish Parliament.

Today, Polish migrants continue to engage fully in British society and our economy. As is mentioned in the motion,

"92% of Polish-born residents in the UK are in employment or education"—

that level is much higher than the average across the population. In terms of character and work

ethic, individuals from Poland have a huge contribution to make to our society. They participate, engage and become pillars of the establishment within any community that they live in and represent. That has to be welcomed.

There is no doubt that hate crimes against anyone in this country, whether they are born here or have chosen to live here, are totally and utterly unacceptable. I believe that there is a limited number of perpetrators of such crimes and that they are on the fringe of society. The vast majority of people in Scotland and throughout the United Kingdom recognise the information and opportunity that Polish people have brought, and continue to bring, into our country. We must ensure that any perpetrator is always challenged, subject to the law and punished.

Mr Gibson commented on the media, which very much has a role to play in the process. It has had a role to play in migration throughout the centuries and generations, but even more so today. Social media instantly makes things happen across a network—information can go viral instantly.

Every member of this Parliament must condemn these acts and make it clear that we in this country hold dear the true values of inclusion and acceptance. We must send a strong message, from within the chamber and outside of it, that such behaviour must not be tolerated in any shape or form.

17:43

Ivan McKee (Glasgow Provan) (SNP): I thank Kenny Gibson for bringing the motion to Parliament and allowing us the opportunity to speak on an important issue.

As Kenny Gibson said, the links between Scotland and Poland are long and deep. In the 16th and 17th centuries, there were, across the North Sea and the Baltic Sea, well-established transport links that offered opportunities for trade and migration in both directions. A sizeable Scottish community grew in Poland. By 1650, up to 40,000 Scots were living in that country, working as everything from travelling pedlars to officers in the Polish army. Alexander Chalmers served as mayor of Warsaw in the 1690s. Many of those people maintained links to their homeland—which was then, of course, an independent Scotland—and many settled and intermarried with the local population. Those family ties occurred at all levels in society. Perhaps none is more famous than the marriage of the Old Pretender, James Francis Edward Stuart, to Maria Sobieska, who was the granddaughter of one of Poland's most famous kings, Jan Sobieski. Yes—Bonnie Prince Charlie was a Pole.

The late 19th century saw the wave of emigration from Poland known as “za chlebem”, which means “for bread”, as people escaped the starvation levels of poverty in a Poland that had, by that time, lost its independence. Many emigrants reached the USA and made Chicago the largest Polish city outside Poland. France was another popular destination. Mariana Bzrezinska from the district of Łódź—my great-grandmother—found herself, at age 14, in the melting pot of cultures that was Glasgow at the turn of the 20th century.

Another wave of Polish emigrants arrived in Scotland during the second world war. The Sikorski Polish Club in Glasgow is named after Wladyslaw Sikorski, who was the Prime Minister of the Polish Government in exile during those dark years in Polish and European history. The immense contribution of the Polish Air Force pilots in the battle of Britain is well known.

The adaptability of language plays an intriguing role in the integration process. I first met the great Scots language enthusiast and historian Billy Kay in a restaurant in Warsaw. Billy was on a tour of Polish universities lecturing on the historical links between Scotland and Poland and promoting his fine book about the diaspora, “The Scottish World: A Journey into the Scottish Diaspora”. He spoke of the history of Polish place names that had been adapted from the original Scots names that were given to them by their 17th century Scottish founders.

Interestingly, in my constituency I recently noticed a couple of Polish surnames. Perhaps it was a spelling mistake or maybe it was a case of creeping Caledonianisation, but Maculewicz, simply by capitalising the U, was transformed into MacUlewicz, and Mackowiak similarly to MacKowiak. That process works well in reverse: McKee is read in Polish as “Mitskie” and it is a small step from that to Mickiewicz, the surname of Poland’s greatest national poet.

For the most recent wave of Polish arrivals to Scottish shores, budget airlines rather than steam ships have been the transport of choice. Many have been here since Poland joined the EU in 2004 and are well integrated, with children who were born in Scotland. They contribute immensely to Scotland, its economy and its culture. Many—my wife included—have married Scots. Others are even more recent arrivals and are still baffled by the unpredictability of the Scottish weather.

