



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament

**Thursday 14 December 2017**

**Session 5**



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# Scottish Parliament

Thursday 14 December 2017

[The Presiding Officer opened the meeting at 11:40]

## General Question Time

### Out-of-hospital Cardiac Arrest

1. **Johann Lamont (Glasgow) (Lab):** To ask the Scottish Government for its response to figures published in the Scottish out-of-hospital cardiac arrest data linkage project, which suggest that people living in the most deprived areas are 43 per cent less likely to survive an out-of-hospital cardiac arrest than those living in more affluent areas. (S50-01574)

**The Minister for Public Health and Sport (Aileen Campbell):** Reducing inequalities in survival is a priority aim of the out-of-hospital cardiac arrest strategy for Scotland. We know that encouraging bystanders to give cardiopulmonary resuscitation is how maximum impact on survival will be achieved. That is why the save a life for Scotland campaign was launched in 2015 to encourage people to learn CPR and raise awareness of out-of-hospital cardiac arrest.

Save a life for Scotland partners are working with multiply deprived communities across Scotland. The OHCA data linkage project, which is supported by the Scottish Government, is integral to monitoring the impact of the strategy. It will improve the understanding of the links between deprivation and survival to provide robust evidence for effective action.

**Johann Lamont:** The minister may be aware that, according to St Andrew's First Aid, survival rates for an out-of-hospital cardiac arrest sit at 6 to 8 per cent, which is lower than the European average of around 10 per cent. That must demand action. Someone who lives in a disadvantaged community is already more likely to have a heart attack. The fact that someone who has a heart attack in a disadvantaged community is far more likely to die, because they have been unable to get the first aid that might save their lives, is a scandal. What steps will the minister take to address that ultimate example of a postcode lottery? Will she meet me to discuss how we might draw on the expertise of St Andrew's First Aid and other groups that are committed to giving people first aid skills to ensure that people in our deprived communities have a better chance of survival?

**Aileen Campbell:** I will be happy to meet Johann Lamont. I know that she takes a keen interest in this area and has publicly talked about it

many times. She is right that we need to reduce inequalities, which is why this information is important. It allows us to concentrate on where we can have an effective impact with our future actions. The strategy looks specifically at equalities throughout, and we continue to move forward with our strategy to increase the number of people who are able to give CPR. Those bystanders can help to prevent loss of life, and we will continue to focus our efforts in that area. We have a target of 500,000 people who are able to give CPR by 2020, and we are pleased that we already have 200,000 people who are able to do that. We are taking lots of actions forward. Information is critical to enable us to work out where we need to help to reduce those inequalities. I will be happy to meet Johann Lamont to see what more we can do; her keen interest will help to inform our way forward.

**Kenneth Gibson (Cunninghame North) (SNP):** Will the minister confirm whether one reason for lower survival rates in the most deprived communities is that people are generally in poorer health than people in the less deprived areas, not least because of higher consumption of alcohol and tobacco and poorer diets. The way to improve survival rates is to focus primarily on improving the general health of people in deprived communities, to reduce the likelihood of cardiac arrest in the first place. Can she confirm that anyone who is treated by the national health service, regardless of where they come from, receives exactly the same level of care?

**Aileen Campbell:** Some of the issues around inequalities are absolutely linked to poor health, which is a symptom of wider income inequalities. That is why we are taking action on a wide number of fronts: we are looking to end poverty, we are creating better support for families, we are providing affordable housing and we are providing free school meals—a whole host of areas to help to improve health. It is also why we are refreshing our alcohol strategy, reducing smoking rates and encouraging active lives and healthier eating. Those are all ways to tackle ingrained inequalities and ensure that people do not suffer from a postcode lottery in their health and wellbeing conditions. We will continue to work to mitigate the impact of United Kingdom Government welfare cuts, which also have an impact on people's health and wellbeing, and we will continue to focus on using the information from the data linkage project to work out how we can reduce inequalities even further in the roll-out of CPR.

### Energy Efficiency (Existing Homes)

2. **Andy Wightman (Lothian) (Green):** To ask the Scottish Government what action it is taking to improve the energy efficiency of existing homes. (S50-01575)

**The Minister for Local Government and Housing (Kevin Stewart):** Over the next 15 to 20 years, we will transform the energy efficiency of the nation's homes through Scotland's energy efficiency programme, building on the significant progress that we have made to date. We are currently making available £0.5 billion over four years and, by the end of 2021, we will have allocated more than £1 billion since 2009 for tackling fuel poverty and improving energy efficiency.

Registered social landlords are making good progress in meeting the energy efficiency standard for social housing by 2020, and we are working with them to consider long-term milestones. We remain committed to introducing energy efficiency standards in the private rented sector, following the consultation on that earlier this year. Next year we will publish a route map for Scotland's energy efficiency programme, setting out our long-term ambition for the programme and the steps that we will take to achieve it. In the route map we will set out our approach to energy efficiency standards in all homes.

**Andy Wightman:** It is now two years since the Scottish Government designated energy efficiency as a national infrastructure priority. Why has energy efficiency spending gone down since then? Why do last week's fuel poverty statistics show that there are still over 1 million homes that fall short of the energy performance certificate rating C that is recommended by the National Institute for Health and Care Excellence? What practical measures will be in the upcoming warm homes bill that will make energy efficiency a national infrastructure priority in relation to existing homes, both rented and owned?

**Kevin Stewart:** The warm homes bill and the route map for Scotland's energy efficiency programme will set out in depth our ambitions for energy efficiency across all tenures. I am sure that Mr Wightman will be happy about certain aspects of last week's figures, particularly the ones that show that there are 100,000 fewer households in Scotland in fuel poverty. That is a good start, and we have ambitions to ensure that even more of Scotland's people are taken out of fuel poverty. Our ambition, of course, is to eradicate fuel poverty in the future. Some of those conditions are outwith our control. Fuel prices still remain in the control of the Westminster Government, which I hope will take action. However, I can assure Mr Wightman that the warm homes bill and our route map for Scotland's energy efficiency programme will do much to improve energy efficiency across all tenures.

**Graham Simpson (Central Scotland) (Con):** Last week, we heard that 26.5 per cent of households are now in fuel poverty. That is a

welcome reduction of 4 per cent from the previous year, but the Scottish Government was supposed to have eradicated fuel poverty by November last year. Now, the consultation on a new fuel poverty strategy suggests that the Government intends to set a target to have fewer than 10 per cent of households in fuel poverty by 2014. How many more winters will people have to endure before the Government eradicates fuel poverty?

**Kevin Stewart:** If we did not have to endure a Tory Government, with its policies of austerity, we would be doing much better. The fact that social security has been cut to many households, including households in work, adds to the woes. Beyond that, the United Kingdom Government said that it would take action on fuel prices and has failed to do so. Maybe Mr Simpson would be best placed to talk to his colleagues south of the border to get them to act in a reasonable manner, to get rid of austerity and to put a cap on fuel prices, and then we might be in a better position in Scotland.

### Nursing (Training)

**3. Clare Haughey (Rutherglen) (SNP):** I refer members to my entry in the register of interests as a registered mental health nurse who holds an honorary contract with NHS Greater Glasgow and Clyde.

To ask the Scottish Government what it is doing to attract more people to train as nurses. (S5O-01576)

**The Cabinet Secretary for Health and Sport (Shona Robison):** Last week, the chief nursing officer for Scotland published a report on widening participation in nursing and midwifery education and careers. The report recommends a range of measures to attract people into nursing, including a national campaign to recruit a more diverse workforce, tackle negative stereotypes and provide more flexible routes into education. The report was launched in the same week that we saw the highest ever number of acceptances to nursing and midwifery courses at our universities. The actions set out will allow us to build on that, maximising the number of opportunities available and the number of people who can benefit from them.

**Clare Haughey:** Last year, the United Kingdom Government scrapped bursaries for student nurses and introduced fees. Since then there has been an 18 per cent reduction in the number of applications from nursing students. Both the Royal College of Nursing and the president of Universities UK attribute that, in part, to the withdrawal of bursary funding. In contrast, recent Universities and Colleges Admissions Service statistics show an increase of 8 per cent in the number of students enrolling at Scottish

universities to train as nurses. Can the cabinet secretary reassure people in Scotland who want to train as nurses that this Government will continue to support them in this essential profession and will not withdraw bursary funding?

**Shona Robison:** I absolutely can. The UCAS statistics tell a very interesting story of the position here in Scotland compared with that south of the border. We continue to protect the non-means-tested non-repayable nursing and midwifery student bursary and, of course, free tuition. That is in stark contrast to the UK Government, which has scrapped both in England, resulting in the dire consequences that Clare Haughey described.

We have also increased support for students most in need or facing financial hardship, and we will continue to review the support package to ensure that nursing and midwifery students receive the support that they need. In particular, we will consider whether additional support is needed for students in remote or rural areas or from low-income households.

#### **A92 (Road Safety Improvements)**

**4. Jenny Gilruth (Mid Fife and Glenrothes) (SNP):** To ask the Scottish Government whether it will provide an update on Transport Scotland's plans for road safety improvements to the A92. (S5O-01577)

**The Minister for Transport and the Islands (Humza Yousaf):** We are committed to improving safety on our trunk roads, including the A92, where we have been working closely with the communities and local elected members. Since 2007, we have invested more than £35.1 million in the A92, to ensure that it continues to operate safely and efficiently.

A number of studies are under way and planned, and they will identify further improvements that can be made. That will build on the investment that has already been undertaken in recent years, which includes works at a number of junctions, as well as providing better pedestrian facilities at Glenrothes and between Forgan and the Tay bridge.

**Jenny Gilruth:** The minister will be aware that tomorrow I will be leading a walk along the five hazards of the A92. Earlier this year, he agreed with campaigners that he would visit the road himself. Is it still his intention to do so, and can he provide me, as the constituency MSP, with reassurance that improving road safety on the A92 is of paramount importance to the Government?

**Humza Yousaf:** I wish the member well for the walk that she is doing along the five hazards of the A92, as it is called. I look forward to hearing an update and some feedback from her. As she rightly said in her question, we have met the

community councils, other community stakeholders and elected members. I thank her for the pressure that she has exerted on the important issue of the A92.

As I said in my previous answer, there are a number of studies under way. Transport Scotland last met the community council in August. It promised, on the back of all the conflict and traffic studies that have been done and the various other pieces of work, that it will report back early next year. It is absolutely my intention to visit the A92, which I will do in conjunction with the member's office.

#### **Restorative Justice**

**5. Maurice Corry (West Scotland) (Con):** To ask the Scottish Government what plans it has to develop restorative justice. (S5O-01578)

**The Cabinet Secretary for Justice (Michael Matheson):** Following the publication of "Guidance for the Delivery of Restorative Justice in Scotland" on 13 October 2017, we will consult on an order under section 5(2) of the Victims and Witnesses (Scotland) Act 2014, to prescribe who must have regard to the guidance. We will also work closely with justice and third sector partners to ensure access to existing services and to develop further provision to meet the needs of victims.

**Maurice Corry:** Experts are clear that restorative justice empowers victims and cuts reoffending. I welcome the guidance that has been published, but the fact is that there are simply not enough practitioners out there to use it. Victims deserve the chance to get an explanation from the person who commits the harm. When will the Scottish Government make that the norm, rather than the exception?

**Michael Matheson:** I agree that, in the right circumstances, restorative justice can be an effective tool. We are doing some work with Community Justice Scotland to identify where in Scotland restorative justice is provided—a number of local authorities already deliver restorative justice programmes—and where there are gaps. We want to consider what measures can be taken to support those local authorities that do not presently provide restorative justice to deliver such programmes.

I recognise the value of restorative justice for those who have caused harm and those who are victims of crime, and I want to make sure that a more consistent approach is taken across the country. The guidance will assist us in achieving that, and the work that we are doing with Community Justice Scotland will assist us in identifying the areas where we need to make further progress.

**Rona Mackay (Strathkelvin and Bearsden) (SNP):** Does the cabinet secretary agree that it must be up to the victim of a crime to decide whether they want to engage in restorative justice practices, and that the necessary support must be in place for them throughout the process?

**Michael Matheson:** I do. It is extremely important that the victim and the person who has caused harm participate in the programme on a voluntary basis. That is a key driver of the system. The new guidance that we have issued highlights that that is a key aspect of how we want restorative justice to be delivered.

In addition, people who participate in restorative justice must be assisted by people who are appropriately trained to deliver restorative justice programmes so that the appropriate support and assistance can be provided.

**Liam McArthur (Orkney Islands) (LD):** I, too, welcome the publication of the guidance in October, which followed the commitment that the Liberal Democrats secured in 2013.

Can the cabinet secretary provide a little more detail on the steps that will be taken to support community safety groups such as Sacro and others to act as facilitators in the restorative justice process?

**Michael Matheson:** As the member might be aware, Sacro is one of the organisations on the restorative justice forum that helped to draft the guidance that we issued in October.

Before we decide what our future approach to restorative justice should be, it is important that we identify the good practice that already exists in a number of local authority areas and the areas where there are gaps. At that point, we can consider what would be the most appropriate approach in pursuing further restorative justice programmes. That might take the form of a national strategy to inform work at a local level, but before we consider what would be the most appropriate mechanism for taking forward further restorative justice programmes, we want to identify where the gaps are.

### **HMP Dumfries (Older Prisoners)**

6. **Colin Smyth (South Scotland) (Lab):** To ask the Scottish Government what action is being taken to improve facilities at HMP Dumfries to meet the needs of older prisoners. (S5O-01579)

**The Cabinet Secretary for Justice (Michael Matheson):** The Scottish Prison Service has been actively considering its approach to population management, and older people are one of the population groups that are being looked at.

If an older person with specific needs is admitted to prison, an individual care plan and

care package and accommodation adjustments will be put in place, following consultation with the necessary multi-agency partners. Older people with mobility issues are located in a specific area of HMP Dumfries. Disabled access ramps have been put in place in that area to aid accessibility, and additional minor modifications are carried out to meet the needs of individual prisoners when that is required.

**Colin Smyth:** The need to improve facilities for older prisoners in HMP Dumfries was highlighted in the report, "Who Cares? The Lived Experience of Older Prisoners in Scotland's Prisons", by Her Majesty's chief inspector of prisons. Given that need, why was Dumfries not included in the most recent estate development programme? The fact that it was not has raised understandable concerns among staff about the future of the prison.

Will the cabinet secretary give an assurance that bringing the prison up to a reasonable standard will definitely be included in the next phase of the estate development programme? Given the integration of health and social care that is taking place more widely in Scotland, does he intend to revisit the lack of health and social care integration in prisons, where health boards are responsible for healthcare but the Prison Service remains responsible for social care?

**Michael Matheson:** The member might misunderstand. The approach of the Scottish Prison Service in meeting the needs of older prisoners within the prison estate is being taken forward as part of the prisoner population management programme rather than by a prisoner segment group of older prisoners. That means that the evidence that has come from HM inspectorate of prisons and the "Who Cares?" report has been taken into account and a dispersal model is being used. Access to all the facilities across the prison estate is being provided, rather than just to a specific establishment. That includes HMP Dumfries.

The member referred to the capital investment programme that is being taken forward by the Scottish Prison Service. The programme is being taken forward on a phased basis that has seen significant capital investment in the creation of new establishments and the upgrading of existing establishments. At present, that programme is looking at HMP Inverness, HMP Barlinnie and HMP Greenock to see how they will be developed in the future. The next phase will be for HMP Dumfries and HMP Castle Huntly open estate, and they will look at how to phase that programme going forward.

Prisoner healthcare is an area that has now been progressed with the partnership that has been developed between the Scottish Prison



Service and individual health boards in each prison area. In order to support that at the national level, we have established the health and justice collaboration improvement board to make sure that prisoner healthcare is driven forward right across the prison estate and in health boards that have that responsibility. One of the improvement board's key priorities is to make sure that we improve prisoner healthcare overall, and that workstream will be taken forward in the coming months.

**The Presiding Officer:** Thank you for that very detailed answer.

## First Minister's Question Time

12:01

### Income tax

**1. Ruth Davidson (Edinburgh Central) (Con):** Presiding Officer,

"When inflation is rising and living standards are under a lot of pressure, it is not right to increase income tax for those who are on the basic rate."—[*Official Report*, 3 May 2017; c 9.]

Does the First Minister agree with that statement?

**The First Minister (Nicola Sturgeon):** The Cabinet Secretary for Finance and the Constitution will set out the details of the budget later this afternoon and will cover our tax proposals and our spending proposals. We will seek to protect our vital public services from the cuts being imposed by the Tories, we will make sure that we protect those who are on low and middle incomes and we will invest in business and the economy. I can tell members that 70 per cent of taxpayers in Scotland and 83 per cent of all adults in Scotland will pay no more income tax after today's budget than they do now.

**Ruth Davidson:** We look forward to hearing the details of that later. I can tell by the First Minister's face that that flourish did not have quite the result that she was looking for. The reason why I asked the question is that I was quoting directly the words of the First Minister herself in May this year. I was not asking her to reveal her budget, although we are pleased to hear any details that might be forthcoming; I was asking whether she agreed with herself that all people who currently pay only the basic rate of income tax, which is 2.2 million people in this country, should not have to pay more. That was the promise that she made. Has she not just told at least some of them that she is breaking that promise?

**The First Minister:** I encourage Ruth Davidson to listen carefully to the announcements that the finance secretary will make in a couple of hours. In the budget, we will be balancing a number of different priorities. Of course, as the Opposition is fond of telling me, we are a minority Government and we require to build consensus around our budget proposals. We also have to deal with one of the most challenging economic and fiscal contexts that any Government in the lifetime of this Parliament has ever faced. As we heard confirmed this morning on the radio by the Fraser of Allander institute, our day-to-day spending for next year is being cut in real terms by more than £200 million and, over the next two years, Tory cuts will take £500 million in real terms out of the spending that this Parliament has available for our nurses,

doctors, teachers and police officers. In light of that, is it not a bit rich for the Tories to come to this chamber and lecture anybody about tax and public spending?

On top of that, of course, as we found out just last week, every household across not just Scotland but the United Kingdom will be facing a bill of £1,400 to pay for the Tories' Brexit obsession—that is the bill just to rip the UK and Scotland, against our will, out of the European Union.

In light of all of that, the proposals that we put forward this afternoon will be responsible and balanced. They will protect our vital public services from Tory cuts, protect the majority of taxpayers and invest in business and the economy. In doing all that, they will stand in stark contrast to anything that the Tories are doing.

**Ruth Davidson:** The First Minister has just revealed that there will be tax rises in the budget, so perhaps she should listen to what Scotland's small businesses are saying about that. This week, the Federation of Small Businesses gave her a blunt warning, when it revealed that three fifths of Scotland's small businesses do not want any change in income tax rates—or they do not want them to go up—and two thirds believe that income tax increases would damage the economy. We are talking not about multimillion pound corporations but about small and medium-sized firms, which are the lifeblood of the economy and support 1.2 million Scottish jobs, yet the First Minister has just told them that there will be tax rises that they do not want. So who should we trust to know what they are talking about when it comes to growing the economy? Is it Scotland's small business owners, who are warning against the very tax rises that the First Minister has just revealed, or the finance secretary, who wants to push taxes up?

**The First Minister:** I met representatives of the Federation of Small Businesses just last week, and one of the many things that they said to me was how highly they value the small business bonus, which is the most generous small business rates scheme anywhere in the UK. I do not think that I am revealing too much—although the finance secretary is starting to look at me with a worried expression on his face—when I say that the small business bonus scheme will be protected in the budget this afternoon. That of course lifts 100,000 small businesses out of business rates altogether, which is another way in which the budget will invest in business and in growing our economy.

There will be a lot of interest for Ruth Davidson and others when the finance secretary gets to his feet this afternoon to outline how the Scottish Government will protect people the length and

breadth of our country from the cuts that are being imposed on us by Ruth Davidson's party.

**Ruth Davidson:** Time and again, ahead of elections, the Scottish National Party Government makes promises to people on tax. Only in May this year, the First Minister was absolutely clear when she said that it is “not right” for any person on the basic rate to pay more. That would protect 2.2 million people in this country, but she has just stood up and said that some of them are going to take a hit. It is a simple matter of trust. Promises were made and she has failed to meet them, so how can Scottish workers ever trust her again?

**The First Minister:** I suggest that Ruth Davidson listens carefully to the budget this afternoon because, when Derek Mackay stands up and outlines his budget proposals, much of what Ruth Davidson has been saying over the past weeks will be seen to be complete and utter nonsense. We will set out fair, balanced and progressive budget proposals that protect our public services from more than £200 million in real-terms cuts being imposed by the Tories. [*Interruption.*] The Tories do not like hearing that fact, so let me repeat it: our spending is being cut by more than £200 million in real terms next year. The proposals that we put forward this afternoon will set out how we are protecting our national health service, our education system and other vital public services from that while protecting the vast majority of taxpayers and investing in business and the economy.

Of course, I am not sure how bothered Ruth Davidson really is by all of this because, no sooner have the Tories slumped back into third place in Scottish politics than we have Ruth Davidson setting out her escape plan for when she plans to jump ship to Westminster.

**Members:** Cheerio, cheerio, cheerio!

**The Presiding Officer (Ken Macintosh):** Order.

### Affordable Housing

**2. Richard Leonard (Central Scotland) (Lab):** Every time we raise Scotland's housing crisis with the Scottish Government, it spins out the same line: “We will build 50,000 affordable homes and 35,000 homes for social rent by the end of this parliamentary session.” This week, new housing statistics revealed that the Government is way off course from meeting its targets. Can the First Minister explain how those vital homes will be built?

**The First Minister (Nicola Sturgeon):** We have set a target, and we will meet that target, to build 50,000 affordable homes over the life of this parliamentary session.

Richard Leonard was not a member in the previous parliamentary session, so he might not know that in the previous session we had a target of 35,000 affordable homes, and that periodically over the course of the session we had to listen to Labour MSP after Labour MSP tell us that we had no chance of meeting the target.

Well, do you know what? We met that target in the previous parliamentary session, and we will meet the new target for this parliamentary session. The finance secretary will set out funding plans to support the target in his budget this afternoon, and the announcement that he makes in the budget will be part of an overall funding commitment of £3 billion over this parliamentary session to build 50,000 affordable homes.

That is the record of this Government. Of course, Richard Leonard is the latest leader of the party that, when it was last in office, managed to build a grand total of six council houses.

**Richard Leonard:** I seem to recall a redefinition of the target in the previous session of the Scottish Parliament.

The shortage of affordable housing is a key cause of homelessness, so we should be thankful for the important work that is being done by the homelessness prevention and strategy group, which has fought for Government funding to help rough sleepers this winter. However, as long as the supply of affordable housing is stalling, and as long as this Government cuts the local authority budgets that provide housing support, temporary accommodation and funding for women's aid and refuges, the strategy group is fighting an uphill battle to prevent homelessness.

Earlier this week, the director of Shelter Scotland, Graeme Brown, said:

"Some people think that homelessness in Scotland is getting better and can be fixed overnight. Sadly, over the last year, things got worse."

Does the First Minister agree with the director of Shelter Scotland that last year things got worse?

**The First Minister:** This Government is increasing funding for affordable housing and, as I said, over this parliamentary session will invest £3 billion—a record sum—to deliver 50,000 affordable homes.

It is exactly because, like Shelter, I am so concerned about the rise in rough sleeping, in particular, that in the programme for government I announced the establishment of the homelessness prevention and strategy group, about which Richard Leonard just spoke. Within the first few weeks of being established, the group had already made its first recommendations to help to tackle rough sleeping this winter; the Government accepted all the recommendations

and provided additional funding to help to implement them. We will consider, on a continuing basis, further recommendations that the group makes.

The reason why rough sleeping is increasing is the welfare cuts that are being imposed on Scotland by the Tory Government—*[Interruption.]* Right now, Labour MSPs are shaking their heads at the notion that welfare cuts are leading to an increase in rough sleeping, which, frankly, is a fact. I again call on Richard Leonard to join members of my party in calling for the devolution of all welfare powers to this Parliament, so that we can put a stop to the cuts at source.

**Richard Leonard:** We will see how committed the First Minister is to stopping the cuts this afternoon, when the Government announces its budget.

I want to share the experiences of Hanibelle, who is a young woman in Edinburgh who turned to the Crisis charity for help. She is a recovering drug addict and survivor of domestic abuse, and she became homeless. This week marked one whole year of her being stuck in unsuitable temporary accommodation. She has said that, in that accommodation, she is faced with

"People's smoke coming through cracks in the walls and floors ... Sleeping in sheets that look like Swiss cheese from cigarette burns ... Blood spatter on the walls of the bathroom from people injecting heroin".

What Hanibelle and thousands like her need is an affordable home and the local authority services that will get them back on their feet. Hanibelle does not have a choice, but the First Minister does. This afternoon, will she choose to use the powers of the Parliament to invest in lifeline council services and end Scotland's homelessness crisis once and for all?

**The First Minister:** We will see in just a couple of hours the choices that the Scottish Government is making to protect Scotland from the cuts that are being imposed by the Westminster Tory Government.

Hanibelle's experience, which Richard Leonard has just outlined, is completely unacceptable. That is why the homelessness strategy group, which we have already spoken about, has as its remit not just tackling rough sleeping but tackling and looking to improve the use of temporary accommodation. That is also why we announced in the programme for government an increase in funding to tackle alcohol and drug addiction and why we are establishing a £50 million fund to help to tackle homelessness and rough sleeping. Those measures and other measures will be outlined in our budget this afternoon.

When Richard Leonard sees the choices that we are making, I hope that he will stay consistent

with what he has said in the chamber and back our choices in the budget, because they are the right choices for the people of this country.

**The Presiding Officer:** We have a couple of constituency supplementaries.

### Health Funding

**Elaine Smith (Central Scotland) (Lab):** The family of a 91-year-old constituent have asked me to raise her extremely distressing health and care issue, which has wider implications. The elderly deaf and blind woman, who has a stoma bag, was discharged from hospital with insufficient care, only one daily district nurse visit, and at times no assistance available via the home care alarm. On several occasions, she therefore suffered the indignity, distress and discomfort of a burst stoma bag, and her family believes that her life is at risk. If that is happening to one elderly vulnerable person, many others will also be suffering as a result of funding cuts and the lack of adequate stoma care. Does the First Minister think that that is acceptable? If not, what will she do about it?

