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Scottish Parliament

Thursday 22 November 2018

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

General Question Time

Universal Credit (Food Banks)

1. Shona Robison (Dundee City East) (SNP): To ask the Scottish Government what information it has regarding the impact of universal credit on food banks in Scotland, in light of the Trussell Trust reporting an increase in its distribution of emergency supplies. (S5O-02590)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Universal credit takes money out of the pockets and food out of the mouths of some of the most vulnerable people in Scotland. Only last week, the United Nations special rapporteur on extreme poverty and human rights said that food bank use is up almost 400 per cent since 2012 and that food banks should not be stepping in to do the United Kingdom Government's job.

The Trussell Trust has linked universal credit with an increase in demand for food banks. Demand is up 52 per cent where universal credit has been rolled out.

The Scottish Government has written to the new Secretary of State for Work and Pensions, to repeat our calls for the roll-out of universal credit to be halted as a matter of urgency.

Shona Robison: Will the cabinet secretary join me in commending the invaluable work of food banks in Dundee, which have been stretched to capacity by the increasing impact of what the UN special rapporteur on extreme poverty and human rights called "Universal Discredit"? There has been a 34 per cent increase in food bank use and a staggering 54 per cent increase in rent arrears across Dundee since last year. Does the cabinet secretary agree that the chancellor's claim that we have reached the end of austerity is simply not credible, given those figures and the recent, scathing UN report, which utterly condemns these failures?

Shirley-Anne Somerville: I commend the hard work that goes on in our communities, where people are supporting one another through exceptionally difficult times and times of crisis.

It is shameful that the UK Government continues to look the other way, despite mounting evidence and even an intervention from the UN. I highlighted the impact of universal credit on food

bank use in my first answer. Evidence from the Convention of Scottish Local Authorities is that, on average, the arrears of people on universal credit are two and a half times those of people on housing benefit.

The evidence is clear: universal credit is causing stress, anxiety and increased rent arrears and debt in Scotland. That is why it must be stopped—and stopped now.

Universal Credit (Accessibility)

2. David Torrance (Kirkcaldy) (SNP): To ask the Scottish Government how accessible universal credit is for people with profound and multiple learning disabilities. (S5O-02591)

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Universal credit's digital-by-default approach makes it inaccessible for many people and might be a particular issue for people with profound learning disabilities and their families and carers. The results of the Department for Work and Pension's own survey show that only 54 per cent of claimants can make a digital claim unassisted.

That is yet another example of universal credit failing the people who need it most and putting people at risk of not being able to access the financial support to which they are entitled. It is therefore vital that that issue—and many others—with universal credit are addressed before millions of people are migrated over to universal credit, beginning next year.

David Torrance: Adam is 18. He is blind and has no mobility. He has no means of communication and no capacity to make decisions. He is fed by means of a gastrostomy tube and requires support to keep his airways open—yet he and his mother have had to endure an interview, complete a multitude of forms and even obtain a sick note from his general practitioner. They have just learned that they must attend an assessment, at which Adam's work capability will be evaluated.

Does the cabinet secretary agree that this inhumane system is causing untold distress and anguish to the most vulnerable people in our society and should be halted immediately by this uncaring Tory Government?

Shirley-Anne Somerville: The member speaks eloquently about universal credit. I am very sorry to hear about the situation in which Adam finds himself through absolutely no fault of his own. I am sure that members of this Parliament hear equally awful stories in their surgeries, as individuals are forced through what is—quite frankly—an inhumane system, as Adam's case has demonstrated to members today.

As I said in my answer to Shona Robison, there is absolutely no doubt that universal credit is failing some of the most vulnerable people in our society, including Adam. That is why we have written to the various Secretaries of State for Work and Pensions that we have had over the past 18 months. I wrote to Amber Rudd this week outlining the fundamental flaws of universal credit, particularly the example of digital by default. It is for that reason, as well as many others, that I have called once again on the Secretary of State for Work and Pensions to halt the roll-out of universal credit.

Poverty

3. Bill Kidd (Glasgow Anniesland) (SNP): To ask the Scottish Government what its response is to the findings of the United Nations special rapporteur on extreme poverty and human rights, following his two-week inquiry into rising levels of poverty and the consequences of austerity measures. (S5O-02592)

The Cabinet Secretary for Communities and Local Government (Aileen Campbell): The Scottish Government welcomed the visit of the United Nations special rapporteur to the United Kingdom. Professor Alston's end-of-visit statement is a devastating critique of the UK Government's

"punitive, mean-spirited, and often callous"

policies, and the suffering and hardship that they have caused.

The Scottish Government echoes Professor Alston's call for the UK Government to stop denying the evidence. The hard reality is that one fifth of the UK population lives in poverty. Last year, 1.5 million people were reduced to destitution. That is an absolute scandal. Yet again, a UN expert has laid bare the UK Government's failure to guarantee millions of its own citizens the most basic of human rights—food, shelter and dignity.

Bill Kidd: Does the cabinet secretary agree that the integration of human rights into and throughout Scottish Government policy—a direction that is the polar opposite of the UK Tory Government's take on politics—will build an increasingly equitable society?

Aileen Campbell: Human rights are at the heart of everything that the Scottish Government seeks to do, with all public authorities having a duty to respect, protect and fulfil human rights. That is why our new national performance framework has an explicit human rights outcome, supported by 31 human rights indicators. It is also why we are taking practical action to implement Scotland's international human rights obligations.

For example, Scotland's new social security system embeds human rights in its core legislative principles. Those principles go much further than simply warm words—every aspect of the new system has been developed in partnership with rights holders. We are designing a public service that meets their needs from the outset—a glimpse of the approach that Scotland can take when we are given the power and responsibility to deliver for the people of our country. That approach stands in complete contrast to the policies of the UK Government, which keeps its head buried in the sand about the everyday misery, hardship and despair that it continues to cause.

Elaine Smith (Central Scotland) (Lab): Is the cabinet secretary aware that the UN rapporteur's report paid specific attention to the devastating impact of the UK Government's policies on women's lives, with women selling sex in order to pay for food and shelter, women—as the vast majority of single parents—facing significant hardship due to the two-child cap, and women making up the majority of pensioners, many of whom live in poverty?

In addition, Philip Alston specifically mentions the Scottish welfare fund. Of the thousands of households in Scotland receiving help from the fund, 54 per cent are single people and 22 per cent are single parents, but none of the Scottish Government data tells us whether those people are men or women. Why is the data not disaggregated by sex, disability or race to allow for more informed analysis of the take-up and reach of the Scottish welfare fund? That would help to ensure that it is effectively contributing to tackling the poverty that is faced by a disproportionate number of women in Scotland.

Aileen Campbell: Absolutely—Elaine Smith is right to point out the gendered impact of UK welfare reform and austerity and the devastating, tragic and heartbreaking impact on too many women across Scotland and the UK.

We will always seek to do what we can around the Scottish welfare fund to ensure that it meets the needs of the people of Scotland—the people it is designed to help in the face of the cuts that we are facing.

We are spending £125 million to mitigate UK Government cuts this year, and £3.7 billion will be cut from the social security budget by 2020-21, which will be really difficult to mitigate sustainably. However, there were recommendations for the Scottish Government to make improvements to the way that we cope with welfare reforms, to ensure that we improve the system in Scotland. We will continue to engage with Elaine Smith on the issues that she raised around the gendered impact of welfare reforms and austerity.

Gillian Martin (Aberdeenshire East) (SNP): I will continue the theme. The UN special rapporteur said that limiting benefit payments to two children was as “forced and physical” as China’s one-child policy. What does the cabinet secretary make of his assertion that the UK welfare system is so sexist it is as if it were compiled by

“a group of misogynists in a room”?

If all welfare benefits were devolved to Scotland, what would the Scottish Government do differently as a priority?

Aileen Campbell: We would not have a rape clause or a two-child benefits cap. As I said in answer to Bill Kidd, the social security system that we have built in Scotland, which has been designed around dignity, respect and fairness, gives us a glimpse of what is possible when Scotland has the ability to cope and care for its people. That is one way in which we are currently delivering for the people of Scotland. If we had the full powers and competencies to ensure that we could care for everyone in our country, we would deliver a system that did not include things such as the inexcusable rape clause.

National Parks

4. Finlay Carson (Galloway and West Dumfries) (Con): To ask the Scottish Government what plans it has for the creation of new national parks. (S50-02593)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): There are no current plans to designate new national parks in Scotland.

Finlay Carson: Does the cabinet secretary agree that, in light of the widespread support revealed by the public engagement exercise carried out by the Galloway National Park Association, the time has come for the Scottish Government to consider initiating a formal consultation on a possible kingdom of Galloway national park?

Roseanna Cunningham: As the member knows, there is an on-going conversation with people, not just from Galloway, but from other parts of Scotland where there are competing interests in having national parks. I know that the Minister for Rural Affairs and the Natural Environment was scheduled to meet the chairs of the Scottish Campaign for National Parks and the GNPA on Tuesday morning. That meeting had to be rescheduled.

I remind Mr Carson of some of the comments that I have made in the past, which are that there are financial considerations in all this. Not only have those financial considerations not gone away; if anything, they have been exacerbated.

Emma Harper (South Scotland) (SNP): Last week, I wrote to the minister about considering the establishment of a national park for Galloway. Given that national parks in Scotland have served the country well by providing their respective areas with an increase in visitor numbers, a growth in employment and a boost to the local and rural economies, as well as having a positive impact on wildlife conservation, will the minister commit to giving the prospect of a Galloway national park serious consideration?

Roseanna Cunningham: As I indicated, we are happy to continue to engage on the Galloway National Park Association proposals, as we are doing with other communities that are also thinking about national parks. The minister intends to meet them to discuss their ideas. Any proposal would need to be assessed in the context of the real concerns around public finances and the costs that would be associated with new national parks.

Colin Smyth (South Scotland) (Lab): Does the cabinet secretary not accept that the campaign for a Galloway national park is, in many ways, a campaign for equality across rural Scotland? The benefits of national parks should be not just for central and north Scotland, but all of Scotland, including the south, which is sadly all too often forgotten.

Roseanna Cunningham: A strong economic case has been made for the whole idea of national parks. I am not entirely sure that I would characterise either of the two national parks as somehow being in the central belt. I assume that Colin Smyth does, because the Loch Lomond and the Trossachs national park extends as far south as Balloch, although I am not certain that people consider that to be the central belt. Both national parks are very rural and help the rural economy.

There are many other things being discussed in relation to the south of Scotland at the moment. The Scottish Government is committed to setting up a development agency in the south of Scotland, which is intended to bring economic benefits to the area.

Musical Instrument Tuition

5. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government what its response is to reports that the number of pupils learning a musical instrument fell by over 1,000 between 2016-17 and 2017-18. (S50-02594)

The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney): The Scottish Government recognises the value of instrumental music tuition to the wellbeing and attainment of young people and that, therefore, any reduction in take-up is a cause

for concern. We are working with key partners to find ways to ensure that instrumental music tuition remains accessible to all.

Local authorities in Scotland are responsible for ensuring that all children and young people have access to the full curriculum, including the expressive arts. We are supporting local authorities by delivering a real-terms increase in revenue and capital funding in 2018-19.

Colin Beattie: The cabinet secretary might be aware that the two local authorities in my constituency—Midlothian Council and East Lothian Council—are named in the report as areas where hundreds of pupils are no longer registering for music lessons, following the introduction of charges. Can the cabinet secretary outline what support the Scottish Government can give both local authorities and pupils to ensure that that drop in uptake is arrested?

John Swinney: By coincidence, I was in Musselburgh grammar school yesterday when there was a fantastic orchestral performance by the school in advance of a meeting of the Scottish Education Council. However, one of the senior pupils made the point to me that the changes made by East Lothian Council were deterring individuals from taking up instrumental music tuition, and she was concerned about that. Mr Beattie therefore makes a fair point. There is a varied position on music tuition charging around the country, as a number of local authorities—those in Dundee, Edinburgh, the Western Isles, Glasgow, Orkney, Renfrewshire and West Dunbartonshire—apply no charge whatsoever for instrumental music tuition, while others do apply charges.

Individual local authorities need to take due account of the impact of those charges on the participation and involvement of young people, because all of us want to see young people able to take part in the expressive arts. A working group, led by the chair of the music education partnership group and bringing together representation from the Government and the Convention of Scottish Local Authorities, is actively considering ways to ensure that instrumental music tuition remains accessible.

Alex Rowley (Mid Scotland and Fife) (Lab): Clearly, music tuition is very important and it is important that everybody, regardless of their background, is able to access it. Does the cabinet secretary accept that local authorities have had to cut their budgets by £1.5 billion since 2010 and that as a result of that we are seeing cuts hit music tuition and education, with teachers being under more and more pressure as a result of those cuts?

John Swinney: I do not think that it is nearly as straightforward as that, because the local

authorities of Dundee, Edinburgh, the Western Isles, Glasgow, Orkney, Renfrewshire and West Dunbartonshire have decided that, within the current financial settlement, they can afford to pay for instrumental music tuition. They have made the choice to prioritise that, but other local authorities have not made that decision. Local authorities have to make those choices. The answer to it all does not rest with the Scottish Government: it rests with local authorities to take the right decision to support instrumental music tuition.

Purple Tuesday

6. Liz Smith (Mid Scotland and Fife) (Con): To ask the Scottish Government, in light of the recent purple Tuesday, what action it is taking to support the improvement of retail experiences for disabled people. (S5O-02595)

The Minister for Older People and Equalities (Christina McKelvie): We support the principle of accessibility that purple Tuesday is promoting and believe that retailers should focus on accessibility and inclusion all year round. Effective solutions to the problems and barriers faced by disabled people must be drawn from their lived experience. That is why the Scottish Government funds volunteer-led access panels to work with planning authorities and businesses to improve access in local communities. I strongly encourage retailers, councils and those promoting the economic development of local areas to involve disabled people and their organisations to improve accessibility and inclusion for all their customers.

Liz Smith: I recently met a number of stakeholders in this area, including Scottish Red Cross, Disability Equality Scotland and Euan's Guide, which all raise the issue of some unmet availability of mobility aids. Does the Scottish Government have any plans to introduce some additional measures to support those groups and to discuss the matter in detail with various retail groups?

Christina McKelvie: I know that Liz Smith has had an on-going focus on this issue and she will understand that equality law recognises that bringing about equality for disabled people might mean changes in how services are delivered, providing extra equipment and/or the removal of physical barriers. That is a duty to make reasonable adjustments and it aims to ensure that a disabled person can use a service as close as is reasonably possible to the standard usually offered to a non-disabled person. As I said in my earlier answer, the Scottish Government funds access panels, which are groups of volunteers who work together to improve physical access to the built environment and wider social inclusion. As far as Euan's Guide and other organisations are concerned, I am happy to meet with Liz Smith

and those organisations in order to take forward some of the issues that they raise.

Abattoirs

7. Gail Ross (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government how many abattoirs there are. (S5O-02596)

The Cabinet Secretary for the Rural Economy (Fergus Ewing): There are currently 25 approved red-meat slaughterhouses and three poultry-meat slaughterhouses in Scotland. There are also 16 approved establishments that handle wild game, and two authorised on-farm slaughter facilities for farmed game.

Gail Ross: Many farmers and crofters in rural areas are faced with long journeys to get their animals slaughtered and butchered. What support can be given for local solutions, such as mobile abattoirs, co-operatives and farm butchery?

Fergus Ewing: Speaking as a proud advocate for, and enthusiastic consumer of, high-quality Scotch beef, lamb and pork, such adequate provision is plainly vital. I am aware of Gail Ross's strong interest in pursuing the matter for her constituents. I am happy to support any developments that are proposed and to work closely with Gail Ross in her campaigning efforts.

First Minister's Question Time

12:00

Flu vaccination programme

1. Jackson Carlaw (Eastwood) (Con): The First Minister made assurances on 27 September in response to questions from Ruth Davidson that everyone in Scotland would get the vaccination that they need, on time, to protect against winter flu. Why are so many people still waiting?

The First Minister (Nicola Sturgeon): The vaccination programme is well under way and it is going well. There are adequate supplies of vaccine in Scotland overall. I know from my experience as the Cabinet Secretary for Health and Sport that during the vaccination season we will often see localised supply issues, which are very quickly dealt with because of the arrangements that we have in place to ensure that.

If there are particular cases or issues that Jackson Carlaw wants to draw to my attention, I and the Cabinet Secretary for Health and Sport will look into them. However, the programme is going well.

Let me take the opportunity, yet again, to underline how important the flu vaccination programme is. I hope that all of us will take the opportunity to encourage those people in eligible groups who are not yet vaccinated to take the opportunity of vaccination.

Jackson Carlaw: I thank the First Minister for that, as it is the underlying thrust of my questions. The First Minister will be aware of the issue, because we are receiving correspondence from people telling us about the problems that they are experiencing. I was contacted by one individual this week, who informed me that their elderly mother, aged 85, still has not had her jab and, indeed, still has no date for it. We are also being informed by general practice clinics that many patients are having to wait, potentially until next month, when the flu season takes hold.

I remind members that in Scotland this winter people have to be over 75 to get the new adjuvanted trivalent inactivated influenza vaccine—aTIV—not over 65, as is the case elsewhere in the United Kingdom. How can it be acceptable that, even under the Scottish Government's regime of restricted access, vaccination is being delayed for elderly patients who need it now?

The First Minister: Whatever concerns—which I will come on to directly—about localised supply issues Jackson Carlaw may be hearing about in

Scotland, they are as nothing compared with the wide-scale concerns that have been communicated by GPs and others in England. There is not restricted access to the flu vaccine in Scotland. We have followed the recommendations of the Joint Committee on Vaccination and Immunisation, which is the expert group. Different forms of the vaccine are available in Scotland and are made available in an appropriate way.

In terms of supply, there are important issues. Let me set out clearly the situation in Scotland. This flu season, we ordered more vaccine than we did last season. However, every year without fail—as I say, I know this from my experience as the health secretary—there will be local mismatches between supply and demand for a variety of different reasons. To address that, Health Protection Scotland co-ordinates a national group. That includes the Scottish Government and national health service procurement and it helps to smooth any local supply issues for GPs within the overall volume of stock that is held in Scotland.

During the season, the group meets daily to support the NHS boards and GP practices. Yes, the group has observed that this year there appears to have been a higher early demand in some GP practices for the vaccine for under 65s, which is a good thing that we should encourage, but demand is managed within the overall national supply. That is one of the real benefits of having a national approach. GP practices in England are pretty much left to their own devices and that is when real problems kick in.

If Jackson Carlaw is getting any communication from any patient who has a local supply issue, if he draws that to the attention of the cabinet secretary, we can ensure that it is resolved very quickly.

Jackson Carlaw: But, as we established when Ruth Davidson last raised this, the manufacturers of aTIV made it clear that the parts of the United Kingdom that put in their order early got the full supply; the only reason why we are restricting it to people aged over 75 in Scotland is that NHS Scotland did not do that.

Two months after the First Minister told us that the programme had started, let us see how it is going. The latest figures on vaccine uptake, which were published last week, show that only 39 per cent of people aged over 65 had been vaccinated, compared with 45 per cent at this same point last year. If the First Minister wants to compare with England, I can tell her that the figure for people under the age of 65 who have been vaccinated there is not 39 per cent but 51.7 per cent, so I do not think that drawing such comparisons with the problems that she identifies there helps.

Patients are waiting and want to know when they will be able to get vaccinated. According to the Government's own advice to registered GPs, aTIV vaccinations should be registered by November.

Can the First Minister confirm at the very least whether all over-75s will get the vaccine before the end of this month?

The First Minister: There are sufficient supplies of the aTIV vaccine, which is for the over-75s and has been procured to vaccinate all over-75s in Scotland. I hope that Jackson Carlaw will accept that assurance.

The issue with extending that vaccine to under-65s was that we could not get a guarantee from the supplier that we would have sufficient stocks delivered on time for the start of the flu season. If we had taken a decision to extend that to the under-65s, we would potentially have been leaving them until very late in the flu season, which would not have delivered the protection that we want people to have.