However, Polish friends in Warsaw recently brought to my attention an incident that occurred in Edinburgh and which was reported in the Polish press, of a Polish family who live in our capital city being the victims of racial abuse and vandalism. That is an unacceptable situation that is,

unfortunately, part of a recent trend that we must all take steps to eradicate.

We welcome all, wherever they come from, to contribute to the complex tartan that is modern Scotland. Sadly, we do so in a Europe that is witnessing growing and dangerous levels of intolerance and xenophobia. Scottish and Polish societies need to be open to people of all faiths, colours and creeds. Tolerance is a two-way street. Some 50 years ago, a politician stood in solidarity with a people and said, “Ich bin ein Berliner”. Today, I send a message from the Scottish Parliament across this country and beyond: “Wszyscy jesteŃmy Polakami”—which means, “We are all Poles”—“Witamy w Szkocji”, which means, “Welcome to Scotland”.

17:47

Mary Fee (West Scotland) (Lab): I apologise for my croaky throat.

The Deputy Presiding Officer: My goodness! We will all have to listen. Take your time.

Mary Fee: I thank Kenny Gibson for lodging the motion and for the work that he has done on raising awareness of the rise in hate crimes against the Polish community in Scotland. Sadly, in Scotland as well as throughout the rest of the UK, we have witnessed a rise in hate crimes motivated by race and particularly aimed at Polish migrants, since Britain’s vote to leave the European Union on 23 June.

It has been acknowledged by many prominent politicians and journalists that the rhetoric of the leave campaign during the EU referendum was divisive and dangerous. In the aftermath of the referendum result in the summer, the former Government minister Baroness Warsi described elements of the leave campaign as “divisive and xenophobic”. She was correct then and that remark still stands. The leave campaign was divisive and xenophobic. It was designed to scare people, divide communities and scapegoat European migrants as being the root of all the problems that we face throughout the UK. Such rhetoric is dangerous and divisive, because it simplifies the many complex issues that we face as nation by scapegoating European migrants for all those problems.

Scotland should lead the UK by ensuring that we are a modern, tolerant and inclusive nation that accepts people of all races, religions and nationalities. Polish nationals in Scotland should feel safe from threats, abuse and attack.

The motion refers to the historical strong relationship between Scotland and Poland. The important historical links between Scotland and Poland stretch back, as we have heard, to the

15th century and cannot be understated. In the late 15th century, trade agreements were made between Aberdeen and the former Baltic seaport of Danzig, now modern-day Gdańsk—a city that I was happy to visit during the summer. In the 250 years that followed those agreements, more than 30,000 Scots moved to and settled in Poland. Later, in the 17th century, the Aberdonian merchant Robert Gordon would make his wealth from trading out of Danzig and settling in the city. In the early 20th century, after the fall of Poland to Nazi Germany, around 38,000 Polish soldiers came to be stationed in Scotland and took over the coastal defence of Fife and Angus as they were unable to return to occupied Poland.

In 2016's Scotland, the links between Scotland and Poland are as strong as ever, and Polish nationals continue to contribute to the diverse and rich fabric of our society. Recent figures from the National Records of Scotland highlight the considerable contribution that the 55,000-plus Polish diaspora in Scotland are making to the modern Scottish economy, 600 years after the first Polish-Scottish trade links were established.

It is crucial that we unite against the dangerous rhetoric that aims to divide our society with xenophobic scaremongering. We must challenge, condemn and report all hate crime, if we witness it. Scotland has to lead the way in the UK by ensuring that Polish nationals who choose to make Scotland their home always feel welcome, safe and appreciated.

The Deputy Presiding Officer: Thank you, I understand that you have to leave early. Perhaps a lie down and a gargle would be a good idea.

17:52

Annie Wells (Glasgow) (Con): All members in the chamber today agree that hate crimes in Scotland and the wider UK should always be condemned and that we should do our utmost to make sure that everyone who lives in this country feels welcome. I am proud that this country is one where we tolerate one another's beliefs and actively celebrate our diversity in a way that strengthens our society.

Scotland and Poland share a rich history, as we have heard, and it is estimated that nearly 80,000 Polish people are living in Scotland. In Glasgow alone, more than 8,000 people identified themselves as Polish in the 2011 census. My great-grandfather was Polish and came to Scotland at the start of last century as a navvy, helping to build Scotland's railways. I wholeheartedly support the sentiments of the motion.