**The First Minister (Nicola Sturgeon):** From what Elaine Smith has just said, I do not think that that is at all acceptable. If she can provide the details of her constituent's case to the Cabinet Secretary for Health and Sport this afternoon, she will immediately look into it and then correspond with her. Elaine Smith can then feed that back to her constituents. I hope that Elaine Smith finds that response helpful as a way of taking the issue forward.

### Civil Aviation Authority (Medical Certification)

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** A constituent of mine is close to securing a training placement with a commercial airline but, because they are HIV positive, the Civil Aviation Authority will not issue the required medical certification. It cites European Aviation Safety Agency rules. I understand that a deviation from those rules can be permitted. If my constituent stayed in the USA, Canada, New Zealand or Australia, or had contracted HIV as an existing commercial pilot, there would be no issues. Does the First Minister agree that that situation amounts to discrimination? Will the Scottish Government make representations to the CAA to seek to end that injustice and therefore allow my constituent to pursue their dreams?

**The First Minister (Nicola Sturgeon):** I am not aware of the full details of that case, but I am very clear that any employment policies or regulations in that area must be based on the most up-to-date facts about HIV, and not on outdated information or misconceptions. I understand that the Civil Aviation Authority has already said that it supports a rule change in the area and that it is working

with the European Aviation Safety Agency to reassess the regulation. I will write to the CAA to make clear my support for that rule change.

We can all play a part in making life better for those who live with HIV, and we should all continue to work to eradicate the stigma around the virus and to tackle the false myths and prejudices that, unfortunately, still surround it.

### Public Sector Pay

3. **Patrick Harvie (Glasgow) (Green):** At this time of year, perhaps everybody wants to unwrap their Christmas present a wee bit early and, when it comes to the budget, we are no different. There are many thousands of people in Scotland who want to know whether there is anything in store for them. I am talking about the people who work to deliver our vital public services in every community in Scotland. They have seen their wages cut year after year in real terms, and they want to know whether their pay will again be cut this year or whether there is hope of at least an inflation-based increase. Does the First Minister agree with Grahame Smith of the Scottish Trades Union Congress, who has made the case—for not only this budget, but the longer term—that the pay settlement must begin the process of restoring the lost value in people's wages and that it must be fully funded by the Scottish Government across our public services?

**The First Minister (Nicola Sturgeon):** The Scottish Government has already committed to lifting the 1 per cent public sector pay cap, and we remain the only Government in the United Kingdom to have made that commitment. Alongside the budget this afternoon, the finance secretary will also publish the public sector pay policy, which will include further details of the approach that we will take. As I have said previously, we want to see fair pay settlements for our public sector workers that recognise the rising cost of living, but are also affordable. We will set that out this afternoon. I am sure that Patrick Harvie will understand that he will have to wait just a little bit longer to unwrap the full details.

**Patrick Harvie:** One area that we will not have to wait any longer for, because we know that it will not be in the budget this afternoon, is a tax giveaway to the aviation industry. The Scottish National Party policy to halve and then scrap air departure tax was kicked down the road by at least one year, ostensibly for technical reasons, and a consultation and an economic assessment were planned. The results were published last week—they were so unhelpful to the Government that I can almost sympathise. Will the First Minister confirm that the consultation responses were overwhelmingly hostile to the Government's policy, showing opposition of 96 per cent when all

the responses were counted? Can she explain why one of the central economic arguments, which was that the bulk of the tax cut would benefit the wealthiest in society, was entirely ignored by the economic assessment?

**The First Minister:** Patrick Harvie and I have had exchanges on the issue in the chamber in the past. We want balanced policies across the whole range of policy areas—policies that help to boost our economy and those that protect our public services. That is the approach that this Government will take. As Patrick Harvie said, the issue will not feature in the budget this afternoon—not “ostensibly” for technical reasons but actually for technical reasons. We will continue to discuss those issues with the UK Government and will report back to this Parliament in due course.

### Ferry Services (Pay)

**Liam McArthur (Orkney Islands) (LD):** Last week, I warned the Government that the growing disparity in pay between Orkney Ferries crew and their counterparts in CalMac, which is funded directly by Scottish ministers, risked industrial action on Orkney’s lifeline internal ferry services. This week, the National Union of Rail, Maritime and Transport Workers confirmed that its members have voted to take such action. The consequences for the island communities who are utterly reliant on those services could be disastrous. Will the First Minister, even at the 11th hour, ensure that her finance secretary comes to the chamber this afternoon with a budget that honours his and the Government’s commitment, as well as the will of this Parliament, and which delivers fair funding for Orkney and Shetland’s internal ferry services?

**The First Minister (Nicola Sturgeon):** First, these are services that are run by the councils, not by CalMac or the Scottish Government. The finance secretary will continue to engage with those councils, as he has before, about what the future might hold for the services. We are open to constructive discussions in future on that issue. Liam McArthur and his colleagues ask us to put such a provision into the budget, but they still refuse to say that they will back the budget, even if that provision were in it. We will continue to have those discussions and will look to do the right thing by our island communities.

### Fish Farm Expansion (Moratorium)

**Mark Ruskell (Mid Scotland and Fife) (Green):** An investigation that was screened on BBC1 this week showed that hundreds of tonnes of dead salmon are being shipped across Scotland in lorries that leak waste on to the roadside. Any farming system in which more than one quarter of the livestock are diseased and die before they

reach the market has a massive problem. Will the First Minister put in place a moratorium on fish farm expansion until this Parliament’s Rural Economy and Connectivity Committee and Environment, Climate Change and Land Reform Committee have concluded their inquiries into the sector?

**The First Minister:** I am happy to ask the environment secretary to have discussions with the member on the issue. I understand people’s concerns about aspects of fish farming, and I know that some of the revelations in the documentary add to them. I know that those are issues of concern to the environment secretary, too, and she will be happy to discuss them further with the member.

### Secondary Schools (Classrooms)

**Daniel Johnson (Edinburgh Southern) (Lab):** An independent report detailed in today’s newspapers predicts that Scotland will need an additional 500 classrooms in our secondary schools by 2020. That will come as no surprise to those in south Edinburgh, because, despite there being two new secondary schools, local forecasts show that the area will still be hundreds of places short within the next two to three years. Will today’s budget commit the funds required to build the extra classrooms that we need to meet the shortfall in south Edinburgh and across Scotland, given the increased capital at the Scottish Government’s disposal?

**The First Minister (Nicola Sturgeon):** Of course, it is for individual local authorities to plan their education provision based on their assessments of need now and in future. However, I point out to the member that since this Government took office, more than 700 new or refurbished schools have come into existence across the country, and 86 per cent of young people are now learning in schools that are classed as being in good or satisfactory condition, which is a considerable increase since we took office. We will continue to discuss the issue with councils on an on-going basis, because it is absolutely essential that we have the right education provision where the numbers of young people are growing. I know that Edinburgh is one such case.

### Brexit (Regulatory Alignment)

**4. Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** To ask the First Minister what the Scottish Government understands by the term “regulatory alignment”, and what this means for commerce between Scotland and Northern Ireland. (S5F-01841)

**The First Minister (Nicola Sturgeon):** We are seeking clarification from the United Kingdom

Government on precisely what it means by regulatory alignment and what the impact would be for Scotland. The Irish Government has been clear that it would facilitate the free movement of people, goods and services across the border to Northern Ireland. On that basis, we would understand the agreement to create equivalent rules to those of the European single market.

Of course, if a differential deal is to be available to one part of the UK, it should be available to others. As we have made very clear to the UK Government, it would be entirely wrong and unfair for Scotland to be placed at a competitive disadvantage.

**Christine Grahame:** According to a House of Commons report, UK ministers will have to import 19,000 European Union rules and regulations into the statute book as a consequence of withdrawing from the EU. Does regulatory alignment mean keeping most of, if not all, the 19,000 rules and regulations? Given that cutting EU red tape was fundamental to the leave campaign, does the First Minister agree that this must be the biggest political fudge since records began? Indeed, speaking of fudge, will the fudge regulation still be in force as one of the 19,000?

**The First Minister:** Knowing the Tories, fudge regulations will definitely be safe from a cull.

Christine Grahame talks about the claims made by the leave campaign. Of course, that was the campaign that told us that Brexit would deliver £350 million a week extra for the national health service. We are still waiting for that; instead, we now find out that we are facing a bill of almost £50 billion just to leave the European Union.

The regulatory alignment issue is important. The legislative consequences of Brexit will be a major undertaking, but this is just one part of the massive effort that, if the UK Government continues on this course, will need to be put in place to get a deal that will be worse than the one that we already have as part of the EU. If there is to be alignment, that underlines even further the importance of the UK as a whole staying within the single market and the customs union. That would be the least damaging outcome for our economy, and I hope that we see people in the House of Commons coming together, as many of them did last night to defeat the Government on one particular amendment—although I note that no Scottish Tories were able to stand up to the Government—to keep the UK in the single market and the customs union.

**Lewis Macdonald (North East Scotland) (Lab):** The First Minister will be aware of the detail of last Friday's joint report by the UK Government and the EU, which says that the basic principles of regulatory alignment

“must be upheld in all circumstances, irrespective of the nature of any future agreement”.

Can she tell us what her Government's understanding is of the nature of that commitment and, in particular, how it is liable “in all circumstances” to be enforced?

**The First Minister:** Presumably it is a commitment that the UK Government will have to abide by. To hear David Davis at the weekend almost trying to wriggle out of the commitments before the European Council had even had the opportunity to endorse them says everything that needs to be said about the lack of trust that many on the European side of the negotiations have in the UK Government.

It is important that, as the negotiations progress—as we hope that they will—people can trust the commitments that the UK Government gives and, on the evidence of what happened at the weekend, that that trust exists is perhaps doubtful. The most important thing is that the negotiations are in the interests of the economy and of people right across the UK.

I wish that we were staying in the EU, but, given that the UK is leaving it, I want to see us stay in the single market and the customs union, and I hope that the Labour Party at Westminster will eventually get round to supporting that as well.

### Scottish Survey of Literacy and Numeracy

**5. Liz Smith (Mid Scotland and Fife) (Con):** To ask the First Minister for what reason the Scottish survey of literacy and numeracy has been abandoned. (S5F-01815)

**The First Minister (Nicola Sturgeon):** The SSLN has been replaced with more detailed and comprehensive information. It gave us a national picture of children's progress in literacy and numeracy, but did not provide any detailed information for local authorities and schools about the progress of individual children. The achievement of curriculum for excellence levels data that we now publish is a much more comprehensive data collection. For the first time ever under CFE, it gives us the attainment levels of every child in Scotland at key stages in primary and secondary school, and provides detailed data at all levels of the system to help us to identify what works in raising attainment and closing the attainment gap.

**Liz Smith:** Every education expert in the land is telling the Scottish Government that it needs to improve the quality of the data set that can measure progress in our schools. They make the point that the Government's assertion that things will get better will hold water only if standardised assessment is actually standardised across the country, and is less dependent on the wide

variations in teacher judgment across local authorities. Does the First Minister not agree that parents have a right to expect use of data that is reliable and is respected for having a good track record, and that the decision to abandon SSLN at this in time, in favour of experimental data, was ill advised?

**The First Minister:** No, I do not agree with that. SSLN was important but, as First Minister, I know that the information that it provided was nowhere near detailed enough to allow us to target actions on improving performance and closing the attainment gap. As I have just said, the data that we now publish is much more comprehensive.

I also disagree with Liz Smith about teacher judgment. The International Council of Education Advisers said that we should provide a consistent support framework to teachers and then trust in their professionalism, which is exactly what we are doing.

As far as data is concerned, this year's CFE levels data is more robust than last year's, due to the quality assurance and moderation work that has been done in schools across Scotland. Of course, next year, that consistency and reliability will be further enhanced by the use of standardised assessments in all schools.

Let me repeat—because this is the most important point—that CFE levels data gives us the attainment levels of every child in Scotland at key stages in primary and secondary school, and provides detailed data at all levels. It helps us to target action to raise attainment and to close the attainment gap, which is what is most important in all of this.

**Iain Gray (East Lothian) (Lab):** The truth is that educationists and the First Minister's own statisticians have told her clearly that the literacy and numeracy survey was statistically valid for allowing national progress to be tracked, and that the new attainment data that she is using simply is not, and never will be. If raising attainment is really her priority, why will she not measure national progress properly, simply by reintroducing the literacy and numeracy survey, or is she afraid of what it might show?

**The First Minister:** The data that we now publish will tell us all much more than we have ever had before about the performance not just of Scottish education generally, but of every child in the Scottish education system. As First Minister, it is my view—I know that it is also the view of the Cabinet Secretary for Education and Skills—that when we look at the actions that we need to take to improve attainment in our schools, we want to have comprehensive and robust data. The SSLN did not give us that: it was, as I have said previously in the chamber, based on samples of

as few as 12 pupils in some schools. We need comprehensive data, which is what the CFE levels data will give us. That is important.

### **Extreme Winter Weather (Remote and Rural Areas)**

**6. Rhoda Grant (Highlands and Islands) (Lab):** To ask the First Minister what contingencies the Scottish Government has put in place to deal with the effects of extreme winter weather on rural and remote areas. (S5F-01828)

**The First Minister (Nicola Sturgeon):** We recognise the serious impact that extreme winter weather can have on rural and remote communities. Our dedicated resilience operation actively monitors all weather and flood alerts and can be activated at any time, on any day of the year. Indeed, last week, during storm Caroline, the Deputy First Minister convened the resilience committee to ensure that all appropriate support was in place.

We also work closely with the emergency services, local authorities, health boards, power companies and others to ensure that we understand any challenges that are happening on the ground across Scotland, and to ensure that they can respond and co-ordinate appropriately at local level when any kind of emergency occurs.

**Rhoda Grant:** Already this winter, constituents have contacted me with concerns about how the weather is impacting on health services. One gentleman reached Inverness and was waiting for his appointment at Raigmore hospital when he was contacted by Stagecoach to say that his bus home had been cancelled due to bad weather. It cost him £200 to get home by taxi that night.

Constituents in Caithness are all very concerned because recent service changes are forcing more of them to go to Inverness to access health services. Already this winter, the county has been cut off because of landslides on the rail line and road closures due to accidents. Sadly, that is a common occurrence. What is the First Minister doing to make sure that my constituents do not face further trauma while accessing services this winter?

**The First Minister:** If Rhoda Grant wants to provide us with the details of the specific constituency case that she outlined, we would be happy to look into that.

We cannot take away altogether the impacts of bad weather during the winter—I think that everybody understands that—but we do have to work to make sure that everybody is pulling together to mitigate the impacts as much as possible. That is what we are doing—that is what is done at local level through resilience partnerships, which fully involve national health

service colleagues, and it is what we co-ordinate at national level through our resilience committee.

On the wider issues around health in the Highlands, I understand the concerns that have been raised, particularly in relation to the number of outpatient visits that involve people having to travel to Raigmore hospital in Inverness, some of whom live 100 miles away. That is why NHS Highland has been working to develop long-term sustainable services across Caithness, and why it is reviewing the wider provision of hospital and adult community services. Those are important issues, which we will continue to work on with others.

However, as I said at the outset, if there are particular constituency cases that Rhoda Grant wishes the Cabinet Secretary for Health and Sport or other relevant ministers to look into, I ask her to pass us the details of them, please.

### Domestic Abuse

**7. Michelle Ballantyne (South Scotland) (Con):** To ask the First Minister what discussions the Scottish Government has had with Police Scotland regarding tackling domestic abuse over the festive period. (S5F-01825)

**The First Minister (Nicola Sturgeon):** On Sunday 10 December, Police Scotland launched its anti-domestic abuse campaign. The campaign will run over the festive period, when, sadly, reports of domestic abuse increase by around a quarter. The campaign makes it clear that Police Scotland will take all necessary action to deal with the perpetrators of domestic abuse, and I hope that the member and the chamber will, like the Scottish Government, fully support that important and necessary campaign.

**Michelle Ballantyne:** I welcome the First Minister's comments, particularly in the context of the Scottish Borders, where there has been a 40 per cent increase in the reported incidence of domestic abuse since 2008 and where more must be done to protect and support victims. That should be our utmost priority.

According to the Scottish Government's figures, more than 12,000 people were convicted of a crime with a domestic abuse aggravator in 2015-16, many of whom were given a short sentence. Given the devastating impact of some domestic abuse, does the First Minister agree with me that abolishing prison sentences of less than a year, which allows perpetrators to escape with little if any punishment or rehabilitation, is an appalling way to treat victims whose lives have been tortured by abuse and that any Government that is genuinely serious about eradicating domestic abuse would not adopt such a policy?

**The First Minister:** No, I do not agree with that, because I do not really agree with the premise on which the question is based.

In the interests of consensus on an issue on which we should all try to come together and agree, I think that Michelle Ballantyne is right to say that protecting and supporting victims should be our absolute top priority.

I know that Michelle Ballantyne is particularly interested in the Scottish Borders, and I hope that she will agree with me that Scottish Borders Council's domestic abuse advocacy support service is a great example of innovative partnership work. If an increase in the number of reports of domestic abuse through the advocacy service or, indeed, through the police shows an increased level of confidence among victims to come forward and report incidents, we should welcome that. The Scottish Government's funding for that service in the Scottish Borders has totalled £585,000 since its launch in 2012.

Let me come to the less consensual part of my answer. Michelle Ballantyne said that we are abolishing short sentences—that is not the case. We are looking to create a presumption against short sentences, and many people working in the criminal justice field think that that is the right thing to do to reduce reoffending. However, the decision on the sentence in any individual case is always a matter for the judge who has heard the case—it is not a matter for me, as the First Minister, for the Scottish Government or, indeed, for any politician in this chamber. It is absolutely right and proper that decisions on sentencing rest, ultimately, with judges.



## Bank Branch Closures

**The Deputy Presiding Officer (Linda Fabiani):** The next item of business is a members' business debate on motion S5M-09362, in the name of Kate Forbes, on bank branch closures in Scotland. The debate will be concluded without any question being put.

This is probably the most subscribed members' business debate that we have had. We are really pushed for time because we will have statements this afternoon from 2 o'clock, so I cannot extend the debate. Therefore, timing is crucial. I will try to get through everyone. Members speaking in the open debate will have one and a half minutes.

**Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** How long?

**The Deputy Presiding Officer:** One and a half minutes.

**Neil Findlay (Lothian) (Lab):** On a point of order, Presiding Officer. Are you saying that this is a half-an-hour debate and that it will go no further?

**The Deputy Presiding Officer:** That will be at my discretion. We need time to fix the chamber for this afternoon's formal business, and I do not have the time to extend this members' business debate as I would usually do given the number of members who want to speak in it.

*Motion moved,*

That the Parliament is deeply concerned by the successive waves of bank branch closures across Scotland in 2017, including the recent announcement that RBS plans to close 62 branches; recognises that, while many customers choose to bank online, not every person or business can access all services in this manner and might have to travel over an hour to their nearest branch; believes that these closures will have the greatest impact on older and vulnerable customers who depend on staff and services in their local branch, cash-based businesses that need to make deposits and withdrawals as locally as possible and rural communities, such as those in Skye, Lochaber and Badenoch, which it believes have been almost abandoned by the banks in recent years, and notes the calls on the banks responsible to improve their customer service to loyal and dependent customers.

12:44

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** We are having this debate because so many people across Scotland feel powerless as national banks close branches at a faster rate than ever before, withdrawing from communities and leaving many customers behind. So many members want to speak in the debate because we have a responsibility to highlight our constituents' concerns, despite banking being a reserved matter and the Scottish Government having no formal power to intervene. My colleague Ian Blackford

MP raised the matter at Prime Minister's questions yesterday, and I am pleased to raise it here today.

The recent announcement by the Royal Bank of Scotland that it will close 62 branches in Scotland is just the latest such announcement, but it is certainly the most ruthless and it means that there will be only 89 RBS branches open in Scotland compared to around 300 in April 2013. I believe that RBS should reverse its decision not least because, in 2008, we collectively bailed out the Royal Bank of Scotland and we, the taxpayers, are still the majority shareholder. The very customers who feel powerless and will be the most disadvantaged are those whose taxes funded that bailout.

Moreover, RBS is not the only bank that is closing branches—I have no doubt that other members who speak in the debate will talk about closures by the Bank of Scotland, the Clydesdale Bank and others—and it is the most fragile and vulnerable customers who will suffer most from those branch closures. Yes, many people are choosing to bank online or on their phone app, but not everybody is, not everybody can and not everybody will. The concern is about the older and vulnerable customers who do not have access to the internet and still visit their local branch on a weekly basis because they trust the staff and they struggle to access services in other ways.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** Does the member agree that RBS's initial announcement, in which it reassured people on the island of Barra that they could still use bank and ATM facilities in Lochboisdale, some 27 miles away by sea, shows that RBS has a complete indifference to the needs of island customers in particular?

**Kate Forbes:** I agree with the member that it is the communities of remote and rural Scotland, which have been badly hit by closures already and which have unreliable ATMs and patchy broadband, that will suffer the most.

Kyle of Lochalsh, whose RBS branch is to close, attracts hundreds of visitors during the summer and has a lot of small businesses and residents, but almost three quarters of its population cannot access broadband speeds of up to 10Mbps. If RBS's closures go ahead in six months' time, 26 bank branches across the Highlands will have closed in the past two and a half years: 14 RBS branches, 10 Bank of Scotland branches and two Clydesdale branches. Cash-based businesses that operate in largely cash-based economies such as the tourism economy, which is a big growth sector in the Highlands, will also struggle.

When RBS closes its branch in Beauly in six months' time, it will be closing the last bank branch in the town. There are 13 towns in Scotland where

the last bank branch will be leaving, despite RBS's commitment not to close the last bank in town. What will that mean? Alasdair Allan has highlighted what it will mean for his island community, and for my communities it could mean up to an hour or more of travel to a branch for older people, for businesses that have tight timescales and for customers who, for a host of reasons, rely on public transport.

Last week, I visited three of the four RBS branches in my constituency that face closure—in Beaully, Kyle of Lochalsh and Aviemore—and I will visit the Mallaig branch soon. Those closures will come swiftly after Bank of Scotland branch closures in Fortrose, Broadford, Kingussie and Beaully. There is no doubt that branch staff are doing everything that they can to support customers and advise them about alternatives such as depositing and withdrawing cash at the Post Office, visiting a mobile branch or accessing the nearest ATM. I was amazed at the dedication and care of the RBS staff and managers in Kyle, Beaully and Aviemore, whose sole focus at the moment is the customers, whom they have known for years. Those staff and managers did not make the closure decisions, but they are the ones who are taking the flak and dealing with anxious and worried customers. I recommend that any customers who are concerned pop into their branch as soon as possible to speak to a member of staff.

I call on RBS to reconsider its decision to close those branches for the sake of the people of Kyle, Mallaig, Beaully and Aviemore and for the sake of communities across Scotland.

12:49

**Edward Mountain (Highlands and Islands) (Con):** I thank Kate Forbes for securing the debate.

RBS's decision to close 62 branches in Scotland has been met with justified anger. Frankly, it is no wonder. In 2009, RBS boasted that it was "Here for you", wherever "you" may live. However, it appears that that is not now the case.

When the going got tough for RBS, the taxpayers did not desert the bank; they rescued it. In return, RBS has been promising to maintain branches across the country. Now, RBS is deserting rural Scotland and, as Kate Forbes has eloquently said, the Highlands will be one of the areas that are hardest hit by that. If RBS does not back down from these closures, there will be a real threat to the high streets in the Highlands and to rural businesses such as tourism businesses. Let us not pretend that anything else will be the case.

As Kate Forbes said, branches—along with their ATMs—are closing in Kyle, Mallaig, Nairn,

Aviemore, Beaully, Granton-on-Spey, Inverness, Tain, Tongue and Wick. Customers and businesses need the reassuring presence of a local branch alongside the first-class digital service that they get—if they can get it, because, of course, in areas across the Highlands, the broadband is so poor that digital banking is just a dream.

It is clear that not enough thought has been put into the decision to close local branches, and I urge RBS to reconsider. I call on RBS to stand by its customers—the very customers who stood by it in the hard times that it faced.

12:51

**Richard Lyle (Uddingston and Bellshill) (SNP):** I refer members to my entry in the register of members' interests, as I am an ex-employee of RBS and receive a monthly pension from it. I thank Kate Forbes for bringing the debate to the chamber.

I joined Royscot Financial Services in 1990. That company dealt in financial services and was part of the RBS group of companies. When I joined RBS, the shares were worth £1. Steadily, over the years, the share price climbed as the bank made what some would call extortionate profits. The bank wanted to make a £2 billion profit to fit in with the year 2000, and it did. In fact, it fact went on to make annual profits of between £6 billion and £12 billion in the early part of this century. Those were heady days, and the price per share finally reached £20. Buying other banks was the downfall of RBS. The price per share fell like a stone and reached—I believe—10p at its lowest.

I blame the stock market and certain people who should have known better for the bank's downfall. Customers should not pay for those people's mistakes. RBS promised that there would always be a local branch in people's high streets, but it is now making many of its loyal staff redundant and is closing branches, including two in my constituency.

RBS says that it is closing the branches because of falling footfall. Well, I am sorry, but I dispute the figures. Most people want to go to their local branch. Most people cannot deal with apps or new technology—some people are dinosaurs.

RBS should be a bank that cares. I say to RBS that it should look out, because it has gone a step too far. Bellshill previously had four banks on its main street but the proposed closure will leave us with only one.

Again, I thank Kate Forbes for bringing the matter to the chamber.

12:53

**Richard Leonard (Central Scotland) (Lab):** The people own a controlling majority stake in RBS. If RBS bosses will not listen to reason and pull back from these closures, and if the Tory chancellor, Philip Hammond, will not intervene to stop it doing what it is doing, we must mobilise the people.

On 8 December, I wrote to the chancellor, requesting that he step in and call a halt to this social and economic vandalism. Earlier this week, I held discussions with the shadow chancellor, John McDonnell, and we discussed the red book from last month's autumn budget statement, which made grim reading. Growth figures were significantly revised down. Worse, I can reveal that hidden away in the public finance section of the red book is the news that the Tory chancellor now has his sights set on a sell-off of RBS. Following the downgrading of the economic growth forecasts, Philip Hammond proposes to fix public sector net borrowing by selling off RBS at a bargain-basement price.