That is why we have taken responsible and appropriate decisions. Of course, the vaccine that is available for under-65s is an effective vaccine and any suggestions to the contrary are completely and utterly wrong. *[The First Minister has corrected this contribution. See end of report.]*

On uptake rates, it is the uptake at the end of the flu season that matters, and that is what we should all look at. We all encourage people to go and get vaccinated. It is not the case that there are large numbers of patients waiting for the vaccine. If there are local supply issues, I have set out the arrangements that are in place to resolve them. Any member of the chamber who knows any constituent, or any member of the public who has an issue in their local area, should immediately draw that to the attention of the health secretary, so that it can be resolved.

This is an effective and robust programme and I appeal to every member in the chamber, including Jackson Carlaw, not to inadvertently undermine public confidence in it, because that would be the worst thing that any of us could do.

Jackson Carlaw: I want everyone who should be getting vaccinated to go and get vaccinated. What I am concerned about is that, despite the Government having said that only over-75-year-olds could receive aTIV, there are people aged 85 and over who are still waiting to receive it. The Government's own advice says that they must have it by the end of the month. I want the First Minister to give a categorical assurance that they will get it, rather than say, "I think there are sufficient supplies available for them to do so."

This is not the first time that we have raised concerns about this winter's flu vaccination programme. There are already questions about why the Scottish Government's procurement of the new vaccine did not happen sooner and why people aged over 65 and over 75 in Scotland cannot get it. It was not the advice that they should not, as the First Minister suggests. Now there are fresh questions about whether all age groups will get it in time.

I am raising the matter today because it is now a major concern to constituents of MSPs right across the chamber. We are entering the flu season. I raise the matter to get reassurance from the First Minister that NHS Scotland will ensure that everyone who needs the vaccine receives it without yet further delay. Will the First Minister give that reassurance to everybody who is watching just now?

The First Minister: Yes, I will give that reassurance. For Jackson Carlaw's information, the final consignment of the aTIV vaccine was delivered to GP practices from the week commencing 12 November. That is to exactly the same delivery schedule as happened for the vaccine elsewhere in the UK. If any individual issues are brought to our attention, we will ensure that the arrangements that are in place are activated in order to resolve them.

I say this to Jackson Carlaw gently and in all sincerity—

Jackson Carlaw: There is no need to be gentle.

The First Minister: Actually, there is, because this is a serious issue about public confidence in a public health programme.

The issues raised about the procurement process are quite simply wrong. The issue about supply of aTIV was not to do with the timing of the Scottish Government's procurement programme; it was to do with the fact that the manufacturers could not guarantee enough supply early enough in the flu season to give us confidence that under-65s could all be covered by it in time.

If we had gone for that vaccine for the under-65s, we would have been taking a gamble on whether we could get it to everybody. Instead of taking a risk, we decided to use a perfectly effective vaccine for the under-65s for this year to ensure that they could all be vaccinated safely within the appropriate timescale. *[The First Minister has corrected this contribution. See end of report.]*

The programme is robust, effective and appropriate, and it is incumbent on all of us to raise and not undermine public confidence in it.

Local Government (Cuts)

2. Richard Leonard (Central Scotland) (Lab): On Monday this week, the vice-president of the Convention of Scottish Local Authorities, Graham Houston, warned that some smaller councils are at a "cliff edge". Just yesterday in the Scottish Parliament, the education convener of Glasgow City Council admitted that local government had been hit with a greater level of budgetary cut than many other areas. Are those senior councillors from the First Minister's own party wrong?

The First Minister (Nicola Sturgeon): Like people in the national health service and in the education system, senior councillors are, of course, feeling the constraints of the squeeze in spending that the Government and the Parliament have been subject to because of spending decisions that have been taken at the United Kingdom Government level. Over the past months and years, we have talked many times about the real-terms cuts to the Scottish Government's budget. Nevertheless, we have taken responsible budgetary decisions to raise income tax in a progressive way, to deliver more revenue for public services and, within that, to give a very fair settlement to local government.

In this financial year, there are real-terms increases in the revenue budgets of local councils. Of course, that does not make it easy for them, but it demonstrates that the Scottish Government is taking the appropriate action to protect local services. That stands in stark contrast to the situation elsewhere in the UK. There have been swingeing cuts to local councils in England and in Wales, where Richard Leonard's party is in power. He does not like my saying this, but the local government budget there did not increase in real terms this year; there was simply a 0.2 per cent cash increase.

We have taken the right decisions. Yet again from Richard Leonard, it is a case of we should follow what he says, not what his party does in power.

Richard Leonard: The last time I checked, this was Scottish First Minister's question time.

The First Minister can talk about responsible budgets and fair settlements all that she wants to, but it is Scottish National Party councillors who are talking about cuts. The fact is that the Government has not only failed to stop Tory austerity; it has added to it and then imposed that on local councils and schools.

Only three years ago, the First Minister claimed that education would be her top priority, but she is now getting letters from teachers such as the one that I have in my hand. That letter, which was sent to the Cabinet Secretary for Education and Skills and the First Minister, says that, because of cuts,

teachers are forced to buy pens, pencils and books for their pupils. That teacher posed a simple question. They wrote:

“You wouldn’t expect a doctor to supply their patients with prescription medicines out of their own finances, so what makes teaching different?”

What is the answer to that question?

The First Minister: In spite of the £2 billion real-terms cut to the Scottish Government budget, we will continue to take budgetary decisions that give fair settlements to local government. There is a real-terms increase in revenue budgets for local councils this year, and we have also, of course, taken steps to establish the pupil equity fund, which gets £120 million of resources every year directly into the hands of headteachers so that they can take the actions that they think are necessary to raise standards and close the attainment gap.

I know how tough it is for teachers, nurses and police officers—indeed, for everybody across the public sector—but we will continue to take the appropriate budget decisions to protect local public services as far as we possibly can.

The draft budget for next year will be published in the Parliament in just a couple of weeks’ time. If Richard Leonard wants different decisions to be taken, he will have to come forward and say not just where he wants more money to be spent, but where he wants that money to be taken from. If he does that, we can have a constructive discussion.

Richard Leonard: So, that is another one of Scotland’s teachers whom the SNP Government is not listening to.

The First Minister talks about attainment money, but that money is papering over the cracks in cuts in core budgets. The First Minister wants to be judged on her record in education, so let us examine that record. It is a record of austerity, which even SNP councillors admit is going too far. It is a record of our teachers themselves having to buy pens, pencils and books for pupils because Scotland’s schools are starved of cash.

It is little wonder that this week Scotland’s teachers emphatically rejected the SNP’s pay offer. Teachers, parents and pupils across Scotland are asking how education can be the First Minister’s top priority, with underfunded schools and undervalued teachers.

The First Minister: Teachers are not undervalued: we highly value the work that teachers do. We will continue to negotiate in good faith with teachers for a fair pay increase, just as we did successfully with nurses and other healthcare workers, and with our police officers.

I say to Richard Leonard that, as well as the real-terms increases in local council budgets that were delivered by the finance secretary in the last budget, spending on schools by local authorities has increased in each of the last three years. That is a fact. We have also seen the pupil equity fund, which is delivering increased resources to schools. We will continue to take the appropriate steps and make the appropriate decisions to support our teachers on the front line, just as we support our nurses and other public sector workers.

The Presiding Officer (Ken Macintosh): There is a lot of interest from members in asking supplementary questions today.

Brexit (Fishing)

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): With the draft political declaration on the future United Kingdom and European Union relationship now public, it has become clear, in constituencies such as mine, that fishing will once more be a bargaining chip in post-Brexit trade negotiations. Does the First Minister agree that, outside the EU, the UK seems determined to turn itself into a minnow negotiating with a shark when it comes to quota and access? How does the First Minister feel the UK Government’s red lines on fishing are working out for it, and does she think that it is time for Mr Mundell to consider his position, again?

The First Minister (Nicola Sturgeon): This is a serious matter. The political declaration that has been agreed this morning between the UK Government and the European Commission represents another Tory sell-out of Scottish fishermen. The Scottish fishing industry will be used as a bargaining chip in wider trade talks.

I will read from a couple of documents. First, I quote from the letter that Scottish Tory MPs sent to the Prime Minister last week, which said:

“we must be able to negotiate access and quota shares ... on an annual basis, without any pre-existing arrangement being in force. This means that access and quota shares cannot be included in the Future Economic Partnership”.

Paragraph 75 of the agreement that was signed off this morning states:

“Within the context of the overall economic partnership the parties should establish a new fisheries agreement on access to waters and quota shares.”

There is no mention of annual negotiations, which, I happen to know, the UK Government was trying, and has failed, to secure. On David Mundell’s position, I would simply say that his position is a matter for him, but if David Mundell is still in office by the end of today, in the light of the political declaration, he will have forfeited forever

any last remaining scrap of principle or credibility that he had.

Education (Access to Subjects)

Maurice Golden (West Scotland) (Con): Three weeks ago, I raised the case of Cameron Barclay, a Renfrewshire pupil who is forced to travel between three different schools in order to study. Due to safety concerns around the 45-minute cycle to Johnstone high school, Cameron has been forced to drop advanced higher chemistry. His application to university, and his future career plans, are now in jeopardy. Does the First Minister believe that the education system has failed Cameron?

The First Minister (Nicola Sturgeon): When the member last raised the issue, I gave him an undertaking that I would raise the matter with Renfrewshire Council. That happened and I believed that Renfrewshire Council was going to look into it. In the light of the information that has been shared with me today, my officials will speak to Renfrewshire Council again and revert to the member in writing as soon as possible.

Hunterston Power Station

Ross Greer (West Scotland) (Green): Hunterston nuclear power station in North Ayrshire has been found to have over 350 cracks in its reactor core. This is not the first time that serious safety concerns with the power station have been raised. It is not the first time that the community feels that its safety concerns are being ignored.

Will the Scottish Government support a full environmental impact assessment being conducted, as required in the Espoo convention to which the United Kingdom is a signatory? Will the Scottish Government commit to a full and substantial transition plan for the local community around Hunterston, so that another community is not left behind by the inevitable closure of a power station?

The First Minister (Nicola Sturgeon): This is an important issue of safety, and it is essential that the strictest environmental safety and security requirements are met at all nuclear installations.

We are, of course, aware of the situation at Hunterston B and are in regular contact with EDF Energy, the Office for Nuclear Regulation and local stakeholders in the neighbouring communities, for whom the situation is a matter of concern. The ONR is not directly accountable to the Scottish Government, but we expect it to ensure that the nuclear industry maintains the highest standards. We understand that reactor 3 will remain offline while EDF Energy works with the regulator to ensure that the longer-term safety case reflects the findings of the recent inspections.

The ONR is clear that the reactor must not be restarted until it is satisfied that it is safe to do so.

We have been clear in our opposition as a Government to the building of new nuclear power plants in Scotland under current technologies. Our energy strategy sets out our priorities for the future energy system in Scotland.

On wider economic development, we will continue to discuss future economic development plans with local communities, particularly in the Hunterston area, given the issues that have been raised.

2 Sisters Food Group Ltd (Grant Recovery)

James Kelly (Glasgow) (Lab): It was revealed earlier this week that Scottish Enterprise paid a grant of £500,000 to the 2 Sisters Group on the basis of the guarantee that the group would keep the plant in Cambuslang open until 2020. The plant closed earlier this year with the loss of 450 jobs and a devastating effect on the Cambuslang community. That is totally unacceptable and a kick in the teeth to the workers in the Cambuslang area.

Will the First Minister set out the steps that the Scottish Government will take to recover that half a million pounds, and will she commit to investing it in the Cambuslang community in order to offset some of the economic vandalism that has been wreaked on the Cambuslang community by the 2 Sisters Group?

The First Minister (Nicola Sturgeon): I thank James Kelly for raising that issue. As he and other members will be aware, all Scottish Enterprise grants have conditions attached. Those are written into the legally binding contracts that are made with any company that receives a grant. Scottish Enterprise must ensure that it is able to obtain repayment of grant when there has been a fundamental breach of an agreement. It is set out clearly in the offer letter that conditions are attached to the grants. When conditions are breached, the grant is repayable.

I can tell Parliament that Scottish Enterprise is actively in discussion with 2 Sisters for the return of the grant for the Cambuslang site. In due course, we will have discussions with the local community about future investment there.

Sectarian Vandalism

Fulton MacGregor (Coatbridge and Chryston) (SNP): The First Minister will be aware of the attack on the Coatbridge cenotaph at the weekend, which was vandalised with sectarian graffiti. There were also reports of vandalism on the same day at a nearby church and at an Irish heritage centre in the town.

Will the First Minister outline the action that the Government is taking to combat sectarianism, and join me in condemning those incidents? Does she agree that an attack on a war memorial that commemorates people of all faiths and none, who lost their lives for our future, is totally unacceptable?

The First Minister (Nicola Sturgeon): I agree whole-heartedly with Fulton MacGregor, and I condemn those disgraceful and despicable acts. There is no place in our society for any form of sectarianism, anti-Irish prejudice, racism or religious intolerance in any shape or form.

We recently launched a consultation on our hate crime legislation. I urge everyone to participate in the consultation in order to help us to improve our legislation and ensure that it is fit for purpose.

Legislation alone will not rid society of prejudice, which is why we have since 2012 invested record sums in work to tackle sectarianism, including funding the first national education resource on tackling sectarianism, which is freely available to all teachers.

I am sure that the whole Parliament will unite to condemn the disgraceful acts that Fulton MacGregor has described.

Ferry Services (Accessibility)

Liam McArthur (Orkney Islands) (LD): In February, the First Minister told me that

“it is deeply regrettable if any person, particularly someone who has a disability, feels that they are not getting the standard of transport system that they have a right to expect.”—[*Official Report*, 22 February 2018; c 18.]

That followed concerns that were raised by a wheelchair user in my constituency about her inability to access the freight vessel that was used to replace the MV Hamnavoe on the Stromness to Scrabster route during the refit period.

Given that the Minister for Energy, Connectivity and the Islands has confirmed to me this week that

“a freight vessel will provide relief cover”—[*Written Answers*, 21 November 2018; S5W-19840.]

for passenger traffic next January, does the First Minister believe that the Government is fulfilling its responsibilities to my constituencies in the delivery of that lifeline ferry service, or does she still deeply regret the standard of service that is being provided during the refit period?

The First Minister (Nicola Sturgeon): I stand by the answer that I gave to Liam McArthur previously in the chamber. Accessibility to public transport and to all public services is extremely important. Given that a freight vessel will be used, I will look further into the issue to see what actions

are being taken to ensure appropriate accessibility. I will ask the minister to write to Liam McArthur once I have had the opportunity to do that.

Teachers (Pay Award)

3. Patrick Harvie (Glasgow) (Green): We have had a great deal of discussion about the need to avoid a no-deal scenario, but that does not apply only to Brexit. It also applies to the Scottish Government’s responsibility in the face of the legitimate demands from teachers to restore the lost value of their wages, which have been cut by nearly a quarter over the past decade.

Last month, when we might have expected only a few thousand people to march for a fair pay settlement for teachers, we saw 30,000 people take to the streets in Glasgow. This week, the results of the ballot on the pay offer are in: three quarters of those who were eligible to do so took part in the ballot, and the deal was rejected by an astonishing 98 per cent of them. None of us needs a maths teacher to help us to understand those numbers. Can the First Minister recall a more overwhelming democratic mandate from any section of the Scottish workforce?

The First Minister (Nicola Sturgeon): I recognise the strength of feeling that teachers have expressed through their ballots. I am grateful to Patrick Harvie for giving me the opportunity to address the issue.

First, for the record, let me recap on the offer that was made. Through a combination of a basic pay award and progression, all teachers on the main grade scale were offered at least a 5 per cent increase, with some teachers being offered up to an 11 per cent increase. I acknowledge and respect that that offer has been rejected. As I said, I recognise the strength of feeling. The Scottish Government and the Convention of Scottish Local Authorities will go back to the table, and we will continue to seek a reasonable agreement in good faith.

Let me make it very clear to teachers, their families and the wider Scottish public that the Deputy First Minister and Cabinet Secretary for Education and Skills and I want teachers to get a good pay rise that recognises the vital and difficult job that they do. It should not only recognise the current cost of living pressures but, as Patrick Harvie said, should start the process of restoration of the lost ground that all public sector workers have suffered because of years of pay restraint.

However—this is a statement of simple fact that I hope all members will recognise—pay awards need to be affordable, because if they are not affordable, they cannot be delivered. I would love to give teachers and all public sector workers a 10

per cent pay rise, but that is simply not affordable in a single year.

We need to go back to the table to agree a fair and affordable agreement—the Scottish Government will play our full part in that—just as the Scottish Government has reached agreement with nurses, other healthcare workers and police officers. The Scottish Government will continue that work in good faith. I hope that we can, before too much longer, reach a fair and reasonable agreement.

Patrick Harvie: We all recognise that the Scottish Government does not act unilaterally on the issue, but it has a central role to play in the process, so it is reasonable to ask what the Government's position is.

I am glad that the First Minister respects the mandate that has been given by the rejection of the deal by 98 per cent of those who were balloted. The only conclusion to be drawn from that is that that deal need no longer be defended on its own terms. It is gone; it will not happen.

We also know about the hard work and dedication of teachers up and down the country. They often go way above and beyond what is needed in a normal working week. We all want teaching to be an attractive and rewarding profession in which people feel valued for their hard work, but that is not happening. Huge numbers of teachers feel overworked, underresourced and demeaned, as they see the value of their salaries being eroded year after year.

We all want to avoid the prospect of strike action, which would be the last resort for the teaching unions. However, if we accept that the offer that was made is dead and gone, and has been rejected, the choice is now simple. Will the Scottish Government force the teaching profession—who are already angry people—into industrial action that we should all try to avoid, or will it work towards a realistic offer, and give local councils the resources that they need to meet it? The choice is that simple. What is it going to be?

The First Minister: We want to see a realistic offer being made and accepted. As I said in my initial answer, I recognise and respect the fact that the offer that was made has been rejected, and that it was rejected overwhelmingly. I am not standing here trying to say anything else. That is why we will go back to the table and continue good-faith discussions.

The Scottish Government has a big part to play in this: we are part of the tripartite negotiating process that is in place. In fact, the Scottish Government had put additional money on the table to fund the offer that was made previously, had it been accepted.

We go into this in good faith and with the political will to reach agreement. I made the comparison with other groups of public sector workers because all public sector workers have suffered what Patrick Harvie described for teachers: years of pay restraint that have led to erosion of their wages.

We have given a commitment that we want to go on a journey of restoration, but pay awards must be affordable. I want awards to be fair and to take public sector workers—including teachers—on that journey, but I have a responsibility, and the Cabinet Secretary for Finance, Economy and Fair Work has a responsibility, to make sure that we can fund offers that are made. The 10 per cent that I would love to give to teachers, nurses and everybody in the public sector is not affordable or realistic under the current funding constraints. We need to get back round the table, which is happening, and come up with a fair offer that is also realistic and affordable. I hope that everybody will support us as we try to do that.

Ailsa Hospital (Incident)

John Scott (Ayr) (Con): The First Minister may be aware of the on-going incident at Ailsa hospital at Ayr, in which I understand that a nurse has been stabbed by a patient and the hospital is in lockdown. That is in Jeane Freeman's constituency. Will the First Minister make certain that after the event is over, a full review will take place to ensure the safety of staff who work in NHS Ayrshire and Arran and elsewhere across Scotland?

The First Minister (Nicola Sturgeon): I received reports about the incident just as I came into the chamber, so I do not yet have a full update. The Cabinet Secretary for Health and Sport has been able to advise me that our understanding—let me stress that this is our understanding, and the first thing that I will do when I leave the chamber will be to get a full update—is that injuries that were sustained by a nurse are not life threatening, and that the police are fully involved in the incident. Obviously, the safety of staff and patients is of the utmost importance and will be driving everything that is being done. Given his constituency interest, I will make sure that the health secretary updates John Scott as soon as we have the information, which we are keen to get as soon as we get out of the chamber.