The referendum, however, has left us in a position where we have to increase our efforts to make sure that we come together as a nation and

curb the worrying increase in racist and xenophobic acts. I was shocked to see neo-Nazi stickers going up around Glasgow during the summer, and shocked to learn about the worrying increase of hate crime in the wider UK, including an incident in which a Polish community centre in Hammersmith was vandalised with graffiti.

The vote on the EU, which was an exercise in democracy, must not be turned into something contemptible and racist. I am pleased that in Scotland that has largely been seen to be the case. More generally, the proportion of charges that specifically relate to racially aggravated harassment and behaviour in Scotland has fallen by over 15 per cent since 2008. Police Scotland has reported that it has not seen an increase in the number of reported crimes since the referendum, which must be reassuring indeed.

Although that is very positive, I acknowledge that there has been a 14 per cent increase in the number of hate crimes across the UK as a whole. They are crimes that affect not just the Polish community. I do not condone that and it concerns me as much as it would any other member in the chamber today. It is more than unfortunate that the increase is linked with our exit from the EU, but I am reassured that the UK Government is taking decisive action to tackle the rise in hate crimes.

The UK Government's new hate crime action plan was implemented in England and Wales this summer. It will increase numbers of people reporting hate crimes, prevent hate crimes on public transport and provide stronger support for victims. In addition to that, £2.4m will be made available to places of worship for extra help with security and installing equipment in mosques, synagogues and other religious institutions that need extra protection.

The UK Government also continues to develop and fund national projects, such as the "True Vision" website and the tell MAMA—measuring anti-Muslim attacks—project, which were set up to raise awareness of hate crimes and to encourage victims to report them.

In Scotland, and closer to home, I welcome Glasgow's involvement in this month's national hate crime awareness week initiative, during which a host of events will take place to raise awareness about hate crime and how to respond to it, and to encourage victims and witnesses to report it.

Such initiatives show that, ultimately, the UK is an inclusive and tolerant country, and one that celebrates diversity. If we stand together, we can work to stamp out the racism that exists at the periphery and make all communities who live here feel welcome.

17:56

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I, too, thank Kenny Gibson for giving us the opportunity to have this debate. When I was a minister in the Scottish Government, I found myself very regularly representing the UK in discussions with Polish ministers. I have never been quite sure why that was the case; perhaps the UK Government simply recognised the natural affinity that we Scots have with many people in Poland.

I first became aware of the Poles through a friendship with the person who became my boy scouts patrol leader, Zbigniew Klemens Skrodzkie. He was a result of one of the 200,000 marriages between Scots and Poles, when Janet Barclay married Captain Stanislaw Skrodzkie of the Polish cavalry. Zbigniew and his sister Felicja were the result of that marriage. Bush—Bush is the nickname by which people who are called Zbigniew are pretty universally known in Poland—was a terrific character. He was much admired by my friends, and perhaps envied because he had a Vincent Black Shadow motorcycle.

I could tell many tales about Bush. He continued the record of service that existed across the Polish community to Scotland and the UK. He followed in the steps of many Poles who had come to fight against the Nazis. It is worth making the point that the four Polish squadrons based in Scotland had a strike rate against the enemy that was two and half times greater than that of the pilots in indigenous squadrons. Bush joined the Royal Naval Air Service. Perhaps not surprising to us, he managed to have three crashes in his first four years. Unfortunately, the last one was fatal. We still miss Bush to this day. Bush is just one of the many Poles who have contributed enormously to our community.

The history of the connection between Scotland and Poland is significant. To this day, many towns and cities in Poland have parts of their city called Nova Scotia—new Scotland. Gdańsk also has somewhere called Stary Sztok—old Scotland. Warsaw has a similar place and Kraków, which used to be the capital of Poland, similarly has a new Scotland.

The links between us go deep and they have been long established. Indeed, in 1585, the Polish-Lithuanian king Stephen Batory said, of the Scots:

“Our Court can not be without them, that supply Us with all that is necessary ... Let a certain district be assigned to them.”

The Scots were singled out in the 1500s for their contribution to Polish life.

Today, the Poles are contributing enormously. In each of the four secondary schools in my constituency, Polish is one of the languages that

are represented among the pupils. On Saturday, I attended the graduation ceremony at my local college, where a significant number of people from Poland were graduating and making the most of their potential.