This afternoon, I call on the Scottish Government and the Scottish Conservatives to stand up for Scotland and to call on Philip Hammond not to sell off RBS and to veto the closure of these bank branches across Scotland. We should step up the campaign because, in the end, if we, the people, own RBS, we ought to control it.

12:54

**Kenneth Gibson (Cunninghame North) (SNP):** I congratulate Kate Forbes on securing the debate. This latest round of RBS closures is not just a blow to North Ayrshire's people, businesses and communities, but rather the latest insult demonstrating the sheer contempt that RBS has for its customers and branch staff.

Kilbirnie and Saltcoats will join already closed Dalry and West Kilbride branches, leaving Brodick and Largs as the only RBS branches in my constituency. It seems that RBS had no intention of fulfilling its much trumpeted promise not to close the last remaining bank in our community, and I am annoyed that loyal customers were used as a prop in what appears to have been an elaborate public relations stunt.

Closure of 62 Scottish branch buildings will raise just £8.7 million, according to the *Sunday Mail*—if they are sold at all. As we know, empty bank buildings litter many of our high streets, and even if that sum is realised, it will still be much less than the eye-watering £16 million bonuses paid to RBS executives this year or the £11 million sponsorship of Scottish rugby by RBS.

That would be shocking enough from any high street bank, but it is even more galling from RBS, which is 72.9 per cent owned by the United Kingdom taxpayer. Understandably, people are looking for answers and recognition of their investment.

This decision was provoked by the promotion of mobile and online banking, but it is incredibly short-sighted to assume that those things meet the needs of all customers. When challenged, RBS points to its mobile branches as the final word in rural and semi-rural banking, yet across Ayrshire, many people complain about the inaccessibility of mobile banks, which require customers to climb four high steps. It is appalling that wheelchair users are expected to conduct their business outside the van in all weathers, and that RBS refuses to even meet or engage with campaigners.

RBS says that this decision is final, and that more closures and job cuts could be on the way. That is totally unacceptable. On behalf of constituents, I urge the Westminster Government to exercise its majority shareholding to force RBS to engage with staff and local communities. No one should be left behind because of RBS's appalling actions.

**The Deputy Presiding Officer:** If members go over time, it may disadvantage other people.

12:56

**Mark Ruskell (Mid Scotland and Fife) (Green):** I thank Kate Forbes for galvanising Parliament today.

Nine of the bank closures will take place in my region. Branches in Aberfeldy, Alloa, Bannockburn, Bridge of Allan, Comrie, Dunblane, Kinross, Perth and Pitlochry are all scheduled to shut. *The Courier* newspaper has highlighted that this is the latest in a long line of closures to hit communities, with RBS branches in Lochgelly and Dalgety Bay shutting earlier this year. In Dunblane and Bridge of Allan, my Green colleague Councillor Tollemache has been working with both community councils, and public meetings have been arranged for the new year in the hope of retaining at least some services.

RBS stated that it would never close the last bank in town. It is clear that that is exactly what it is doing and no amount of couthy marketing campaigns proclaiming

"We are with you every day"

will change the fact that it is abandoning communities to a computer server in Gogarburn.

RBS says that services can be accessed at post offices, but those are also becoming scarce, with more than a quarter having closed since 2002. A

weekly mobile banking service does not offer security for cash-based businesses that are required to make daily deposits, so there could be serious insurance implications for those businesses—that is a point that I would like the minister to reflect on in closing.

It is time for the UK Government to use its decisive share in RBS to deliver a network that is fit for Scotland's communities and people in the 21st century.

12:58

**Mairi Gougeon (Angus North and Mearns) (SNP):** My sincere thanks to Kate Forbes for bringing forward the debate and allowing all members to vent their frustrations at what is yet another disgraceful set of closures by a bank that will hit all our constituencies and the communities within them hard.

I was angry and appalled to hear the news two weeks ago that RBS was set to close a branch in Montrose in my constituency, as were many other members. It is one closure, but it comes straight on the back of three RBS closures over the past two years—across Brechin, Stonehaven and Laurencekirk—and fresh on the back of Clydesdale Bank closures that saw three out of the four in my constituency close, affecting Brechin, Stonehaven and Forfar.

I have been inundated by angry and seriously concerned constituents: those who work with people with learning disabilities, those who work with the elderly, elderly people themselves and people who are dependent on public transport. Those people who were affected by the last round of closures were directed from all parts of the north-east of Scotland to the Montrose branch, which is now set to close.

RBS expects people to use the post office—which would put more pressure on post offices, as they are being expected to pick up the RBS slack on top of the slack of the other banks that have abandoned their communities—or mobile banks, which have a severe lack of accessibility for those with mobility problems, lack of access to the full range of services and only a limited time in each location that is served.

All of that is happening at a time when RBS is expected to shell out millions upon millions in bonuses. Well, enough is enough. We, the people in here and out there, own more than 70 per cent of the bank. RBS therefore has a duty to work in the public interest, and we demand that it does so by reversing the decision and keeping the branches open.

13:00

**Mike Rumbles (North East Scotland) (LD):** I live 7 miles north of the village of Alford in rural Aberdeenshire and used the RBS branch there. When the bank announced the closure of the branch in September 2015, it recommended that I move my business to its branch in Westhill, some 19 miles away—it is, in fact, 26 miles from my home. I declined to do that, but I know that many of the Alford RBS customers did, and the nearest other RBS branch was in Huntly, 21 miles north of Alford. Then, last October, RBS announced that it was closing its Westhill branch—the one that customers had just been advised to move all their accounts to. Never mind. The Huntly branch was staying open, just 21 miles north of Alford. Would you believe it, Presiding Officer? In its latest round of branch closures, RBS has decided, in its wisdom, to close the Huntly branch too.

RBS has taken decisions on branch closures in isolation. It is a business, after all, and it is in the business of making a profit. However, I simply ask RBS—and indeed the other banks—to think outside the box. Solutions are what we need. They could still make a profit and provide a service to our rural communities by working together. Would that not be novel? Banks could even work with their competitors in a community hub, offering facilities that local people could access with greater ease. If the banks continue to work in silos, we could see them all withdraw their services from our towns and villages, and that way lies disaster.

I ask the minister to knock the banks' heads together so that they can co-operate to save the services and keep a profit for themselves. That would be a win-win situation.

13:01

**Jenny Gilruth (Mid Fife and Glenrothes) (SNP):** I congratulate my friend and colleague Kate Forbes on securing today's debate. Time is limited, so I will focus on the closure of the RBS branch in Leven. I could talk about 2014—and no, I do not mean that. I mean the closure of branches in Markinch, Lundin Links and Thornton, each with populations of roughly 2,000 whom RBS left behind. Let us not kid ourselves. RBS has been closing branches in swathes for years, but it sticks in the craw somewhat in 2017, the year in which the bank recorded a profit of £871 million in the third quarter. Merry Christmas to the shareholders.

In my constituency, the Leven branch shut its doors on 3 October. There was no consultation. I found out about it, and about the replacement mobile banking service, via email. The bank now visits Leven three times a week, but the sum total of opening hours is just a shocking four and a half hours. All time slots fall within the hours of a

normal working day; two fall across the morning period and one is over lunch. In addition, as has been said by my friend Mairi Gougeon, those mobile banks are not accessible.

I do not think that it is coincidental that, within weeks of RBS announcing that it was shutting shop and the Clydesdale Bank doing likewise, WH Smith shut too. However, Leven High Street is just a mirror image of every other town across Scotland, as we have heard today. Once the banks go, the shops close, and then what? RBS claims that it had to shut the Leven branch because of footfall, but it could not give my office the figures for the months before it closed.

My constituents are being let down by a bank that they own and that the UK Government has washed its hands of. It is not good enough. I stand with colleagues across the chamber today in demanding a Royal Bank for Scotland not for its shareholders.

13:03

**Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** I thank Kate Forbes for bringing the motion to Parliament. The news that RBS has decided to shut 62 branches is devastating. As Kate Forbes highlighted, rural areas will be hit the hardest. The Scottish Borders will see significant detrimental impact. It is disappointing that those in rural areas have seemingly been forgotten in the decision. Banks have a moral obligation to ensure continued access to services, especially for older or vulnerable residents. Clearly, RBS is not living up to that obligation.

The Borders is up in arms. Only three years ago, the bank shut its branches in Chirnside, Greenlaw and Newtown St Boswells. Closures forecast for Selkirk, Duns, Eyemouth, Hawick, Jedburgh and Melrose will cause further disruption and woe. Those who cannot, or would prefer not to, bank digitally now have to find another way to get to the bank—once on their doorstep, now miles away. In the Borders, where broadband is slow, digital banking is not as easy as some would suggest, and not everyone can drive. That is why many people retire to towns, in order to access services easily.

Previous closures in the Borders have already impacted footfall on the high streets. Constituents in Hawick now face a 40-mile round trip to their nearest bank. Furthermore, the post office or mobile bank is no substitute for a bank teller. Traders are now expected to shut shop to get to their bank, damaging their business productivity and shortening opening hours.

On small business Saturday, I spoke to traders and shoppers on the high street in Jedburgh, who

told me how shocked they were by the news that RBS was shutting. A constituent in Coldstream pleaded with me last week to contact their ATM provider, as one was out of order and the other had not been topped up with cash. That is what we are now facing. I really hope that RBS will reconsider the closures.

13:05

**Colin Smyth (South Scotland) (Lab):** I thank Kate Forbes for her motion. Nearly a quarter of the latest RBS closures come in South Scotland. Communities in Annan, Gretna, Langholm and Lockerbie in Dumfries and Galloway, Biggar, Carnwath and Douglas in South Lanarkshire, Dunbar and North Berwick in East Lothian, Duns, Eyemouth, Hawick, Jedburgh and Selkirk in the Scottish Borders, and Penicuik in Midlothian will all see their branches axed by RBS. It is less than a year since the closure of branches in Newton Stewart in Dumfries and Galloway, as well as Cumnock, Mauchline, Prestwick, Troon and Girvan in Ayrshire. Across South Scotland, our towns and villages are being left without a single bank branch, despite a previous commitment by RBS not to close a branch if it is the last bank in town.

Of course, misleading the public is what RBS does. Recently, RBS business customers in Langholm received a letter from their bank that appeared to hint at the closure of their local branch. When challenged on that issue, RBS denied that it would happen and yet, weeks later, closure is exactly what it has announced. RBS says that it will try to avoid compulsory redundancies during the latest closures, but the scale of the closures is such that loyal and hard-working staff are being left with no reasonable relocation options.

Despite the 165 jobs that are on the line in the UK Government-owned RBS, how did the Secretary of State for Scotland, David Mundell, initially respond to the news? He got his photo taken outside RBS in Biggar. Staff and customers do not need sympathetic words and photo calls; they need direct intervention by the UK Government to stop the closures now. We need legislation from the UK Government to ensure that, where a bank is the last in town, there can be no closure without full consultation with customers and the final decision is made not by the bank but by the Financial Conduct Authority.

13:07

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I draw members' attention to my entry in the register of interests. I remind banks that they do not stand apart from wider society—they exist to serve it, and they depend on its

support for their continued existence and their special privileges.

The Bank of Scotland opened its doors in 1695 and drew opprobrium in 1715 when its board backed a Jacobite rebellion. That led to the foundation of the Hanoverian Royal Bank of Scotland and nearly closed the Bank of Scotland. Today, with RBS and others removing branch-based services from communities across Scotland, particularly in Banff in my constituency, there is a significant risk to some banks' future success.

Banks should set aside short-term financial targets to ensure their long-term survival. They can do so by re-earning the trust and support of local people by being part of communities through having a meaningful physical presence in them. In 1826, the Bank of Scotland manager in Kirkcaldy angered his customer, David Landale, was challenged to a duel, accepted the challenge and lost. The bank lost a manager and could not even take possession of the gun that killed him. Fall out with your customers at your peril! Today's gun levelled at the banks may merely be metaphorical, but it could be just as deadly.

13:08

**Brian Whittle (South Scotland) (Con):** I, too, thank Kate Forbes for bringing the debate to the chamber.

As has been highlighted already, the bank closures will have a hugely detrimental effect on communities across the country, especially in the more rural towns in my area, such as Cumnock, Mauchline and Girvan. Moreover, they will disproportionately affect those who are most vulnerable, including the elderly. In Girvan, for instance, I heard from Age Concern Scotland that people will have to travel to either Ayr or Stranraer, often by public transport, which takes hours.

While we rightly call out the banks and lobby against the closures, I suggest that it is also important that we engage with the banks to try to develop solutions on the ground in the communities that are affected. For example, in Girvan, when Age Concern highlighted its concern about the use of technology, I contacted RBS and it sent somebody along to give a workshop with Age Concern to try to address those concerns, which it continues to do.

In addition, the route that the mobile banks take and their accessibility are under review in my area, following feedback from constituents that was passed on to the bank.

It is absolutely right that we exert as much pressure as we can in relation to the closures, but

I encourage members to engage with the banks to look at practical solutions that would mitigate the worst of the cuts while continuing to bring the utmost pressure to bear.

13:10

**Claire Baker (Mid Scotland and Fife) (Lab):** Today, the widespread bank closures face a lot of criticism. In my region, the recent announcement of further RBS closures will rip local banking out of the heart of communities. Villages and towns such as Comrie, Kinross and Alloa will now join Cowdenbeath, Burntisland and Leven in having their branches closed and access to banking services restricted. Across all banks, 26 branches have closed in my region this year alone.

The banks argue that, as more people use online banking services, the branches are no longer viable, but many people—including the elderly and the technology poor—rely on them. Even those who are online face significant digital access challenges because of poor broadband connection speeds. Aberfeldy, Comrie, Kinross and Pitlochry are in the bottom 20 per cent in the UK for download speeds.

In addition, it is assumed that people who use online banking no longer need a convenient branch, which is just not true. People still need to deposit cash, particularly those who run small businesses. This week, I spoke to a local solicitor who is under time pressure to deposit cheques. It will be extremely difficult for him to deposit cheques in the required timeframe, because there are only four branches of his bank left in the whole of Fife.

People want to discuss their financial arrangements, whether they involve loans, mortgages or savings, and to have decisions made locally. We need to find a solution that ensures access to essential banking services. We cannot allow banking services across the country to be decimated. There must be alternatives to the direction that is being taken. Widespread bank closures only risk customer dissatisfaction and put unreasonable strain on bank employees. RBS and other high street banks need to recognise the strength of public feeling and rethink the closures.

13:12

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** As others have done, I thank Kate Forbes.

I echo what other members have said in stating how disappointed I am that RBS has taken the decision to close 62 branches across Scotland. I am grateful that the Coatbridge branch is not one of them, as I do not think that the high street in Coatbridge could take any more pain. There have

been several high street bank closures in Coatbridge already, and the Department for Work and Pensions is ruthlessly moving hundreds of staff out of its town centre operation. Those factors, among others, led me to pull together a stakeholders group to work with the council and local business owners to try desperately to save our town centre. I thank the minister for the answers that he gave yesterday.

I want to focus on the branch that is closing in my constituency—the Stepps branch. It is literally the last bank in town, and it not just for Stepps. Residents who use the Stepps branch will need to travel more than 3 miles to Kirkintilloch to get to their closest high street branch. Users of the Stepps branch come from not just Stepps but the surrounding villages of Chryston, Moodiesburn and Auchinloch. For the elderly, disabled, people without their own transport and those in poverty, getting to an alternative branch will be a significant added challenge, so I urge RBS to consider all its customers' needs before taking the proposed action.

Those very people are the ones who are most unlikely to know that their branch is closing. For example, on the day that the announcement was made, I went over to show my support for the staff. A queue of mainly elderly customers was forming, and I overheard one of them say, "Have you heard that the branch in Airdrie is closing?" They were oblivious to the fact that their branch was to close. I am sure that Alex Neil will pick that up in his speech. The proposed closure of the Stepps branch has gone under the radar in Stepps, which is why I have taken every opportunity to raise it.

13:13

**Gordon Lindhurst (Lothian) (Con):** It gives me no pleasure to speak in this very important debate. What I have to say echoes much of what has been said by others across the chamber.

I have raised the issue of the bank branch closures in Juniper Green and Balerno in my region a number of times in Parliament. Yet again, it appears that elderly and disabled customers and others have been forgotten in the latest round of planned RBS closures. Banks appear to assume that their preferred option for banking—online platforms—will solve the problem of access to banking for everyone, but that is not the case.

This week, an elderly resident told me how upset she was about the proposed closure of the RBS branch in Linlithgow. "At least there's still the Bank of Scotland that I can go to," she said in a resigned fashion. There is at least one bank left—for now. Within the week, Santander also announced the closure of its Linlithgow branch, leaving it and RBS with only two branches each in

the whole of West Lothian. The Clydesdale Bank Linlithgow branch that I used as a customer closed several years ago.

I have sat with bank representatives discussing spreadsheets on branch usage, and reams of statistics showing how many or how few people use or do not use whichever particular branch is set to close at that point in time. What they completely missed was any attempt to provide an alternative plan for the way forward, whether on their own or in conjunction with other banks.

Many points could be made and, in closing, I echo what Mike Rumbles said. Banks are not in the same position as ordinary private companies, least of all RBS. They are underwritten by the taxpayers who guarantee the deposits in their accounts. What is their plan for future provision of services to those people?

**The Deputy Presiding Officer:** I really have to stop you there, Mr Lindhurst.

13:15

**Rhoda Grant (Highlands and Islands) (Lab):** I congratulate Kate Forbes on securing the debate.

These closures will have a devastating impact on all of Scotland but especially on the Highlands and Islands, where 13 branches will close. The justification for the closures is cynical. We have the worst broadband in Scotland—indeed in the UK—and therefore the ability to bank online is a distant dream rather than a reality.

Possibly the worst of the proposals is the closure of the branch in Castlebay. It means that people will have more than 20 miles to drive and a ferry to catch just to get to the bank, and then they need to try to get back home again. That will probably mean that it will take the best part of a day to access the bank, not to mention the added costs. Added to that, it is a place where my constituents have had some of the worst problems with accessing broadband. What of elderly people who cannot make the ferry journey to get their pension?

While we rightly concentrate on service provision, we must not forget the staff who work at the branches. They are losing their jobs, because the distance that they would have to travel to an alternative branch will make relocation impossible. Neither do they have a hope of gaining a similar job, because such jobs are few and far between in rural communities.

The closures are being directed by the banks that we bailed out. The people who are making the decisions owe their own jobs to the communities that they are now riding roughshod over. It has to stop. The Westminster Government must intervene on behalf of us, the shareholders. These

banks belong to the people and they must make the people their priority.

13:17

**Gillian Martin (Aberdeenshire East) (SNP):** In my constituency, RBS has announced plans to close branches in the towns of Ellon and Turriff, which is incredibly disappointing for local residents and businesses who will now have to travel further to do their banking.

Such closures affect elderly people most, but this morning I was contacted by 20-year-old Hannah Mackie—a student nurse and Turriff brownies leader who put the travel issue into context. She works 12-hour shifts and, on her days off, she does the banking for the brownie pack—mainly cheques and cash. If RBS closes, she will have to travel 16 miles to Maud. The only bus would get her there 15 minutes before the branch closes, and there is not another bus to take her back home for more than three hours. She is not hopeful that a visiting mobile van will be of any use to her, given her shift pattern.

Earlier this week I met representatives from the Turriff Business Association, which is made up of about 60 businesses from across all sectors. It has started a petition calling for the decision by RBS to be reversed. I have signed the petition and fully support the association, and I urge people in Turriff to give it their support—although I am cynical about whether it will be effective. I was in Mintlaw earlier this year with Councillor Jim Ingram, trying to get the Clydesdale Bank—the only bank in town—to reverse its decision to close its branch. We were unsuccessful and were able only to save an ATM.

The public bailed out RBS in the banking crisis, so it has a duty to support residents who benefit from a local service.

I urge the UK Government not to turn a blind eye and dismiss this as a commercial decision, as the MP for Gordon, Colin Clark, did when he replied to me about the Ellon RBS closure. It is always rural towns that suffer most when such decisions are made.

13:19

**Maurice Corry (West Scotland) (Con):** I thank Kate Forbes for bringing this important issue to members' business today. Banks provide a vital service in our communities—most notably in the smaller towns and villages. The demographic of an area has a large part to play in whether local bank branches should be retained, with more elderly people and small businesses needing access to branches in rural areas and towns. People who visit branches do so regularly and need them for specific requirements.

Relatively recently, there have been a number of closures of various banks. In my region, those have included Clydesdale Bank branches in Bearsden and Helensburgh, Barclays in Dumbarton and the RBS in Alexandria. If residents cannot perform branch banking, it is a notable and avoidable inconvenience that potentially creates a dangerous or harmful situation for elderly and vulnerable people in our society, by endangering community safety: with bank branches continuing to close, people are forced to withdraw cash in a less secure environment.

I realise that internet banking is becoming much more popular, but many people—in fact, as many as 50 per cent—still do not use it. Branches form a very important part of our communities. I implore RBS's directors to give the issue extremely serious consideration.

13:20

**Tom Arthur (Renfrewshire South) (SNP):** I, too, thank Kate Forbes for securing the debate.

We have heard much talk about the last bank in town, but in Renfrewshire South we are down to the last bank in the constituency. We lost the RBS in Lochwinnoch in 2014 and we lost the RBS in Barrhead last year. To add to that, we lost the Clydesdale Bank in Johnstone, so we now have one RBS serving the whole Renfrewshire South constituency.

This is not the first time that a member of the Scottish Parliament for Renfrewshire South has raised the issue. Three years ago, my predecessor, Hugh Henry, in a members' business debate that had been secured by Neil Findlay, raised the very same issue. It was telling that Hugh opened his speech by quoting Ross McEwan, the chief executive of RBS, who said:

"We need to remember—and then never forget—that the customer is why we are in business."

Mr McEwan, who the *Financial Times* reports received a payment of \$7 million last week, is certainly in business.

There has been a great deal of talk from RBS about people moving to alternative platforms for banking, including mobile, digital and online banking, and the bank points to decreased footfall in branches. That is all very well, but who are the people who still use their local banks? That has not been captured. The policy and the decision seem to be predicated on the dead-eyed dogma of bean counters, with absolutely no cognisance whatever being taken of the needs of society. It is the wrong move. As Stewart Stevenson eloquently highlighted, banks have social responsibility: it is time that taxpayer-owned RBS remembered that.



13:22

**Iain Gray (East Lothian) (Lab):** I, too, thank Kate Forbes for securing the debate. I want to use it to add to the record my comments on the closure of RBS branches in Dunbar and North Berwick in my constituency, and to register the anger of my constituents in those towns about the bank—to which many have shown loyalty over many years and even decades—treating them so shabbily.

This is not the first time it has happened. Just over a year ago, RBS closed its branch in Prestonpans, leaving that town with no bank branch, and the Bank of Scotland has done the same to Gullane. The branches that are to be closed are busy. Only a few days ago, I was told of queues out the door in North Berwick. That was true of Prestonpans a year ago, but still the branch was closed. My constituents' experience of those branches jars with the picture that RBS paints of deserted facilities that are shunned by switched-on online customers.

What also jars is the bank's public relations and advertising image of a bank that serves customers in communities while it actually deserts many of them and responds to their protests with contempt.

However, what jars most of all is that the banks looked to the public to save them when their own greed almost consumed them, and now they treat us with contempt. The closures are nothing new, but they should be the straw that breaks the camel's back. This time, we must find a way to stop them.

13:23

**Bruce Crawford (Stirling) (SNP):** I thank Kate Forbes and say "Well done" to her for bringing the debate before us.

The closure of RBS Bannockburn will create real challenges for that community—especially for elderly people. The branch covers Bannockburn, Hillpark, Plean, Cowie, Throsk and Fallin. It does not have to be this way. Yesterday, during Prime Minister's question time, Theresa May brushed off calls to intervene in RBS closures and referred to them as "commercial decisions". The UK Government owns 73 per cent of RBS and the Treasury has over 70 per cent voting rights. The influence exists and our communities need the UK Government to use it.

RBS customers are among the taxpayers who bailed out the bank with billions of pounds. They helped to save it, so is this how they are to be treated? I say to the Tory Government that it is not simply a commercial decision; it is a social travesty. The Tory Government has the power to take action. The bank was saved by taking money from the pockets of ordinary people, so the UK

Government owes those people a debt. It is time to start paying it back and to stop the closures now.

13:24

**Neil Findlay (Lothian) (Lab):** I have been on RBS's case for a long time. Now we have just two branches left in West Lothian and one in Midlothian, and several branches in Edinburgh have closed, leaving vacant buildings on high streets.

I have asked for meetings with the very well remunerated Ross McEwan. He has refused. I have asked the bank to stop closures. It has refused. I have asked the bank to hand over buildings to the community and to set up a legacy fund. It has refused. Let me tell members why the latter two requests were refused. RBS said—members should listen to this—

"We have to secure the best return for shareholders".

This is the bank that was fined £3.1 billion for mortgage mis-selling, £14.5 million for having poor mortgage records, £5.6 million for reporting failures, £56 million for computer failures, £5.6 million for failure to screen customers, and £2.8 million for failing to handle complaints properly. This is the bank that had to put aside £391 million for London interbank offered rate—LIBOR—rigging, £1.3 billion to deal with payments for businesses that were mis-sold products, and £3.25 billion for payment protection insurance mis-selling. I have to ask Mr McEwan: how is that value for shareholders?

Let us not take any of RBS's garbage about value for money for shareholders. It could hand every single building over to the community and give each community £100,000, £200,000 or £1 million, and that would still not reach the value of the fines that it has had to pay out on our behalf, as the shareholders. RBS is a disgrace.

Every member should ask Mr McEwan for a meeting. He does not want to get out of his bunker.

13:26

**Alex Neil (Airdrie and Shotts) (SNP):** I congratulate Kate Forbes on securing the debate and on her excellent speech.

It is very obvious already that, despite all our protestations, RBS has no intention of changing its mind on any proposed closure. That is a totally outrageous situation.

We have all sought meetings with Ross McEwan and other senior people in the bank. I have a suggestion to make. All the members who have taken part in the debate should seek a joint

meeting with Ross McEwan, along with colleagues who want to join us, and let him say no to the Scottish Parliament as a corporate body, rather than picking off individual members.