Sandwood Inquiry

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Given that the four-year-long Sandwood inquiry has just reported on possible police criminality in connection with the Lockerbie atrocity and

concluded that there is no evidence of criminality, with the referral to the Crown Office and Procurator Fiscal Service and the likely conclusion that the Crown will not pursue this case, does the First Minister agree that—if that is what happens—it is in the interests not only of the current application to the Scottish Criminal Cases Review Commission by the Megrahi family but of transparency that the report should be made public so that, 30 years on from that dreadful event, we may all move closer to a conclusion?

The First Minister (Nicola Sturgeon): Christine Grahame will understand that yesterday's announcement by the chief constable, Iain Livingstone, relates to an operational matter for Police Scotland. It would not be appropriate for me or the Scottish Government to comment on the outcome of that investigation or to seek to influence what matters may be published arising from the investigation. However, I am sure that Police Scotland will have noted what Christine Grahame has said in the chamber today.

It is also important to remember that the independent Scottish Criminal Cases Review Commission has statutory powers to obtain relevant documentation for the purposes of its investigations. Of course, how it seeks to use such powers is entirely a matter for the commission.

Teachers (Pay Award)

Iain Gray (East Lothian) (Lab): The last time that Scotland's teachers were angry enough to go on strike, Margaret Thatcher was still the Prime Minister, I was still a school teacher, the First Minister was a school pupil and some of the 98 per cent of current teachers who have just rejected the pay offer were not even born. That is how badly this Government has handled teachers' pay.

The First Minister says that she wants the dispute to be resolved. Will she start by apologising for the misleading letter that was sent out, jointly with the Convention of Scottish Local Authorities, in an attempt to undermine the negotiating machinery, which infuriated those teachers who rejected the offer that was on the table?

The First Minister (Nicola Sturgeon): The letter was about providing information to teachers; it was not misleading and it certainly was not an attempt to undermine the negotiating machinery.

I hope that Iain Gray was listening to the answers that I gave to Patrick Harvie. We made an offer to teachers that we thought was fair. It would have delivered a 5 per cent pay increase this year to all teachers who are on the main pay scale, and up to 11 per cent to some teachers. I recognise and respect that that has been rejected,

so our responsibility now is to get back around the table, which is what we are doing.

However, even Iain Gray has to accept—Labour is surely not completely detached from reality—that we have to have pay awards that are affordable. We will, in good faith, seek to strike an agreement that is fair to teachers and starts to restore the value of their pay, and which we can fund from the budgets that we have at our disposal.

Why did I say that we will do that in good faith? I said that because we have already come to those agreements. Nurses, other health workers and police officers are all in the same position with the erosion of their pay, and we have come to agreements with each of those groups. I certainly hope that we can do the same with teachers. We will do everything that we can to get to that fair outcome, which is the reasonable way forward from here.

Faslane (Safety)

4. Bill Kidd (Glasgow Anniesland) (SNP): To ask the First Minister what the Scottish Government's response is to reports that there have been more than 500 nuclear safety events at Faslane since 2006. (S5F-02805)

The First Minister (Nicola Sturgeon): I am very concerned to hear reports of a significant number of nuclear safety events at Faslane, which are a stark reminder of the potentially disastrous consequence of having weapons of mass destruction stationed in Scotland.

Matters regarding the reporting of safety events remain reserved. However, I fully expect the Ministry of Defence to investigate any such incident, no matter how minor, and to take forward any lessons learned following all those incidents. The Scottish Government also expects the Ministry of Defence and the regulators to work together to keep safety standards to the highest level possible.

Bill Kidd: According to the MOD, more than one of the 500 incidents had

"high potential for radioactive release to the environment",

and the number of recorded incidents at Faslane has risen in recent years. It would take just one mistake to cause unthinkable harm to Scotland and her people for generations, so, in the short term, will the First Minister impress on United Kingdom ministers the need for urgent action to get Faslane in order and protect public safety? Does she agree that it is high time that Scotland became a nuclear weapon-free zone?

The First Minister: Bill Kidd is right to raise those concerns. Each of those more than 500 safety incidents could have had potentially

disastrous consequences for people living in Scotland and further afield. We will continue to impress on the Ministry of Defence and the appropriate regulators the need to do everything that they possibly can to ensure the highest possible safety standards.

Bill Kidd is absolutely right that we also have to get to the root of the issue. There should not be nuclear weapons on the Clyde, and the sooner that Scotland is a nuclear weapon-free country the better. The Scottish National Party and this Government will continue to argue strongly for exactly that.

Depression (Children)

5. Annie Wells (Glasgow) (Con): To ask the First Minister what the Scottish Government's response is to reports that the number of children being treated for depression in Scotland has doubled in a decade. (S5F-02807)

The First Minister (Nicola Sturgeon): Everybody is working hard to reduce the stigma that is faced by those with mental health problems, and we welcome the fact that more people, including children and young people, are coming forward for treatment.

Improving mental health services is a priority for the Scottish Government. That is why we have committed £250 million of new funding to those services, which includes £100 million on services for children and young people. We have also established a children and young people mental health task force, which is chaired by Dr Dame Denise Coia. The task force will develop a blueprint for how services and surrounding support can better meet the needs of children and young people.

Annie Wells: There will, of course, always be a place for medication in mental health treatment, including for children, but many will be alarmed to see such a sharp rise, particularly given that children as young as 10 are being prescribed antidepressants. Will the First Minister outline the action that the Scottish Government will take to focus on prevention, early intervention and social prescribing as a more sustainable method for treating mental health?

The First Minister: I understand and, indeed, share the concerns about these statistics, but as Annie Wells will appreciate and recognise, prescribing decisions are for clinicians, who must make the decisions that they think are in the best clinical interests of young people.

But—and this is an important “but”—we all want to see fewer young people being referred to specialist mental health services and having to take medication for mental health problems. That means having better preventative services, which

is the whole focus of not only the work being undertaken by Denise Coia but my announcements in the programme for government on employing more counsellors in schools and creating the new mental wellbeing service for young people in communities across Scotland. We will now move to implement those important initiatives to make sure that we shift the curve of mental health care and treatment much more towards prevention rather than treatment. I think that that is the direction of travel that everybody wants us to go in.

Rough Sleeping (Funding)

6. Pauline McNeill (Glasgow) (Lab): To ask the First Minister whether the same funding that was provided last year to tackle rough sleeping, as part of the recommendations of the homelessness and rough sleeping action group, will be provided this year. (S5F-02819)

The First Minister (Nicola Sturgeon): It is vital that we provide effective support to help people on the streets keep safe, and I am very grateful to the front-line workers in a number of organisations who provide life-saving services day in, day out to those sleeping rough. To support those organisations, we have made available £600,000 for outreach activities in this financial year, £220,000 of which has provided follow-up support for people over the past six months. The remaining £380,000 will provide further national support for local initiatives over this winter. Many people sleeping rough have, as we know, complex needs, so we will work in partnership with front-line organisations to ensure that the funding is targeted to support people into safe and warm accommodation quickly while also supporting them into longer-term permanent housing solutions.

Pauline McNeill: Rough sleeping in our towns and cities is the hallmark of a failure in housing and social policy. The life expectancy of a rough sleeper is believed to be 43 years of age, which is a shocking statistic. I welcome the funding that the First Minister has mentioned—the organisations involved have used it well, and I think all credit should go to them for treating rough sleepers on the streets—but I hope that she can commit to providing at least that level of funding every year until we eradicate rough sleeping and have a comprehensive strategy in place.

Further to that, will the First Minister look at adopting the no-second-night-out standard, which aims to ensure that there is a rapid response to new rough sleepers and to offer them something that means that they do not have to sleep out for a second night, in the hope that their complex needs can be addressed and they can be prevented from rough sleeping?

The First Minister: Yes, that rapid-response approach is at the heart of everything that we are seeking to do to tackle and eradicate rough sleeping. For someone who is sleeping rough, accommodation is obviously the most important thing but, as Pauline McNeill will know, there are often complex needs to take into account and, therefore, other issues to be addressed.

The 2017-18 winter initiative was backed by £328,000 and, as I said in my initial answer, we have set aside £380,000 for this winter. Of course, it is part of the bigger £50 million tackling homelessness fund, which ensures that we have the resources in place for targeted initiatives over the next few years. Although that is all about short-term actions, it also includes putting in place a longer-term plan, and one of the cornerstones of that plan is the commitment to housing first, which we have also committed additional funding to.

Through the recommendations of our action group, we are taking action in the short, medium and long term that we hope will allow the Government, working with the Parliament, local councils and partners across the country, to eradicate rough sleeping once and for all. I agree with the member that people sleeping rough in the streets is not acceptable and is not something that any civilised society should ever be happy to see.

Newspaper Industry

7. Alex Cole-Hamilton (Edinburgh Western) (LD): To ask the First Minister how the Scottish Government is promoting a vibrant newspaper industry. (S5F-02820)

The First Minister (Nicola Sturgeon): It is hugely important that we have a vibrant newspaper industry in Scotland. That is why I was so very sorry to hear the news at the weekend that Johnston Press, the owner of *The Scotsman*, the *i* newspaper and, of course, many local titles across the country, has gone into administration. That news is a reflection of the fact that this is one of the toughest times that newspapers have ever experienced. Every democracy needs a strong free press, and it is important that we all support that. My thoughts are with the Johnston Press employees, national and local, at what has been a worrying time for them.

Alex Cole-Hamilton: The First Minister is absolutely right: democracy cannot function without a strong and diverse press, with journalists free to challenge power. In a world of fake news, we must not allow it to collapse.

Current and former employees of Johnston Press are understandably worried that their pensions are in doubt, because a group of owners and executives have moved the business to a new legal entity and left their pension obligations behind. It looks as though the new company is

rinsing the pensions that should rightly belong to the people who work for them and leaving the taxpayer to carry the can.

On Monday, the United Kingdom culture secretary, Jeremy Wright, told the House of Commons that any action that he takes will be taken in consultation with the Scottish Government. When that happens, how does the First Minister propose to address the concerns about workers' pensions and support the continued publication of these much-loved titles?

The First Minister: I support the continued publication of those papers. I hope to see *The Scotsman* and many of the local titles go from strength to strength in years to come.

I share the concerns about pensions. We have seen examples in the past in other contexts of people losing pension entitlements when company assets have been transferred wholesale to a new legal entity. None of us wants to see that happen in this case.

This is a reserved matter, as pensions are the responsibility of the UK Government. Although it is not in our responsibility, the Scottish Government will be happy to engage with the company to make sure that employees' interests are paramount. We will also work as closely as we can with the UK Government to encourage it to take steps to prevent this from happening not just in the case of Johnston Press but in any situation of this kind. We would welcome the support of the Liberal Democrats and other parties across the chamber as we do so.

Jackie Baillie (Dumbarton) (Lab): On a point of order, Presiding Officer. I am sure that the First Minister would not want to mislead the chamber intentionally. She will be aware that nuclear events are categorised as A to D, with A being the most serious and C and D being the least serious, with no exposure to risk. She will equally be aware that, out of the 500 notifications to which she referred, two were in category A, that those occurred in 2006 and 2007, and that safety has improved substantially since then. I am sure that the First Minister will want to set the record straight and praise the staff and trade unions at Faslane for constantly improving the culture of safety.

The Presiding Officer: Ms Baillie has got her point on the record, which I assume was the point of her making that remark, because it was not a point of order.

That concludes First Minister's questions. Before we move to members' business, we will have a short suspension to allow members to leave and the public gallery to clear.

12:48

Meeting suspended.

12:51

On resuming—

Arthritis (Access to Work Scheme Survey)

The Presiding Officer (Ken Macintosh): The next item is a members' business debate on motion S5M-13271, in the name of Rachael Hamilton, on the Arthritis Research UK survey on access to work. The debate will be concluded without any question being put.

Motion debated,

That the Parliament welcomes the survey by Arthritis Research UK and Arthritis Care Scotland, which has gathered information for, and raised awareness of, the Access to Work Scheme for people who live with arthritis and related musculoskeletal conditions, such as back pain; recognises that the scheme was created in 1994 as a specialist disability service giving practical advice and support to disabled people who are working, self-employed or looking for work; welcomes the news that around 36,470 people were helped by the scheme in 2015-16 across the UK; notes that, in Scotland, it is estimated that almost 1.5 million people live with a musculoskeletal condition, including in the Scottish Borders; understands that these conditions, such as arthritis and back pain, are a leading cause of sickness absence, including among the NHS workforce, which has an impact on the individual, the health service and the wider economy, if those individuals are not supported, and supports the work by Arthritis Research UK and Arthritis Care Scotland to raise awareness of the Access to Work Scheme to help all those in Scotland and the UK who could benefit from it, and looks forward to the results and findings of the survey that are due in 2018.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I thank members for supporting my motion, which highlights the results and findings of the survey that Versus Arthritis conducted from May to June 2018. I will discuss the findings that are in the report "Working It Out: Awareness of Access to Work & Employer Support". I thank my colleagues for attending the debate, as I know that they are hungry and want to get to lunch.

Many members might be surprised to learn that arthritis and other musculoskeletal conditions affect 1.5 million people across Scotland. That is a significant figure that represents almost a third of people in Scotland. The stiffness, pain and fatigue that come from such conditions affect many aspects of daily life that are taken for granted and can make even the smallest tasks difficult. I know that because I have rheumatoid arthritis. Since my diagnosis in 2007, following the birth of my third child, I have endured the unpredictability of that chronic disease.

As I said, nearly a third of all Scottish citizens have a similar story. My home area in the Borders is a perfect example of the scale of the problem—almost 1,000 people there live with rheumatoid

arthritis and, of residents who are aged 45 and over, an estimated 6,300 have osteoarthritis of the hip and 10,400 have osteoarthritis of the knee. Those numbers are staggering for a rural area with a small population but, sadly, they are not all that different from the proportions for Scotland as a whole.

No aspect of life is perhaps more affected by a musculoskeletal condition than the ability to work. Staying in work is vital to supporting all aspects of a person's health, but it is much more difficult for those with musculoskeletal conditions. I completely understand the challenges that people with the same condition as me face. Before my rheumatoid arthritis was under control, every joint of my body was so swollen that I could not work, drive or even write with a pen.

Research that Versus Arthritis conducted found that more than 80 per cent of those with arthritis had experienced pain, fatigue and stiffness while at work. In many cases, those symptoms resulted in people needing to work fewer hours, retire early or even give up work entirely, which is exactly what I had to do—I had to give up my work, and I will explain a little about that later.

The number who need to stop working has reached such a level that the employment gap between those with arthritis and those who have no health condition is 20 per cent. The economic impact of that, for rheumatoid arthritis alone, is estimated to be more than £655 million.

I know at first hand how important it is to be in work—to have that sense of wellbeing, to be financially independent and to be able to be proud of contributing to the economy. In my situation, I was not able to speak about my condition; by speaking up today, I hope to raise awareness for others.

In our 2017 manifesto, the Conservative Party pledged to have 1 million more disabled people in work by the end of the decade. We planned to achieve that with help from the access to work scheme.

The Scottish Government must join the United Kingdom Government in doing more to assist everyone who lives with a musculoskeletal condition. The access to work scheme provides vital funding and support for people with a range of disabilities to enable them to be in work. It is a fabulous scheme for providing help.

However, there is a problem. Not many people know that the access to work scheme exists. The Versus Arthritis survey found that 60 per cent of respondents had never heard of the scheme. Of the remaining 40 per cent, 10 per cent had heard of the scheme but did not know what it does.

The UK Government is sponsoring many promotional events throughout the UK for access to work, but we can do more to ensure that awareness of the scheme is greatly increased. That is one of the calls in the Versus Arthritis report. It is imperative that more be done to promote the scheme not just to people with arthritis but to employers, to ensure that the proper support that is required to enable people to join or remain in the workforce is given in the first place.

To help in that regard, I am pleased that the UK Government Department for Work and Pensions and its colleagues from access to work are developing closer ties with Jobcentre Plus work coaches. That will ensure that employers and prospective employees with arthritis are fully aware of the scope of the programme.

The expectations on employers should be clearer, too. Under the Equality Act 2010, employers are required to make reasonable adjustments to assist people with disabilities in the workplace. However, what qualifies as a “reasonable adjustment” is not clear. Adding to the definition is a very simple solution that the Government can put in place to create a more streamlined support system for employers and employees and to pave the way to improving many people’s experience at work. I will continue to campaign for the Minister for Women and Equalities, Penny Mordaunt, to clarify the definition.

Furthermore, the Scottish Government must do all that it can to assist employers to hire people with musculoskeletal conditions. The Scottish Government and public agencies need to be leaders in promoting the employment of people with arthritis.

It is astounding that arthritis and back pain are a leading cause of sickness absence, including among the national health service workforce. The forthcoming strategy on increasing disability employment in Scotland’s public sector needs to acknowledge musculoskeletal conditions, including arthritis, and the support that people with such conditions require if they are to join, remain in and contribute to the workforce.

The minister met Versus Arthritis recently, and I hope that he will commit to taking up the points that I have made and the points in the report. Both Scotland’s Governments can and must do better for people with musculoskeletal conditions. Better promotion of access to work, a definition of “reasonable adjustments”, training for Jobcentre Plus staff and further reviews from the Scottish Government are not unreasonable asks, and the changes could make an extraordinary impact on someone’s life.

12:58

Rona Mackay (Strathkelvin and Bearsden) (SNP): I thank Rachael Hamilton for securing this important debate and for her moving and personal speech.

I am happy to take part in the debate, which is helping to raise awareness of the access to work scheme. The scheme has the potential to benefit a huge number of the estimated 1.5 million people who live with a musculoskeletal condition.

Arthritis and related conditions are the most common conditions to affect the UK workforce, with around 10 million sufferers losing some 30.8 million working days each year. Having arthritis or a related condition can make everyday tasks that we take for granted near impossible. Even the commute to work—never mind the work itself—can make employment impossible for some people with such conditions.

The access to work scheme can be hugely beneficial for people who suffer from such conditions but are able to work. It can help them to start work, stay in work or move into self-employment by providing support workers, meeting additional travel-to-work costs and arranging communication support at interviews.

It is critical to note that the access to work scheme will usually cover all the costs of any support that is required by the employees of companies with fewer than 50 employees, meaning that there is no detriment to those companies when they hire an employee who is part of the scheme.

The charity Versus Arthritis is doing an amazing job of raising awareness of the condition and putting it front and centre of the public health agenda. Its teams in Scotland, England and Wales ensure that people with arthritis have access to the support that they need. However, a huge hurdle faced by the scheme is that too many individuals are unaware of the support that they could be entitled to.

People with arthritis throughout Scotland should be supported to work for as long as they can and want to be in employment. However, for that to become a reality there has to be a far bigger push of information to the people who need it most. As Rachael Hamilton stated, employers must get on board, too.

National statistics show that although the number of individuals who are diagnosed with arthritis each year has risen, the number of people with arthritis who are assessed for support has fallen every year since 2013-14.

Although it is great that support is available for people living with arthritis and related conditions, much more could be done to promote the scheme

so that those who require the support are able to access it. That is why the work that Versus Arthritis is doing is so important. It is also doing valuable work in studying the link between adverse childhood experiences and the development of arthritis.

The charity also challenges the stereotype that arthritis is an old person's condition. Sadly, an estimated 15,000 children throughout the UK battle with the disease, which creates huge challenges for children who are trying to lead a normal life. Thankfully, a growing network of support, including peer mentoring, is available for young people to help them cope with such a difficult journey.

We have moved into new territory when it comes to arthritis. It is no longer acceptable to dismiss it as an inevitable part of ageing. Arthritis affects people of all ages. Lifestyle changes, early diagnosis and new treatments all herald a brighter future for people living with the condition and give them hope.

13:02

Brian Whittle (South Scotland) (Con): I congratulate my colleague Rachael Hamilton on having secured time in the chamber to debate and raise awareness of arthritis and to recognise the work that Versus Arthritis continues to do.

I convene the cross-party group on arthritis and musculoskeletal conditions, so this is a welcome debate for me. In the time for which I have been in that position, my thoughts on the issues have been shaped and developed by a very passionate group of people. It is always a very well-attended CPG and speakers are cross-examined in a fashion that I have not seen in any of the other CPGs that I attend.