Let me address the more fundamental issue that has led to this debate, which is the ill treatment and racism to which too many of our Polish friends have been subjected. Robert Kennedy, the well-known United States politician, said:

“when you teach that those who differ from you threaten your freedom or your job or your family, then you also learn to confront others not as fellow citizens but as enemies—to be met not with cooperation but with conquest, to be subjugated and mastered.”

He was correct. He was also correct to say that such a view is unacceptable in a civilised society. Tonight, we unite to send a message to our Polish friends: we are with you; stay with us.

18:01

John Finnie (Highlands and Islands) (Green): I congratulate Kenny Gibson on bringing this highly pertinent debate to the Parliament.

“Hate crime” is an ugly term, but it graphically describes what I think that Kenny Gibson called acting out “dangerous and prejudicial views”. There must be—and I am delighted that there is—unanimity in the Parliament about how we address it.

I will not rehearse all the historical references, which are well established and have been mentioned by other members. The references to the second world war resonated with me, because of the affection that my father and his brothers had for the Polish people who joined in the fight against fascism. We know that 16,000 families settled in the UK at the end of the war, who contributed greatly to our country. Who were those people? They were the parents of classmates, and they were joined—certainly where I am from, in Lochaber—by many people from the Baltic states.

There has been recent migration to Scotland and the UK, and some 7 per cent of Scotland’s population was born outwith the UK. It is pertinent that Poland became a member of the EU in May 2004 and it is estimated that 44,000 Polish people migrated to the UK each year between 2004 and 2012. As members said, Polish people constitute the largest group of residents of Scotland who were born outwith the UK.

Anne White, professor of Polish studies at University College London, has written about the pattern of Polish migration to the UK. It is interesting that it tends to be young families who migrate, rather than young single migrants, who return to Poland after several years. Many parents move to the UK for a year or two before they bring

their children over, and many Polish migrants start their own businesses after a few years. Anne White has written:

“this is a generation of Poles at home in the UK.”

There are certainly a great number who are at home in the Highlands and Islands, and long may that be the case.

Members talked about EU migrants' contribution to the UK economy. Figures that I have for 2000 to 2011 suggest that the contribution was £20 billion. EU migrants are 43 per cent less likely to be in receipt of benefits and 7 per cent less likely to live in social housing than UK-born people. As members said, they are also likely to be more highly educated.

There are some disturbing figures. In a poll in 2015, in advance of the referendum, 23 per cent of Polish respondents said that they had experienced discrimination, and 23 per cent of those people felt that that had happened on more than one occasion—of course, discrimination will be underreported, given people's fear of retaliation and victimisation in the workplace. There is also the fees issue, which prevents people from taking up employment cases.

Kenny Gibson talked about poisonous reporting, and the motion refers to “irresponsible and shameful reporting”. I take issue with my Conservative colleague in that regard: I do not think that such reporting was just on the fringes, and I would ask to what end it was being used. We have all seen collages made up of lurid headlines from the *Daily Express* and the *Daily Mail*. I do not doubt for a second that those headlines passed some legal test, but they did not pass the moral test and they certainly caused me great offence. The EU certainly does not offend Mr Dacre, the owner of the *Daily Mail* sufficiently to stop him claiming a quarter of a million pounds in EU funds for his sporting estates here.

The EU referendum was characterised by lies, distortions and threats. Racism needs to be challenged at all times, including—as we have heard about—the graffiti and the stickers that have gone up. We need to be cautious not to be complacent in Scotland—the far right is on the rise across Europe and Scotland is no different. As many previous speakers have said, I stand in solidarity with Polish people. In fact, I stand in solidarity with all people and I say to them, “Fàilte a h-uile duine”. You are all very welcome.

On one partisan point, the Green Party European campaign had the tag line of a just and welcoming Scotland, which I am sure that everyone would subscribe to. I add to that tag line: a safe and secure Scotland for our Polish residents.

18:05

The Minister for International Development and Europe (Dr Alasdair Allan): I commend Mr Gibson for bringing an extremely important issue to the Parliament and creating a welcome opportunity for us to talk about the important role of the Polish community in Scotland, as well as the long history of Scots who have settled in Poland—a point made by Mr Gibson, Mr McKee and many others.