It is high time that banks and big corporations accepted that they have a social responsibility. Corporations that are in the public sector have a special responsibility to communities and to their shareholders.

In my constituency, RBS shut its Shotts branch last year. The building is still sitting empty and RBS has refused to hand it over to the community. Now RBS is going to close the Airdrie branch. The bank does not care about those communities. Despite all the adverts and all the propaganda, it is doing nothing for us. Let us get together, cross-party and across the Parliament, as one delegation, and demand a meeting with McEwan.

**The Deputy Presiding Officer:** To allow the minister to respond to the debate, I am minded to accept a motion without notice under rule 8.14.3 to extend the debate by a short time.

*Motion moved,*

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

*Motion agreed to.*

**The Deputy Presiding Officer:** I am sure that the minister is quite relieved at that.

13:28

**The Minister for Business, Innovation and Energy (Paul Wheelhouse):** I declare an interest as a customer of the Royal Bank of Scotland and a user of one of the branches that are being closed.

I thank Kate Forbes for lodging today's motion. I greatly appreciate that Ms Forbes and many other members have genuine and sincerely felt concerns—as was demonstrated in the debate—about the Royal Bank of Scotland's announcement that 62 branches are to close, not only in Ms Forbes's constituency but across the whole of Scotland. In my patch, six of the eight branches in the Scottish Borders are to close, as Rachael Hamilton said.

Kate Forbes is correct to identify that the UK Government retains legislative and regulatory responsibility for banking and financial services and is the majority shareholder in RBS—Kenny Gibson also made that point strongly, as did Alex Neil in his powerful speech.

However, the Scottish Government stands ready to work with UK ministers, the bank and other stakeholders to support and reassure customers in light of the planned closures. That is not to say that we are happy with the closures. My

first preference—the Government's first preference—is for the branches to stay open. I very much hear the comments that have been made today.

Concerns have been raised about the impact of branch closures on our communities. These closures will be a body blow to many communities across Scotland, leaving many areas with significantly reduced branch coverage and availability of banking services.

**Mike Rumbles:** I have a genuine question. Will the minister get together with all the banks that serve us in Scotland to get their heads together? Decisions are being taken by each bank in isolation, but they need to work together.

**Paul Wheelhouse:** I planned to address that issue later, but I will take it head on now, because Mr Rumbles has fairly raised it. I reassure Mr Rumbles and all members in the chamber—indeed, Mr Whittle made a similar point about trying to find practical solutions—that we are engaging with RBS; we are not just accepting that the bank will pull out and leave nothing behind. We are trying to liaise with the bank about what it can provide as a legacy and, if branches are to close—I repeat that I would rather that they did not close—about what practical solution can be found. Mr Rumbles made a point about having a community hub. We have already raised that with RBS in discussing how to use the estate.

**Neil Findlay:** Will the minister help members by agreeing that no minister or member will facilitate any corporate functions in this building for RBS until it comes to the table and has discussions with members about what it is up to?

**Paul Wheelhouse:** I hear the point that Mr Findlay makes and I am aware of his long-standing interest in the issue. I do not govern what happens in the Scottish Parliament—I am sure that the Presiding Officer would be the first to say that—but I take Mr Findlay's point entirely. We are trying to make the point to RBS that there is a reputational issue. Its reputation is clearly suffering in the court of public opinion and in the court of this chamber's opinion. I am sure that the strength of feeling that we have heard today is not lost on it.

In our view, the UK Government should not be a passive bystander. We believe that it should take immediate action to defend customers and ensure that communities, particularly the most vulnerable members of those communities—Mairi Gougeon made a powerful point about people with learning disabilities—are protected and have access to day-to-day banking services.

Of course we understand that many customers now choose to access banks and banking services in different ways, but, as many members said, that

is not true of all customers. There are many customers for whom it is quite frightening to go online, because they hear stories of online fraud and other issues and they need reassurance. We know that services do not yet meet the needs of all customers and that, for some time to come, banks must continue to offer services to all customers in a way that meets their needs. There are often sensitive issues that need to be discussed with a bank, such as issues around bereavement, redundancy and other matters. A customer would not want to stand in a post office talking over the counter about something sensitive while someone behind them was waiting to buy stamps. Face-to-face contact in a private space is still a core part of what banking services need to provide.

Last week I spoke to Stephen Barclay, the Economic Secretary to the Treasury, to press the case for a guaranteed level of access to essential banking services. We recognise that commercial decisions have to be taken, but, where regulation is in place, that creates a level playing field and provides the context in which those commercial decisions are made. We believe that there is a role for regulation to ensure that a minimum standard of banking services is left when banks close branches.

The UK Government has made it clear that, despite its having a majority stake in RBS, it will unfortunately not exercise its influence at this time. It might need to be pressurised to do more on that front, but I recognise the support of the Conservative members in the chamber for taking action on this. I appreciate that RBS operates on a commercial basis, and that it must do so, but we believe that there is a role for regulation.

We believe that the UK Government should work to ensure that robust alternative options are in place before it allows closures to take place. We are prepared to play our part in that; we do not expect it to fall entirely to others.

I acknowledge the work that the banks are doing with the Post Office to expand the services that are available to their customers through that network. However, as a number of members said, although the Post Office is able to offer a basic banking service, businesses in particular have concerns about cash deposits. A current barrier is that most post offices can accept only up to £2,000 in cash being deposited at any one time. That is a real barrier for tourism businesses located in rural areas such as Kate Forbes's constituency; they will face real challenges as the majority of their trade is conducted in cash.

I spoke to senior RBS staff on Friday 1 December immediately following the bank's announcement and I spoke yesterday to Simon Watson, the head of retail banking, when I asked the bank to consider further the support that it

provides to customers affected by these closures. I welcome the commitment to provide training and support to customers in setting up and using digital services—there is more that I can say on that, but I am not yet at liberty to do so. However, in some areas there will continue to be challenges around digital access, which a number of members mentioned. I have urged RBS to take that into account, because I do not believe that it has been taken into account sufficiently to date—I refer not least to the difficulties in accessing a reliable wi-fi or 4G service in large parts of both rural and urban Scotland.

RBS maintains that it has made changes to its mobile banking fleet to allow it to serve a greater range of locations. Jenny Gilruth and others raised legitimate concerns about the availability of mobile banking services at a time that is convenient for customers. We urge RBS to take those concerns on board. I agree very much with the points that members made about that issue today.

As I said to Mike Rumbles, I have asked the bank to give further thought to the future of the branches that are to close. We believe that there is room for collaboration between RBS and other banks, independent financial advisers, tax advisers and others to potentially provide a hub that could represent a step-change in the availability of financial advice to members of the community. There could be a good opportunity coming out of this.

I do not want to finish the debate without saying something about the staff. As a number of members said, the planned closures affect the bank's customers but also its staff. I had a very constructive meeting this week with representatives of Unite to discuss the impact of these closures on its members. I agree wholeheartedly with Kate Forbes's praise of the staff and how they are handling the situation and supporting customers at a difficult time.

The bank has indicated that up to 160 jobs are at risk as a result of the announcements, but that is the figure for full-time equivalents. Given the nature of part-time employment in the banks, Unite estimates that up to 350 people could be affected by the redundancy programme and the potential voluntary redundancy options. As Rhoda Grant said, there are practical difficulties for staff in remote and rural locations, because they will have no alternative RBS site that it is practical for them to access, given their caring responsibilities or geographical barriers.

Unite has made it clear that it is concerned about the impact of the closures on communities. We will work closely with the unions on that.

As members have done, I urge RBS to listen to and reflect on what has been said today and work

with us where it can to try to provide a long-term solution for the communities affected by the closure of the last branch in town. I put on record our appetite to do that and to help the communities and the staff affected, and indeed to help RBS come out of this with a better reputation than it risks having at this moment in time.

**The Deputy Presiding Officer:** That concludes the debate. I ask members to clear the chamber quickly to allow it to be prepared for this afternoon's business.

13:37

*Meeting suspended.*

14:00

*On resuming—*

## **Draft Spending and Tax Plans 2018-19**

**The Presiding Officer (Ken Macintosh):** Good afternoon. The first item of business this afternoon is a statement by Derek Mackay on the Scottish Government's draft spending and tax plans for 2018-19. The cabinet secretary will take questions at the end of his statement, so there should be no interventions or interruptions.

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** I am delighted to set out the Scottish Government's comprehensive budget proposals for 2018-19, which will use the powers of the Parliament to build a fairer Scotland and put the progressive values of the Government into action. The budget will invest in our public services and support businesses to develop and thrive.

The budget is, of course, being delivered in the most challenging of circumstances. We must support our economy to keep pace with changing technology, access new markets and deal with United Kingdom Government austerity and the damaging uncertainty caused by Brexit. Austerity and uncertainty are damaging the UK economy, and there is a knock-on effect on public finances. The pound has fallen, inflation has risen, and growth forecasts have been downgraded. As a result, we face the most challenging economic and fiscal environment for any budget in the devolution era.

**Neil Findlay (Lothian) (Lab):** On a point of order, Presiding Officer.

**The Presiding Officer:** Will Mr Findlay wait until the end of the statement to make his point of order?

**Neil Findlay:** It cannot wait.

**The Presiding Officer:** Mr Findlay can make a genuine point of order. If I find that it is a political interruption, I will not be happy.

**Neil Findlay:** It is a genuine point of order.

We usually receive a copy of the statement when the cabinet secretary starts to read it. Apparently, this time, we will not get that until he finishes. Is that a change in procedure?

**The Presiding Officer:** I get the point, Mr Findlay, but that is not a point of order.

**Derek Mackay:** The fundamentals of the Scottish economy remain strong. Since 2007, Scotland has largely closed the productivity gap with the rest of the UK and, in 2017, our economy

continued to grow, the number of people in work has reached a record high, and unemployment is close to its lowest-ever level.

Today, the Scottish Fiscal Commission has published its first comprehensive report on Scotland's economic and fiscal forecasts. I thank the commission for its work. Its report underlines those fundamental strengths in our economy. It predicts continued growth and that employment will rise further and earnings growth will match that in the UK. However, the commission has also highlighted the negative impact that Brexit will have and the challenges that we will face from a declining working-age population. It forecasts that productivity growth will be subdued, that the labour market will tighten as a result of reduced migration and that that will impact on gross domestic product.

The commission's forecasts for growth are more cautious than those of other forecasters, but it is clear that, to grow faster, we must boost productivity and grow our working-age population. That is why the budget sets out immediate measures to stimulate economic activity and improve productivity.

For Scotland's future prosperity, the Parliament must reach a consensus on the powers that we need to increase the number of working-age people in Scotland, and we must continue to make the case for a commonsense solution to Brexit that keeps Scotland and the UK in the single market and the customs union. However, even as we do that, we will redouble our efforts to ensure that our economy will flourish, no matter the outcome of the negotiations.

Equally as important as the budget's economic context is the fiscal context. Over the 10 years to 2019-20, Tory austerity will mean that the Scottish Government's fiscal block grant allocation will have been reduced in real terms by £2.6 billion. Despite the chancellor's claims,

"By 2019-20 the resource block grant will be around £500 million lower than in 17-18",

as the independent Fraser of Allander institute recently stated.

We welcome the additional capital funding that will transfer to Scotland and we will make good use of the financial transactions that are available. However, we cannot spend financial transactions on teachers, nurses or the police. Instead, we will use Scotland's own resources to invest in our public services, and we will provide the support and infrastructure that our economy needs to flourish in a low-carbon, high-technology world.

We believe that strong public services and a vibrant economy go hand in hand. Undoubtedly, our public services require a strong economy to

generate investment; equally, the most successful economies in Europe are built on the firm foundation of strong public services.

At the heart of this budget is immediate action to support the economy, and there will be a series of key investments and programmes that deliver for business now and build the right environment for the future. The global economy is changing at an unprecedented rate, but Scotland already has competitive advantages in many industries of the future, such as life sciences and renewable energy. Therefore, the budget delivers an increase of £270 million, which is an increase of 64 per cent, in the economy, jobs and fair work portfolio. That additional funding contributes to investment of almost £2.4 billion in enterprise and skills through our enterprise agencies and our skills bodies. The increased investment includes a 70 per cent uplift in our funding for business research and investment, which takes our investment in the coming year from £22 million to £37 million. The budget also contains an initial £10 million to support the new south of Scotland enterprise agency, and it doubles, to £122 million, the funding that is allocated to city region deals.

Through the Scottish Further and Higher Education Funding Council, the budget invests around £1.8 billion in our colleges and universities, providing a real-terms increase in their funding. That investment funds the teaching, research and innovation that will provide opportunities for our young people, train the workforce of the future and drive our productivity. Further, the budget allocates an initial £18 million for the new national manufacturing institute that was announced by the First Minister on Monday. Construction of that new centre of excellence will begin next year.

Scotland has a world-leading reputation for our efforts to tackle climate change. To support our transition to a low-carbon economy, the budget allocates £60 million to a low-carbon innovation fund.

We will invest £1.2 billion in our transport infrastructure, including support for new and improved road and rail developments. We will not only dual the A9, but turn it into an electric highway, and we will deliver new railway investments like the electric trains that now run between Edinburgh and Glasgow. In addition, we will make a £20 million investment in the coming year to support the transition to electric vehicles and the delivery of more green buses and, as promised in the programme for government, the budget doubles investment in active and sustainable travel.

In total, the budget invests more than £4 billion in infrastructure, which is part of our £20 billion infrastructure investment plan over this parliamentary session.

I can confirm today that the budget also includes the first steps towards one of the most significant infrastructure projects of this parliamentary session: superfast broadband for the whole of Scotland. At the end of this year, we will achieve our target of delivering fibre internet access to at least 95 per cent of premises.

As a result of our actions to date, Scotland has experienced the fastest rate of progress of any part of the UK. However, we want that progress to continue. Our new reaching 100 per cent programme is an ambitious plan to make superfast broadband available to every home and to every business premise in every part of Scotland by 2021. That commitment, which will position Scotland at the forefront of the digital revolution, is unmatched anywhere in the UK. I am therefore delighted to confirm to Parliament that the initial procurement for the R100 programme begins today, and that over the next four financial years, it will be supported by investment of £600 million.

The investment in skills and innovation, new technologies, manufacturing, infrastructure and broadband is all part of a package of measures to improve our productivity, boost our trade and make Scotland the most attractive place in which to do business. We will support the internationalisation of our businesses and help boost exports through the work of Scottish Development International. We will also support our culture sector with a £10 million investment in a new screen unit and funding to protect the arts and culture.

On business rates, I confirmed following the Barclay review that I would go beyond what it recommended with a set of new reliefs to incentivise investment. Our growth accelerator means that no business rates increases will be payable for new or improved properties for a period of one year, and a separate, additional measure will ensure that no new-build property will enter the valuation roll until it is first occupied.

The budget also protects our small business bonus scheme, which lifts 100,000 properties out of business rates altogether. The scheme is part of the most competitive package of rates relief anywhere in the UK, and in the coming year, it will be worth around £720 million—a record high.

I can also confirm that we will accept the remaining Barclay recommendations almost entirely, except those on charity relief, which we do not intend to curtail for universities or council arm's-length external organisations. An implementation plan providing fuller details on how and when the reforms will be implemented is being published today.

The Barclay review also favoured a switch from the retail prices index to the consumer prices

index for the application of the inflationary uplift to the poundage rate, but it was unable to make that a recommendation, given its revenue-neutral remit. However, for many Scottish businesses, that was the number 1 ask of the budget, and I can therefore announce that the inflationary uplift for the poundage next year will be capped at CPI, not RPI. Our package of business rates measures provides a boost of almost £100 million and helps keep Scotland the most attractive place in the UK in which to do business.

Nowhere is the interaction between investment in public services and a successful economy more evident than in education. Raising the bar for all and closing the attainment gap is the key priority for this Government. Since my last budget, more than 2,300 schools have benefited from targeted investment and 506 extra teachers are teaching in Scotland's schools because of our attainment Scotland fund.

I am therefore delighted to announce today that I am increasing the attainment Scotland fund to £179 million, which means that £120 million will again be allocated directly to headteachers through the pupil equity fund, and a further £59 million will provide targeted support for the children and young people in greatest need.

I am also allocating £10 million to provide support to children and young people with complex additional support needs.

We recognise that a strong education system relies on a strong teaching profession. That is why I am committing an overall funding package of £88 million in the local government finance settlement to maintain the national pupil to teacher ratio, and to ensure that places are provided for all probationer teachers. The budget also protects our continued commitment to university education that is free of tuition fees.

The Government is committed to getting it right for every child. We want Scotland to be the best place in the world to grow up. Since their introduction in August, more than 20,000 baby boxes have been delivered, and the budget funds that important part of our social contract.

A child's early years are critical to determining outcomes in later life. Since 2014, we have increased high-quality early learning and childcare by almost 50 per cent, to 600 hours per year. By 2020, we will increase publicly funded entitlement to 1,140 hours per year, which will benefit thousands of children and parents across Scotland. That requires us to invest now for the long term. In 2017-18, we provided £60 million to support expansion. Now, for 2018-19, we are allocating £93 million in resource funding and £150 million of capital funding, which is a total investment of £243 million next year.

That will support expansion by upskilling the early years workforce, refurbishing and expanding existing premises, and constructing new settings. It will also provide funding for graduate-level early learning and childcare courses. That means that, in the coming year, we will invest almost a quarter of a billion pounds to build more nurseries, support childcare professionals, create jobs and graduate opportunities, and provide support for parents. Ours is the best publicly funded childcare package in the UK, and is an investment that will pay dividends throughout the lives of our young people.

Local authorities are our partners in delivering vital services, and I welcome the constructive engagement that I have had from the Convention of Scottish Local Authorities. Throughout our discussions, I have made clear my desire to treat local government fairly. I believe that the budget does that. I know that local authorities have been concerned about a possible cut of about £300 million to their budgets. However, as a result of decisions that underpin the budget, I have been able to avoid that. I can announce today that the local government resource budget will be protected in cash terms and that the capital budget will be increased in real terms, which will result in a total increase in local authority core funding of £94 million.

In addition, local authorities have the option to increase the council tax by up to 3 per cent. If they choose to do so, they will raise an additional £77 million, which would secure a real-terms increase in local government funding. Local government will also be the beneficiary of the doubling of investment in the city deals.

Our police and fire services also make a huge contribution to our communities. We will deliver more than £20 million of additional investment to protect the police revenue budget and an additional £5.5 million for continued transformation of the fire service. Scotland's police and fire services will also retain the full benefit of—at long last—having the ability to recover VAT, which will boost their spending power by £35 million in 2018-19. The budget also secures investment in key measures to make our communities safer, including tackling domestic abuse, reducing reoffending, protecting witnesses and modernising the justice system.

Ensuring that everyone in Scotland has access to good-quality secure affordable housing is a key part of making Scotland fairer. New figures out this week show that, since 2007, the Government has delivered nearly 71,000 affordable homes, and that we are building social rented housing at twice the rate of the Government in England. Our commitment to deliver 50,000 affordable homes over the five years of this session of Parliament is

a significant challenge, but it is one that we are determined to meet. The benefits of the investment will be felt throughout our society for generations to come. I am therefore delighted to announce investment of £756 million in 2018-19, as part of our commitment to invest more than £3 billion in affordable housing over this session of Parliament.

We will also take steps to make home ownership a reality for more of our young people. To help to achieve that, I am introducing a new relief on land and buildings transaction tax for first-time buyers of houses up to £175,000. All first-time buyers will benefit from that and, as a result, 80 per cent of first-time buyers will be taken out of LBTT altogether.

Alongside that record investment in housing, we will invest £137 million in 2018-19 in energy efficiency and heat decarbonisation. Good-quality affordable housing is one way in which we can help to drive down poverty.

One of the most devastating results of Tory austerity has been a rise in rough sleeping and homelessness. Our programme for government set out a national commitment to eradicate rough sleeping and to transform the use of temporary accommodation. In 2018-19, we will invest £10 million in an ending homelessness together fund—a fund that will invest £50 million over the next five years. That will drive change and improvement in line with the recommendations of the homelessness and rough sleeping action group.

We will also tackle child poverty in all its forms. This budget supports the first investment in a new £50 million tackling child poverty fund, which will help to address the underlying social and economic causes of poverty.

We will continue to mitigate UK welfare reform by investing more than £100 million on interventions, including the Scottish welfare fund and reversal of the bedroom tax. Parliament is currently considering our Social Security (Scotland) Bill. Although I cannot allocate funding for specific benefits until the bill is passed, I can confirm that I will allocate additional in-year funding to support the landmark step of increasing the carers allowance. The increase will be delivered by summer 2018, and backdated to April.

The staff in our schools, hospitals and other public services do an outstanding job and we have always sought to offer a fair deal, particularly for those who are lowest paid, by ensuring that all public sector workers earn the living wage, and that those who are on low pay receive guaranteed increases. However, now is the time to lift the 1 per cent pay cap. We are determined to provide a pay package that is affordable and reflects the

increasing cost of living. I am grateful for the constructive engagement of the trade unions on this matter, including the joint letter from me and the Scottish Trades Union Congress to the Chancellor of the Exchequer ahead of the autumn budget. Unfortunately, our calls were ignored by the chancellor, which limits how far we can go on pay. However, unlike other Governments across the UK, we committed to lifting the pay cap—so lift it we will.

Today, I have published a progressive pay policy. I confirm that we will deliver a guaranteed minimum pay increase of 3 per cent for all public sector workers who earn £30,000 or less. For those who earn above £30,000, we will limit the increase to 2 per cent and apply a cash cap of £1,600 to people who earn £80,000 or more. That demonstrates our commitment to closing the gap between the lowest paid and highest paid. That is the framework that will apply to public sector pay negotiations.

However, let me make clear three additional points. First, notwithstanding the policy that I am setting out today, we will respect the recommendations of independent pay review bodies. Secondly, we will be mindful of any developments for national health service staff elsewhere in the UK in order to ensure that our health service staff are treated at least as fairly as those in any of the other UK nations. Thirdly, we will retain flexibility to enable us to address particular recruitment challenges.

Once again, the Scottish Government is leading by example, delivering on our promises and putting fairness at the heart of what we do. Our decision to lift the pay cap will benefit thousands of nurses and other healthcare staff. I know that I speak for everyone in the chamber when I thank our NHS staff for the work that they do in caring for the people of Scotland.

Our approach to health and care is one of reform and investment. In the coming year, we will invest £110 million in reform of primary care, thereby supporting our general practitioners and health centres to meet the changing needs of our people. We will increase our direct investment in mental health services—child and adolescent mental health services, in particular—by a further £17 million. That is the third annual increase in a row, which will help to deliver an additional 800 mental health workers over this session of Parliament.

The budget will also deliver more than £550 million in 2018-19 in direct support of social care and integration through Scottish Government and NHS investment. We will also continue to support free personal care and the roll out of Frank's law by April 2019.

Underpinning all that is increasing investment in the NHS. This year, an additional £200 million would be required to increase health resource spending in line with inflation. That is equal to the amount that is being cut from Scotland's resource block grant in real terms this year by the UK Government. However, we have been clear that, over this session of Parliament, we will increase health resource spending by a total of £2 billion, which is considerably more than the rate of inflation.

Today, I confirm that our increase in health resource funding in 2018-19 will not be £200 million but will be more than £400 million, which will take our total front-line investment to more than £13 billion in the coming year.

In this budget, we are investing in the NHS, increasing social care investment, protecting local services, delivering a growth package for business and supporting the low-carbon transition. We are providing real-terms increases for our universities and colleges, expanding childcare, directing more resources to headteachers to close the attainment gap and protecting our police and fire services. We are safeguarding culture and the arts, taking action to alleviate poverty and lifting the public sector pay cap. However, in the face of real-terms cuts to our block grant, it has been possible to deliver for the NHS and to support those other investments only because of the decisions that I have taken on tax.

We do not take tax decisions lightly. In November, we set out four key tests that any change to income tax would have to meet. It must protect low earners, make tax fairer, generate additional revenues for public services and protect our economy.

We also commissioned advice, informed by the Council of Economic Advisers, on options for the additional rate of tax. Having carefully considered contributions from the public, civic society and the business community, I have decided to reform Scotland's income tax system.

Using the limited powers available to us, the decisions that I have reached will make our income tax system fairer. They will safeguard those on low incomes and, overall, when coupled with our spending decisions, will protect and grow the economy. They will also provide essential revenue to enable us to invest in our NHS without imposing cuts on vital services such as social care, business support, police or education.

Our proposals have been modelled by the Scottish Fiscal Commission, and its revenue forecasts underpin this budget. Where forecasts suggest that a tax change would result in a significant behavioural impact, I do not have the luxury of simply ignoring it. As a result, I have set



income tax policy at levels that the analysis says will generate additional revenue.

The changes that I am proposing are as follows. First, I will increase the higher and top rates of tax by 1 percentage point to 41p and 46p respectively. That sets the top rate of tax at a level that will generate the most income with the least risk of losing revenues next year and damaging the economy. Our modelling indicates that, had we gone further, once behavioural effects and forestalling are considered, a higher rate could reduce income tax revenues next year. That is not a decision that any sensible Government would take.

Secondly, I will freeze the basic rate at 20p, but to make the system more progressive, I will introduce a new intermediate rate of 21p. The intermediate rate will apply to income between £24,000 and the higher-rate threshold of £44,273, which will increase in line with inflation only. To make Scotland's income tax system even fairer and more progressive, I have chosen to make one further change. I can announce today that I will introduce a new Scottish starter rate of income tax of 19p. That new rate will apply to the first £2,000 of taxable income between £11,850 and £13,850. That new starter rate, combined with the increase in the personal allowance, will ensure that no one earning less than £33,000, which is 70 per cent of all taxpayers, will pay any more in tax than they do now for given incomes; on the contrary, anyone earning less than £33,000 will pay slightly less in tax in the coming year than they do this year. The introduction of the new starter rate will also mean that those earning up to £26,000, which is 55 per cent of taxpayers in Scotland, will pay marginally less tax than they would if they lived elsewhere in the UK.