I took on the convenership of the CPG with the thought of promoting self-help, the impact of nutrition and physical activity on many conditions, and the steps that can be taken as part of the preventative agenda. However, at the very first CPG that I convened, I was properly educated. Although prevention is very much part of the thrust of the work of the CPG, it is obvious that availability of medical facilities and treatments for people who suffer from the conditions is very patchy across Scotland. Availability, in itself, forms a major part of the preventative agenda, which I will come to later.

On access to work, I have been asked a couple of times to present at small conferences in Ayrshire, which have brought together a load of employers and helped them to understand the help that is available to them to support employees who have such conditions. I brought Jeremy Balfour to join me. It has been alluded to

that there is an obvious gap in the knowledge of many employers about the help that is available to them, as well as about the help that is available to people who suffer. Work to raise awareness of that must continue.

As I raised at First Minister's question time a couple of weeks ago, being unable to work and having chronic pain—the cross-party group on chronic pain works with our CPG—can lead to isolation and can impact on mental health, which is perhaps missed, now and again.

Almost half of absences from work are related to musculoskeletal conditions and arthritis, so it is a very serious issue. As Rachael Hamilton suggested, 1.5 million people in Scotland are affected.

I recently hosted an osteoporosis reception at which the cost of fragility fractures was really brought home to me. There are available, through fracture liaison services, treatment and procedures that have proven positive impacts not only on the NHS budget, but in terms of improved quality of life, which is an important factor.

The statistics show that one in two women and one in five men over the age of 50 will have a fracture. Almost half of people who have hip fractures have had a fracture before that. There are, each year in Scotland, 45,000 fragility fractures—more than three times the number of strokes. That figure is expected to increase by 50 per cent over the next 17 years because we have an ageing population. That is something that we must be cognisant of.

The cost of fragility fractures to the NHS in Scotland is estimated at about £36 million each year, and there is an estimated £33 million more spent on social care. If we had universal fracture liaison services across Scotland, we could prevent in the region of 4,500 fragility fractures, with overall combined economies in health and social care that would allow the NHS to save some £7.4 million a year. All aspects are incredibly important.

The National Osteoporosis Society is working in partnership with the NHS to establish fracture liaison services across Scotland, in line with the published clinical standards, which have yet to be formally adopted. The minister was at the osteoporosis reception and he took cognisance of that, so I hope that the Scottish Government will take the issue forward.

13:07

Elaine Smith (Central Scotland) (Lab): I, too, thank Rachael Hamilton for securing the debate to raise awareness of arthritis and the access to work scheme. I also thank her for speaking about her

personal circumstances, which is often not easy to do.

It is important to note the extent of the funding and research that Versus Arthritis provides in Scotland. A recent report stated that it has invested almost £17 million. Its research focuses on, among other things, health interventions that provide people who have the condition with better knowledge of how to manage the pain that it causes.

The research also notes that arthritis is a major component of multimorbidity. As we know, multimorbidity disproportionately affects people from poorer backgrounds; people in the most-deprived areas of Scotland develop multimorbidity 10 to 15 years earlier than those in the least-deprived areas. That worrying statistic proves that arthritis is a major contributor to the health difficulties that some people in poverty face. When arthritis is combined with another chronic illness—as it frequently is—such as thyroid disorder, that further reduces a person's chances of getting into work and out of poverty.

I am sure that members will join me in welcoming the new research that has been commissioned by Versus Arthritis that has started at the University of Glasgow. It will examine in detail the life impact of living with arthritis along with other chronic conditions. More than 700,000 people in Scotland suffer from a form of arthritis, and the figure is expected to double by 2030.

In the past, arthritis charities have made various recommendations to help to reduce the expected increase in numbers of people who suffer from arthritis, including sharing the information that there are local services across the country to assist people. One such helpful service in my region is the club 365 project in North Lanarkshire, at which young people who are living in poverty are supported, and are encouraged to have a free healthy meal during school holidays and to participate in activities.

That kind of initiative helps young people who live in deprived areas in the first place to access food, but also to make improvements to poor diet and to take part in leisure programmes, free of charge. As well as tackling the increasing poverty that is blighting our communities and which is resulting in hunger, poor diet and lack of physical exercise, such programmes also help to reduce the chances of people going on to suffer from a chronic illness, such as arthritis or other musculoskeletal condition, and to reduce multimorbidity in the future.

I attended in the Parliament last night a performance of the harrowing play "Food Bank As It Is", which tells true stories from food banks around the country, and which I wish was

compulsory viewing for every MSP. It is simply shocking that, in a rich country like Scotland, parents go hungry in order to feed their children, and that men, women and children are contemplating suicide because of poverty that is often caused by insecure, low-paid employment or by people having no job at all. What chance has the one in four children who lives in poverty got of having a healthy diet and lifestyle that would reduce arthritis and multimorbidity, when they are going hungry right now?

At last night's event, the Menu for Change organisation highlighted the number of people who should not even have been at the food bank: people who had not received the benefits and support to which they were entitled or people who are losing jobs due to disability. The latest Versus Arthritis report on take-up of the access to work programme shows that there is low awareness of it among people who are living with arthritis, so that has to be tackled as a matter of urgency. Not only are we losing talented people from our workforce, but many of them are ending up at food banks, which should only ever be a last resort. Sadly, however, food banks are used increasingly by people who should not be living in such extreme poverty, including people who are entitled to appropriate support—such as the access to work programme—in order to access and remain in employment.

The work that Versus Arthritis does is commendable and is rightly recognised—I am glad that we are doing so in this debate—but its recommendations also need to be listened to and acted on. In addition, particularly given the role that is played by poverty in multimorbidity, we should all be ashamed that we live in a country that last week received such a damning report from the United Nations rapporteur on poverty.

13:11

The Minister for Business, Fair Work and Skills (Jamie Hepburn): Like others, I thank Rachael Hamilton for introducing the debate. I thank all members for their contributions and I hope that they will not mind my highlighting in particular Rachael Hamilton's contribution, because she spoke so openly about her experience. As Elaine Smith said, that is not always an easy thing to do. I sincerely thank Rachael Hamilton for having done that. I also thank Versus Arthritis for the activity and research that it engages in; it is a valuable organisation and it is also a valuable partner to our Administration.

The context of the debate is, of course, the access to work programme and how it can be of great assistance to people, enabling them to enter and stay in work. The access to work programme is a great initiative—members will be aware that I

do not often get to say that about DWP initiatives—but the sad thing is that too many people still do not know that that support is available. It is often described as the DWP's best-kept secret, which is something that we need to change, and I will come to that in a moment.

Rona Mackay referred to the fact that people still tend to think of arthritis as a condition that affects older people. However, we know, and as we have seen powerfully demonstrated in the television advertisement campaign that is under way, that that painful and life-changing condition is indiscriminate in terms of those that it can impact on, because it can strike anyone at any age and at any time. Arthritis is a significant challenge for us as a nation, because nearly 28 per cent of disabled people cite musculoskeletal problems as their main disability and many others will have a diagnosis of the condition but will not class it as their main disability. In addition, many of those people will have arthritis. Across the UK, there are 10 million people with arthritis, which is one in six of the population. The condition affects all aspects of life: personal independence, family life, relationships and employment, which is the context for the debate.

Thirty-eight per cent of those surveyed by Versus Arthritis said that they had given up work altogether, while the same proportion of people have had to reduce their hours. That clearly has a huge personal impact on those with arthritis, with many of the negative consequences that Elaine Smith was correct to identify. There is also a significant cost to our economy through the loss of talented and skilled people from the workforce. It is something that we need to discuss and respond to. In that regard, Brian Whittle talked about the cross-party group on musculoskeletal conditions and arthritis. I was going to offer to attend a meeting of the CPG, but Brian Whittle said that he had never seen speakers cross-examined in such a fashion as at the CPG.

Brian Whittle: You are very welcome to attend.

Jamie Hepburn: If Mr Whittle wants to invite me to discuss the matter of this debate, I would be very happy to attend.

Rachael Hamilton mentioned—word obviously got out—that I met people from Versus Arthritis last week and, as Minister for Public Health, Sport and Wellbeing, Joe FitzPatrick also met them to discuss different aspects of their work. I was pleased to meet Maureen McAllister, Angela Donaldson-Bruce and Anne Lowe, with a focus on employment, and we discussed the survey from both a professional and a personal point of view.

Anne Lowe, who is a volunteer, told me about her experience of being supported by Versus Arthritis and the issues that she has experienced

both in managing her condition and trying to remain in employment. The fundamental challenges that she has faced were very clear from that conversation, and they will be symptomatic of those faced by many other people.

We discussed and agreed the need for greater promotion of the access to work scheme. That is an action that we can take. We do not have direct responsibility for access to work, and I will mention in passing that I think that we should have, but I will not focus on that. However, we can certainly run a campaign or initiative to help the DWP to promote better the availability of the access to work scheme.

The most recent statistics show that in 2017-18, 33,860 people received access to work payments totalling £110.8 million. That sounds very impressive. It is a UK-wide figure and we do not have details of the level of spend in Scotland, but we know that, historically, spend here is around 6 to 7 per cent of the overall budget. I do not need to labour the point, but that clearly shows that we are not getting a proportionate level of expenditure. It is not only not proportionate to our overall population, but we know that the prevalence of disability generally, and of this condition, is greater in Scotland than across the UK as a whole.

Versus Arthritis set out clearly how it believes the scheme could be improved and, in tandem with Versus Arthritis, we will continue to lobby the UK Government for changes that will improve the scheme. As I say, if we had direct control, we could tie it up with other messages and improve it further, but I will not press that point. Even without direct policy responsibility, we will act.

In “A Fairer Scotland for Disabled People”, which we published in December 2016, we committed to promoting the access to work scheme. Since that time, we have had awareness sessions with staff from across a range of Scottish Government areas of responsibility, as well as with members of the third sector employability network. In fair start Scotland, our employment programme, it is a requirement that our service providers ensure that disabled people participating in the service know about the access to work scheme, and at our disability congress in April, we asked the DWP to undertake two sessions on the scheme, which it agreed to do and which were very well attended. We have been promoting access to work and we will continue to do so.

Elaine Smith: Rachael Hamilton mentioned prevention. Will the minister also talk about the importance of initiatives such as the schemes that help to tackle poor diet and to increase physical exercise among young people, which can help to prevent such conditions?

Jamie Hepburn: Of course; I accept that that is of fundamental importance for the whole range of reasons that we have set out. Ultimately, it is a quality-of-life issue, but being in employment is also a quality-of-life issue. Yes, we need to support people to be as fit and healthy as possible, so that they have the best chance possible not to acquire the condition in the first instance, but it is incumbent on us to do all that we can to support those who do acquire it.

We will publish a disability employment plan in the coming weeks. That will set out our initial steps towards our ambition to at least halve the disability employment gap. I recognise that that will require different measures and forms of intervention for different types of disability, but I assure Rachael Hamilton and all members that we will and do take the matter seriously. We will continue to work with Versus Arthritis and everyone interested in the matter to make sure that we do everything that we can to support people with arthritis into the labour market and, if they are already in work, to remain in employment.

13:19

Meeting suspended.

14:00

On resuming—

Scottish Parliamentary Corporate Body Question Time

Defibrillators

1. **Fulton MacGregor (Coatbridge and Chryston) (SNP):** To ask the Scottish Parliamentary Corporate Body whether it will consider installing automated external defibrillators in, or on the external walls of, MSP constituency offices. (S5O-02604)

Jackson Carlaw (Eastwood) (Con): The Scottish Parliamentary Corporate Body considered the matter on 14 June, when the member first raised it. It advised him that, although the SPCB is supportive of having public access defibrillators available across Scotland, the first principle of the reimbursement of members' expenses scheme is to meet expenses incurred by members in "carrying out parliamentary duties." Therefore, the defibrillators cannot be funded through the scheme. Similarly, there is no provision in the Scotland Act 1998 for the SPCB to meet such costs directly.

Fulton MacGregor: I appreciate the letter that was sent to me on the date mentioned. I take this opportunity to praise the work that has been carried out on the matter in my local area by the Airdrie and Coatbridge first responders, Dunbeth Football Club and Mount Ellen golf club.

If we installed such devices, not only would they be available for parliamentary staff who are working in constituency offices, but, if it were possible to install them on the external walls of MSP offices, they would be available 24 hours a day. I ask Jackson Carlaw whether the SPCB will reconsider its decision.

Jackson Carlaw: I fully appreciate the value of public access defibrillators and I participated in schemes in my constituency with voluntary organisations and community councils, which have worked to raise the funding to install them on buildings such as public libraries. The British Heart Foundation made the point that, when a defibrillator is installed, it must be a permanently available resource, because people might come to anticipate that it is there and rely on it. It is not necessarily the case that MSPs' parliamentary offices are a permanently available resource—elections can lead to changes in representation and MSPs can be inclined to change offices. For a number of reasons, I am not sure that the office of an MSP is the most suitable place to house a defibrillator. In any event, the SPCB is not

permitted to look at means to fund those access opportunities.

The Deputy Presiding Officer (Linda Fabiani): If we could please have very quick supplementary questions and answers, we will manage to fit them all in.

Johann Lamont (Glasgow) (Lab): The key issue around defibrillators is ensuring that people know how to use them when they are required to. The SPCB will be aware of campaigning by St Andrew's First Aid and others to ensure that we all have the life-saving skills required when the occasion arises. Will the SPCB explore the possibility of rolling out a programme of first aid training for MSP and parliamentary staff? It is a skill that literally saves lives and it would send a strong message that the SPCB and the Scottish Parliament are responsible employers.

Jackson Carlaw: I am happy to take that suggestion back to the SPCB, although I did, as a member, recently participate in exactly such training. I think that it was available to all members and staff and it dealt with how to administer cardiopulmonary resuscitation. Defibrillators are an additional resource and, from my understanding of those that I have seen in action, they have an assist button and a direct connection to a helpline, which will advise people who are unfamiliar with the use of a defibrillator how to use it. Anyone who is trained in its use is able to act more rapidly and we know that lives have been saved as a result. We all support and encourage the widest possible access to defibrillators and I will take the member's point back to the SPCB to see whether there is more that it can do on training in the Parliament.

Jamie Greene (West Scotland) (Con): I appreciate that funding is not available for MSPs to have defibrillators outside their offices, but if MSPs were able to source them by other means, such as charitable measures, would the SPCB in principle support having defibrillators outside MSP offices, particularly if there are restrictions around signage and what the offices can be used for?

Jackson Carlaw: I do not think that we would have an objection to that, but members should bear in mind the advice from the British Heart Foundation that we should not build up public expectation of a resource being available only for people to find that, within a relatively short time, it is not. Working with community councils and other voluntary groups is the right way to proceed.

Stuart McMillan (Greenock and Inverclyde) (SNP): Kathleen Orr from the Jayden's Rainbow campaign presented her petition to the Public Petitions Committee in the Scottish Parliament this morning. Afterwards, when we had a discussion about the session, she raised a point about the

Scottish Parliament's lack of signage for defibrillators.

Will the corporate body tell me how many defibrillators there are in the Parliament, and will it improve the signage for them?

Jackson Carlaw: That point is noted and will be taken back to the SPCB. I thank Mr McMillan for his question.

The Deputy Presiding Officer: Before we move on to question 2, I say to members that although I know that that was an important issue, there seems to be a misunderstanding about what a "quick supplementary" means. Could members bear my request in mind?

Freedom of Information (Disclosure Log)

2. Daniel Johnson (Edinburgh Southern) (Lab): To ask the Scottish Parliamentary Corporate Body for what reason the freedom of information disclosure log has not been updated. (S5O-02605)

Andy Wightman (Lothian) (Green): The Scottish Parliament put in place its freedom of information disclosure log in 2005, shortly after the freedom of information legislation came into effect. As part of our normal practices, we inform requesters that information released to them may be posted on the Parliament's disclosure log within 24 hours.

Unfortunately, as I think the member is aware, the disclosure log has not been updated recently, as the staff responsible have had to focus on the work required to fulfil our statutory freedom of information and data protection obligations. In addition, the team has been providing on-going advice and guidance on data protection requirements following on from the implementation of the 2016 general data protection regulation and the Data Protection Act 2018.

The SPCB, however, recognises the importance of freedom of information and has taken steps to ensure that the disclosure log will return to its regular updating cycle early in the new year when a vacant post within the team responsible for updating the log will be filled.

Daniel Johnson: I believe that the Parliament should lead by example. It is now about three months since the disclosure log was last updated. Would the member agree that we should endeavour to update it at the earliest opportunity? Could he clarify the number of outstanding requests that would otherwise have been disclosed?

Andy Wightman: As I said in my initial answer, the disclosure log will be back up and running to its regular cycle in January. The member notes that we should be leading by example. We were, if

not the first public authority, certainly among the first to voluntarily publish a disclosure log. As the member knows, that is not a statutory requirement but it is good practice. The Parliament has had one since 2005.

I cannot give the member a direct answer on how many freedom of information requests are not on the log because of the delay that has built up. The Parliament replied to 140 freedom of information requests in 2018. We have only two that are currently under review. There have been no appeals to the Scottish Information Commissioner so far in 2018.

Employment Schemes (Offenders)

3. Mark Griffin (Central Scotland) (Lab): To ask the Scottish Parliamentary Corporate Body what employment schemes it runs for offenders in order to improve their skills, reduce reoffending and increase its recruitment of ex-offenders. (S5O-02606)

Kezia Dugdale (Lothian) (Lab): The Scottish Parliamentary Corporate Body actively promotes equality of opportunity for all with the right mix of talent, skills and potential, and it welcomes applications from all sections of society.

The SPCB policy on the employment of ex-offenders commits us to ensuring that no job applicant or member of staff will receive less favourable treatment than others because of her or his offending background, or any other characteristic not relevant to the role.

We do not have any immediate plans to prioritise the creation of a programme exclusively for the recruitment of people with offending backgrounds, but we continue to review the extent to which our recruitment arrangements deliver fairness and ensure that no groups are excluded.

Mark Griffin: My question was lodged following a discussion with a modern studies class at Greenfaulds high school in Cumbernauld, which is currently looking into justice issues, so it is really that class's question.

One of the things that the class is looking into is restorative justice and schemes such as release Scotland and those that are run by Timpson, which now recruits 10 per cent of its staff directly from prisons through a selection, training and mentoring programme. Timpson's chief executive chairs the employers forum for reducing reoffending, which is a group that offers a second chance to people with a criminal conviction and encourages other employers to be more willing to recruit ex-offenders.

What plans does the corporate body have to join organisations including Greggs, the Scottish Government and Timpson by becoming a member

of release Scotland? Will it write to Greenfaulds high school's modern studies class to set out how it will come to any decision?

Kezia Dugdale: We are aware of release Scotland and the work that it does across the private sector—Mark Griffin is right to acknowledge the work of Greggs and Timpson—and in the public and third sectors to promote the employment of people with offending backgrounds. I am sure that Mr Griffin is aware that a third of men and 9 per cent of women have a past conviction, yet 75 per cent of employers say that they would not employ someone with an offending history.

The corporate body is pretty confident that it does not discriminate against offenders. For example, we do not require people to disclose their offending background on job application forms, and we not hold any such information in employment records. We would be keen to know what membership of release Scotland would add to our current systems before we committed to joining.

Asking the corporate body to write to a school is an unusual request, but I will personally endeavour to respond to the pupils at Greenfaulds high school to ensure that they receive an appropriate answer. I will do that either in a formal capacity, through the corporate body, or in a personal capacity, depending on what is deemed most appropriate by the corporate body.

Cyberattacks (Protection)

4. Ross Greer (West Scotland) (Green): To ask the Scottish Parliamentary Corporate Body what measures it takes to protect the Parliament from cyberattacks. (S5O-02607)

Kezia Dugdale (Lothian) (Lab): The Scottish Parliamentary Corporate Body fully recognises that the importance of cyberresilience for all organisations has never been greater. Digital technologies are vital to the successful operation of all modern organisations, and the SPCB has put in place a variety of tools, technologies and procedures to protect the Parliament from a successful attack. Our critical cybersecurity controls have recently undergone an independent assessment of their effectiveness, which has led to the Parliament being awarded cyber essentials plus certification.