As a nation, Scotland has a long history of welcoming people of all nationalities and faiths, and of supporting their integration into the Scottish community. That is a two-way street: those who choose to make Scotland their home help to influence our culture for the better, and so it is with the members of the Polish community who have chosen to make Scotland their home.

There are more than 61,000 Polish people living in Scotland and we have a close and enduring partnership and relationship with the Polish people and the Polish nation. We have strong cultural and historic links, as demonstrated recently when our Governments worked together to support the Wojtek the bear memorial, which now stands proudly in Princes Street gardens as a symbol of the enduring friendship between our nations. The memorial also provides us with an opportunity to remember with respect all those Poles who fought to ensure our freedom during world war two, which Mr Stewart, Mr Stevenson and others alluded to.

I say to all Polish people here, and to anyone else who has come from elsewhere in the EU to make Scotland their home, “Scotland is your home, you are welcome here and we appreciate your contribution.” Indeed, Scotland would take a different approach to the issue of migration if we had the powers to do so. The relentless focus of the UK Government on reducing net migration, irrespective of the value that migrants bring to our country, is harming Scotland's economic prospects. In Scotland, we welcome our important established migrant populations and the contribution that they make to our economy and our society.

The outcome of the EU referendum has caused understandable anxiety within the Polish community and I deeply regret that. Almost immediately following the vote, I took the time to visit local Polish communities and businesses in Edinburgh and to meet Poles in my own constituency to hear their concerns and to seek to offer reassurance, and I am sure that other members did likewise. That work continues: my ministerial colleague, the Cabinet Secretary for Communities, Social Security and Equalities, will attend the unveiling of the panels of history and sacrifice in Glasgow's Polish house this weekend. We remain committed to engaging with Scotland's

Polish community, to listening to their concerns and to understanding their priorities.

The reality is that, despite the UK Prime Minister's speech at the weekend, we do not yet know what Brexit means. It is a disgrace that the UK Government has not yet guaranteed the position of EU citizens, and I repeat my call for the UK Government to do the right thing and to stop using human beings as bargaining chips.

In other parts of the UK there has been a sharp increase in reported incidents of hate crime against ethnic minority groups, including Polish people. As Ms Wells mentioned, there have been reports of a Polish cultural centre in London being daubed with graffiti. The toxic debate around immigration that so dominated the EU debate seems to have created an environment in which some feel that it is acceptable to show prejudice and to target others on the basis of their nationality.

The recent report of the United Nations Committee on the Elimination of all Forms of Racial Discrimination held that

"the referendum campaign was marked by divisive, anti-immigrant and xenophobic rhetoric, and that many politicians and prominent political figures not only failed to condemn it, but also created and entrenched prejudices, thereby emboldening individuals to carry out acts of intimidation and hate towards ethnic or ethno-religious minority communities and people who are visibly different."

The committee also noted that the surge in hate crime was absent in Scotland. I think that that demonstrates that, despite political differences, the debate in Scotland was conducted in a different way. Like Mr Finnie, I do not say that in a complacent way, nor do I think that we can pretend that the toxic debate from elsewhere has not impacted either on EU nationals living here or on the views of those in Scotland who still believe that it is acceptable to be prejudiced. We will continue to work with Police Scotland and others to monitor the situation closely, and we will continue to engage with the Polish community on their concerns and issues. I encourage anyone who feels that they have been the victim of a hate crime to report it to Police Scotland. The police take all such reports very seriously and will conduct thorough investigations to ensure that perpetrators are brought to justice.

We have published a race equality framework, which will run until 2030 and will take a long-term approach to improving outcomes for Scotland's minority ethnic communities. We will shortly announce the appointment of a race equality framework adviser to help drive that work forward. Our independent advisory group on hate crime, prejudice and community cohesion has published its findings, and we will consider them carefully and use them to inform our future work in this

area. Through our Scottish approach to building community cohesion, we are focused on ensuring that fundamental principles of social justice, human rights and an inclusive national identity are woven throughout everything that we do as a Government.

Let me be clear: there is absolutely no place for bigotry and prejudice in Scotland. The Scottish Government is committed to tackling hate crime and we will continue to work with communities to create a Scotland that celebrates diversity and creates equality of opportunity for everyone.

Meeting closed at 18:12.

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