The specific tax reforms that I have announced today will raise an additional £164 million for investment in our public services and our economy. However, taken together with our tax decisions last year, the projected growth of our tax revenues relative to the UK as a whole and relative economic growth, our income tax receipts in 2018-19 are forecast to generate £366 million more than the corresponding block grant adjustment under the fiscal framework. Those decisions have therefore enabled me to reverse the real-terms cut that Westminster has imposed on our resource budget next year, while ensuring that Scotland is not just the fairest-taxed part of the UK but, for the majority of taxpayers, the lowest-taxed part of the UK.

In all these decisions, the interests of our economy have been at the forefront of my mind. I have already outlined a range of economic investments and I want to briefly mention two more.

One of the touchstone pledges from our programme for government was the creation of a Scottish national investment bank to provide long-term, patient capital to support innovation and drive productivity growth. Today, we signal our ambition for the bank with a commitment to an initial £340 million capitalisation between 2019 and 2021. However, while the bank is being established, I intend to create a dedicated building Scotland fund. That fund will be worth £150 million over the next two financial years and its purpose will be to support innovation in house building, help deliver modern, low-carbon industrial and commercial facilities and provide further support for business-led research and development. We will set out further details shortly.

That new fund, together with an additional £96 million of investment in maintaining the most attractive system of business rates in the UK, a 70 per cent increase in funding for business R and D, £60 million of investment in delivering low-carbon technology, more than £4 billion of investment in new infrastructure, doubling our investment in city deals, a £600 million package to deliver 100 per cent superfast broadband to all and almost £2.4 billion of funding for enterprise and skills, demonstrates beyond doubt that this budget backs Scotland's businesses and will help to grow Scotland's economy.

This budget is a comprehensive package of measures designed to protect all that we hold dear. It provides the investments that we need to meet the challenges of today and seize the opportunities of tomorrow. It uses the powers of this Parliament sensibly and in the interests of the country as a whole. It overturns the Tory cuts to our block grant. It delivers an additional £400 million to the health service without damaging other vital services. It protects the vast majority of taxpayers. It is a budget for fairness and a budget for growth. It is a budget for all of Scotland and I commend it to the chamber.

**The Presiding Officer:** The cabinet secretary will now take questions for just under 60 minutes.

**Murdo Fraser (Mid Scotland and Fife) (Con):** I thank the cabinet secretary for advance sight of his statement. Heavily redacted as it was, it looks just like the Scottish National Party's plans to grow the Scottish economy. *[Interruption.]*

**The Presiding Officer:** Order, please.

**Murdo Fraser:** One thing that is absolutely clear from the Scottish Government's budget today is that we cannot trust a word that the First Minister or the Scottish Government says. The wording in last year's Scottish National Party manifesto was perfectly clear. It promised:

"We will freeze the Basic Rate of Income Tax throughout the next Parliament to protect those on low and middle incomes."

Lest there be any doubt about what that meant, it was helpfully clarified by the First Minister in the chamber as recently as May 2017, when she said:

"When inflation is rising and living standards are under a lot of pressure, it is not right to increase income tax for those who are on the basic rate."—[*Official Report*, 3 May 2017; c 9.]

Today, the SNP and every member of the Cabinet have broken their promise to the Scottish people. Despite pledging not to increase taxes for those on the basic rate—a pledge that was repeated 53 times—and despite 65 per cent of the Scottish population voting in May last year to endorse that position, they are today proposing to do the opposite and increase taxes for those on the basic rate. No one will believe a word that they say ever again.

Can the finance secretary tell me exactly how many people who are currently paying tax at the basic rate will see an increase in the tax that they pay as a result of the new nat tax that has been announced today?

Let me be clear: there is absolutely no justification for the tax rises that are being proposed. According to the Scottish Parliament information centre, the Scottish Government's block grant from Westminster is going up, in real terms, from this year to next year. Further, the analysis that was published on Tuesday by the Fraser of Allander institute says:

"the Scottish Government's total block grant (resource and capital but excluding financial transactions) is on track to increase by around 1% between 2016-17 and 2019-20."

If the finance secretary had done his homework properly before he came to the chamber this afternoon, he would know that financial transactions are not included in that figure.

There we have it—no hundreds of millions of pounds in cuts, no Westminster austerity and a budget that is increasing in real terms over the next three years. Therefore, the tax rises for basic-rate payers that have been announced today are the result of policy choices that have been made by the SNP and no one else.

When we see the Scottish Fiscal Commission's projections for economic growth, we will know exactly where the problem lies. They will show that the Scottish economy is projected to rise at a fraction of the rate at which the United Kingdom economy as a whole will rise. It is that failure to grow the Scottish economy and expand the tax base that has led the SNP to put its hands into the pockets of hard-working Scottish families and businesses to bail it out of the mess that it is making of the Scottish public finances.

Not only will we see taxes rise; once again, we are seeing cuts to local government. The front-line services that millions of families depend on—no least in our schools—will be slashed back at the same time as taxes are going up. Under the SNP, we all pay more but get less in return. The message of this budget is: in the SNP's Scotland, do not be ambitious, do not be hard working and do not be successful, because we will penalise you for our failure to grow the Scottish economy.

Will the finance secretary take this opportunity to apologise on behalf of the Scottish Government for breaking its manifesto promise?

**Derek Mackay:** I would have thought that, following First Minister's questions, Murdo Fraser would have had two hours to change his script, but he has failed to do so.

The biggest threat to Scotland's economy—and to the UK's economy—is the Tory party, with its economic mismanagement and mishandling. If Murdo Fraser wants to talk about the philosophy and economics of the Tories, it remains the case that, once again, they want to raise less and spend more, and that is just not possible.

We have provided a balanced budget. Murdo Fraser asks whether I will apologise. I am very proud of the budget, because it invests in the things that we hold dear and speaks to the kind of Scotland that we want to build. Murdo Fraser spoke about basic-rate taxpayers, but he should check the document: the basic rate has been frozen. As a matter of fact, 80 per cent of our basic-rate taxpayers will pay less next year, not more, and 55 per cent of taxpayers earning up to £26,000 will pay less tax than they would elsewhere in the UK. Therefore, for the majority of taxpayers, Scotland is the lowest-taxed part of the UK. Even more important, our using the tax system in a progressive fashion makes Scotland the fairest part of the United Kingdom, which is something to be proud of.

Members have quoted the Fraser of Allander institute, and I will happily do that as well. Murdo Fraser has mentioned capital spending—particularly financial transactions. The FAI has said that Scottish ministers are constrained in how those financial transactions can be used, so it remains the case that resource spending next year and for the next two years will go down, just it has over the past period, which will amount to a £2.6 billion reduction in Scotland's resource budget.

I have done my homework, and I have another figure for Mr Fraser. I have established what would have been taken from Scotland's front-line public services if I had followed Tory tax policies. I costed what the Tories told me to do on income tax, LBTT, council tax reform and the large business supplement, and I discovered that, in addition to

the block grant reduction, following Tory tax policies would have reduced the resources available to front-line services by a further £501 million. Raising less and spending more cannot be done.

In the next hour, if I hear any Conservative member ask for more money for anything, I will point to the £0.5 billion reduction there would have been if I had followed their tax policies. I will not follow their tax policies; I will follow our policies, which will deliver fairness, social justice and a stronger economy.

**Richard Leonard (Central Scotland) (Lab):** This Parliament was designed to be a power for change, to take Scotland to a better place and to bring decision making closer to the people. While the Tories force austerity on the UK, we in Scotland should be using the powers of our Parliament to deliver an alternative. The truth is that Scotland needs real and radical change, not tinkering around the edges. That change should be based on the principle of “from each according to their means, to each according to their need”. A penny on the top rate just does not do it. This Tory-lite draft budget fails on all those tests.

As the cabinet secretary would know had he taken the time to speak with the councillors, the council workers and the trade unionists who lobbied this Parliament today, and with those in communities and workplaces across Scotland, there is a growing mood of frustration and discontent, which is increasingly directed towards an SNP Government that has simply presided over Tory austerity and has added to it.

We know that tens of thousands of local government jobs have been lost, that there are 3,500 fewer teachers, and that £1.5 billion has already been stripped from our councils since 2011. How many local jobs will be cut this year by this budget? When the cabinet secretary says that he knows that councils were worried about a potential £300 million cut, that is true, but what he is doing today is cutting day-to-day spending in real terms by £134 million. When councils have already told him that they need £545 million just to stand still, that is an effective cut of almost £700 million to our lifeline local services.

Why will the cabinet secretary not stand up for properly funded local services? Why will he not stand up for properly funded lifeline services? Why will he not stand up for the people and communities of Scotland?

**Derek Mackay:** I make a gentle point to Richard Leonard. The microphone amplifies what he is saying to the chamber.

I was told during the course of yesterday's debate that James Kelly was the finance spokesperson. I know that the term of office for a

Labour leader is pretty short these days, but one day for the finance spokesperson is setting a new timescale.

Seriously, though, I heard Richard Leonard talking about housing at First Minister's questions and I listened closely to what he said, because what was being said about housing was important. That is exactly why we are putting more funds in to support house building in Scotland. As to the specific question why we do not use the powers of the Scottish Parliament—we are using the powers of the Scottish Parliament. We are using them to the full to protect the people of Scotland from Tory cuts. If only the Labour party had helped to give us more powers, we would have been able to do even more to protect the people of Scotland in the face of Tory austerity and Brexit mismanagement.

Some members are still shouting about the powers. The Tories say that we should not use the powers that we do have and Richard Leonard wants us to use powers that we do not have. We are putting forward a credible budget with real investment in our social priorities, setting out the kind of country that we want to build and using our tax system in a way that is progressive and fairer.

I have set out priorities in education, economy, environment and health, but, if I stuck to what the Labour party is proposing today, I would give it all to local government—a view that Labour is entitled to have. What has the NHS done to upset the Labour party that means no new resources for the NHS or anyone else? When Labour members get up in the next 48 minutes, let us see whether they ask for resources elsewhere, when their proposition is to give only to local government.

In relation to local government, there was a projection of a 3 per cent reduction. That is about £300 million to the local government budget. That is not what I am proposing. I am proposing flat cash plus a capital increase, and what that means is that we are using our powers and that, if councils use their powers, they will have a real-terms increase for front-line services.

Richard Leonard is still shaking his head. I will make one final point to him. He explained recently why the eight Labour local authorities did not increase the council tax. He said that, because the Scottish Government did not give councils enough money, Labour councils would raise even less. What a ridiculous proposition from the Labour party. We have supported local government and a range of other priorities, and we will be very proud of the job creation and services that it supports, and the interventions that it will deliver to create a fairer society.

**Patrick Harvie (Glasgow) (Green):** For nearly two years, the Scottish Greens have been leading the argument for reform of our income tax, now

that we have the power to do that. We showed that by adding new rates and bands we can raise additional revenue for our public services, while reducing tax at the bottom end of the income scale—not at the top end, as the Conservatives in the UK Government seem to continue to want to do.

I am delighted that the basic argument for a more progressive income tax structure appears to have won the day, and that we will be seeing changes. It is not as soon as I wished—we should have been here last year—and does not go as far as I would have wished, but the basic argument has won the day.

We have also made the case for an uplift in public sector pay. Given the rising level of inflation, it is unacceptable for people who have continued to see reductions in their real-terms pay to face even more cuts. I recognise that the UK Government budget does not make that easy, and the Scottish Government is now proposing a CPI inflation uplift for those earning less than £30,000, but not for everybody else. I will wait to hear the response of the unions who represent those workers before taking a final view, but those who are at the bottom end of the income scale absolutely deserve the pay increase that we have argued for and which the Scottish Government is today applying—at least to its own workers.

The downside of what we have heard today is that the cost of that pay increase in local government will not be met by the Scottish Government grant to local councils. The Scottish Government is right to use its powers to increase the total revenue budget in real terms, but it is not acceptable for it to pass on a real-terms cut to our local councils. If we include the additional costs that our councils will face if they are going to apply the same 3 per cent uplift for their public sector workers, who are delivering vital services that every one of us depends on, it is clear that the Scottish Government will have to make changes to its local government settlement.

What will the consequence be, other than real-terms pay cuts, service cuts or job losses in our councils, if the cabinet secretary does not change what he has proposed today for local government?

**Derek Mackay:** I remind members of what I have already said about the local government settlement, which is that what I am proposing is far better than they were forecasting or expecting. On the specific point about using powers, I say again that, if councils used their powers to increase council tax by up to 3 per cent, that would put local authorities into real-terms growth.

Patrick Harvie covered the point on tax structure. He is right to say that, being a minority Government, we had to engage, consult and

listen. I have certainly been doing that, as is evidenced in our proposition; however, I also want to give stability to the country. We all have to compromise in a Parliament of minorities. I have embarked on engaging in an open and inclusive style, to ensure that we can come to some sort of consensus on tax—and that should continue.

We set out four key tests on what we would do with income tax, which were to raise revenues for public services; to use the tax system in a way that protects lower-income earners; to have a system that delivers progressivity; and to support our economy. That relates to how we choose to spend those resources, too. I specifically mentioned the top rate of tax earlier, and Richard Leonard and Patrick Harvie have both touched on it. The Government has decided to set the top rate of tax at the level that raises the greatest amount of money. That is a sensible and progressive thing to do, so that those resources can be invested without deterring investment to Scotland.

We do not set the pay policy for local government, but we have set out what I think is a very fair public sector pay policy for those areas under our control, which is using the pay policy in a progressive fashion, just as we have done with the tax policy. There are sufficient resources within the settlements proposed to support a fair pay settlement.

My final point is one that Patrick Harvie made. The chancellor gave us no extra money for pay and said very little on the subject in a UK context. There is the independent pay review specifically for health, which we will look at very closely; I have set out our position in that regard. Given that we have had no new resources—in fact, we have had a real-terms reduction in the resources that fund pay—we have had to make decisions that are necessary to support our public services and properly remunerate our public sector workers, and I have tried to do that in the fairest way possible.

**Willie Rennie (North East Fife) (LD):** We will scrutinise the tax announcement, because the devil is often in the detail. However, it seems that what the cabinet secretary has announced is a modest increase in taxation, which is an approach that we argued for at the election and one that he opposed at the election.

The budget does not do enough to meet the long-term needs of the economy. It does not include the transformational investment in education that we argued for. We are far behind—many years behind—England on the attainment funds, and the small increase that the cabinet secretary has announced will not close that gap.

Colleges have got only half the money that they asked for just to stand still. That will not reverse

the cuts to college places, which have been reduced by 150,000 over the past few years, or fund the training of the mature students and women who desperately need extra support.

If Mr Mackay thinks that a paltry £17 million will solve the problems in our mental health services, he needs to think again.

The settlement for local government is harsh. It passes on the buck for cuts to councils. The pay increase is welcome, but can the finance secretary explain who will pay for it? Will councils and colleges be given extra funds to pay for it?

I think that the budget pays lip service to many of the challenges that this country faces. Does the cabinet secretary not accept that?

**Derek Mackay:** On a wee point of accuracy, I am pretty sure that Willie Rennie said previously that the Liberal Democrats would ring fence all extra resources for education. As the Labour Party is, his party is entitled to take that position, but that would mean no new money for anything else, including the national health service and mental health. When it comes to delivering a budget, the detail on such matters is really important.

Colleges have had a very fair and reasonable settlement—the budget provides a real-terms increase for higher and further education. In addition, we have come to a settlement on the pay award for college lecturers. Higher and further education are adequately resourced, and local government has received a fair settlement, too.

Mr Rennie cannot escape the fact that he wanted to ring fence all resources for one part of the public sector. That means that he cannot demand more in every other area. That is a basic principle in how Mr Rennie's policies apply to this and future budgets.

**The Presiding Officer:** I have given the front-bench speakers a lot of latitude to make clear their parties' positions and to ask questions at length. We have just over 30 minutes left and just under 30 members wish to ask questions, so I think that members can work it out for themselves: we need short questions and short answers.

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** I am the parliamentary liaison officer to the cabinet secretary.

Fast internet connectivity is vital to the economic and social wellbeing of our rural communities, so I welcome today's announcement that an incredible £600 million is to be provided over the next four years to expand fast broadband. As digital connectivity is a reserved matter, has the UK Government made a financial contribution?

**Derek Mackay:** To be fair, it has—and so it should have, because digital connectivity is a

reserved matter, and it should have been getting on with the work. We are surpassing what the UK Government is delivering in terms of quality, speed and reach. Every part of the country will be covered. The UK Government is contributing £21 million to the £600 million.

**Dean Lockhart (Mid Scotland and Fife) (Con):**

The Scottish Fiscal Commission forecasts for the next five years have just been released. They show that Scotland's economy will grow at less than 1 per cent for the next five years and that it will continue to underperform the economy of the rest of the UK for the next five years. By then, we will have had 14 years of SNP underperformance. Given that dire outlook, why has the finance secretary completely ignored the advice of large and small businesses throughout Scotland, which said that any increase in tax would cause long-term damage to the Scottish economy?

**Derek Mackay:** The same organisations did not ask us to cut tax by £0.5 billion, which is what the Tories' tax policies propose.

The number 1 request from many businesses was to base the poundage for business rates on CPI not RPI, and I have announced that the business rates poundage will be based on CPI not RPI.

On a range of investment, whether in higher education, innovation hubs, internationalising our produce, supporting business to grow or the most generous package of business rates relief in any part of the United Kingdom, this is also a good budget for business.

In relation to the forecast, does the UK Government take no responsibility for the economy, including the economy in Scotland? We know that the UK economic model does not work for Scotland. In the analysis that it published today, and in its forecast, the SFC said that the greatest threats to Scotland's economy are Brexit, downward migration, inflation and all those other pressures that have been created by the economic geniuses in the Tory party.

**Kenneth Gibson (Cunninghame North) (SNP):** I welcome the finance secretary's statement. Will he remind members how many people in Scotland will enjoy a reduction in their income tax from April? Will he confirm that many thousands more could have shared in that had the UK Tory Government not cut £500 million from Scotland's resource budget over the next two years?

The Tories want simultaneously to cut tax and increase spending. Will the cabinet secretary tell us how much less we would have to spend on services such as the NHS under the Tories' plans to cut taxes only for the better-off in society?

**Derek Mackay:** To be fair, I do not think that the Tories understand their tax and economic policies at the moment. It seems to have come as a surprise to them that I have costed what their tax policies would mean for public services: a £501 million reduction in front-line public services, to be precise.

I remind members that more than 70 per cent of taxpayers will pay less tax next year. Those who are earning under £33,000 will pay less tax. The 55 per cent of taxpayers in Scotland who earn up to £26,000 will pay less tax than they would pay elsewhere in the United Kingdom. That is a good proposition. It also represents the best deal—in terms of what people pay and what people get—anywhere in the United Kingdom.

**James Kelly (Glasgow) (Lab):** However Derek Mackay spins it, this budget represents a cut of at least £134 million to local councils. Why are top-rate taxpayers earning more than £150,000 being asked to pay only an additional 1p in tax, while local people in local communities face the prospect of job losses and the loss of vital public services?

**Derek Mackay:** I can see why James Kelly was reshuffled after 24 hours in the post of finance spokesperson. Kezia Dugdale might be back from the jungle, but I understand that James Kelly is auditioning for “Pointless”. [*Interruption.*] See what I mean, Presiding Officer?

In the proposition that I set out, income tax will be made more progressive. That is an important shift. The more money someone earns, the more they will pay towards public services in Scotland. Why did I not go further with the top rate of tax? All the advice that I was given by the Scottish Fiscal Commission, the Council of Economic Advisers and others was that that was the optimal point at which to raise the most money. Surely the objective of the exercise is to raise more money to invest in our public services in a fair and progressive way. The Labour Party is saying that we should set a higher rate for whatever reason, but that would raise less, which would mean less money for things such as local government.

I am trying to raise more money in a fair and progressive way. Do we get it yet? Are we there yet? To be helpful, I will share the workings of the SFC and the Council of Economic Advisers to show how the rate that I have set is absolutely meeting the commitment on raising the optimum amount of money for Scotland's public services.

**John Mason (Glasgow Shettleston) (SNP):** The Barclay review recommended the removal of rates relief for independent schools. Can the cabinet secretary clarify the position on that?

**Derek Mackay:** The member is right that that was a recommendation of the Barclay review. I am

accepting it in part. I want to be clear about the issue. All the details are in the implementation plan that is published today, but I want to make an important distinction to do with special schools. I think that their support should be continued, as should the support for schools with exceptional circumstances. Full details are available in the chamber. As I said I would do, I have responded, having engaged with the sector, listened and looked at all the evidence to ensure that we make the right and balanced decision. In essence, independent schools, other than those that I have mentioned, should be treated in the same way as council schools.

**Maurice Golden (West Scotland) (Con):** How much extra tax will a primary school teacher earning £35,000 per year pay as a result of the nat tax?

**Derek Mackay:** That is just pathetic. It depends on how much that teacher happens to earn. Of course, like others, teachers will welcome the public sector pay policy. I will say it again, because everybody will be interested, that those earning under £33,000 will pay less tax.

**Alex Neil (Airdrie and Shotts) (SNP):** I congratulate the finance secretary on the additional measures that he has taken in relation to child poverty. I fully understand that he cannot do anything on benefits until the Social Security (Scotland) Bill is enacted and the appropriate administrative arrangements are put in place. However, in the meantime, between now and the finalisation of the budget, if he can identify any additional spare cash, will he give priority to giving more money to projects such as the tackling child poverty fund? I know that he agrees that, given the increase in and scale of child poverty, it is clearly an urgent issue that requires further action by the Scottish Government.

**Derek Mackay:** Alex Neil raises a very fair point in looking at how the budget spend impacts on the most vulnerable people in our society. He will agree that many of the measures in the budget support the most vulnerable and protect people from the Conservatives' so-called welfare reforms. I am talking about things such as reversing the bedroom tax, the Scottish welfare fund and our new measures to give children and young people the best start in life. Yesterday, the big idea from the Tories was that we should not go ahead with the baby box. I do not know what they have against giving children the best start in life. I will consider very closely what Alex Neil said about tackling child poverty and I will consider what other measures we might be able to take. That is why I will also appreciate the work of the poverty and inequality commission as it works with us to address that significant issue.

**Jackie Baillie (Dumbarton) (Lab):** I welcome the recognition that economic growth matters because, after all, it affects our future budget allocation under the terms of the fiscal framework. However, growth has been downgraded by the OBR, by the Fraser of Allander institute and now by the Scottish Fiscal Commission. It predicts weak growth of less than 1 per cent over the next five years. We have not seen such a downward trend in decades. Given that the Scottish economy underperforms that of the rest of the UK and that the Scottish Fiscal Commission forecasts much slower growth in Scotland—it is predicted to be half that of the UK—has the cabinet secretary quantified the impact on the Scottish budget if we do not match growth in the rest of the UK?

**Derek Mackay:** I do not think that Jackie Baillie is properly representing the SFC report. The SFC suggests that it is the impact of Brexit uncertainty that is subduing the growth forecast on which we have to rely. I do not have the luxury of ignoring the SFC's forecasts, but what the SFC says—*[Interruption.]* If Jackie Baillie wants to hear it, the SFC says that what our budget does will be favourable, given the decisions that this Government has taken. The good governance and tax decisions that this Government has taken have ensured that we will have more resources to spend on Scotland's public services and will continue to have more resources through the commercial, business and enterprise interventions that we will make.

**Jackie Baillie:** You do not understand the report.

**Derek Mackay:** Jackie Baillie has missed every positive industrial, economic and tax intervention that has been announced in this budget. That is why she does not understand that we will grow the Scottish economy through the interventions that we will make. Either Jackie Baillie knows that to be the case and does not want to admit it or it is she who does not understand the SFC report. I have had the luxury of being briefed by the SFC and I am convinced that the policies that we are setting out today will deliver economic growth.

**Ivan McKee (Glasgow Provan) (SNP):** Will the cabinet secretary say how the Scottish Government will capitalise on the Scottish national investment bank to drive growth in the Scottish economy?

**Derek Mackay:** I have said that we will set aside resources to put into the Scottish national investment bank—I am sure that that will be warmly welcomed—as part of our massive infrastructure programme, which will support housing and the infrastructure of our country. I think that that will be warmly received by the business community.

**Adam Tomkins (Glasgow) (Con):** The nat tax budget, in effect, splits the basic rate of income tax into three. How much will the additional bureaucracy cost to administer? Who will pay for it, and what are its implications for pensions relief?

**Derek Mackay:** I thought that Adam Tomkins was pro-devolution. Now he is saying that we should not use our powers because it might cost money.

Let me tell him something. When we have delivered devolved taxes and used our powers, Revenue Scotland has performed far more efficiently than HM Revenue and Customs or any UK Government agency. Of course, we engage with HMRC and give it sight of our tax policy. In turn, HMRC costs the delivery of our policies—but what that delivery costs is a fraction of what we will raise for Scotland's public services. That is why an early decision on such matters is so important in giving stability to the people of Scotland.

**Clare Adamson (Motherwell and Wishaw) (SNP):** The provision for local government to vary council tax by up to 3 per cent will bring vital funding. Will the cabinet secretary explain to my constituents the long-term consequences of the continuing failure of the Labour administration in North Lanarkshire, which was put into power by Tory councillors, to maximise its revenue?

**Derek Mackay:** As I said, if local authorities choose to use their powers to vary council tax by up to 3 per cent, that can raise £77 million for local government services.

**Iain Gray (East Lothian) (Lab):** The independent review of student support in Scotland reported last month. Among other things, the review group recommended parity of support for further and higher education students. Can the cabinet secretary explain how the £5 million that has been allocated in his budget will provide parity for FE students? Are they to be betrayed, just like the university students who were promised that their debt would be paid off?

**Derek Mackay:** We have increased resources in real terms for higher and further education, and we are considering the report in full. We have taken steps to support people and will give the issue further consideration.

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** How will the cabinet secretary's innovative and progressive budget proposals—*[Interruption.]* How will the cabinet secretary's budget benefit Edinburgh, considering the capital's needs, opportunities and population growth? *[Interruption.]*

**Derek Mackay:** I must apologise to Ben Macpherson. I could not hear his question

because the Tories were shouting at him, so it must have been good.

We will make Scotland an attractive place to live, work and invest in, and the package of support is the best for business, people and society compared with the support anywhere else in the United Kingdom. There are a range of interventions for the economy, education and the environment to ensure that Scotland is a very attractive place.

I am sure that Ben Macpherson—as opposed to the Tories, who wanted to shout him down—will sell Scotland positively. All that the Tories know is that they want to talk Scotland down. They are the total opposite of an economic development agency: they are the drag on Scotland's economy.