In addition to the technical measures and controls that have been put in place, an on-going campaign to raise awareness of cybersecurity issues will help to ensure that all network users are mindful of how they can contribute to defending our Parliament from cyberattacks.

Ross Greer: The corporate body will be aware of the Russian ambassador's upcoming visit to the

Scottish Parliament. Given that Russia is a hostile state that has not only killed citizens on United Kingdom soil but engaged in extensive cyberattacks against political parties, Governments and other institutions across the world, could the corporate body provide further detail on the specific measures and assessments that have been undertaken in advance of the ambassador's visit?

Kezia Dugdale: Just this morning, the Scottish Parliamentary Corporate Body received a briefing from the national cyber security centre. We will use the information that we receive on threats and vulnerabilities to ensure that our cyber defences evolve to best manage the risks that we face, wherever—I emphasise this point—they come from. We have not taken action this morning in response to any specific attack from Russia; we received the briefing to ensure that the procedures that we have in place are as up to date and as well resourced as they possibly can be. I hope that that offers Ross Greer the reassurance that he is looking for.

Home Security Assessments

5. David Stewart (Highlands and Islands)

(Lab): To ask the Scottish Parliamentary Corporate Body what discussions it has had with Police Scotland regarding the provision of home security assessment reports for members. (S5O-02608)

Jackson Carlaw (Eastwood) (Con): Members' personal safety is an issue that the corporate body takes very seriously. To ensure that support to members reflects the security risks that members face, the corporate body works closely with Police Scotland and other security partners to make that assessment.

The security of members at their homes and at their Edinburgh accommodation has been discussed by the corporate body but, on assessment, the focus for making security enhancements has been on local offices and surgeries. The corporate body has approved a budget, which members can access, to upgrade the security at their local offices, based on recommendations that were taken from surveys that were undertaken by local crime prevention officers. The corporate body has also purchased lone-worker devices, which are available to members and their staff, as an additional security measure. Police Scotland and the security office also provide personal safety briefings to members and their staff on request.

Members can contact Police Scotland for an assessment of their home security. Police Scotland will undertake a survey, similar to that provided at local offices, and will make recommendations to members for simple

measures that can be put in place to improve their home security. The corporate body does not, at the moment, provide a fund that members can access for the implementation of any security measures that are recommended, as home security is not currently assessed as being the main area of risk.

David Stewart: I am grateful to Mr Carlaw for his reply. I place on record my thanks to the corporate body for the provision of security for members' offices, and I encourage my colleagues who have not activated that to do so as soon as possible.

Mr Carlaw will be aware that the UK Parliament's Joint Committee on Security has commissioned an independent review of MPs' personal home security. Notwithstanding Mr Carlaw's reply, will the corporate body consider, at the very least, a request to Police Scotland to undertake a review of security of MSPs' homes, as a precursor to a wider strategy on member and staff security?

Jackson Carlaw: I concur with Mr Stewart's view that every member should take advantage of the opportunity to have their constituency premises surveyed by Police Scotland so that any recommendations or risks can be addressed.

We are aware of and have discussed the fact that the Welsh Assembly and Westminster have introduced home security arrangements for members. We have focused on what we feel are the main areas of risk, and we have taken advice throughout from Police Scotland. That does not preclude members from contacting Police Scotland or the security office to arrange a review of their home security, if that would provide them with additional reassurance. I would only say that, at this time, the SPCB would expect a member to meet the costs of upgrading their home security, although in circumstances in which there are particular concerns for a member's personal safety, the SPCB would naturally consider any applications for funding of home security.

Energy Efficient Scotland

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a statement by Paul Wheelhouse on energy efficient Scotland. The minister will take questions at the end of his statement, so there should be no interventions or interruptions.

14:17

The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse): Today we have published three consultation analysis reports for energy efficient Scotland. This statement is an opportunity to update Parliament on those reports, our recent discussions and our intended next steps.

As we develop energy efficient Scotland, the Scottish Government is continuing to invest heavily. By the end of 2021, we will have allocated more than £1 billion since 2009 on tackling fuel poverty and improving energy efficiency; since 2008, 1 million measures have been delivered through a range of United Kingdom and Scottish programmes to more than 1 million households.

When it scrutinised the draft climate change plan, Parliament asked the Scottish Government to set out a credible framework for decarbonising the heat supply, so in May we set out an ambitious, yet credible, plan to make our buildings more efficient—a plan that would make it the norm to invest in energy efficiency, with the aim that all Scotland's homes should achieve an energy performance certificate rating of at least band C by 2040.

Those proposals are just a first step; we will do more. However, we are starting in the right place by focusing on energy efficiency. Many of those who responded to the recent consultation supported our proposals and agreed that a 2040 target is the right one. South Lanarkshire Council noted:

“The 2040 target allows 20 years to address building improvements which ought to provide sufficient time to plan for and fund any necessary improvements, where technically feasible and cost effective.”

However, there were those who shared the view of members in this chamber that an earlier target should be set, suggesting 2030, 2032 and 2035 as alternatives. Arguments can be made for going faster, but we are concerned that moving too quickly would not only cause an inflationary effect on prices per intervention but potentially be detrimental to the Scottish economy by driving an increased need to import equipment and installers from outside Scotland, rather than developing and growing locally based supply chains here at home. Our approach will better allow us to seize the

opportunity for our local supply chain, bringing local economic and social benefits. It might also undermine public confidence if we were to move too fast; it is imperative that we have credible, deliverable proposals and can take the public with us.

Let us not forget that, when combined with investment in our non-domestic premises, it is anticipated that total public, private and third sector investment will potentially reach £12 billion by 2040.

In its recent progress report, the UK Committee on Climate Change praised energy efficient Scotland, noting:

“The Scottish approach represents best practice in a number of areas, including setting standards well in advance, with a regulatory backstop for owner-occupied homes, and a statutory underpinning. This provides a strong example of an effective policy package to drive emissions reductions and other outcomes, including on fuel poverty.”

Those calling for an accelerated target have yet to set out an alternative credible delivery plan that overcomes the risks and missed opportunities. However, we recognise that there is support for faster action, and we believe that it is only right that we consider that. As such, we will publish a consultation in January on how the programme could be accelerated and seeking views on the risks and how they can be overcome.

Before I go on, I must mention fuel poverty and the important role that energy efficient Scotland will play in addressing it. In June, my colleague Kevin Stewart introduced the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill, which sets the target that, by 2040, no more than 5 per cent of households will be in fuel poverty.

We are listening. For example, we have introduced new low-carbon heat and enabling measures into the warmer homes Scotland programme. We continue to pilot and discuss greater flexibilities with our rural and islands authorities to strengthen the design and delivery of their area-based schemes.

I am also pleased to inform Parliament that Mr Stewart and I will begin work next year to prepare a suite of legislation to support the delivery of energy efficient Scotland. That will include primary legislation but, given limited parliamentary time and the additional pressures that are being placed on committees by Brexit, we will, where appropriate, also look to use the powers that are already available to the Scottish Government, for example under the Climate Change (Scotland) Act 2009 and the Energy Act 2013.

In the new year, Kevin Stewart will publish draft regulations for minimum energy efficiency standards in the private rented sector and will look

to introduce them to Parliament ahead of summer recess, with the aim of having them in force from 1 April 2020.

I confirm that Kevin Stewart will also bring forward proposals later next year that will put more meat on the bones for the owner-occupied sector with regard to the encouragement and mandatory phases that we have set out.

To provide a strategic approach to energy efficient Scotland, we have proposed that local authorities should produce local heat and energy efficiency strategies, or LHEES for short. They will be the foundation of energy efficient Scotland at a local level, and will identify opportunities for energy efficiency improvements and heat decarbonisation around Scotland.

Having LHEES in place will help to de-risk investment by providing invaluable market information, and will give Scottish businesses the confidence to invest in people, skills and equipment, thereby giving a clear signal of the long-term commitment to energy efficient Scotland.

Due to the comprehensive picture that will be provided by LHEES and their benefits, we believe that it is optimal for delivery against our climate and economic objectives that LHEES are placed on a statutory basis. However, I recognise that there are resource implications for that, and that local authorities would require additional support. That is why Kevin Stewart and I are committed to working with our partners, the Convention of Scottish Local Authorities and local authorities—I will say more about the partnership later—to understand what support they need and enable us to understand the circumstances in which LHEES could be most suitably placed on a statutory footing.

We have already funded 23 local authorities to undertake LHEES pilot projects, and I am committed to supporting the remaining nine local authorities to undertake similar pilots. Alongside the pilots, which are crucial to learning for our future approach, we will shortly establish a working group to produce guidance on the development and implementation of LHEES, with the intention that the group will report in the first quarter of 2019.

I will briefly touch on the supply of low-carbon heat before concluding. Right now, the majority of our heat is supplied using carbon-based fuels and we have a significant challenge ahead if 45 per cent of heat demand is to be supplied by low-carbon fuels by 2032. It is vital that we consider the advice of the Committee on Climate Change and other experts as we respond to that challenge and ensure that the deployment of low-carbon heat is consistent with long-term decarbonisation

goals. That is why we are focusing on rolling out low-carbon heat where it makes sense, regardless of long-term decisions.

The Scottish Government currently runs a number of schemes to pilot, test and support low-carbon heat, including the low-carbon transition programme, the district heating loan fund and our home energy Scotland and resource efficient Scotland loan schemes.

To prepare Scotland for life after the UK-wide renewable heat incentive, I confirm that we will shortly start work to strengthen our policy framework for low-carbon heat. That will have a specific focus on off-gas areas and will begin with a call for evidence, to be published in early 2019, which will sit alongside and complement our work to develop a draft bioenergy action plan.

I can confirm that, while further developing our low-carbon heat policy, we intend to prepare legislation to introduce regulation and licensing for the district heating sector, which is a devolved responsibility. That regulation will be commensurate with the scale of this emerging market, and I will shortly commission an advisory group to inform the development of a licensing regime and associated license conditions. Our leadership on this issue has been recognised by stakeholders in Scotland and from further afield, and the Competition and Markets Authority, a respected economic regulator, has agreed with our assessment that the market would benefit from regulation.

We are also investigating the potential for granting permitted development rights and wayleaves, to put district heating developments on a similar footing to other utilities. As part of the consultation in January, we will seek evidence on whether further incentives can be made available to the sector, within the constraints of competition and human rights laws.

Under the current devolution settlement, it is not within our gift to make consumer protection provisions to ensure that customers of heat networks receive the same protections as users of other utilities. However, I am having positive discussions with my counterpart, Claire Perry, the UK Minister of State for Energy and Clean Growth, as we look to agree how the CMA's recommendations can be implemented as intended, as a coherent package for the benefit of consumers.

I want to close today on an important note about partnership. Achieving our vision will require the Scottish Government to work in partnership with a variety of sectors and organisations. As I have mentioned, local government is a key partner and, earlier this month, I met Councillors Heddle and Whitham, who are the spokespeople for the

Convention of Scottish Local Authorities on, respectively, environment and economy, and community wellbeing, to discuss local government's key role in steering the shape of and delivery of energy efficient Scotland. We have agreed to strengthen that partnership by establishing a high-level strategic group that will embed our commitment to active partnership, shared risk and joint strategic decision making.

Let me be clear: any complaints that the Scottish Government is just kicking the can further down the road with more consultation cannot be further from the truth. As we work together to identify and plan for our transition to a low-carbon future, we are continuing to invest heavily through energy efficient Scotland. As I have said, this Government will by 2021 have allocated £1 billion to energy efficiency since 2009, with over £500 million spent in this parliamentary session alone. However, we also have an obligation to the people of Scotland to get this right. That is why we are investing in maintaining and nurturing a dialogue with individuals, organisations, representative bodies and colleagues right across the chamber.

I look forward to taking members' questions.

The Deputy Presiding Officer: The minister will now take questions on the issues that were raised in his statement. I will allow about 20 minutes for that. I ask members who wish to ask a question to press their request-to-speak buttons.

Alexander Burnett (Aberdeenshire West) (Con): I thank the cabinet secretary for advance sight of his statement, and I draw members' attention to my entry in the register of members' interests with regard to renewable energy.

It is with huge regret that I must point out that, although the Scottish Parliament's settled will on 10 May 2018 was to bring forward from 2040 to 2030 the target for all homes to reach EPC band C rating, the Scottish National Party has yet again chosen to ignore Parliament when it suits it. When the cabinet secretary and Kevin Stewart begin to prepare their suite of legislation next year, they would do well to note the cross-party support for all the amendments that were lodged that day.

As for complaints that the Scottish Government is just kicking the can further down the road with more consultation and working groups, they are exactly the truth. Under the fig leaf of inflationary prices, the Government is going to commit households to another decade of wasted energy and environmental costs. Can the cabinet secretary provide the evidence that his proposal is less detrimental than the one that was wished by this Parliament?

Paul Wheelhouse: I thank Mr Burnett for unintentionally promoting me.

I certainly recognise that Parliament's vote in May was significant, given the good debate that we had about the energy-efficient Scotland route map. We have been consulting on that route map over the summer; I hope that Alexander Burnett understands that we need to listen to the evidence that has been submitted to us.

It is not universally accepted that accelerating the programme will benefit either the outcomes that are being sought or the development of local supply chains. As I said in my statement, we heard during the consultation clear voices suggesting that we should pursue the original timescales.

We are keen to launch a consultation in January to seek views. I would welcome views from members all around the chamber, including Alexander Burnett, on how we can accelerate the programme so that it finishes earlier. However, the member must recognise the implications for inflation of costs of individual interventions in households. Costs will be driven up if we do not have in place a supply chain to respond over that timescale.

We also need to reflect the desire of local authorities and others to develop local economic opportunities, which I thought Alexander Burnett would have welcomed.

It is also the case that the work is not being done in isolation. We are continuing to invest heavily in our programmes through area-based schemes, which Kevin Stewart leads on, and through the non-domestic estate, in which we are investing almost £30 million this year. Over this session of Parliament we will invest £500 million. I point out to Alexander Burnett that that is significant public investment at a time when there is no equivalent scheme in England.

Lewis Macdonald (North East Scotland) (Lab): I thank the minister for advance sight of his statement. He started by saying that he is certain that 2040 is the right target date, but then said that he wants to consult again just to be on the safe side. Will he confirm that that further consultation will consider only bringing forward the target and not pushing it further back?

The minister also proposes to put local heat and energy efficiency strategies on a statutory footing, but did not really say anything about how those strategies would be supported. I welcome his commitment to talk to councils, but when will he be able to tell Parliament and councils what support and resources there will be for those strategies?

I welcome the minister's proposal to regulate district heating. Will that enable district heating to be placed in local development plans? The case for permitted development rights and wayleaves for district heating has been strongly made. Will the minister undertake to conclude his

investigation into that matter as rapidly as possible, so that the provisions are in place before regulation and licensing of the sector begin?

Paul Wheelhouse: I will try to get through those questions.

On the 2040 target date, we believe that that is the right timescale. We are trying to reflect the sentiments of Parliament—which Alexander Burnett accused me of not doing—and other stakeholders who believe that we should accelerate the programme, so we will consult. The purpose of the consultation is to find out whether there is a credible way of achieving that acceleration.

There are, however, competing tensions. The faster we accelerate, the more difficult it is for the supply chain to respond. If we have a long policy signal and provide commitments to delivering the regulatory framework and follow that through, that will provide a stable basis for private business to invest.

It should be borne in mind that the total cost of the programme might be up to £12 billion. Neither the Scottish Government nor local government can afford to commit that resource, so we want to lever in as much private and third sector investment as we can. The long-term certainty that will be delivered by LHEES, in particular, will be very important in that process. We are engaging with the Convention of Scottish Local Authorities as a key partner in delivering energy efficient Scotland through the LHEES process. We need to understand what resource base it will take to enable COSLA to deliver that.

We recognise that there are resource challenges. This is a new responsibility, and we do not have a bottomless pit of funding—as, I am sure, Lewis Macdonald will acknowledge—but we want sensible dialogue with our colleagues in COSLA. To date, the discussions have been very constructive, which I welcome.

We are also looking at how we might, in providing the regulatory environment for district heating, tackle issues including wayleaves. Again, that will provide investors with confidence that timescales can be met cost effectively and that financial and project delivery risks can be reduced, which will also help with the cost of borrowing capital for private sector projects.

I am happy to engage with Lewis Macdonald. I am sure that Kevin Stewart, who leads on all planning matters and, indeed, on the domestic energy front, would be keen to engage with Opposition spokespeople on how we can achieve consensus on the issue.

The Deputy Presiding Officer: We move to open questions. There was a lot in those

questions and answers. I ask members to avoid making statements and to get straight to questions, please, because I have a lot of requests.

Gail Ross (Caithness, Sutherland and Ross) (SNP): Can the minister assure me that there will be recognition of the different issues in rural areas, and will he ensure flexibility in delivery?

Paul Wheelhouse: I certainly can provide that reassurance to Gail Ross. Our programmes already take account of the different costs of delivering energy efficiency measures in rural areas, and we are looking at where additional flexibility can be introduced. For example, we recently introduced new measures in our warmer homes Scotland scheme, including ground-source heat pumps, micro hydro, micro wind, micro combined heat and power, asbestos removal, installation of new and replacement liquefied petroleum gas tanks, and replacement of existing unsafe oil storage tanks. Those measures will be of particular help to households in rural and island areas that are not served by the gas grid; as I have mentioned, we are focusing on helping communities and individuals who are off the gas grid. We continue to work closely with local delivery partners and we are listening to their ideas.

We are now in an environment in which the Islands (Scotland) Act 2018 is in force. I hope that we will, as we develop the island communities impact assessment tool between now and the second half of next year, be able to apply that to any future proposals and projects.

The Deputy Presiding Officer: Of course, the same points as I made about questions go for answers.

Graham Simpson (Central Scotland) (Con): If the Government is open to “going faster” on meeting EPC targets, is it also open to going faster on dealing with fuel poverty than is suggested in the Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill?

Paul Wheelhouse: Through the energy efficient Scotland route map, we will tackle energy inefficiency as a driver of fuel poverty. We are convinced that the timescales that we have set out in the route map are correct—for the reasons that I gave and will not repeat, they are right—but we will provide a consultation opportunity in January for those who have credible proposals on delivering the programme faster. If we can go faster than is outlined in our plans, that will help to tackle fuel poverty.

My colleagues Kevin Stewart and Aileen Campbell have laid out a clear and focused approach to tackling fuel poverty in the Fuel Poverty (Target, Definition and Strategy)

(Scotland) Bill. As I said in my statement, they are focusing on providing a solution that will leave fewer than 5 per cent of households in fuel poverty by 2040.

There are parallel strands of work. We want to work with other members to tackle fuel poverty.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): Does the minister agree that we need to tackle poor-quality insulation installations by contractors that claim to work under Government or industry-funded schemes, and which leave sometimes vulnerable householders with no paperwork and no proper recourse to have damage to their properties fixed? The issues appear to be associated mainly with UK Government schemes, but what more can the Scottish Government do to enhance consumer protection?

Paul Wheelhouse: Dr Allan has raised an extremely important point. I referred to consumer protection in relation to district heating, but given the wider investment that the Government is making, we agree that it is imperative that we protect householders when they have work done to improve their homes and make them more energy efficient.

Through Scottish Government run energy-efficiency schemes, we are putting in place provisions to protect consumers—for example, the warmer homes Scotland contract requires that installations be completed to a high standard, and all measures are inspected to ensure that they are completed to a high standard. We wish that such conditions applied to other schemes across the UK.

For local authority area-based schemes, all authorities are required to provide a quality-assurance service, including access to a formal complaints process, on-site monitoring of the quality of the works and post-completion advice. We are learning lessons from previous schemes and have established a short-life working group on quality assurance, consumer protection, skills and the supply chain, which will report its recommendations shortly.

Jackie Baillie (Dumbarton) (Lab): I declare an interest as the honorary vice-president of Energy Action Scotland.