**Miles Briggs (Lothian) (Con):** Meanwhile, back in the real world, Scotland faces a recruitment crisis in our NHS. There is a lack of nurses, general practitioners, radiologists and consultants—[*Interruption.*]

**The Presiding Officer:** Order, please. Let us hear the question, please.

**Miles Briggs:** Just 50 per cent of the students that our Scottish medical schools are attracting are domiciled in Scotland. What message does hiking taxes for vital NHS staff send to people who are deciding whether to come and work in our NHS?

**Derek Mackay:** When I was looking at the Tory requests for more spending, I saw that one of the main culprits was Miles Briggs. That does not surprise me. His question is about more spending on health. The Government's decisions on tax mean that we will be able to spend more—record sums—on the NHS. Just one difference between us and the UK Government is that we support our nurses with bursaries, whereas the Tories do not do so adequately.

Yet again, the Tories want to raise less and spend more. Only the SNP can be trusted to invest in our national health service.

**Graeme Dey (Angus South) (SNP):** The programme for government was lauded as the greenest ever. Can the cabinet secretary encapsulate for members how the budget facilitates the transition to a low-carbon economy?

**Derek Mackay:** There are a range of interventions that relate to the transition to a low-carbon economy in transport, housing, innovation, digital services and energy efficiency. A range of measures will show that the budget proposals are true to the word of the programme for government, which many environmental campaigners have described as the greenest programme of any Government in Scotland under devolution. The budget puts our money where our mouth is.

**Anas Sarwar (Glasgow) (Lab):** After seven years of pay restraint imposed by the Government, which has meant a real-terms pay cut for nurses and teachers, a commitment to finally break the pay cap is welcome, but we still do not have a firm commitment on a real-terms pay increase for public sector staff. Following Patrick Harvie's and Willie Rennie's questions, which the finance secretary failed to answer, will he confirm whether he will provide specific and additional Scottish Government money to fully fund the pay increase or whether health boards, local authorities and others will have to find that money from their existing budgets, which will mean further cuts to services or job losses?

**Derek Mackay:** We are increasing the budgets in all the budget settlements that I propose including those that Anas Sarwar mentions. There is an increase of over £400 million in the settlement just for the NHS.

Incidentally, we have said that, if the UK Government acts positively on the independent pay review of the NHS and that results in a more generous proposition than the one that I have put forward, we will at least match that proposition.

The resources that we have put into portfolio budgets have created the capacity to fund the public sector pay award that I have announced. Whatever the Labour Party says in the chamber, it has not lifted the public sector pay cap where it is in power.

**Richard Lochhead (Moray) (SNP):** I thank the cabinet secretary for a transformational budget, which is extraordinary given the financial constraints that have been imposed by a Conservative UK Government that would rather blow £1 billion on bribing the Democratic Unionist Party or spend tens of billions of pounds on exiting the European Union than support Scotland's public services. Will the cabinet secretary confirm that there is now no reason for the right-wing, Conservative-led Moray Council to propose cuts in the support for vulnerable children and their schools, given today's announcements?

**Derek Mackay:** I appreciate Richard Lochhead's comments, which touched on some other issues, such as that, if we got our share of the bung money that was provided to the DUP by the right-wing Tory UK Government, that would massively support our public services. Further, because of VAT for our police and fire services, we have given more resources to those services and, now that we have the ability to reclaim VAT, they will be better off. I am looking forward to the backdated money from the Tory Government of some £148 million.

Richard Lochhead is right that, in the face of a reduced budget resource in real terms and Brexit



uncertainty, we have provided more support for schools around the country and a fair settlement for local government. There is targeted support through the attainment and pupil equity funds to address the attainment gap, which is a key and defining mission of this Government.

**Liz Smith (Mid Scotland and Fife) (Con):** The cabinet secretary seems to be indicating that he will make exemptions for special schools and music schools when it comes to their retaining eligibility for charitable relief. What reaction has he had from the Office of the Scottish Charity Regulator about how those exemptions will meet the terms of current charity law?

**Derek Mackay:** There has been no reaction because I have only just delivered the budget. I am busy engaging with members in the chamber, so I have not yet had the chance to engage with others on the consequences of the budget.

I know that Barclay did not say that we should make a special case for special independent schools. However, we are listening to the sector and we see the case for relief to continue for those special schools and for others, where that is appropriate. We have taken the right, sensitive decisions in that regard and, as I understand it, they will have no negative effect on the schools' charitable status. What we choose to do with regard to non-domestic rates is absolutely fair and consistent.

**Clare Haughey (Rutherglen) (SNP):** I refer members to my entry in the register of interests, in that I am a registered mental health nurse with an honorary contract with NHS Greater Glasgow and Clyde.

How much money will be spent on innovation and reform of GP services and primary healthcare? Is primary healthcare receiving an increased share of NHS front-line investment in this budget?

**Derek Mackay:** The amount is approximately £110 million.

**Daniel Johnson (Edinburgh Southern) (Lab):** Investment of £93 million for early years is welcome. However, is it not correct that that money is ring-fenced for local government and is contained in, not on top of, local government budget lines, which the cabinet secretary's own level 2 figures show are declining in real terms this year? Surely new nursery places should be an addition to, not instead of, core council services?

**Derek Mackay:** I would have thought that Daniel Johnson would be happier about the budget settlement, as he has mentioned in the past that childcare and teaching is really important. Is some of the resource ring-fenced? Yes, it is, because that is working. It has allowed

local authorities to employ hundreds more teachers in our schools to target the attainment gap. The formula and the resources are working and, as schools, education and childcare are being delivered in partnership with local government, it is fair that it is part of the local government settlement.

**Tom Arthur (Renfrewshire South) (SNP):** Will the cabinet secretary outline what action the Scottish Government is taking to protect our diverse, world-leading culture sector in the light of major cuts to UK lottery receipts?

**Derek Mackay:** I know that many in the culture sector might have been worried about the budget, understanding that Scotland faces a resource reduction and that there is a downturn in lottery income. The UK Government has not lifted a finger to support the culture sector in these challenging times, which is why the Scottish Government not only has not cut the budget, but has increased resources for the sector. There are major events in Scotland next year and we have stepped in to provide an additional £6.6 million for Creative Scotland to ensure that it can maintain support for the regular funding programme, despite the cuts from the lottery.

**Donald Cameron (Highlands and Islands) (Con):** Will the cabinet secretary confirm whether he will be using some of the extra £1.1 billion of financial transactions funding from the UK to back the Scottish national investment bank?

**Derek Mackay:** Yes, I will.

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** I welcome today's announcement that the Scottish police service and the Scottish Fire and Rescue Service will be keeping all of the funds that they would have been paying in VAT. Will the cabinet secretary confirm that the SNP Government will continue to pursue the UK Government to get it to pay back the £140 million of VAT that it has already taken?

**Derek Mackay:** Yes; we will, of course, pursue the UK Government for that sum. However, in this budget, I propose to increase the police resource budget; we had a manifesto commitment to protect our front-line police budget, and we are absolutely doing that as well as supporting fire service transformation. There are extra resources for police and fire; they will have the ability to reclaim VAT, and we look forward to the UK Government giving us back the £140 million that it has taken from Scotland.

**Neil Bibby (West Scotland) (Lab):** Since 2011, Derek Mackay's council in Renfrewshire has faced £172 million in cuts. This week, it was announced that funding for families first, a vital support service for vulnerable families in Johnstone, Foxbar and Gallowhill, is to be discontinued. He might not be

the leader of Renfrewshire Council any more, but these are still Mr Mackay's cuts. If local authorities such as Renfrewshire are being fully funded, how on earth is his own SNP council justified in making these and other cuts, and why has COSLA's call for a truly fair settlement of at least £545 million been completely ignored?

**Derek Mackay:** We should wait and see what Renfrewshire Council's administration actually has in its budget instead of scaremongering in the way that the Labour Party usually does every year.

I say to Neil Bibby that the local government settlement is fair; it protects local government resource and provides more capital. If local authorities use their council tax powers to raise council tax by up to 3 per cent, they will raise an additional £77 million, putting local government resources into real-terms growth. Given the context in which we are setting this budget, that feels pretty fair to me.

**Emma Harper (South Scotland) (SNP):** As the cabinet secretary has highlighted, the Tories want to cut tax and increase spending, but will he reiterate how much less we would have for services such as the NHS under Ruth Davidson's plans to cut taxes for the richest?

**Derek Mackay:** Understanding the Tories' tax plans better than they do, I can tell members that following Tory tax policy would mean a £501 million cut in front-line services.

**Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** I draw members' attention to my entry in the register of members' interests as a small hospitality business owner.

Given current concerns over forecast low economic growth in Scotland compared with the rest of the UK, does Derek Mackay not think that he should be doing more to stimulate business? Scottish firms operating from medium-sized and larger premises already pay more than they would in similar premises in England due to last year's doubling of the large business rates supplement. Why does the Scottish Government continue to punish hard-working employers and family-owned businesses and make Scottish companies less competitive than their UK counterparts?

**Derek Mackay:** I am not sure whether Rachael Hamilton has just come into the chamber and therefore missed all my business announcements in the budget. However, it is important to reflect on last year's announcements on these matters. Last year, we enhanced the small business bonus scheme thresholds, lifting 100,000 properties out of business rates; ensured that fewer businesses were paying the large business supplement by amending that threshold, too; and lowered the poundage. This year, the number 1 ask of businesses was to use CPI, not RPI for the

poundage, and that is exactly what I am doing. Alongside that, there are the other interventions with regard to innovation, skills, attracting people to Scotland, investment in infrastructure and digital. We are preparing for the future to put Scotland ahead of the curve in technological interventions, skills and having the right environment to allow businesses to grow. That is why these key business decisions and interventions will matter so much, and I look forward to engaging with the business community on how they will support economic growth.

**Tavish Scott (Shetland Islands) (LD):** The finance secretary said that today's draft budget is one for all of Scotland, so why did he not accept his Government's crystal-clear commitments—made not to me or to Liam McArthur, but to the northern islands' councils—to support ferry services in Orkney and Shetland, given Parliament's vote last week?

**Derek Mackay:** The Scottish Government is delivering on its commitments to the northern isles, just as it is for all parts of Scotland. One of the key items that are funded in the budget is delivery of the equivalent of road equivalent tariff to the northern isles. That was in our manifesto and in our "Empowering Scotland's Island Communities" prospectus. We are absolutely investing in that in the budget.

The question for Tavish Scott and Liam McArthur will be whether they will vote against the investment that we are putting into the budget specifically in relation to interisland ferries that are currently run by the councils. I will continue to engage with both the councils' leaders. However, both those leaders told me that the Liberal Democrat constituency members would be coming to see me this week with a proposal to put internal ferries funding in the budget. My door was open, but I did not get that visit from the northern isles' constituency members. I simply say that this is a minority Government, so I will require consensus to get the budget through. I said to those Liberal Democrats that if they wanted me to put that in the budget they should come and engage with me. I asked them whether, if I did put it in the budget, they would vote for it. I did not get an answer to that. However, I am a fair and reasonable guy: my door is still open to engagement with other political parties. If they want me to support other items, then, by all means, they should engage with me positively and constructively.

**Bruce Crawford (Stirling) (SNP):** I ask the "fair and reasonable" cabinet secretary to remind me just how much additional money he is putting into city region deals. He will know that that means so much to me because I represent Stirling.

Just for the fun of it—and to wind up the Tories—could he also remind me what percentage

of Scottish taxpayers will pay less tax as a result of his announcement?

**Derek Mackay:** Seventy per cent of taxpayers will pay less tax. On Mr Crawford's other point, we are doubling the funding for city deals to more than £120 million.

**Claire Baker (Mid Scotland and Fife) (Lab):** Outside the Scottish Parliament this morning, Denise Christie of the Fire Brigades Union said:

"We risk our lives every day. Fire appliances are sitting idle because staff have been cut."

The Scottish Fire and Rescue Service is to get a real-terms flat settlement in the budget. Firefighters have told me that the VAT recovery is not enough to plug the gap in their service. There is £5.5 million for transformation, but it is feared that that will mean closure of stations and the loss of front-line firefighters. Can the cabinet secretary guarantee that the budget will not mean that?

**Derek Mackay:** Annabel Ewing is the relevant minister, and she will continue to engage with the FBU on the on-going transformation of the fire service. However, I see the extra money that we are allocating to the fire service as a good thing. Perhaps the Labour Party should welcome it, and the service's extra spending power that will come from the ability to reclaim VAT, which it could not do before. By giving it greater spending power and more resources, I hope that we can deliver a transformation that keeps Scotland safe and, of course, that appropriately supports the firefighters, who do a fantastic job.

**The Presiding Officer:** Last, but not least, I call John Scott.

**John Scott (Ayr) (Con):** I declare my interest as a farmer. I note that, in the level 3 figures, in the "Rural Economy and Connectivity" chapter, the payments and inspections administration budget has risen from £62 million to £82 million, which is a rise of 30 per cent. Is that increased cost attributable to the failed common agricultural policy computer programme or to something else?

**Derek Mackay:** A final question from John Scott. I think that farmers will welcome my budget decisions, which followed from the Barclay recommendation to put agricultural land on the valuation roll. I chose not to do that, because there was no intention to tax that land. There is support for our farming communities and for the produce that comes from farms. As farmers will know, their interests are now most threatened by the UK Government's mishandling of Brexit and what might come from the negotiations on it. We will continue to support our farmers, including through the scheme on which I have worked with Fergus Ewing that ensured that extra financial support could go to farmers earlier than they would

otherwise have received their grants, which I know was very warmly welcomed by the NFU Scotland.

**The Presiding Officer:** I thank all members and the cabinet secretary for getting through a lot of questions.

## Race Equality

**The Deputy Presiding Officer (Christine Grahame):** The next item of business is a debate on motion S5M-09529, in the name of Angela Constance, on a fairer Scotland—delivering race equality.

15:36

**The Cabinet Secretary for Communities, Social Security and Equalities (Angela Constance):** In March last year, we published the race equality framework, which set out this Government's long-term ambitions to create a more inclusive, equal society for our minority ethnic communities.

Since then, the world has changed. In the months following the European Union referendum, we have seen a growth of racially motivated hate crime—predominantly south of the border, but here in Scotland, there is a growing sense of unease and uncertainty in some of our communities about the future. We have also seen an increase in racial tensions globally; people have been vilified because of their ethnicity and skin colour. Added to that, we have seen a trend in the promotion and growth of abhorrent ideologies peddled by right-wing groups that we thought were extinct. Who would have thought that, in 2017, we would see people giving Nazi salutes at rallies and demonstrations in the US and elsewhere—and doing so with impunity?

Recent events have taught us that long-term objectives are not enough to counter the forces that seek to sow discord and disharmony—what we need is action and change and that is what we will deliver. Last December, I appointed Ms Kaliani Lyle as our independent race equality adviser. In that role, she had free rein to look into the current state of race equality in Scotland. My ask of her was to scope out the landscape and report back to me on how we might really make a difference.

In her report, "Addressing Race Inequality in Scotland: The Way Forward", which was published on Monday, Ms Lyle has identified a number of key areas in which she believes that we can make a positive impact on the lives of individuals from minority ethnic backgrounds and I agree with her assessment. I am very pleased that Ms Lyle is with us today, observing proceedings from the public gallery. I record my appreciation for the work that she has carried out.

As a result of Ms Lyle's thorough and nuanced analysis, we now have a clear steer on where we ought to concentrate our efforts during this parliamentary session. The race equality action plan, which was also published on Monday, is our response to her challenge. The new action plan

does not negate the work that a wide range of stakeholders in the sector currently have under way, and a lot of good work that is in progress will continue to receive our support. Rather, the new plan augments that work and seeks to build on the solid foundations that have been laid by organisations such as BEMIS—empowering Scotland's ethnic and cultural minority communities, the Council of Ethnic Minority Voluntary Sector Organisations, and the Coalition for Racial Equality and Rights.

However, it is time for specific, concrete actions that will effect change now. Ms Lyle identified in her report a number of key areas to prioritise and I will touch briefly on some of them. Everyone in society should have equality of opportunity when it comes to earning a living or pursuing their preferred career, yet for many people from our minority ethnic communities, achieving that ambition remains elusive.

Frustratingly, despite having the highest level of educational attainment, people from minority ethnic communities are twice as likely to be unemployed compared with those from white communities; we need to understand why that is and take action to address it. In our new race equality action plan, we have set out a series of actions to do just that. We will review employment support measures to ensure that they are focused on achieving parity in employment. We will also work with organisations across the public sector to increase employment and the progression of people from minority ethnic backgrounds.

Last year, the Scottish Government provided £60,000 to the Grameen Scotland Foundation. Since it began lending in Scotland in 2014, the foundation has provided more than £600,000 in loans, with 56 per cent of recipients being women and 71 per cent of recipients coming from minority ethnic communities. Today, I am delighted to announce that we will provide a further £70,000 to strengthen the foundation's existing activity and to support its expansion into new communities in Dundee and North Ayrshire, helping more than 100 new entrepreneurs to access affordable microcredit.

Addressing the employment issues will not yield results overnight, but it is right that we prioritise that area for decisive action, given the significant, lasting and transformative impact that that will have.

I turn to housing. Statistics show that people from minority ethnic communities are four times more likely to live in overcrowded homes than their white counterparts. They are also far more likely to live in housing in the private sector, often in poorer-quality housing stock. It is of fundamental importance that everyone has a safe and secure place in which to live and thrive.

Among a number of actions, we will reaffirm our expectation that local authorities fully consider the requirement for larger accommodation, including for minority ethnic families, and seek to address any identified need. We will ensure that the joint housing policy and delivery group has a renewed focus on the needs of minority ethnic communities.

When people are forced into low-paid work, or face continued spells of unemployment, that is not only a drain on the economy but a waste of potential, and it can seem impossible for them to escape the poverty trap. Tackling those issues will be a key consideration for our poverty and inequality commission, but we can take actions now to address the needs of our minority ethnic communities.

In our race equality action plan, we are committed to introducing the new financial health checks service for families who have children, or who are expecting, and we will ensure that ethnicity is a consideration in the development of the child poverty delivery plan. We will also work with minority ethnic volunteers on experience panels to help to shape our new social security system.

With the exception of Gypsy Traveller children, minority ethnic pupils in Scotland achieve higher levels of educational attainment, but a number of areas need to be addressed. Anecdotal evidence tells us that some teachers lack the skills and the support structures to support and to promote anti-racist education. In addition, the diversity of the profession has contracted, and teachers from minority ethnic backgrounds account for only 1.3 per cent of the total.

We will fund a series of seminars for leaders of Scottish education services to develop their knowledge and capacity to lead, to manage and to deliver for race equality. Additionally, we will work with Education Scotland and the regional improvement collaboratives in the development of our new professional learning and leadership, and ensure that minority ethnic teachers are encouraged and supported to participate.

Furthermore, in 2018, we will introduce a new approach for local authorities and schools to record and monitor bullying and prejudiced-based bullying incidents.

I turn to Gypsy Travellers. We know that our Gypsy Traveller communities are among the most disenfranchised and discriminated against in Scotland. I acknowledge the work of the Equalities and Human Rights Committee and, indeed, its predecessors, and its unstinting championing of the rights of those communities. In order to address these complex issues, we need a more focused and co-ordinated approach across Government. Therefore, I have established a

ministerial working group to drive change and to focus efforts to improve the lives of the most marginalised people in our society. I will chair the group, and we will start our work in the new year.

I have highlighted only some of the key points from the action plan, which I am sure that members have noted. I very much hope that, by working together, we can collectively seize the opportunity that is provided by the independent race equality adviser's report and continue to make changes for the betterment of the lives of our minority ethnic communities. I am pleased to move the motion in my name.

I move,

That the Parliament believes that no one should be marginalised or discriminated against because of their race or background and that Scotland should be a place where everyone is equal; notes the publication of the report by the Independent Race Equality Adviser, Kaliani Lyle, *Addressing Race Inequality in Scotland: The Way Forward*, highlighting key priority areas for improvement, and acknowledges the actions being put in place through the Scottish Government's Race Equality Action Plan to tackle racial discrimination and inequality in society; welcomes the creation of a Scottish Government ministerial working group to determine priorities for action and drive forward the changes required to improve the lives of Scotland's Gypsy/Traveller communities; recognises that, to achieve race equality, all of society must play a role in removing barriers that stand in the way of people from an ethnic minority group reaching their full potential, and agrees that everyone must work together to create a fair and equal Scotland for all who live and work here.

15:45

**Annie Wells (Glasgow) (Con):** According to the 2011 census, the size of the black and minority ethnic population in Scotland is just over 200,000, equating to 4 per cent of Scotland's total population. If we include all minority ethnic populations, including those who do not identify as white Scottish or British, the figure is even higher, at 8 per cent, equating to around one in every 12 people. Significant as that is, those from the minority ethnic population still face cultural and economic barriers that prevent them from reaching their potential simply because of their ethnicity.

People from minority ethnic groups are more likely to be in poverty and to live in overcrowded homes compared with those from the white Scottish and British population. They have lower employment rates—I will expand on that later—and when it comes to public life, people from minority ethnic populations are still vastly underrepresented. In this year's Scottish council elections, for example, just 15 non-white minority ethnic councillors were elected out of a total of 1,227, which is a percentage of just 1.2 per cent.

We know that there is still a long way to go in ensuring true racial equality, which is why I welcome today's debate and will support the

Scottish Government's motion. I am pleased that action is being taken through the publication of the racial equality action plan and the creation of the ministerial working group on Gypsy Travellers. I see that as an opportunity to speak honestly about the challenges that lie ahead and the frustrating pace at which certain areas are progressing.

In identifying the barriers that exist to prioritising resources, it is important that we continually seek to improve the data that is available to us; the Coalition for Racial Equality and Rights raised that point with the Equalities and Human Rights Committee. The equality evidence strategy outlined the general approach to strengthening the evidence base, but it remains important, as CRER pointed out, that we seek to specify and define individual projects to fill the gaps. Some of the most important gaps identified are those in data from public sector bodies, and in data on the ethnicity pay gap, social security take-up, positive action schemes, racist incidents in schools, careers guidance and intersectional analysis on poverty and ethnicity and gender.

I would like the Scottish Government to create a strong plan on how that data will be gathered, with accompanying timescales; my amendment alludes to that. In doing that, we will ensure that resources are prioritised where they are needed and that accurate data is recorded so that we can see what needs to be done and in which specific areas. Where we know that there are vast disparities, as we have seen with employment—often seen as the route out of poverty—I would like concerted efforts to be made to bridge the gap between white Scots and ethnic minority groups. We know that ethnic minorities often outperform in education compared with white Scots, but when it comes to the labour market, things change drastically. BME people are often clustered into lower-grade, part-time jobs and although white Scots have an employment rate of 74.2 per cent, the figure plummets to 58.5 per cent for minority ethnic groups.

Discrimination still exists in both the private sector and the public sector. A CRER study evidenced that for local authority jobs, even after the interview stage, white candidates were almost twice as likely to be appointed as BME candidates; and a 2009 Department for Work and Pensions study found that despite submitting the same application, people with a BME name had to submit 16 job applications compared with the nine that those with a white name had to submit before receiving a positive response. That is unacceptable. We heard from 16-year-old Charlotte at the Equalities and Human Rights Committee last week that, as a Gypsy Traveller, she felt compelled to hide her ethnicity when starting work at a nursery. Evidently, more needs

to be done and I am pleased that the plan sets out actions on that.

My final point is about the importance of being as proactive as we possibly can be when it comes to improving the lives of Scotland's minority populations. During meetings in which I have sought to learn about promoting diversity in public life more broadly, the need to go into communities directly has been raised time and time again.

When I met Inspector Shakoor of Police Scotland, who specialises in encouraging members of minority groups to consider a career with the force, I was inspired by what he said about his efforts in relation to breaking boundaries and speaking to everyone in the community, including faith leaders and parents, as well as potential new recruits. I was inspired by the passion of Inspector Shakoor, who showed me that encouraging diversity in employment and public representation is about getting into those communities and showing that we care.

Again, I thank the Scottish Government for bringing forward this issue for debate to allow us to restate the Parliament's efforts to bring about full racial equality. It is important to have an honest debate around this subject and to talk openly about what we can do to achieve the aims that are set out in the motion and amendments.

Some progress has been made in recent years but, on a number of fronts, we still see progress stagnating. I hope that that can be improved through more focused action.

I move amendment S5M-09529.1, to insert at end:

“, and notes the need to respond to calls from racial equality charities to continually improve the data available for protected characteristics and fill evidence gaps.”

15:51

**Pauline McNeill (Glasgow) (Lab):** Fifty years after the introduction of Britain's first legislation aimed at tackling inequality, minority ethnic people still face serious disadvantage in their daily lives. As we have heard, higher rates of poverty, lower rates of employment and a range of health inequalities dominate the picture. What is more, the lack of minority ethnic visibility in every aspect of public life is shocking and is a testament to the failures of public policy and successive Governments. As Annie Wells said, it is shocking to find that, when it comes to political life, we are two BME councillors down on the previous local authority elections. If 4 per cent of Scotland's population comes from the minority ethnic community, there should be 49 minority ethnic councillors in Scotland. In addition, it is sad to note that there are only three minority ethnic female councillors. Similarly, only 1 per cent of Police

Scotland's officers and staff are from a minority ethnic background. There is something seriously wrong there—there has to be something meaningful in the action plan to get that figure up.

Despite that reality, action on race inequality has fallen off the agenda. The Government's framework for race equality is long overdue. Further, this parliamentary debate is long overdue, and I have to express my frustration at the fact that it has been reduced to a slot of only one and a half hours. I would have preferred to delay the debate so that we could have had longer to debate the issues.

**The Deputy Presiding Officer:** I remind the member that it is the Parliamentary Bureau, which includes the business managers of all the parties, that decides the timings of debates.

**Pauline McNeill:** I was just expressing my personal view that, given the importance—

**The Deputy Presiding Officer:** I think that it is fair to point out that the timings of debates are agreed across the chamber by the business managers.

**Pauline McNeill:** I still stand by what I said, which was that I would have preferred it if the debate had been delayed, because I think that it is an important debate for us to have.

The framework itself is a positive step but, to be honest, the document needs to set out a clearer vision. I know that the Government has tried to do that in the action plan, but what appears to be missing from the approach is any serious monitoring of the progress that we might make along the way. The Labour amendment tries to address that. We will also support the Tory amendment.

One aspect that can be lost in the debate is how diverse the problem is. The fact that the minority ethnic population is about 4 per cent of the Scottish population tells us very little about the problem. Organisations such as BEMIS would argue that that figure is higher if we include the Polish and Irish communities and those from the A8 countries such as Romania and Bulgaria.

Those from the African and Polish communities are much more likely to be in low-paid jobs. Minority ethnic women are at a double disadvantage. Gypsy Travellers, who are included in the definition in the legislation, are a small group but, as the cabinet secretary has said, they face high levels of discrimination compared with other groups. I welcome her announcement today.

It is essential that different aspects of the needs of each community are analysed and that the problem is not simply seen as a hierarchical one. People from minority ethnic communities are twice as likely to be in poverty. Indeed, after housing

costs, one third are in poverty in comparison with 18 per cent of those from non-minority ethnic communities. They also have lower rates of benefits take-up.

Racism and disadvantage are deep rooted. The cycle of hidden or unconscious bias in all levels of society needs to be seriously challenged if we are to make progress. Scotland is not that different from the rest of the UK with regard to institutionalised racism.

I ask for deeper analysis of the position of women and girls. There is a lack of disaggregated data, and the Scottish economy is highly segregated, as we know. Ethnic minority women are underrepresented in lead sectors of the knowledge economy, including science. Thirty-nine per cent of Pakistani women are in the wholesale retail sector, and 46 per cent of Chinese women are concentrated in the hotel sector. Girls in BME groups have a higher level of attainment than boys in BME groups—in fact, they have the highest level of attainment of all groups. We need to take a serious look at how we can make that matter to those girls.

Close the Gap has noticed that there is a concentration of women in low-paid professions and that they are significantly underrepresented in senior roles. Minority ethnic women experience a double barrier of racism and sexism, which makes it difficult to find work that matches their qualifications, despite achieving higher qualifications.

I recognise the work that the Government is doing; Labour members will support both the Government motion and, as I said, the Tory amendment. We need to start making real progress in this area, and I hope that that will start very soon.

I move amendment S5M-09529.3 to insert at end:

“, and calls on the Scottish Government to commit to a system that is able to establish what has and what has not been effective, identify barriers to progress, update the action plan with any new approach determined and monitor and evaluate the impact of the Race Equality Action Plan at regular intervals, preferably at least every three years, including through involving key race equality bodies in the work of the ministerial working group.”

**The Deputy Presiding Officer:** We move to the open debate, with speeches of four minutes. If members have not pressed their request-to-speak button, it follows that they have not requested to speak, Mr Dornan.

15:56

**Clare Haughey (Rutherglen) (SNP):** Today's debate and the publication of the race equality action plan send a strong message to people from

ethnic minority backgrounds that the Scottish Government is resolute in making our country a better and fairer place, no matter a person's background or race.

The strategy sets out many positive steps that will be taken over the coming years to drive real and lasting change, and it will strive to ensure that everyone is able to realise their true potential. The plan contains no fewer than 120 different actions—from employment to education, health to housing and poverty to public representation—showing the Scottish Government's clear commitment to improve every aspect of a person's life.

We have come a long way over the past few decades in reducing racial inequalities, but it is a disappointing reality that people from underrepresented backgrounds still face poorer outcomes than the majority of Scots. For example, in the year ending June 2017, the employment rate in Scotland for white people was 74 per cent, but it was much lower for ethnic minority groups, at 58 per cent. The stats also show that, while one in five people who identify as "White British" live in poverty, the figure for those from minority backgrounds is more than one in three. People from such communities are twice as likely to be unemployed; if we can tackle the inequalities and discrimination in the labour market, many other linked inequalities can be alleviated as well.

Our aspiration is not simply to move people who are marginalised into employment; it is to ensure that they are employed in jobs that are appropriate for their level of skills, qualifications and experience. One of the most marginalised groups in Scotland is the Gypsy Traveller community, as we have heard. The most recent Scottish social attitudes survey found that 34 per cent of people in Scotland believed that

"a Gypsy/Traveller was unsuitable as a primary school teacher",

while 32 per cent would be unhappy if a relative married a Gypsy Traveller.

Let us reflect on those findings for a moment. If that was any other community, there would be a social outcry and the people who held such views would be taken to task. Such attitudes are not easily changed when a former Tory MSP—now an MP—voices similar views himself. When asked what he would do if he were Prime Minister for the day and if there were no repercussions, Douglas Ross responded that he

"would like to see tougher enforcement against Gypsy Travellers".

The Gypsy Traveller community is a huge part of Scotland's rich cultural heritage, and Mr Ross should be ashamed of the way in which he singled them out. I am sad that discrimination against

them seems to be accepted and normalised by many people, and I welcome the commitments made in the report to tackle that.

As we have heard, in addition to financially supporting organisations that work to improve outcomes for Gypsy Travellers, the Scottish Government will also establish a ministerial working group specifically to drive forward improvements for that community. Such steps show the Scottish Government's leadership in advancing race equality.

My constituency of Rutherglen is home to Scotland's second-largest settlement of showpeople. For centuries, showpeople have toured the country providing entertainment and other services to local communities, taking pride in their strong and unique cultural identity. I doubt that there is a member in the chamber who does not have a childhood memory, or even a more recent one, of a trip to the shows. I know from the constituents I have spoken with, and from the discussions that we have had in the cross-party group on the Scottish Showmen's Guild, that many people in that community would wish to be able to identify themselves as a distinct people.

The option to identify oneself as "White: Gypsy/Traveller" was included for the first time in the Scottish census in 2011, and that is a step that I welcome. However, many showpeople also wish their community to be granted equal status and acknowledgment in any future census. Showpeople's identity can often be misunderstood, so any steps to increase knowledge of their culture—and the cultures of different minorities—should be welcomed.

16:01

**Graham Simpson (Central Scotland) (Con):** I welcome the debate, but I agree with Pauline McNeill that it is a shame that it has been shoehorned into the end of the afternoon.

As Annie Wells said, we will support the Government's motion. One does not really need to say any more than the first few words of the motion, which states:

"that no one should be marginalised or discriminated against because of their race or background".

Kaliani Lyle's "Addressing Race Inequality in Scotland: The Way Forward" is an important document. It is a useful and detailed outline of some of the key challenges. I also welcome the race equality action plan, in which the cabinet secretary states:

"The reality is that in Scotland today, people from minority ethnic communities are twice as likely to be unemployed, run a higher risk of poverty and are more likely to live in overcrowded homes."



It is housing that I want to concentrate on today.

First, I will cite some statistics taken from both reports. In Scotland, “White: Other British”, “Pakistani” and “White: Scottish” ethnic groups had the highest levels of home ownership—at 70, 68 and 68 per cent respectively—in 2011. The “African” and “White: Gypsy/Traveller” groups had the highest proportions of people who lived in social rented accommodation—at 41 and 40 per cent respectively, or double the rates in the population as a whole. “White: Polish”, “Bangladeshi” and “African” households had the highest rates of overcrowding.

Ms Lyle says that

“people from minority ethnic communities are disproportionately likely to live in the private rented sector”

but

“we know little as to why this is the case.”

She recommends that research be done to explore the gap between what minority ethnic communities need and what they have, and why it exists. Accurate data is important, as our amendment points out. She also suggests that the Scottish Government should consider setting aside a proportion of the affordable housing investment fund to allow for the provision of larger properties for minority ethnic communities in those local authority areas that are failing to do that. Ms Constance does not go quite as far as that in her own series of action points, and I think that she is probably right in the tone that she sets. We need to treat everybody in housing need fairly, based on accurate data.

Ms Lyle also addresses the crucial issue of housing quality, and focuses on the private rented sector. She says:

“We have the legislation required to target housing quality improvement in those sectors where minority ethnic communities predominate. What is now needed is better enforcement of that legislation.”

She calls for the Scottish Government to do an assessment of the enforcement of private rented sector regulations and to report on the findings. As members across the chamber have said, the issue of housing conditions and maintenance is huge. We should not limit our discussions on that to particular sections of society, or indeed particular forms of tenure. The issue is massive and needs to be seen as such, although it is clearly a particular issue for certain sections of society.

I said that I welcome the race equality action plan. However, like most Government documents, it is heavy on waffle, particularly in the housing section, and light on detail. That aside, if members back the motion, we can truly have a chance of achieving race equality.

**The Deputy Presiding Officer:** I also heard what Graham Simpson had to say about the length of the debate. I suggest that he and Pauline McNeill take that up with their respective business managers. That is the way that timing arrangements come about. If members are not happy, they should take it up with their business managers, so that it does not happen next time.

**Pauline McNeill:** On a point of order, Presiding Officer.

**The Deputy Presiding Officer:** It is not a point of order, Ms McNeill.

**Pauline McNeill:** On a point of order, Presiding Officer. You intervened in my speech twice to make that point, but I want to know whether any rules were broken. I heard what you said about raising it, but—

**The Deputy Presiding Officer:** It was a point of clarification for the chamber. I hear that members are unhappy about the length of time that the debate has been given. The resolution is for members to speak to their business managers, who agree the timings for all debates in the chamber. That applies to all parties; every party has a business manager and is represented at the bureau meetings at which timings for debates are decided. I was giving clarification to the chamber about why this is a short debate.

16:06

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** I agree whole-heartedly with the motion. Scotland should be a country that is proud of its record of striving for equality. We should endeavour to be a country that nurtures good relations within communities, supports interfaith activities and tackles the prejudices and attitudes that foster intolerance and hate crime. Scotland should be a place where individuals from a variety of backgrounds can live and raise their families safely and without fear of prejudice. Furthermore, people of all faiths and ethnic backgrounds should be able to follow their religion or beliefs without bigotry or bias from others. The race equality framework for Scotland shows a commitment from the Government to tackling the barriers that are faced in achieving race equality, tackling racism and addressing the obstacles that prevent people from minority ethnic communities from realising their potential.

In relation to employment barriers, I believe that private companies should report not just on their gender pay gap but on gender, race and disability. We should be ensuring that the Scottish living wage is paid across all sectors, particularly those in which significant numbers of workers from BME backgrounds are present. Many such citizens are the most economically active but—as others have

said—they are also residing disproportionately in poverty.

It is also about getting into work in the first place. I spoke to a constituent from Iran who has a degree in interior architecture and design and a masters in construction management. She is experiencing significant barriers to getting into that line of work. Why? Is it because she is female? Is it because she is from a BME background? I am not sure, but that is something that we need to address. I also believe that the modern apprenticeship programme should ensure that it is putting measures in place to achieve equality objectives—perhaps by continuing, and even broadening, its strategic intervention across both marketing and integration to the world of work.

I am the convener for the cross-party group on racial equality, having taken over from my predecessor, Bob Doris. I thank the vast array of organisations—far too many to mention—that make up that group and contribute to it. In particular, I thank Jatin, Rebecca and Carol from the Coalition for Racial Equality and Rights, who make sure that the group functions well. It aims to provide a forum for issues relating to race and anti-racism, and to seek solutions to the discrimination that is faced by Scotland's black and minority ethnic communities.

As a wee plug, I say that the next meeting is on 23 January and I encourage all MSPs who have contributed to today's debate and MSPs more widely to come along. An invitation to that meeting has just been sent to the Cabinet Secretary for Communities, and to Kaliani Lyle, and I hope that their diaries will permit them to come along and discuss the framework.

Ms Lyle has been a speaker at previous meetings; she came and gave an excellent presentation while we were forming the debate for today. Given my position, it is only fair that I highlight the overall feeling of members in the room at that meeting, which can be put into some broad areas. Scotland has improved over time, but progress is very slow. People from BME communities, in particular, still feel the strain of prejudice in a wide range of areas, including the welfare, justice and education systems. There can be a disconnect between individual diverse communities. Finally, people from those communities do not want lip service and talking shops—they want elected members, parliamentarians and others to take their thoughts and views seriously. That is what the framework that the Government and the cabinet secretary have brought forward does.

I see that I am running out of time. I had intended to speak about the Gypsy Traveller community, which the cross-party group also

discussed, but my colleague Clare Haughey eloquently covered that.

One of the most important actions that need to be taken is the employment of a zero tolerance approach to discrimination. That goes not just for the general public but for employers, healthcare providers, planning bodies and a range of people across the public sector.

16:10

**Anas Sarwar (Glasgow) (Lab):** I make it clear that the comments that I will make are not a criticism of the cabinet secretary, of the good intentions of the civil servants concerned or, indeed, of the action plan. I welcome the action plan and the points in it, but I want to reflect on my own lived experience and stories that have been shared with me by family, friends and constituents.

Although the plan's aims are noble, there is a wider institutional problem that needs to be addressed. Let us take the Scottish Parliament as an example. There have been five Scottish Parliament elections, and in that time only four ethnic minority members have been elected, all of them from Glasgow, all of them from a south Asian background, all of them Muslim and all of them male. In the entire history of the Westminster Parliament, only three ethnic minority members have been elected to Westminster to represent Scottish constituencies, and it could be said that that is partially negated by the fact that two of them belong to the same family. As things stand, Scotland has zero ethnic minority representation in the UK Parliament.

Anyone from an ethnic minority who has represented any political party in this chamber or at Westminster will admit that they are nervous when it comes to talking about race. That is partly because of a belief that we need to portray ourselves as being representatives of all communities, not just the one that we come from. That is why we avoid talking about race. I will be honest—I am nervous about talking about race today and, as members know, I do not often get nervous about many things.

I want to speak about what I think is, at times, a Scottish exceptionalism. I do not think that, as a country or a society, we talk about race in the way we should. I do not think that our chattering classes talk about race or that the media talks about race. We rightly all repeat the line that Scotland is an open, diverse and inclusive country, but that should not blind us to the challenges that are faced in Scotland. It sometimes feels as though we talk ourselves up as being different from and better than other places when, in fact, there is good and bad in every country. Someone does not become any more or any less racist

when they pass a border—when they get to Carlisle, for example. We have good and bad in all our countries.

When ethnic minority people talk about race, because it is not talked about in wider society or in our media, we are often accused of playing the race card. I welcome, celebrate and take part in all the campaigns on everyday sexism—which is an important issue—and everyday homophobia, but what about the everyday racism that takes place? Where are the discussions on that? We have all heard things such as, “I’m not a racist but ...” and “I know you say you’re Scottish but ...”. One of my favourites is, “I can’t be a racist, because I have black friends.” Particularly worrying is, “I can’t be racist, because I teach black children,” which someone said to me just a few weeks ago.

Although there has been a reduction in the number of racial hate crimes in our communities, there has been an increase in the number of religious hate crimes, which often involve the transference of hatred to a different form of different. The number of Islamophobic hate crimes in Scotland has doubled in the past year. That is impacting on women in particular, especially women who wear a headscarf.

If I had time, I would give more detailed examples of the challenges that we face to do with the police in Scotland. The statistics have been mentioned, so I will not repeat them. We need to measure and address the wider institutional issues that we face. It is not just action that we need; we need to think about how we can challenge and change the culture. As well as looking at the proportion of BME workers in the wider workforce, we should examine the proportion who occupy lead roles.

Over the past three months, I have had experience of a certain campaign. I will not go into the details of that today—I might speak about some of it at some point in the future, when I am more confident about doing so.

These questions need to be asked. How many chief executive officers of companies in Scotland are from an ethnic minority? How many chairs of public bodies in Scotland are from an ethnic minority? How many chief executives of councils or Government departments in Scotland are from an ethnic minority? How many departmental directors are from an ethnic minority? How many special advisers are from an ethnic minority? How many of the staff who run political parties are from an ethnic minority? How many university or college principals are from an ethnic minority? How many school headteachers are from an ethnic minority? How many editors or producers are from an ethnic minority? The answer to each and every single one of those questions is none or

next to none. That is not acceptable and it needs to be addressed in wider society.

I want to say a lot more but now is not the time. Perhaps I can do it at some time in the future.

**The Deputy Presiding Officer:** I appreciate that you wanted to say more, which is why I let you have longer.

16:15

**John Finnie (Highlands and Islands) (Green):** I very much welcome the debate and the earlier comments that no one should be marginalised or discriminated against.

I proposed an amendment to the motion, which was to insert:

“recognises the failure of successive governments to eradicate long-standing and deep-seated prejudice against Gypsy/Travellers”.

I have a lot of engagement with the Gypsy Traveller community, most of whom call themselves Scottish Travellers. It would be churlish of me not to say that there has been a lot of progress, and I welcome the cabinet secretary’s leadership.

We cannot look forward without looking back. I want to allude to documents that were made available to the Equalities and Human Rights Committee, which discussed these issues at its meeting last week. The documents were about the situations that Gypsy Travellers found themselves in historically. They were about a housing experiment. I am grateful to Roseanna and Shamus McPhee, who are—not that I need to say this—highly educated and talented people who are unemployed Gypsy Travellers. I will just read a couple of passages from the letter of 19 March 1954, if I may:

“After working among this class of people for the past seventeen years, I fully appreciate the general opinion that the majority of the Nomad families have not many redeeming features, nevertheless, if we are to tolerate such a way of life in our midst, then we must provide suitable camping sites for this class of people.”

Further on, the letter says:

“This property is 12 miles from Blairgowrie, and I would suggest it would be ideal for a Tinker Settlement, which I can see is the only solution to the Tinker Problem ... I am sure this proposed small Tinker Settlement, would at least be part of the solution to this grievous problem in our midst, and would be an example to the other Counties as to how to tackle the Tinker Problem.”

That was written to the county clerk by a gentleman who signed himself

“William Webb ... Chaplain to Tinkers”.

That tells us all we need to know about their standing.

No one should be marginalised or discriminated against. How do Gypsy Traveller communities feel about that? A briefing that was prepared for the meeting of the Equalities and Human Rights Committee—I was a member of the Equal Opportunities Committee last session—referred to two committee reports: “Gypsy/Travellers and care”; and “Where Gypsy/Travellers Live”. We know that they are not unique, but we heard stories about medical practitioners refusing to treat Gypsy Travellers, and Gypsy Travellers being turned away from accident and emergency departments.

We know that information is limited, so we support the Conservatives’ position on data. The Irish Traveller movement has gathered a lot of information and I commend the yellow flag movement to members. Indeed, I have commended it to the Scottish Government in the past. It talks about encouraging an environment of interculturalism.

These are still different people. These are still the folk who park their trailers in lay-bys beside main roads. Why do they do that? They do not choose to park there. They do not choose to go on to industrial estates. They no longer have access to their historical stop-over sites.

Local authorities have a mixed position on this, although they have an obligation to assess housing need. I have faced challenges with that in my area. Highland Council has four sites. One of the sites suffered a lot of damage and I asked the council when it was going to sort it, but it said that there was no need. I asked how it established that and, to cut a long story short, it has all been sorted and, when I passed the site on Friday night, it was full of families, which was good to see.

The political leadership that all these reports have called for is absolutely necessary. I get that no one wants a bun fight over whose responsibility it is. Planning is reserved to local authorities. However, someone has to grasp this, because we all need to live somewhere and we all need access. If people’s lifestyles are genuinely to be facilitated—there is no reason why a nomadic lifestyle cannot be supported in this day and age—people will either have to cede power or seize power. Either way, we need that change.

Although we are happy to support the Conservative Party amendment, the issue also requires political leadership. Douglas Ross has been alluded to. There are not many of us who have not thought about what we would say if we were asked what we would do if we had charge of things for a day. Douglas Ross did not make a spontaneous outburst. There was something deep seated there, to do with a history of involvement with planning issues in Moray. This week, I read that the Conservative Party has restored the whip

to the MP Anne Marie Morris, who apparently used the N word—excuse my language, Presiding Officer.

We need leadership. We had an excellent speech from Anas Sarwar. We need to change things. The cabinet secretary will get full backing for her plans, if we can deliver on them.

16:20

**Alex Cole-Hamilton (Edinburgh Western) (LD):** I, too, welcome the debate and thank the Scottish Government for using its time to allow the Parliament the opportunity to consider the race equality action plan, which was published this week. All told, the 120 action points that are recommended in the plan represent the distance that we as a nation still have to travel in respect of our efforts to eradicate racial inequality and discrimination in our country.

In the words of Coretta Scott King, who I have quoted in this chamber before, the struggle for equality is never truly over and we have to win it with each and every generation. When the President of the United States, the putative leader of the free world, takes it upon himself to retweet the vile, fabricated and hate-filled videos of Britain First, which are designed to incite hatred against Islam, that should serve as a weather vane for where our generation’s struggle shall lie.

The action plan gives us the measure of the task before us in Scotland and, in the main, presents us with a road map of how to get there. It speaks to a range of frontiers that we need collectively to make progress on. The calamitous decision to exit the EU has emboldened the far right in this country and has led to an uptick in religious intolerance and race hate crimes. Although that has predominantly been manifest south of the border, we do our communities a disservice if we believe that the increase has only been manifest there.

I therefore welcome the plan and pledge the support of the Liberal Democrats for its execution, but we would do well to listen to organisations such as the Equality and Human Rights Commission, which point out the gaps in the plan and in our existing provision for people from ethnic minorities, particularly in areas such as mental health. As such, it is important that the plan remains a living and breathing document that is open to continuous improvement from all quarters.

In my remaining time, I want to pick up on the words of John Finnie and address the particular aspects of the Government motion, which are not necessarily fully addressed in the plan, in respect of Gypsy Travellers. We often forget that they, too, are afforded protections in the Equality Act 2010,

under the protected characteristic of race and ethnicity.

As deputy convener of the Equalities and Human Rights Committee, it was my privilege to take evidence last week from a range of representatives of the Scottish Gypsy Traveller community. John Finnie joined us on that occasion, which he was welcome to do. I am not overstating things when I say that that amounted to two of the most informative hours of my career in this place. That Gypsies and Travellers can trace their origins in Scotland to before the time of the Vikings gives them an indigenous status that is nearly unparalleled, but they still experience what amounts to, in the words of Davie Donaldson, their fiercely articulate representative at the meeting,

“the last acceptable form of racism in this country.”

Davie is 19 and, as a nomadic traveller, he has seen the rights and interests of his people and other communities of Gypsies and Travellers steadily eroded over that short period. He is currently studying for an undergraduate degree in social anthropology at the University of Aberdeen but, prior to that, he held a youth council representative role. On one occasion, he attended a meeting on planning in the city and he asked about the needs of the Traveller community. The senior city figure who was chairing the meeting, not knowing that Davie was a Traveller, replied, “Son, the first rule of planning you need to understand is that nobody cares about the tinks.”

That happened just two years ago. It is almost unimaginable that a city leader would use such a pejorative and derisive term about any other race or ethnicity. However, such an attitude is manifest in the number of sites that have been closed to Travellers in the past two decades, about which we heard in the debate, in the normalisation of the open abuse and name-calling to which Travellers are subjected in schools and communities, and in the prejudice that Travellers still experience when they try to obtain full-time employment.

It struck me that although our society is very much enriched by Traveller communities, we persistently fail those communities in the formulation of public policy. In her opening speech, the cabinet secretary talked about the community’s disenfranchisement. If someone is nomadic in Scotland, who represents their interests in the Scottish Parliament? Who is their MSP? To whom do they go for support? I look forward to addressing such issues as we deliver the action plan.

I again thank the Government for raising this important issue and assure it of our support for the motion. We also support both amendments.

16:25

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** I welcome the publication of the race equality action plan. Like many members, I welcome, in particular, the focus on the inequality and discrimination that Gypsy Travellers experience.

In Scotland, Gypsy Travellers experience particular disadvantage, not just in housing, health, employment and education but in many other areas. It is saddening and frustrating to see how many of the problems that they experience are cyclical in nature.

Shelter Scotland reports that there are currently no official transit sites where Travellers can stop over. Many council sites are in bad locations and have inadequate facilities and limited access to services, which means that Travellers often have to stop in unauthorised areas, as John Finnie said. That can lead to problems and confrontations with local communities that make the initial problem harder to resolve.

It is encouraging to see the action that has been taken and the progress that has been made in Scotland, such as the recognition of Gypsy Travellers as an ethnic minority with its own culture, traditions and ethnicity, which ensures that they receive the protection under equality law to which they are entitled, as a result of having a protected characteristic.

There is also the guidance for local authorities, which was published in May this year, the establishment of the Scottish traveller education review group and the incorporation of minimum site standards into the Scottish social housing charter. However, I must point out that much of the work on the Gypsy Traveller strategy was subject to numerous delays. Such delays must be avoided in future.

We still have a long way to go. We must tackle the false and damaging prejudices that exist about Gypsy Travellers. Common and insidious assumptions about a group of people cannot and must not be tolerated.

I invite members to imagine being in this position: they have noticed that their son’s homework is repeatedly not marked by his teacher, so they express their concern. As they leave, at the school gate, they hear the same teacher say, “I don’t know why she’s complaining. I know he’s a Gypsy and he’s not going to do anything with it anyway.”

The young boy grows up—Alex Cole-Hamilton told the story, but I will tell it again, because it is worth repeating. He is at a community planning executive meeting, as the vice-chair of the local youth council. He is 16. It is his first meeting, and

no one knows that he is a Traveller. The group is discussing national health service provision in rural and marginalised communities, so he decides to ask, "What about the Gypsy Traveller community?" This is what followed, as we heard in the Equalities and Human Rights Committee last week:

"The whole table went silent"

and then came the line:

"here's your first lesson ... No one here cares about the tinks."—[*Official Report, Equalities and Human Rights Committee*, 7 December 2017; c 9.]

Those are just two examples that were relayed to the committee. It is still happening and in some sectors it is getting worse. There is a lack of access to healthcare, education, social services, jobs and sometimes even sanitary services and running water.

It is acknowledged in the report that discrimination against Gypsy Travellers is far more accepted and normalised than discrimination that is directed at other minority ethnic groups. The people who gave evidence to the committee last week told us that the treatment that they face is the "last acceptable form of racism."

**Mary Fee (West Scotland) (Lab):** I absolutely agree with the comments of Gail Ross and other members about the discrimination that Gypsy Travellers face. Many members will know that I have a particular interest in the plight of Gypsy Travellers. The chamber has a strong record of members working together to tackle discrimination and inequality. Does Gail Ross agree that it is now time for the whole chamber to unite to tackle the discrimination that Gypsy Travellers face?