The target is deeply unambitious. People are going to food banks now to ask for coal bags because they cannot afford the fuel to cook a meal. Is the minister really asking them to wait until 2040 to put the cooker on? Why is the budget for energy efficiency just a quarter of what experts have said is required?

Paul Wheelhouse: To put things in perspective, I note that we are spending more than £146 million

in the current year on energy efficiency. That is not lack of ambition; that is delivery.

I fully recognise that some individuals are in difficult situations. We want to help them as soon as we can, so I assure Jackie Baillie that we are investing now and that we will continue to invest throughout the parliamentary session in area-based schemes, which Kevin Stewart leads on, and more widely in tackling poverty and improving the living conditions of the people of Scotland.

I gently suggest that Jackie Baillie should not be a scaremonger. We continue to invest. Although we talk about completing the programme by 2040, in the route map we prioritise tackling in the earliest phases households that are in fuel poverty, and we aim to get those properties up to EPC band B by 2040.

Mark Ruskell (Mid Scotland and Fife) (Green): The UK Government has allocated £320 million over the next three years to ensure a steady pipeline of district heating projects whereas, in Scotland, £60 million must be shared between several types of renewable heat development. As part of January's consultation, will the minister seek evidence on how a steady funding stream for district heating could be put in place?

Paul Wheelhouse: I recognise the point that Mr Ruskell makes. It would be in everyone's interest if we could provide longer-term certainty about funding. The finance secretary, Mr Mackay, is looking in the round at the issues for a number of strands of Government funding to try to provide as much certainty as possible for investors and for the public and third sectors.

We take the point seriously. I hope that, when the budget is announced on 12 December, Mr Ruskell will see more detail on the issues.

Liam McArthur (Orkney Islands) (LD): I thank the minister for early sight of his statement.

The minister said that he is listening to the issues around fuel poverty. Did he hear the strong criticism from those who gave evidence to the Local Government and Communities Committee yesterday about the failure of ministers to include a rural minimum income standard in the new definition of rural fuel poverty, which risks resources not being targeted at where they are most needed? Will he work with the housing minister to ensure that the fuel poverty bill is properly island proofed so that those resources go to places such as Orkney, which has the highest level of fuel poverty?

Paul Wheelhouse: I recognise the importance of those issues in my capacity as not only energy minister but islands minister. Those issues have been raised with me previously. I know that Mr

Stewart and Ms Campbell are working hard to invest strongly in housing provision in the islands and to ensure that there is funding to tackle the issues through the area-based schemes. I am working with the island authorities to fine tune those schemes to make sure that we are reflecting some of the dimensions that Mr McArthur raises.

I should point out that there is a high level of investment per intervention in each of the island areas. I do not want to play about with numbers, but each of the island authorities would be happy to supply Mr McArthur with information about the generous contribution from the Scottish Government to support energy efficiency.

Island authorities across Scotland are affected by a number of pressures that are outwith our control. We can do what we can with the resources and policies that we have. We want to work with UK Government ministers to tackle fuel poverty. I will certainly work with the member on tackling those issues in the Orkney Islands.

David Torrance (Kirkcaldy) (SNP): Will the minister provide more detail on how the Government will work with local authorities to ensure that its ambitions are met?

Paul Wheelhouse: Local government is a key partner and I alluded to that in my statement with respect to the delivery of energy efficient Scotland. We already work closely with local authorities across Scotland on, for example, the delivery of our home energy efficiency programmes, the area-based schemes, and the energy efficient Scotland transition programme.

As I said in my statement, I recently met Councillors Heddle and Whitham, the COSLA spokespeople for environment, the economy and community wellbeing, with whom I discussed local government's role in delivering energy efficient Scotland. Those representatives of COSLA show a clear desire for a genuine partnership to work on jointly designing and tailoring the energy efficient Scotland programme. We have agreed to strengthen our partnership and will establish a high-level strategic group that will embed our commitment to active partnership with local government, including shared risk and joint decision making.

John Scott (Ayr) (Con): I apologise to colleagues for arriving late for the minister's statement, and I thank the Presiding Officer for calling me nonetheless. I also declare an interest as a farmer.

Notwithstanding the minister's assurances to Gail Ross, he will be aware that the energy efficient Scotland route map does not adequately address the problem that is emerging in rural Scotland, where housing stock with low energy efficiency creates fuel poverty and makes worse

the growing mental health problems that were recently highlighted in the *Ayrshire Post*. What special measures will the minister take to deal with those interlinked and growing problems across rural Scotland that cannot wait until 2040 to be resolved?

Paul Wheelhouse: I am not sure whether Mr Scott caught this, but we are focusing on tackling off-gas grid areas as one of our key priorities. That has a strong impact on rural areas. I certainly give the member my undertaking that we are listening carefully. The route map was presented very much as an all-Scotland document, but it makes specific reference to the rural dimension. We are reflecting on that.

Although 100 per cent of Scotland is covered by the programme, we need to reflect the local context in island and rural areas. As I outlined to Gail Ross, there are a number of ways of doing that. I am happy to engage with the members on issues in South Ayrshire that affect his constituents. I reassure him that we are focusing on tackling areas with a high level of fuel poverty, many of which are rural areas, but we are also trying to tackle the particular context that rural areas face.

Emma Harper (South Scotland) (SNP): How do the plans that the minister announced support local economies and the development of supply chains?

Paul Wheelhouse: Through energy efficient Scotland, we are putting in place a framework of standards that help to make it the norm to invest in energy efficiency, which helps to drive the market. We also propose to create demand for improvements in energy efficiency through the establishment of the local heat and energy efficiency strategy.

On the basis of the feedback that we have had from business and the supply chain, we believe that that will be extremely helpful in providing invaluable market information. It will also help to facilitate cross-border projects where there are two different local authorities. There are many areas, such as Glasgow, in which the suburbs straddle the boundaries, and there might be proposals for local heat or district heating projects that might require that structure to provide investor certainty.

In reference to a point that Lewis Macdonald made earlier, which I failed to refer to, those documents could potentially have an important role in the planning process, in providing a structure to inform planning decisions.

Alex Rowley (Mid Scotland and Fife) (Lab): The financial memorandum that accompanies the fuel poverty bill that was published in June allows only for additional administration costs. However, we know that if we are to tackle the issue of the 24

per cent of households in Scotland that are in fuel poverty, it is likely that that budget will have to double. Will the minister look again at the financial memorandum that accompanies the fuel poverty bill, and at realistic figures for tackling fuel poverty?

Paul Wheelhouse: I would direct Mr Rowley to engage with my colleague Kevin Stewart on issues regarding the fuel poverty bill.

On the issue that he raised around cost, perhaps with regard to the local heat and energy efficiency strategies, we recognise that this is potentially a new responsibility that will fall on our partners in local government, and we are keen to have a dialogue. We want to have a genuine discussion with local authorities about resource implications and the balance between central and local resources that is required. Smaller local authorities face greater challenges in delivering new functions and we will obviously take that into account in deciding what structures are in place for energy efficient Scotland and how we jointly govern that.

John Mason (Glasgow Shettleston) (SNP): The minister mentioned district heating. On the basis of his announcements today, how confident is he that the private sector will move forward in district heating, which we have not seen a huge amount of so far?

Paul Wheelhouse: The member is absolutely right. We are learning from jurisdictions such as Denmark—we have a memorandum of understanding with the Danish Government. In that country, district heating forms over half of the heating market. That has taken some time to develop and we can learn lessons from how Denmark has achieved that. Realistically, up to 20 per cent of housing stock in Scotland may be suitable for district heating projects.

The provision of local heat and energy efficiency strategies will send a strong signal to the market about the investment opportunities, by identifying the zones in each local authority area that are most suitable for the delivery of district heating.

To reduce barriers to development and provide conditions on the ground to grow the market, we are investigating how to put district heating on the same footing as other utilities. For instance, we are exploring, as I said, permitted development rights and wayleave issues.

I understand from the market that Scotland and London are way ahead in terms of their attractiveness to private investors, and I hope that that continues.

The Deputy Presiding Officer: That concludes questions on the statement on energy efficient Scotland. We managed to grant all requests and I

thank everyone for the way in which they conducted the session.

Scotland's Economic Future and Economic Data

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a debate on motion S5M-14824, in the name of Gordon Lindhurst, on Scotland's economic future and economic data. I ask those who wish to speak in the debate to press their request-to-speak buttons.

I call Gordon Lindhurst to speak to and move the motion on behalf of the Economy, Energy and Fair Work Committee.

14:48

Gordon Lindhurst (Lothian) (Con): Pardon my unparliamentary language, Deputy Presiding Officer, but I shall be talking statistics.

It was Mark Twain who coined the phrase:

"I have known many terrible things in my life, nine tenths of them never happened."

At least, that was in the version that I once read. He is also said to have said:

"Facts are stubborn things, but statistics are pliable."

The committee's biggest inquiries this year looked at economic performance and data. My aim is to provide a flavour of both pieces of work, and I hope that the facts will shine through from the committee's work. Doubtless, my colleagues will pick up on anything significant that I miss.

Professor Graeme Roy, the director of the Fraser of Allander institute, advised the committee on the data inquiry. He found the experience so fulfilling that he chose to return to the role for the economic performance inquiry. The committee benefited from his expertise, rigour and—not to be underestimated in such matters—his patience.

I will start with statistics. The president of the Royal Statistical Society, David Spiegelhalter, has spoken of the Groucho principle—Groucho is my favourite Marx. If one should encounter a newsworthy number or retweeted statistic, Mr Spiegelhalter advised—*[Interruption.]*

Does Mr Findlay wish to make an intervention or will he allow me to refocus the chamber's attention?

The Deputy Presiding Officer: Excuse me, can I remind you that I am still here and that you should stop having a private conversation. Are you allowing the intervention, Mr Lindhurst?

Gordon Lindhurst: If he wishes to make one.

Neil Findlay (Lothian) (Lab): I know that the clerks have a big input into conveners' speeches, but we can be guaranteed that they did not write those words.

Gordon Lindhurst: Actually, they did. *[Laughter.]* That is not to take away from the impact of the lines.

I will return to what Mr Spiegelhalter said, which may also apply to Mr Findlay's intervention. He said:

"If it's surprising or counter-intuitive enough to have been drawn to my attention, it is probably wrong."

As a society, the extent of our data literacy is poor. It may seem to be a niche subject but it shapes decision making in so many spheres, including public policy, corporate thinking, journalistic opinion and public perception.

The committee drew on the ethos of the Bean review as a starting point for our inquiry. Professor Sir Charles Bean of the London School of Economics led an independent review of United Kingdom economic statistics and he published his final report in 2016. He encouraged a fundamental rethink of how we collect, present and interpret data. He told us:

"The key is to define the question carefully at the beginning; we should not start with the statistic and then ask 'Now, what questions can we throw at it?'"—*[Official Report, Economy, Jobs and Fair Work Committee, 7 November 2017; c 28.]*

The committee wanted to examine the accuracy, utility and comprehensibility of Scottish economic statistics. We took evidence from data producers, users, consumers and regulators. The report was detailed and, at 90 pages long, rather a doorstop.

We made 29 recommendations, most of which were directed at the Scottish Government, while others were for the Scottish Fiscal Commission, the Office for National Statistics, and Her Majesty's Revenue and Customs. The work was well received in the statistical community and the Scottish Government accepted the main thrust of our findings, but—there is always a but—we have three matters outstanding.

I begin with the least contentious point. We sought a robust and independent analysis of Scotland's particular data needs, with the aim of distinguishing the essential from the desirable and the useful from what we may be doing out of habit. Our recommendation was directed to the Enterprise and Skills Strategic Board. Nora Senior, the board's chair, thought that the recommendation might be better suited to the Scottish economic statistics consultation group. That was a helpful suggestion. Can the cabinet secretary tell us whether that is doable?

The second issue, which I hope is also non-contentious, concerns the Scottish Fiscal Commission. The commission's role in economic and fiscal forecasting is crucial and in our view its data needs ought to be prioritised for that reason.

However, judging from the evidence that we heard, that is not necessarily the case. We recommended that the commission should set out its data needs annually and that the areas that it has already highlighted, including price and wages data, should be prioritised. Accordingly, the commission wrote to us in September with a first annual statement of its data needs. It highlighted which organisations it relied on for such information and where improvements might be made. I hope that the cabinet secretary will respond positively to those requirements.

The third area is contentious—at least, it has been to the Scottish Government—but it need not remain so. It concerns pre-release access, which is the practice of making statistics available to ministers and their advisers prior to publication. The Office for National Statistics ended pre-release access last July and the Bank of England followed suit. We recommended that the Scottish Government end pre-release access for economic statistics of national importance, including those for gross domestic product. That was the majority view of the committee; the minority opinion was more circumspect and called for a presumption against pre-release access.

How is the issue viewed by the statistical community? The Royal Statistical Society supports an end to pre-release access, as does the UK Statistics Authority, the Office for National Statistics, the author of the Bean review and the UK's national statistician, John Pullinger. In a letter to the UK Statistics Authority in June 2017, he said:

“On the basis of all the information available to me, I consider that the public benefit likely to result from pre-release access ... is outweighed by the detriment to public trust”.

Ten years ago the UK Statistics Authority wrote to the Scottish Government to say:

“Enabling the administration of the day to discuss and prepare statements ... whilst not allowing the same access to Parliament or the public is not, in our view, good statistical practice.”

It added:

“We believe our view on this is shared by statistical offices and other authorities around the world.”

That was 10 years ago, and since then the direction of travel has moved away from pre-release and toward the principles of equal access and earliest possible release. However, that is 10 years of the Scottish Government facing in the opposite direction. The cabinet secretary's early comments to the committee were highly encouraging and his tone was never less than positive, but so far there has been no delivery on pre-release access to follow UK best practice. If he does not take action on it, the committee might

need to initiate a bill to deal with that long-standing issue.

I turn now to economic performance. Again, I can advise Mr Findlay that the following lines were drafted by committee clerks, but I in no way seek to distance myself from them.

Ronald Reagan once remarked:

“Economists are people who see something that works in practice and wonder if it would work in theory.”

We wanted to examine what has worked in practice since 2007, the year that the national performance framework was launched, and also look forward to assess the threats and opportunities of the coming decade, focusing on innovation, investment, internationalisation and inclusive growth, as well as broad drivers for economic growth. We consulted extensively with a wide range of businesses, experts—including economists—and households. We held eight focus groups: two each in Glasgow, Edinburgh, Aberdeen and Jedburgh. We held formal evidence sessions across 12 committee meetings and we met the Organisation for Economic Co-Operation and Development and Skyscanner, among others.

We heard incisive evidence of success where Scotland is leading in innovation and, although traditional industries had struggled, other industries have flourished. Things have been good for video games, life sciences, food and drink, and tourism, but not so good for oil and gas, or construction. We sought a consistent definition of inclusive growth and a better focus on reducing the gap between the low-performing and high-performing regions. We also wanted more done to support women in business being able to access funding and advice, and greater support with job transitions and reskilling throughout all our working lives.

It appeared that the committee's report had an immediate political impact: a change of cabinet secretary in the very week that we published. Coincidence? Who am I to say?

I quote from the new cabinet secretary—new to the Economy, Energy and Fair Work Committee, anyway:

“This is a complex area with inter-linking themes and dependencies and I commend the Committee for the thoroughness and breadth of its enquiry.”

In that, we see again the positive tone. I want to explore the Scottish Government's response to our findings in a number of areas: NPF, growth, economic strategy, enterprise and skills, and business-to-business learning.

We had concerns about the ability to measure policy impact under the NPF. The Scottish Government referred to our data inquiry—specifically, to the measures to judge progress

toward inclusive growth, including prioritising the data needs of the Scottish Fiscal Commission and renewing the impetus in developing the means of measuring social inclusion.

We repeated a call from our gender pay gap inquiry to raise the status of the care sector in Scotland. The Scottish Government said that an analysis of the growth sectors would be overseen by the chief economic adviser and that it would include consideration of the care sector.

We pushed for future updates of the economic strategy to be strengthened, accompanied by an implementation policy and supported by an evaluation plan. The Scottish Government accepted that recommendation.

We recommended, among other things, more transparency in the performance targets set by the enterprise agencies. The Scottish Government said that the strategic board is developing a framework that will be more consistent with the national performance framework and the economic strategy.

In conclusion, we were pleased with the overall response but call for more than intentions and harmonious sentiment from the Scottish Government and look forward to progress in the areas in which it has accepted our recommendations. In the words of our ever insightful adviser, the Fraser of Allander institute's director, Professor Roy:

"Strategies and advisory groups are no substitute for good policy based on evidence, data and impact."

I move,

That the Parliament notes the conclusions and recommendations contained in the Economy, Energy and Fair Work Committee's 5th Report 2018 (Session 5), *Scotland's Economic Performance* (SP Paper 359), and its 3rd Report 2018 (Session 5), *How To Make Data Count: Improving The Quality And Coverage Of Our Economic Statistics* (SP Paper 277).

15:02

The Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay): In fairness to Gordon Lindhurst, that was nearly as funny as the chancellor's jokes during the budget speech this year—and it was far better than what the civil service writes for me by way of humour.

This is a very helpful debate. It is true that there was a change of personnel at the point at which the committee's report was published. The report was timely, because, as the cabinet secretary taking on responsibility for the economy, it helped to form my thinking as I tried to find consensus on the economy.

There was, of course, a subsequent change to personnel. Just as I was trying to reach out to the

economic expert that is Jackie Baillie, she was moved out of her role as the spokesperson that I would have dealt with. I look forward to her interventions and welcome Richard Leonard to his position in relation to Scotland's economy.

I commend the committee for the thoroughness and breadth of its report, "Scotland's Economic Performance". I believe that, across the chamber, we are all in agreement about Scotland's huge economic potential. The review focused on statistics, data and performance but, looking at the report, I want to build on the recommendations, taking the consensual approach to the economy that I tried to establish over the summer. I agree with most of the committee's findings and have given my response in writing.

I have launched an economic action plan—not a strategy, but actions to deliver on the economy. The plan sets out the range of actions that we are taking to address the challenges and recommendations that are highlighted in the committee's report, to try to stimulate our economy even further. It builds on the existing economic strategy and focuses on increasing competitiveness and tackling inequality. Those two go hand in hand; they are not separate ambitions—they support one another and we must consider them together.

We have made significant progress over the recent period. The unemployment rate is sitting at 3.8 per cent, its joint lowest rate—

Dean Lockhart (Mid Scotland and Fife) (Con): The cabinet secretary mentioned the new economic action plan. Will he explain why it does not contain any new economic targets? Is that because the Government missed all seven of its previous economic targets?

Derek Mackay: As we have previously debated, a number of those targets were affected by things such as the financial crash and the oil and gas downturn. We want to deliver those targets; I did not set new targets because we want to get on with what we have been trying to achieve. However, the plan does outline new actions that we should take to deliver on the economy. We can argue about the targets, which I want to deliver, but the action plan is about actions to deliver on those targets.

On current performance, we have near-record-low unemployment. Surely that is to be welcomed. It is lower than in the rest of the United Kingdom. On productivity, growth under devolution has been faster—

Johann Lamont (Glasgow) (Lab): Does the cabinet secretary share my concern that the unemployment and employment figures mask huge numbers of people in precarious work and on zero-hours contracts, with no guarantee of

income and all the stress that that involves? Will he look at ways of identifying the scale of that problem in any statistics that he quotes?

Derek Mackay: I share that concern. We have to look at those issues—at exploitation, underemployment, the skills gap and the whole host of issues that lie beneath the figures. Nonetheless, surely it is to be welcomed that unemployment is going down and employment is going up, notwithstanding the challenges that we face from Brexit. I agree that within the figures are issues of gender, poverty and skills, which we need to explore. However, we should reflect, at least for a moment, on the falling unemployment rate.

There has been progress on productivity and on GDP—we are outperforming the rest of the United Kingdom—but we must recognise that, among European Union nations, our GDP figure is subdued because of the position on Brexit to which the UK Government has taken us. However, despite the narrative that we have had from others, Scotland has outperformed the rest of the United Kingdom on GDP growth over the past 12 months.