**Gail Ross:** I could not agree more. That was well said. Thank you.

The Scottish Government prides itself on its inclusive values, and it has repeatedly acted to demonstrate that, such as with the reassurance that was offered to EU nationals who will live in Scotland after Brexit and our apology and pardon to gay men with historical convictions. I welcome the measures in the action plan to move to achieve real and tangible progress that we can all be proud of and to promote tolerance among everyone in our society, including and particularly towards the Gypsy Traveller community.

16:30

**Alexander Stewart (Mid Scotland and Fife) (Con):** I am delighted to take part in this important debate on race equality.

It is absolutely vital that Scotland is a tolerant and welcoming society and that nobody is discriminated against because of their race or

background. That is why it is vital that we engage with people and ask them to come forward to speak honestly about what is happening and the topic that we are discussing.

Race inequality can affect every aspect of a person's life. People from ethnic minorities can face discrimination and challenges when they attempt to secure housing, enter the workplace or even access transport. Those are basic functions that we would expect to have in a normal society. If we put up barriers to those things against individuals, that is totally unacceptable. It is important for us all to look at the wide range of issues that affect those from ethnic minorities when we address race inequality.

The introduction of a joint ministerial working group is very much welcome. That recognises that the issues cannot be viewed in isolation. Race inequality cuts across ministerial portfolios, and that fact must be borne in mind when we talk about policy decisions. The new working group should help to ensure that that happens and that the tackling of race inequality is a top priority for the Government and the Parliament.

Over the past few decades, we have come a long way in tackling race inequality, but there is still some way to go. Events over recent months have been very worrying. Members have already alluded to some of those situations and circumstances, which have caused us real concern.

"Addressing Race Inequality in Scotland: The Way Forward", by the independent race equality adviser, is a comprehensive publication that gives real direction to where we should focus our efforts. We should focus our efforts on working together, making communities feel safe and supporting individuals.

The Scottish Conservatives' amendment asks members to recognise the importance of continually improving our data. That is vital, because that data shows exactly what we can do if we take the information and use it to our advantage. The report cites previous examples of data collection, such as in the equality evidence strategy, and calls on the Scottish Government to act to tackle the gaps that were identified in that strategy.

I very much welcome the new funding, which will be transforming, but we have to work together to ensure that that becomes a reality.

The report talks about the Scottish Government showing leadership across the public sector to improve the collection of ethnicity data. That issue has to be looked at to ensure that we have that information. The gathering of such data is incredibly important to allow us to identify and, more important, to tackle such inequalities.

I hope that all members across the chamber support our amendment. I see the opportunities that it brings.

It has been very encouraging to hear many comments that have been made. People understand the real issues that individuals face in our communities, and I am pleased that the Scottish Government does so. The Scottish Conservatives support the entirety of the Scottish Government's motion with our small addition.

We must do all that we can. I support Annie Wells's amendment, but we must focus on the action plan, make things better, and improve the lives of individuals and groups who feel disenfranchised and that barriers have been put in front of them. It is up to us in the Parliament to make a difference. Working together, we can achieve that.

16:34

**Mark Griffin (Central Scotland) (Lab):** I welcome the debate and the publication of the race equality action plan, which provides a framework for how we improve the lives and experiences of minority ethnic communities in Scotland. Like the cabinet secretary, I particularly thank Kaliani Lyle and the Coalition for Racial Equality and Rights for their contributions to the report and the debate.

Given that the debate takes place on what has been a momentous day in the chamber, it would be frustrating if the budget overshadowed some of the important speeches that we have heard—particularly from Anas Sarwar and from a range of excellent speakers on the discrimination that the Gypsy Traveller community faces.

The Government can count on the support of Labour members when it takes definite actions to advance racial equality. That is why we have called on the Government to confirm on the record that it will review and evaluate its progress in taking those actions.

I hope that, as work progresses, the Government takes action on Ms Lyle's fifth recommendation, that directors of service review previous initiatives. That would help us all to learn valuable lessons and would build improvements into the Government's work—for instance, on why employment targets in the 2008 Scottish Government race equality statement were not met.

It is clear from the report that many of the actions are embedded in existing projects. That shows the important work that the Government is already doing to fulfil its equality duties, which is to be welcomed. We look forward to seeing the detail of how the plan will be funded and supported and

to hearing how that work can be optimised or made to stand alone, which will be crucial.

Headline statistics in the plan's sections on employment, housing, community cohesion and poverty starkly isolate where minority ethnic communities face the greatest disadvantages. There is a 15 per cent gap in the employment rate, their housing is more insecure and overcrowded, the poverty rate is 50 per cent higher among them and the number of hate crimes that they experience averages 10 a day. Those statistics were highlighted by Annie Wells, Pauline McNeill and other members.

With next week's stage 1 debate on the Social Security (Scotland) Bill just around the corner, I will concentrate on some of the actions in section 5 of the plan. Particularly welcome is the commitment that the experience panels will be "fully representative". When I asked about it, earlier in the autumn, monitoring work had not begun, so I would be grateful if ministers would confirm whether that work is now under way.

When we consider racial equality alongside social security, it is alarming that, although minority ethnic groups are more likely than their white peers to be in poverty, the level of benefit take-up is lower among them. We have, therefore, worked with the Government to call for a legal duty to increase the awareness and take-up of benefits. That call builds on a key recommendation of the Scottish Government's poverty adviser.

One recommendation that has achieved broad agreement among members of the Social Security Committee is that the legislation should include a right to independent advocacy. We back that call for all users and recognise just how important such a right will be. The social security system is about to get a lot more complex and, if communities who already face barriers to access can be aided to get the most out of the new Scottish social security system, that will be most welcome.

I hope that, as well as accepting our support, the Government will take on board what Labour members have said about the need to strengthen and measure the actions in the action plan and to increase progress through regular reporting to Parliament. I ask members to support the amendment in the name of Pauline McNeill.

16:39

**Jamie Greene (West Scotland) (Con):** The press gallery is long since empty, and the rabble in the theatre of the chamber has somewhat died down. Discussing race equality does not really fill the newspapers in the way that argy-bargy over income tax does but, for the people to whom this debate matters, it is more important. We like to

think that we have a progressive and tolerant society in Scotland and, in many ways, that is true. However, today's debate demonstrates that we cannot take our eyes off the ball.

As the ethnic minority communities in Scotland grow in size, the issue of inequality and equality becomes more and more apparent. In 2011, the BME population accounted for 4 per cent of Scotland's population; however, that was six years ago. The BME population is as diverse as any other part of society, but each community within it faces its own distinct problems. As Annie Wells pointed out, by identifying specific issues that specific groups face, prioritising resources and targeting those resources at the areas that need them most in the hope of tackling inequalities, the Parliament has the ability to make a real difference.

The cabinet secretary opened the debate by highlighting some of the disparities in equality that affect minority groups in Scotland. For example, they are twice as likely to be unemployed despite a high prevalence of educational attainment. The cabinet secretary also rightly pointed out that teachers might not feel that they are adequately equipped to deal with and tackle some of the racism that students face in progressing from their studies into their careers.

As Pauline McNeill said, BME people are twice as likely to be in poverty and, interestingly, the take-up of social security is lower among them. No doubt there are complex and often cultural reasons for that, but there is a clear need for outreach and awareness-raising work to show people what support is available.

Graham Simpson raised an interesting point about the need for accurate data on housing, and he asked whether the fund for investing in affordable housing will tackle the specific needs of extended families.

Fulton MacGregor shared with the chamber the story of how an educated and suitably qualified young lady from an ethnic background struggled to find work in her field. As he mentioned—I was quite shocked to hear it—people with ethnic names on their CVs or cover letters have to write to twice as many employers before they get an interview.

What can we, as politicians, do to change things if we are not in the rooms or the heads of private sector recruiters?

**Gail Ross:** Does the member believe that one of the things that we, as elected members, can do is watch the content of what we are saying, especially if it is against minority communities?

**Jamie Greene:** I agree with Gail Ross. We have a duty to call out inequality, racism and all those

phobias when we see them in the workplace, on the streets, in our homes and family environments and, especially, on social media.

I thought that Anas Sarwar's very personal take on things was outstanding. I did not know that we have elected only four members from ethnic backgrounds in the five elections that we have had for the Scottish Parliament. Neither did I know that Scotland has zero politicians from an ethnic background at Westminster at the moment. Given the population percentage that I mentioned, that shows how little progress we have made.

As Mr Sarwar said, people are nervous about talking about race in Scotland, and therein lies the problem. Are we blinded by all our talk of how open-minded we think we are? We talk about sexism, homophobia and inequality almost every day at Holyrood, but I wonder whether we do so at peril of failing to discuss race.

It is not all doom and gloom, though. For example, I welcome the good news that the level of hate crime fell by 10 per cent between 2015-16 and 2016-17.

In closing, I make a plea to my fellow MSPs. Working groups, reports, strategies, advisers and so on are always welcome and positive moves, but what are we doing to change attitudes, tackle stigma and call out racism and inequality when we see it, hear it or come across it in everyday life? In my view, saying nothing is just as bad as doing nothing. I hope that we can find more time in the chamber to discuss this important issue, because I want us, at the end of this parliamentary session, to be able to put aside our political differences, look back collectively and be proud of the work that we have done collectively to deliver race equality in Scotland.

16:44

**Angela Constance:** I thank all members for their very considered and thoughtful contributions to this afternoon's debate. I am very grateful that there is an appetite for continuing the debate, because as far as the issue of race equality—or race inequality—is concerned, we could legitimately have a whole afternoon's debate on race equality and employment, race equality and housing, race equality and the planning system, race equality and health inequalities and so forth. I very much look forward to further debates and to taking up Fulton MacGregor's invitation to the meeting of the cross-party group on racial equality.

Like Jamie Greene, I thought that Anas Sarwar's contribution was excellent. He is absolutely right; it is imperative that we measure our action plans against the reality of lived experience. I, for one, never for a minute came into politics to produce action plans or



Government strategies. We do need them, but the question is how they are implemented and monitored to ensure that that leads to real action and change on the ground. It is imperative that we encapsulate the real lived experience of people from all walks of life and from all backgrounds.

I also concur with the sentiment that has been expressed across the chamber, to the effect that there is no room for complacency. Although race hate crime has indeed reduced by 10 per cent, there might be legitimate concerns about whether there has been displacement of it to Islamophobic or religious hate crime, for instance. A month or so ago, I was very pleased to launch the “Hate has no home in Scotland” campaign, a very important message in which is that nobody should be a bystander.

**Anas Sarwar:** On the cabinet secretary’s point about Islamophobic hate crimes, she will have seen the report by the tell MAMA project—MAMA stands for “measuring anti-Muslim attacks”—that shows that Police Scotland has the fourth-highest rate of such crimes being reported to it. That information was received through freedom of information requests, because Police Scotland does not currently have a data-sharing agreement with tell MAMA, as other police authorities in the rest of the UK do. It reported 217 hate crimes in 2016, which was below only the figures for the British Transport Police, Greater Manchester Police and the Metropolitan Police, and was higher than every other police force across the rest of the United Kingdom.

**Angela Constance:** It is very important that we look at that and test whether the appropriate arrangement on data sharing is in place. I am conscious that hate crime, in all its forms, tends to be underreported and that, often, the biggest challenge is to get people to report it. However, I am happy to pick up on the specifics of that with my justice colleagues and Police Scotland.

The facts of the matter are harsh. For example, we have heard repeatedly that our minority ethnic communities are twice as likely to be unemployed. There is a huge gap—of nearly 15 per cent—in the employment rate. Pauline McNeill’s point about taking a much closer look at the experience of women in our minority ethnic communities is important. The gap between male and female employment in the minority ethnic community is 24 per cent. An employment gap exists in the rest of the population, but in that population it is much exacerbated.

**Kezia Dugdale (Lothian) (Lab):** Will she accept that one of the most marginalised groups in Scotland is Sikh women? Has she had an opportunity to visit Sikh Sanjog in Edinburgh, and is she aware that it constantly faces funding problems? Might she visit it, recognising that, if

that organisation closes, there will not be a single agency in Scotland to support Sikh women?

**Angela Constance:** I will certainly look at that. I know that Kezia Dugdale has corresponded with me in the past on that specific organisation. I have instructed my officers to engage with organisations to see how we might take a can-do approach on how we could help. I will have another look at that, if the situation has re-emerged.

The facts are stark. More than a third of people in our ethnic minority communities are in poverty, after housing costs, which compares with 18 per cent of the white British population. We also know that ethnic minority women are hit hardest by austerity. By 2020, they will have lost twice the amount of money that will have been lost by poor white men. Time and again, members have spoken eloquently about ethnic minority women’s underrepresentation in public and civic life. In Police Scotland’s latest recruitment round, in September 2017, 10 per cent of new recruits were from an ethnic minority background. Of course, we need to continue that progress.

I also recently had an opportunity to engage with the fair future project, which had been looking at the race equality framework, and about how we could work with young people—especially in the year of young people—to address race inequality in its many forms.

**Anas Sarwar:** Will the cabinet secretary take an intervention?

**Angela Constance:** I apologise, but I will not, because I am really short of time.

It is important to say that I will accept the amendments from the Labour Party and the Conservative Party. I accept that there is a need for robust evidence—that is why we have our equality evidence strategy. That strategy is a shared responsibility between the Scottish Government, the third sector, the public sector and academia, and we are moving towards having more concrete projects to fill the identified evidence gaps. There will be an annual race equality summit and there will be a progress report to Parliament in early 2021, because I acknowledge that we need to monitor activity in order to ensure that we are having an impact.

My final point is with regard to Gypsy Travellers—or, indeed, Scottish Travellers, as John Finnie pointed out. I know that John Finnie’s amendment was not selected for debate, but I have to tell members that if his amendment had been selected, I would have backed it even although it said that successive Administrations have not effectively changed the long-standing inequalities, because I accept that point.

I can talk about the progress that we have made, working together with the Gypsy Traveller community, but we have to accept that we have not done enough about, or have not been successful in addressing, the long-standing inequalities that this—as somebody said—indigenous Scottish community continues to experience. They face the last bastion of “acceptable” racism. I believe that to change something, one must accept it; one must own it and face up to it and say, “That is our problem and we’re determined to address it.” I am determined to address it and I assure members that every member of the ministerial working group is determined to address it. I know that Mary Fee is determined to address it, that John Finnie is determined to address it and, certainly, that the members who have participated in the debate today are determined to address it. I will remember that because we will have to come back to discuss some of the brave, courageous and hard decisions that we will have to take to challenge attitudes and to make things change forever for the most disenfranchised community that exists in Scotland today.

## **Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill: Final Stage**

**The Deputy Presiding Officer (Linda Fabiani):** The next item of business is a debate on motion S5M-09128, in the name of Alison Harris, on the final stage of the Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill.

The Presiding Officer is required under standing orders to decide whether, in his view, any provision of the bill relates to a protected subject matter. To put it briefly, that is whether it modifies the electoral system and franchise for Scottish parliamentary elections. If it does, the motion to pass the bill will require support from a super-majority of members—that is a two-thirds majority of all members, which is 86.

In the case of this bill, the Presiding Officer has decided that in his view, no provision of the Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill relates to a protected subject matter. Therefore, the bill does not require a super-majority in order to be passed.

I call Alison Harris to speak to and move the motion on behalf of the bill committee.

16:53

**Alison Harris (Central Scotland) (Con):** I am delighted to open this final stage debate on the Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill. I thank my colleagues, Mary Fee and Tom Arthur, for all their input during the various stages of the bill, and also the committee clerks.

Historically, the Society of Writers to Her Majesty’s Signet—the WS Society—looked after writers to the signet and their widows by making ad hoc charitable donations. The fund was formalised by private legislation in 1803, which provided for the payment of annuities to WS Society members’ widows.

The legislation was subsequently updated, most recently by the Writers to the Signet Dependants’ Annuity Fund Order Confirmation Act 1982, which sets out the current legislative framework. The 1982 act provided for the change of name from the widows’ fund to the dependants’ annuity fund, in recognition of the fact that women were then admitted to the WS Society, and the fund was opened up to orphans. More recently, the fund regulations were updated to cover the civil partners of contributors to the fund.

The bill was introduced as a private bill to the Scottish Parliament on 18 May 2017, and the Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill Committee was established to consider the bill during its passage through the Parliament.

Private bills are bills that impact primarily on private interests—that is, on specific groups or individuals. They differ from public bills, which have a broader and wider effect on society. The private bill process is very much focused on giving those whose interests might be engaged by a private bill the opportunity to make representations to the Parliament, or to object to the bill. The objection period for the bill ran until 18 July 2017. No objections were received, and nor did the committee receive any written evidence.

The value of the fund is about £55 million, and the value of each annuity is £8,400. In 1989, the fund was closed to new members. There are 141 beneficiaries of the fund—known as annuitants—and up to 500 potential annuitants with an expectation that the fund will continue paying annuities into the 2040s.

The bill has two objectives relating to updating the 1982 act. First, section 1(1) seeks to update the definition of “actuary”. That is a minor technical change that follows the merger of the two professional actuarial bodies. Secondly, section 1(2) seeks to remove the requirement for the collector to be a contributor to the fund, and places a new requirement for the collector to be an individual. The bill does not otherwise affect the role, or functions, of the collector.

The second objective is to widen the pool of people who are eligible to be elected as collector and to ensure that the contributors will have the opportunity to elect someone with relevant experience and expertise.

The committee considered the bill's objectives during the first—or preliminary—stage of the bill's scrutiny and agreed with its general principles. The committee remains content that the bill is necessary and worth while. As a result, I am pleased to move the motion in my name.

I move,

That the Parliament agrees that the Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill be passed.

**The Deputy Presiding Officer:** I call Mary Fee. It would be appreciated if you could deliver your speech in two minutes, Ms Fee.

16:57

**Mary Fee (West Scotland) (Lab):** I will do my very best, Presiding Officer.

Like all committees considering legislation, it is the role of a private bill committee to consider the general principles of the bill at the first, or preliminary, stage and any amendments to the bill at the second, or consideration, stage.

**The Deputy Presiding Officer:** Excuse me, Ms Fee. I ask everyone to be quiet, please. This is an important piece of legislation.

**Mary Fee:** Thank you, Presiding Officer.

At preliminary stage, the committee took evidence from the promoters of the bill. The committee discussed the updated definition of “actuary” in section 1(1). The promoters confirmed that the definition was being updated in the light of the 2011 merger of the Faculty of Actuaries in Scotland and the Institute of Actuaries. The promoters considered that the update was not strictly necessary, as

“A court would take a pragmatic and sensible approach”—*[Official Report, Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill Committee, 20 September 2017; c 5.]*

should statutory interpretation be required, but that the update was

“proposed for the avoidance of doubt.”

The committee was content with that explanation.

At consideration stage, the promoters sought to further future proof the definition of “actuary” by way of an amendment in response

“to further changes that the Institute and Faculty of Actuaries might make.”—*[Official Report, Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill Committee, 22 November 2017; c 2.]*

We were satisfied with the promoters' explanation and agreed to the amendment.

With regard to section 1(2), which defines who is eligible to be the collector, the committee agreed that the future administration of the fund required a change to the 1982 act, given the diminishing pool of contributors to which Alison Harris referred.

The committee explored a number of issues in order to satisfy itself that the proposed amendment to the 1982 act was the best solution to the problem. The promoters confirmed that reopening the fund to new contributors was not an option. They argued that the reasons for closing the fund in 1989, namely that changes to the tax regime had made the fund

“a tax-inefficient way of saving”—*[Official Report, Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill Committee, 20 September 2017; c 8.]*

were still valid.

The committee explored the reasons for the requirement that the contributor must be an

individual rather than a company, a limited liability partnership or an unincorporated association. The promoters explained that the provision had been prompted by feedback from the contributors themselves, who

“were quite clear that they wanted an individual in the role, although they recognise that a number of the functions required the support of a professional firm or professional organisation.”—[*Official Report, Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill Committee*, 20 September 2017; c 7.]

The promoters highlighted that all the fund’s contributors in living memory had been supported by their own solicitors’ firm. The committee noted that that would be a matter for the trustees of the fund when advertising the role of contributor; that process is not covered by the 1982 act and therefore does not need to be set out in the bill. The committee was content with those explanations and agreed that the new provision relating to the collector was the most sensible solution.

The committee also asked the promoters about the future administration of the fund and particularly the trustees’ expectations of how it will be managed as the pool of contributors further diminishes. As the contributors elect the trustees and collector each year, their diminishing number will ultimately impact on the administration of the fund. The promoters envisage that at some point the fund will be converted to cash and the cash used to purchase annuities for the remaining annuitants. At that point, the fund would effectively be wound up. The committee agreed that that strategy seems the most appropriate way forward.

On the basis of the promoter’s evidence, the committee agreed with the general principles of the bill. That remains our view and, accordingly, I am happy to support the motion for the bill to be passed.

17:01

**Tom Arthur (Renfrewshire South) (SNP):** I thank the committee clerks and the researchers for all their support; I also thank my committee colleagues Alison Harris and Mary Fee. As my colleagues on the Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill Committee have spoken about our consideration of, and full support for, the bill, I will use this opportunity to provide very briefly some of the broader context of the private bills that the Parliament has considered so far this session.

Alison Harris, Mary Fee and I have sat as members of the three private bill committees constituted by the Parliamentary Bureau to consider the three private bills that have been introduced so far this session. The other committees are the Edinburgh Bakers’ Widows’

Fund Bill Committee and the Pow of Inchaffray Drainage Commission (Scotland) Bill Committee—I have acted as convener on both those committees.

The Edinburgh Bakers’ Widows’ Fund Bill was introduced on 20 March this year and sought to transfer the property and assets of the Edinburgh Bakers’ Widows’ Fund to a modern, non-statutory charitable trust that would support education and training opportunities in baking. The committee supported the bill, which received no objections and was not amended at the consideration stage. The bill was passed by the Parliament on 21 November.

Slightly earlier than the introduction of that bill, the Pow of Inchaffray Drainage Commission (Scotland) Bill was introduced on 17 March this year, and seeks to make various changes to the Pow of Inchaffray Drainage Commission. It is a more complex bill and is taking longer to consider because three objections have been lodged, so its final stage will not be reached until the spring of next year. You have not seen the last of us yet, Presiding Officer.

The third private bill to be introduced this session was the Writers to the Signet Dependants’ Annuity Fund Amendment (Scotland) Bill, which was introduced on 18 July. As Mary Fee explained, no objections were lodged in respect of the bill, but one amendment of a very minor and technical nature was agreed at the consideration stage. Like my bill committee colleagues, I am content that effective scrutiny has been done on the bill and that it therefore deserves the Parliament’s support. On that basis, I am happy to support the motion for the bill to be passed.

**The Presiding Officer (Ken Macintosh):** All in one breath. [*Laughter.*]

## Decision Time

17:03

**The Presiding Officer (Ken Macintosh):** There are four questions to be put as a result of today's business. The first question is, that amendment S5M-09529.1, in the name of Annie Wells, which seeks to amend motion S5M-09529, in the name of Angela Constance, on a fairer Scotland—delivering race equality, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S5M-09529.3, in the name of Pauline McNeill, which seeks to amend motion S5M-09529, in the name of Angela Constance, on a fairer Scotland—delivering race equality, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that motion S5M-09529, in the name of Angela Constance, on a fairer Scotland—delivering race equality, as amended, be agreed to.

*Motion, as amended, agreed to,*

That the Parliament believes that no one should be marginalised or discriminated against because of their race or background and that Scotland should be a place where everyone is equal; notes the publication of the report by the Independent Race Equality Adviser, Kaliani Lyle, *Addressing Race Inequality in Scotland: The Way Forward*, highlighting key priority areas for improvement, and acknowledges the actions being put in place through the Scottish Government's Race Equality Action Plan to tackle racial discrimination and inequality in society; welcomes the creation of a Scottish Government ministerial working group to determine priorities for action and drive forward the changes required to improve the lives of Scotland's Gypsy/Traveller communities; recognises that, to achieve race equality, all of society must play a role in removing barriers that stand in the way of people from an ethnic minority group reaching their full potential; agrees that everyone must work together to create a fair and equal Scotland for all who live and work here; notes the need to respond to calls from racial equality charities to continually improve the data available for protected characteristics and fill evidence gaps, and calls on the Scottish Government to commit to a system that is able to establish what has and what has not been effective, identify barriers to progress, update the action plan with any new approach determined and monitor and evaluate the impact of the Race Equality Action Plan at regular intervals, preferably at least every three years, including through involving key race equality bodies in the work of the ministerial working group.

**The Presiding Officer:** The final question is, that motion S5M-09128, in the name of Alison Harris, on the final stage of the Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill, be agreed to. There will be a division.

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Ballantyne, Michelle (South Scotland) (Con)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Bowman, Bill (North East Scotland) (Con)  
 Briggs, Miles (Lothian) (Con)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Chapman, Peter (North East Scotland) (Con)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Constance, Angela (Almond Valley) (SNP)  
 Corry, Maurice (West Scotland) (Con)  
 Crawford, Bruce (Stirling) (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)  
 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)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Gray, Iain (East Lothian) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harper, Emma (South Scotland) (SNP)  
 Harris, Alison (Central Scotland) (Con)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Glasgow) (Lab)  
 Kerr, Liam (North East Scotland) (Con)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, Johann (Glasgow) (Lab)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Lyle, Richard (Uddingston and Bellshill) (SNP)  
 MacDonald, Angus (Falkirk East) (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)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)

Mason, Tom (North East Scotland) (Con)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McKee, Ivan (Glasgow Provan) (SNP)  
 McMillan, Stuart (Greenock and Inverclyde) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, John (Ayr) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Somerville, Shirley-Anne (Dunfermline) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Todd, Maree (Highlands and Islands) (SNP)  
 Tomkins, Adam (Glasgow) (Con)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine)  
 (SNP)  
 Wells, Annie (Glasgow) (Con)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Whittle, Brian (South Scotland) (Con)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**The Presiding Officer:** The result of the division is: For 105, Against 0, Abstentions 0.

*Motion agreed to,*

That the Parliament agrees that the Writers to the Signet Dependants' Annuity Fund Amendment (Scotland) Bill be passed.

*Meeting closed at 17:05.*

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