To return to Johann Lamont's point, inclusive growth is important. That is about allowing more people to contribute to and benefit from economic growth. Another factor in the statistics is that we are performing quite well on the real living wage. We want everyone to be paid at least the real living wage, but we are outperforming all other UK countries on its payment. That is progress that we must build on.

We know that we can achieve more. That is why we are investing in the national manufacturing institute for Scotland. That is one example of our investment to transform skills, productivity, innovation and commercialisation in Scotland. On-site work is now under way, a full business case has been approved and detailed design work will start this year.

With the approval of the first seven NMIS industry doctorate projects, industry is also starting to contribute to showing how the institute's national reach and ability will help to develop the skilled workforce that will enable manufacturing companies to thrive in Scotland.

Further commitments to ensure a highly skilled and productive workforce include the establishment of a national retraining partnership with trade unions and business; expanding free childcare; the funds around attainment, to give every child an equal chance to succeed; work to provide more apprenticeship opportunities, taking them to 30,000 per year by 2020; and ensuring that higher education remains free to all students in Scotland.

Businesses are essential to delivering that inclusive workforce environment in Scotland. That is why we are doing so much on productivity, performance, innovation and exports, and on identifying our growth opportunities. Those are key pillars of our fair work action plan, ensuring that we can become a fair work nation by 2025.

We are continuing to work on the Scottish national investment bank so that it can be a cornerstone institution in Scotland's economic landscape. That will be underpinned by the legislation that I hope to introduce to Parliament in 2019, backed up by investment of £2 billion over 10 years. From 2020, the bank will invest in businesses and communities across Scotland, prefaced by the building Scotland fund.

Our programme for government commitment to have a national infrastructure mission will mean that annual investment in our hospitals, schools, houses, transport, low-carbon technology and digital connections will be around £1.5 billion higher by 2025-26 than it was in 2019-20. A new infrastructure commission will be established to provide long-term strategic advice to the Scottish Government on national infrastructure priorities. Further details on that are to follow.

Our actions have placed us in a stronger position to face challenges. Michelin's decision to close the Dundee plant is deeply unfortunate—all members will agree on that—but it is based on extremely challenging market conditions, and the company has agreed to consider a repurposing proposition. I have brought together an action group, led by Scottish Enterprise and Dundee City Council, to develop a proposal with the clear aim of retaining a commercial manufacturing operation. We can have plans and actions, but we must also be fleet of foot.

Brexit presents a significant challenge to our economy—we have already touched on that. That is why we need to get the least-worst outcome.

I recognise that the report is helpful—it was one of many helpful reports that came out over the summer—when it comes to calibrating our systems and supporting economic growth. As a relatively new economy cabinet secretary, I genuinely want to help find a consensus in the chamber on investing in our economy and delivering fairness. That is why I welcome the debate.

15:11

Dean Lockhart (Mid Scotland and Fife) (Con): I thank the committee's clerks and advisers for their invaluable support during the inquiry.

In commenting on the committee's report on economic data, the convener of the committee,

Gordon Lindhurst, explained the committee's concerns about the Scottish Government's pre-release access to economic data. The committee heard evidence that pre-release access is inconsistent with international best practice, transparent government and democratic fairness. The reality is that pre-release access gives the Scottish Government 24 or 48 hours to spin a positive story around key economic figures, no matter how bad they are. That means that, as soon as the data is publicly available, the media headlines are already dominated by Scottish National Party spin. That is why the director general of the UK Statistics Authority has called for the reduction and removal of pre-release access for the Scottish Government.

Derek Mackay: Should the same rule apply to UK Government departments that Dean Lockhart has suggested should apply to Scottish Government departments?

Dean Lockhart: We simply recommend that best practice be followed. The ONS and the Bank of England follow best practice in relation to sensitive economic data, and that is what the Scottish Government should do, too.

We support a change and, as Gordon Lindhurst mentioned, we will keep open the option of a committee bill to address the issue if the Scottish Government fails to adopt best practice.

I turn to the committee's report, "Scotland's Economic Performance". One of its key conclusions is that

"Economic growth in Scotland for"

the past decade is below

"the performance of the UK economy"

and

"historical trend growth rates for Scotland".

It continues:

"Levels of GDP growth are marginal; productivity is low and wages are stagnant."

It does not have to be that way. Scotland's economy has strong potential. Long-term economic growth in Scotland was 2.3 per cent before the SNP came to power in 2007 but has fallen to just 0.7 per cent under the SNP. Where has it all gone wrong?

The Minister for Public Finance and Digital Economy (Kate Forbes) rose—

Dean Lockhart: Perhaps the minister is going to explain where it has gone wrong.

Kate Forbes: Does Dean Lockhart think that Brexit will improve those statistics or make them worse?

Dean Lockhart: That remains to be seen over the medium term and the longer term. The point is that the report looked at the past decade and Scotland's significant underperformance compared with what happened pre the SNP and performance in the rest of the UK.

In looking at where things have gone wrong, the committee heard evidence of serial policy failures over the past decade and fundamental flaws in the SNP's approach to the economy. The list of failures is long, so let me help the cabinet secretary by briefly summarising the issues.

The committee heard evidence that the SNP's economic strategy—the four Is strategy—lacks focus and coherence. Nora Senior, the chair of the Strategic Board for Enterprise and Skills, told the committee that the four Is economic policy is

"not joined up across the ministerial departments, which confuses the agencies."—[*Official Report, Economy, Jobs and Fair Work Committee*, 27 February 2018; c 19.]

The SNP's strategy of inclusive growth is also causing confusion. The previous cabinet secretary, Keith Brown, told the committee that inclusive growth means different things to different people. In other words, there is no agreed definition of the SNP's flagship policy, and no guide for the multitude of enterprise agencies that are responsible for delivering that policy.

That evidence led the committee to strongly recommend that the Scottish Government's economic strategy be reviewed and updated as a matter of urgency. However, here we are, five months after the report was published, and, despite the new economic action plan, we are still saddled with an economic policy that is not fit for purpose.

The committee also heard evidence that there is no framework in place to measure the impact of economic policy in Scotland. We spend more than £2 billion a year in skills and enterprise, but the impact of the policy cannot be monitored because there is no framework in place. In fact, when the committee asked the previous cabinet secretary for examples of policies that may have worked or which could have been put in place differently, he was unable to answer the question. That led the committee to strongly recommend that

"a comprehensive, monitoring and evaluation framework"

be introduced to measure the impact of policy.

We understand the SNP's reluctance to set new economic targets, given that it failed to meet any one of the previous seven targets, but the committee's view is that specific economic targets are essential if we are to properly measure the impact of policy.

Another weakness that was identified by the committee is the inconsistent and weak

implementation of economic policy. A clear example is that the enterprise agencies are allowed to set, monitor and measure their own targets without any real input from the Government.

Tom Arthur (Renfrewshire South) (SNP): Will the member take an intervention?

Dean Lockhart: I will briefly give way.

Tom Arthur: I have a serious question. Does the member think that it would be appropriate to launch a new economic strategy with specific targets before we know what the future trading arrangements with the European Union will be, given the significant impact that those could have?

Dean Lockhart: The committee looked at the impact of policy over the past decade, but the member makes a fair point. We are not calling for a new economic policy right now—we are talking about a new direction, which I will come to later.

To address the issues of implementation and policy, the committee calls for

“more transparency on the performance targets set by the enterprise agencies, how these targets are measured and whether they have been achieved.”

The confused and cluttered landscape that has been created by the SNP is a further barrier to economic growth. Instead of supporting business growth, that is acting as a barrier to business development. The Parliament, in a motion that was supported by the SNP, acknowledged concerns that a cluttered policy landscape can lead to confusion, a lack of alignment, duplication and weakened accountability. All parties agreed to that motion.

The committee report also identifies that we need to do more to support Scottish business to capitalise on the significant opportunities available in our single biggest market, through the UK industrial strategy. In recent years, the British Business Bank and Innovate UK have been involved in more than £12 billion of investment across the UK. Much more should be done to help Scottish business access those opportunities. The committee therefore recommends that more “meaningful engagement” should take place between the Scottish Government and the UK Government in relation to the UK industrial strategy.

The committee heard evidence of many more policy failures. I could list them but I will make a more general observation: every one of the policy problems and the structural issues that were identified by the committee are in the control and power of the Scottish Government. The structural problems can be addressed through the introduction of a new, coherent economic framework that capitalises on Scotland’s economic

strengths and our relationship with the rest of the UK.

The upcoming budget provides Derek Mackay with a real opportunity to address the issues and set out a new direction for economic policy in Scotland. He can make a start by reversing the SNP’s policy of making Scotland the highest-taxed part of the UK for skilled workers, for businesses and for our high streets.

15:18

Richard Leonard (Central Scotland) (Lab): I welcome the debate, particularly on the important report “Scotland’s Economic Performance”. I will begin by paying tribute to Jackie Baillie and Kezia Dugdale, who have done much to shape the report’s conclusions, particularly the more radical ones.

I will be clear from the outset that there is much in the committee’s report that the Scottish Labour Party welcomes. The recognition that employee and co-operative ownership has

“huge potential to improve productivity, facilitate future growth, reduce inequality and retain jobs in Scotland”

is welcome. Welcome, too, is the recognition that we need positive action to encourage female entrepreneurs, who are underrepresented not just in our corporate boardrooms but in our start-up businesses. The related long-standing challenge of scaling up businesses and the identification by the committee of the so-called missing middle in the Scottish economy, because of an investment gap, provides vital analysis. We know that, all too often, businesses in Scotland are not scaled up; they are taken over. The result is that a third of the Scottish economy is overseas owned. That is a higher level than in all other parts of the UK, including London and the south-east of England.

There is a deeper-seated problem lying at the heart of the conclusions of the report. Although we acknowledge that the problem’s roots go back some considerable time, we cannot overlook the fact that the Government has been in office for over a decade and has time and again been economically complacent and industrially inept. Ten years in, and with Brexit looming, it has failed to come up with an industrial strategy and has failed to devise an economic strategy worthy of the name. The result is that, all too often, the SNP Government is only reacting to businesses failing, rather than acting, planning and investing to ensure that businesses are successful in the first place.

Derek Mackay: I agree with Richard Leonard that both Kezia Dugdale and Jackie Baillie contributed so much to the committee’s report and in other areas. Why did they lose their jobs?

Richard Leonard: I will treat that with the contempt that it deserves.

Indeed, in the Scottish Government's response to the committee's report, for which I am assuming the cabinet secretary takes ownership and full responsibility, we are treated to a new phrase in the lexicon of SNP economic complacency. We are told that the takeover of Scottish companies, sometimes hostile, is not a takeover at all. It is not even an acquisition or a merger. It is "entrepreneurial recycling". Try telling the workers up and down the country who have lost their jobs that they are not victims of a loss of local ownership and control, or of a hostile takeover, but have simply been entrepreneurially recycled.

As the committee report shows, there is no plan from the SNP for Scotland to face the future. There is no plan to not only tackle the challenges of automation but seize the opportunities of automation. The impact of the digital revolution is not confined to technology companies. It is being unfolded across all sectors, right across the economy.

That is why Labour will continue to make the case for increased investment in education and the upskilling of workers. It is also why the committee is right to call in the report for automation to be a cornerstone of the Scottish Government's labour market strategy. We hear much about fair work, but 470,000 people across Scotland still earn less than the living wage. Let me cite one real-world example.

Tom Arthur: Will the member give way?

Richard Leonard: Let me give the example. I direct members to my entry in the register of members' interests.

Just this week, self-employed drivers at DPD's depot in Cambuslang, who have been getting organised with the support of their union, the GMB, have been threatened that the GMB will be sued, their shifts will be axed or worse and their livelihoods may be taken away altogether. That is intolerable. I urge the cabinet secretary to back my call for the company to meet unions such as the GMB, instead of threatening to sue them.

We need a Government that is prepared to do more than simply correct market failure. We need one that is prepared to help to shape markets, to intervene, to use public procurement, to tackle climate change, to eradicate inequality and to change the balance of power to build a different and better economic future.

On export growth, too, we know that we have a long-standing problem of having too narrow an export base. Just 70 businesses account for 50 per cent of all Scotland's exports. The committee makes the point in the report that the problem with

our exports is not our trade strategy but the level of investment going into it from the Government.

Finally, years after it was first announced, reannounced and reannounced again, it now looks like we might get a Scottish national investment bank. It might go some way to help Scottish businesses in need of investment, but the £200 million per year that the SNP is offering is a long way short of Labour's offer of £2 billion of patient industrial investment capital per year in Scotland.

The Scottish Government says that the bank's board will determine what investment products to offer. We do not underestimate the importance of market intelligence and expert advice, but who will be on the board making those decisions? Will it be bankers or trade unionists and industrial representatives? Will it be women as well as men? Will the cabinet secretary agree to a 50:50 gender balance on the new investment bank's board? If we insist, as we should, on gender balance in the political realm, why should we not insist on it in the economic realm, too? On that, and on other points, it is time for action.

15:25

Andy Wightman (Lothian) (Green): I thank all the people who gave evidence to the two inquiries, the clerks and our special adviser, Graeme Roy. I also thank the Labour Party for its keen interest in the debate, although I see that some of its members are less interested now.

The committee's report on the performance of the Scottish economy is not only a fair reflection of what has happened over the past decade but, in connection with the equally important data inquiry, a reminder that an assessment of economic performance is only as good as the data that underpins it, and the data that underpins it is of any utility only if it measures the right metric in the first place.

A good example of where we still have work to do in that regard was highlighted in August, when Scottish Government statisticians reported that they had adjusted the methodology for measuring activity in the construction sector. That had quite an impact. They had previously thought that, from the end of 2015 to the beginning of 2018, the size of the sector dropped by 12 per cent but, in fact, it grew by nearly 4 per cent.

Beyond the normative means of measuring the economy, members will be aware that Greens have substantial and fundamental concerns, questions and criticisms in relation to how we define economic performance. We live in a world that is heating quickly, with the trajectory and consequences laid out starkly by the Intergovernmental Panel on Climate Change a few weeks ago. We live in a world in which humans

have destroyed 60 per cent of the world's animal population since 1960. Our current economic model is destroying the very foundations on which the health of the planet and the health of humans and other organisms depend. Therefore, the metrics that we use to assess the health of our economy still focus on a measure of growth that is blind to the contradictions at its heart—there are limits posed by our environment.

The well-publicised paper on hothouse earth, “Trajectories of the Earth System in the Anthropocene”, which was published in August, observed:

“Incremental linear changes ... are not enough to stabilize the Earth System. Widespread, rapid, and fundamental transformations will likely be required to reduce the risk of crossing the threshold”.

Green economics recognise that the climate crisis is leading to growing instability, unrest and economic decline. Greens also recognise that, in order to keep within the Paris climate targets, we need to keep in the ground the majority of the hydrocarbons that other parties in the chamber often tout as being part of Scotland's economic future. As far back as 2015, we commissioned the “Jobs in Scotland's New Economy” report, which found that investing in the transferable skills of the offshore workers who are currently employed in the oil and gas sector could create more than 200,000 jobs in the renewables industry by 2035—against the 156,000 jobs that are currently provided by fossil-fuel extraction.

At a human level, the kind of economic performance that is discussed in the two reports ignores the very worrying trends for households. Figures for private debt show that households in the United Kingdom owe nearly £1.6 trillion, and that debt is forecast to rise to more than £2.3 trillion by 2022. Those levels of private borrowing and private debt are responsible for some of the better economic figures that are coming out of the UK, but that situation is fundamentally unsustainable. Much of what passes for prosperity in this country is actually no more than a Ponzi scheme of rising house prices and increasingly unaffordable rents that is driving growing inequality in wealth throughout the UK. I am sure that members will be aware that that inequality will have substantial political consequences, as younger generations realise that they have a vote, that there are choices to be made and that their interests are not being well served by our current economic model.

Members will have heard Greens before on this topic, but I do not apologise for restating our opposition to GDP, which is a very poor indicator of a sustainable economy that fails to distinguish between useful and damaging economic activity.

Murdo Fraser: Does the Green Party accept in principle that economic growth is a good thing?

Andy Wightman: It depends on how we define economic growth. If one defines it as growth in GDP, we do not accept that it is a good thing. We accept that the fundamentals of the economy are a healthy environment and human wellbeing.

The concept of GDP was invented by a US statistician called Simon Kuznets, who was tasked by the US Congress in 1932 with estimating national income over the preceding four years. He responded by aggregating several measures of the value of goods and services. Today, that is what we call GDP. However, despite Kuznets having conceived of the idea, he was one of its fiercest critics. It does not measure goods and services that are produced in the course of daily life, such as care and education—Murdo Fraser might be interested in that; it does not measure the distribution of income or say anything about wealth; it ignores environmental services; and it says nothing about energy flows. However, GDP persists and is the central goal of Scottish economic policy.

The academic Kate Raworth, among many economists, has written substantially on this issue. Her book “Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist” highlights the growing recognition that what we measure is of little use if it does not meet the challenges that we face. She recalls classical economic arguments about land, labour and capital, which have been substantially forgotten since the late 20th century in favour of arguments about labour and capital alone. However, the natural resources of the planet—water, land, soil and atmosphere—sustain life on earth. If we are to have a serious debate on our economic future, we need to frame the debate with new economic thinking.

Our debate about these committee reports should remind us that what we measure is as important as what those measurements tell us. In 10 years' time, we will be two years away from the deadline for taking action to contain global warming to 1.5°C. The economic consequences of not doing so are unprecedented. We have been warned.

15:32

Willie Rennie (North East Fife) (LD): I have huge admiration for the clerks who serve our committee; they provide tremendous expertise and put a large number of hours into the production of reports. I can just imagine their joy when the committee decided to produce a report on statistics—the joy must have been flowing out of the room. I warn those in the public gallery that the chamber is not normally this exciting on a

Thursday afternoon, but we ration the number of debates on statistics because Gordon Lindhurst cannot contain himself when there are more than one a year.

The performance of this Government is stark. If we take the section of the “Scotland’s Economic Performance” report that focuses on the 10 purpose targets, we see that only a small number—two out of the 10—that I can see have been passed. We have failed on GDP, on employment and on life expectancy. That is the mark of a Government that has been in power for 10 years and has not taken the economy as seriously as it should have done.

Derek Mackay: Does Willie Rennie think that the oil and gas downturn or the economic crash had any impact on any of those indicators at all?

Willie Rennie: Of course, but that indicates that we are stronger together, as part of the United Kingdom, as that provides the economic breadth and support that we need during those difficult times. We have had heading towards 10 years of uncertainty due to Brexit and the independence debate. We should not ignore the amount of investment that has been disincentivised as a result of that constitutional uncertainty or the direct impact that that has had on the economy—on the Scottish economy as much as anything.

The Government has not performed particularly well over the past 10 years. Of course there have been challenges, but they should have been foreseen by the Government, which has been dependent on a small number of industries when it should have been looking to make the economy broader and stronger.

I cannot remember the number of debates that we have had in this chamber on the inability of the Scottish Government to use the economic power of its procurement budget to drive investment to small and medium-sized enterprises, but yet again, the Government’s failure to invest in small and indigenous businesses comes up in this report. A number of experts and advisers recommended ways forward on that, but the Government was deaf to their complaints.

On the Scottish investment bank, which we have heard about, there have been numerous attempts by this Government—I do not know how many announcements there have been—to get it off the ground, but after 10 years of the Government being in power, it has still not happened.

On skills, the minister did not talk about college cuts in his introduction, but cutting 150,000 places from our colleges has had a direct impact on the skills of our workforce and that has fed right through to the performance of our economy.

The Government has been too slow and too late in so many areas, which is why the Government has failed on eight out of 10 of the purpose targets.

I was interested in the “missing middle” aspect of the report, which referred to the scaling up of Scottish businesses into larger companies that are anchored here, and the proposals on anchoring businesses here for the longer term. Dr Mawson made the particularly powerful comment that public investment through Scottish Enterprise and other agencies was, in effect, lining the pockets of multinational companies—a pretty strong comment from a committee witness. Whether that is true or not, we need to look at whether we can do more to anchor those companies here. Like Richard Leonard, I was interested in the proposals on employee ownership, which is one of the mechanisms that could be used.

John Mason (Glasgow Shettleston) (SNP): Would Willie Rennie support or oppose the idea of a foreign company building trains in Fife?

Willie Rennie: Of course I would not oppose that, but we need to consider whether we get value for the money that we invest in such companies. I argue that the investments that we made into Amazon have perhaps not secured the return that we would have liked. We need to look at the type of investment that we make in such companies before we bend over backwards to give them all the investment that they want.

Employee ownership is one of the ways of securing companies here; another way is through the intellectual property that we have secured through the university sector. However, skills have an important part to play. A lot of companies come here because of the expertise of our people, so we should constantly invest in people. Another thing, which is often overlooked, is the general stability of our environment. The fact that companies can operate in a secure environment here is attractive to many companies around the world, and we should encourage that.

In my final few seconds, I want to highlight the issue of immigration, because the report talks about Brexit. One of the biggest acts of self-harm that we are about to do is in our approach to immigration. There are numerous industries in north-east Fife, from the fruit and veg sector to the processing sector, the national health service, the great universities and the tourism industry, and they are all crying out for brilliant workers; but, as a result of the Brexit vote, we are closing our doors to them. We need to change that policy if we are not to damage our economy further.

15:38

Angela Constance (Almond Valley) (SNP): I am a new member of the Economy, Energy and Fair Work Committee, which has been an interesting but somewhat unique experience for reasons that I am sure members will understand.

The committee's report on Scotland's economic performance is timely. We are a decade on from the financial crash that unleashed great misery and untold harm—as, invariably, it is those with the least who lose the most. The crash will have its place in history and, particularly in recent times, I have heard it said that, in times of uncertainty, we tend to look more to, and hang on more to, the past. Of course, we should always listen to the lessons of the past, and it is a shame that the west and our somewhat complacent financial establishment paid no heed to the Japanese financial crash in 1997. If they had, history could have been somewhat different.

As for our experience closer to home, history will record that the powers that be, with ideological motivations, took full advantage of the crisis to advance austerity, but I hope that, when we look back, we will also be able to trace the roots, or the re-emergence, of inclusive growth—more an economic philosophy than an ideology—to our time.

It is a powerful affirmation of hope for our future that growing our economy and tackling inequality in all its forms are not mutually exclusive but two sides of the same coin. One feeds the other: tackling poverty, poor pay and health inequalities, widening educational opportunities and addressing the underrepresentation of women and others in key areas of our economy are all good for business. Similarly, those who want social democracy need to be able to pay for it.

The committee has said, rightly, that our enterprise and skills agencies should have a common understanding of inclusive growth, but that it should certainly be part of the core service offered by every part of the public sector, too, and that we also need to build consensus across the private and third sectors. We need to create consensus around what the best dashboard of meaningful measurements is for painting a vision of what a well-rounded society and productive economy looks like, and the national performance framework is potentially important in that regard.

The committee undertook what was, in my view, a valuable inquiry on how to improve the coverage and relevance of economic data and measure the impact in a Scottish and devolved context. I note the differences of opinion on pre-release access to official statistics. I can see the argument from both sides of the fence—and, for the time being anyway, I am just going to sit on that fence.

That is because, for me, the bigger prize is a comprehensive shared assessment of the opportunities and, indeed, the challenges facing our economy. We should be able to say simply that, as a rich successful country, we are not reaching our full potential. Although our labour market remains resilient, we must always scratch beneath the headlines, because good employment figures mask insecure, low-paid work.

Moreover, we must always widen our horizons, particularly when we compare our performance with that of others. This is not just about our nearest friends and neighbours in the rest of the UK; sometimes, their performance is not good enough either, for example on productivity. Despite political differences, we need to identify common ground so that we can have the collective courage to take a long-term view and commit to the future. I think that we are beginning to see that with the longer-term investments in infrastructure, the Scottish national investment bank and, crucially, housing. We must recognise that consensus builds confidence in our economy and our economic players. Certainly with Brexit on the horizon, we need to pull together in Scotland's interest.

The committee report helpfully lists where specific economic levers rest—it is always important to understand where power lies—but we need mature discussion and reflection in relation to shared economic space and the potential impact of powers, individually and collectively, given that, as we all know, there is no one silver bullet for delivering a stronger and fairer economy.

Looking to the future, we should never take our eye off the ball when it comes to young people. Youth unemployment is much reduced from its peak in 2011, when it was knocking on 25 per cent and 113,000 young Scots were out of work. The committee rightly calls for more apprenticeship opportunities for older people, but not at the expense of our younger people. The European countries that have consistently lower youth unemployment consistently invest in high-quality vocational education opportunities for young people in good times and bad. The committee, again rightly, has called for more entrepreneurial thinking in our universities and colleges. However, such thinking should run through our education system, connecting the world of work with the world of education. I think that we are seeing some of the fruits of our labour in that respect around curriculum for excellence and, in particular, the developing young Scotland's workforce agenda.

We need to recognise, as Chris Van der Kuyl said, that

“we have never lived in a period of such fast change as the one that we live in now and that it will never be this slow

again.”—[*Official Report, Economy, Jobs and Fair Work Committee*, 27 March 2018; c 14.]

To have come to the other end of the financial crash only to enter Brexit is so tragic, and I fear that the judgment of history will be harsh on us, but all of us must now work harder to make that vision of inclusive growth for a stronger economy and a fairer society a reality.

15:45

Jamie Halcro Johnston (Highlands and Islands) (Con): Given that my previous attempts at humour have seemed to clear the chamber and, almost, the gallery, members will be delighted to hear that I promise to avoid making such attempts today.

I am pleased to speak in today’s debate on our committee reports on our economic performance and on economic data. I will focus on the economic performance report.

There have been a number of positive speeches. First, I thank the committee’s convener, Gordon Lindhurst, for his excellent summary of the committee’s work and its conclusions. I join him in extending my thanks to all those who gave invaluable evidence—written and oral—to the inquiry, and to the clerking team, who helped to tie together the significant body of work that went into the report.

Given the inquiry’s subject matter, it was, by necessity, wide-ranging, so it would be difficult to address its entire scope during a debate of this type. There are, however, a number of areas that emerged from it that I will consider.

First, it is clear that Scotland’s economy is diverse. In recent years, we have seen considerable divergence in the success of different sectors of our economy. We have also noted in the report some of the regional challenges, which I will come to later.

Although Scotland’s economy has shown some health and resilience in recent years, it still suffers from a degree of fragility. Against that backdrop, it is more important than ever that we look to the future. We must ensure that our prospects for growth are sustainable, and that we do some of the heavy lifting now, in order to address the long-term economic problems that have held back our businesses and employers in the past. In that respect, there is much to be welcomed in the report. The committee looked back to consider our previous economic performance, and we also looked forward to examine some of the challenges that we must overcome and the opportunities that we should harness boldly.

An area that is of particular interest to me as a member for the Highlands and Islands is the work

on regional growth. We know well that there are significant disparities between Scotland’s regions, but the disparities also highlight underlying differences in the regional economies themselves, and their often quite different priorities.

Although it is tempting to consider that the divide is between urban and rural, the economic distinctions between the rural Borders and the rural Highlands are at least as wide as the distinctions between urban Edinburgh and urban Dundee. What is stark, however, is that regional disparities can be self-sustaining. Lower growth, lower investment in skills, depopulation, lack of skilled jobs and low pay become cyclical problems—and those problems become increasingly difficult to escape from.

In the committee’s recommendations, we first outline the need to evaluate and consolidate Scottish Government policies on regional economies. Steps like that will be important if the Highlands and Islands, for example, are to reach their potential. Above all, we need focus from a Government that recognises that a Scotland exists beyond our main central-belt population centres.

In its response to the report, the Government references its work on regional partnerships and the creation of the south of Scotland enterprise agency. Although regional partnerships have the potential to push beneficial change, their success will depend on the position that they are accorded and their ability to unite other stakeholders around a common vision for our regions.

The report also recognises the key role of digital infrastructure as a driver of change in regional economies. I have spoken about that at some length, including in the chamber earlier in the week. An important point to draw out of the evidence, however, is that infrastructure must be accompanied by appropriate digital skills. Again, we saw that skills are a key component in investing in and realising human potential. As the report points out, the committee has agreed to look at that area in greater depth during a future inquiry.

Although there were limits on the scope of our inquiry’s consideration of skills, we drew useful conclusions. Work-based skills are a foundation on which economic success is built. Our recommendations cover a number of areas—in particular, in-work training, reskilling and our performance in matching skills to the needs of business and the wider economy. Those are areas in which the Scottish Government can make real and significant change.

However, in-work skills are the responsibility of employers too, and the benefits of good-quality training and development are well established. Our evidence included the need for employers to

fund and support their employees' skills properly. Our findings on apprenticeships will, in the main, be familiar to policy makers, but they certainly warrant repeating—I note the examples of countries where apprenticeships are more valued, and the feedback from young people and the areas that are neglected.

We looked at support for innovation in the economy. Scotland is doing well in academic research, but some wider research and development work lags behind international comparators. We heard that R and D spending as a share of gross domestic product in Scotland is at just over 1.5 per cent, compared with more than 1.9 per cent across the EU, and it is behind the figure of up to 4 per cent that applies in some of the fastest-growing and most innovative countries.

We noted the high productivity levels of businesses that are innovation leaders, and the challenges for small and medium-sized enterprises to innovate. I hope that, even beyond the scope of the recommendations, the Scottish Government will reflect on the evidence that the committee reported on, and consider what more can be done.

Internationalisation and the funding to meet the Scottish Government's export targets were covered at some length. We came across a common theme that has arisen in our work on the Government's interaction with business. It is—as my colleague Dean Lockhart said—the problem of the cluttered landscape and the need for effective signposting of available support.

I have been unable to cover even briefly a number of sections of the report. It is a serious piece of work, in which positives and negatives can be found. The committee approached the report openly and in the spirit of co-operation. We found broad agreement on many recommendations that require the Scottish Government's attention.

I commend the report on economic performance and the report on economic data, and I hope that they will be useful in the months and years to come.

15:51

Jackie Baillie (Dumbarton) (Lab): I think that most members who are in the chamber have focused, or will focus, on the report on economic performance. I thank the cabinet secretary and Richard Leonard for their kind remarks. Long may that continue.

The Government will argue that everything is wonderful, and will share its set of statistics to prove its case. The Opposition parties will, rightly,

say how woeful everything is, and will marshal their statistics to support their narrative.

The truth is that we could do a lot better. As we face the Brexit storm, we need our economy to be resilient and to perform well, if we are to stand any chance of mitigating the worst impacts of leaving the EU. The impact on jobs and business will be significant, but we are sleepwalking completely unprepared into the situation.

Let us look at the Scottish-European growth co-investment programme that the Scottish Government set up. It announced in the programme for government, with extraordinary fanfare, £200 million for that programme, but the funding remains largely unallocated. Only £500,000 of it has been spent this year. The upshot is that the fund is not reaching the intended recipients to help them to prepare. That is another case of SNP rhetoric not quite matching reality.

Very few members will talk today about the committee's report on economic data—apart from the convener, who could fill an opening slot at the Stand comedy club. Many people might think that the report is dull, boring and the stuff to cure insomnia, but they would be fundamentally wrong. At the risk of members tuning out, I will focus on that report.

Collecting the right data at the right time is critical to our understanding of how policies should be developed, and to our understanding of their impact. Confidence in the data and confidence that the people who gather it are independent and impartial are equally important.

Access to data needs to be open and transparent.

Derek Mackay: Is Jackie Baillie suggesting, and does she have any evidence, that the statisticians are not independent and do not act impartially?

Jackie Baillie: It is not the statisticians whom I have concerns about: the Government's record on transparency is not good. We can look at journalists' experience of making freedom of information requests of the Scottish Government, and at the damning report from the Scottish Information Commissioner. In it was laid bare the culture of secrecy and the lack of transparency that are at the heart of the Government, and which ministers and their special advisers sanctioned. People were hiding information, delivering what I can describe only as fact-free responses, and generally subverting the process and principle of freedom of information. That amounts to deliberate obstruction; it is fundamentally dishonest and takes spin to new heights.

Let me introduce pre-release access to statistics. As the convener explained, that is the practice of ministers getting privileged access to

statistics days before the rest of us see them. The civil servants will argue that they need time to explain to ministers what the statistics mean, so that they are more likely to give measured responses and be able to explain what they mean to journalists. I do not have such a low opinion of the intelligence of ministers—not all the time. Such privileged access undermines public trust in official statistics. It creates opportunities for it to be spun or buried beneath an avalanche of other announcements.

The Economy, Jobs and Fair Work Committee recommended that pre-release access to economic statistics, including on Scottish GDP, the Scottish retail sales index, quarterly national accounts and government expenditure and revenues, should end. The Office for National Statistics has stopped the practice. The Bank of England has stopped the practice. The Scottish Government, which is so keen to crow about being a world leader in all sorts of things, is content to follow far behind best practice and is ignoring the committee's recommendation. That is disappointing and surprising.

Derek Mackay hit the ground running as the new finance secretary. There was a flurry of activity, engagement with businesses, and the mood music changed. Here was a listening and responsive minister.

Derek Mackay: Will the member take an intervention?

Jackie Baillie: No. I have taken one already.

Derek Mackay: You are very generous.

Jackie Baillie: The cabinet secretary should just listen. Curiously, in respect of pre-release access to statistics, he has been the exact opposite: he has been slightly hostile and uncharacteristically deaf to reason and sense.

What is being suggested is not some radical left-wing notion, nor is it some neoliberal right-wing idea. It is not rocket science. Goodness me! The ONS does it and the Bank of England does it. The Scottish Government should do it too. The time has come to end pre-release access to statistics.

I know that the cabinet secretary might not always listen to me, but here is what other people have had to say about the matter. Sir Charles Bean, the former deputy governor for monetary policy at the Bank of England, has said that pre-release access to economic data should end. Jonathan Athrow, the director general of economics and statistics at the Office for National Statistics has said that pre-release access to economic data should end. Ed Humpherson, the director general for regulation at the UK Statistics Authority has said that pre-release access to economic data should end.

Derek Mackay seems to know better. He says that he wants to work in consensus and that he wants to listen. Here is the first test of that. I urge him to listen and to act, to be open and transparent, and to end pre-release access to statistics.

Derek Mackay: That is not my decision.

Jackie Baillie: Instead of shouting from a sedentary position—

Derek Mackay: Will the member take an intervention?

Jackie Baillie: I cannot, because I am 10 seconds over time.

Derek Mackay: You do not even know that it is not a ministerial decision.

Jackie Baillie: I suggest that the minister put as much energy into ending pre-release access to statistics as he does to shouting at me across the chamber.

15:58

Colin Beattie (Midlothian North and Musselburgh) (SNP): The health of the Scottish economy underpins the prosperity of Scotland. Since 2007, when the Scottish Government set its target to raise Scotland's GDP growth to UK levels, Scottish output grew more slowly than the UK's in 30 of the subsequent 41 quarters. However, during the past six months, the Scottish economy has begun to show signs of outpacing the UK's economy across various indicators. For example, figures published recently show that Scotland's unemployment rate is lower than the UK's as a whole.

Contemporary analysis of Scotland's economy makes for encouraging reading. Recent GDP figures show faster growth in Scotland in the first half of 2018. Our economy grew 0.5 per cent in the second quarter of 2018, which is faster than the UK's rate of 0.4 per cent, while our 0.9 per cent growth in the first six months of this year exceeded the Scottish Fiscal Commission's forecast of 0.7 per cent growth for the full year.

There is much more to Scotland's economy than GDP and jobs. Issues such as equality, job quality and household income debt ratios come into play. We must also understand what aspects of the economy are the most important to ordinary people throughout Scotland.

Scotland's employment rate increased from 73.8 per cent in 2014 to 75.1 per cent in May to July 2018. The unemployment rate decreased from 6.1 per cent in 2014 to 3.8 per cent in July to September 2018.

With fully devolved powers or independence, we could implement further economic policies that continue to reflect a strengthening economy. Despite the global financial uncertainties that are affecting all economies, and a decade of Westminster austerity measures that were supposed to cure the UK's financial ills but have instead promoted poverty and hardships, the evidence clearly displays that the measures that the Scottish Government is taking to protect and promote the Scottish economy are fundamentally the right ones.

There should be no doubt that Scotland is a successful country with assets that other countries covet. We stand in the top 25 global economies on income per head and rank behind only London and the south-east of England on most long-term indicators. Our exports of goods have increased by more than 12 per cent over the past year—the largest growth of any nation in the UK.

Despite the positive background, we will face challenges in the years to come. The threat of Brexit looms large on the economic horizon. Scottish Government analysis shows that a hard Brexit could cost our economy £12.7 billion a year by 2030 compared to remaining in the EU. That figure breaks down to a staggering £2,300 per person. The Bank of England has indicated that, to date, Brexit has reduced household incomes by up to £900, and Fraser of Allander economic commentary states:

“A ‘hard Brexit’ will act as a significant drag on Scotland’s—and the UK’s—economic potential ... Sleepwalking into a ‘no -deal’ outcome cannot be viewed as an effective economic plan.”

More locally, when I spoke in the debate on bank closures in September, I highlighted the serious effect that such closures have on local communities. There has been a number of closures throughout Scotland and in my Midlothian North and Musselburgh constituency. The inconvenience to local businesses and personal customers, many of whom are vulnerable and elderly, has been considerable. Bank closures continue the pernicious hollowing out of our communities, as libraries and other local facilities that formed the heart of communities are closed or run down.

Bonnyrigg is one of the largest towns in my constituency and contains a large number of small businesses whose turnover is largely cash. The businesses need to be able to bank their takings, but without a local bank or adequate arrangements through the post office, the businessman needs to either take time out of his busy day to travel to the nearest bank branch or pay for the money to be uplifted.

With the closure of the Bonnyrigg and Penicuik branches of the Royal Bank of Scotland,

Midlothian is left with only one RBS branch, in Dalkeith. Although RBS needs to maximise its profit, it should not be at the expense of local services, which support the local economy. Although RBS's most recent round of closures has brought the issue of branch banking to the fore, the issue affects all banks, and any solution must involve all banks.

The worst impact of bank closures is felt by the most vulnerable members of our society, for many of whom going into a branch remains the only feasible way to conduct their banking. It is high time that the Tory Westminster Government stepped in to save local banking services—its inaction to date has been appalling.

As I have mentioned, one of the biggest challenges that Scotland and the UK will face over the next few years is Brexit.

Gordon Lindhurst: On the point about banking, does the member support the efforts in the House of Commons of my Conservative colleague, Luke Graham MP, with his private members' bill on banking issues?

Colin Beattie: Unfortunately, I have very little information on that. However, now that the member has mentioned it, I shall certainly find out more details.

The ultimate economic impact of Brexit is not yet known, but it will affect every business and family in Scotland, exacerbate labour shortages and impede economic growth. Our export success is directly threatened by the prospect of the removal of our access to the single market and customs union.

If we were an independent nation and free to take our own decisions, we would have the opportunity to focus on what truly matters to our economy and we would not have to rely on others, who do not care for a Scottish voice.

I hope that it has been made clear that Scotland is currently in safe hands. While Westminster and the Tories willingly choose to ignore investment and support for local communities, the Scottish Government is taking action to enhance and boost our economy. That action includes increasing the annual infrastructure investment year on year, so that by 2025-26 it will be £1.5 billion higher than in 2019-20 and investment will be around £7 billion higher than current spending projections; investing in our digital infrastructure by awarding £600 million of contracts to ensure superfast broadband for every business and home in Scotland; and introducing the legislation that will formally underpin our Scottish national investment bank.

Those examples have already been welcomed by businesses and industry. Those and other actions that the Scottish Government is

implementing point the way to long-term economic growth and are further proof of how we are taking a wide view on how to secure the country's future in the years and decades to come.

As a member of the Economy, Energy and Fair Work Committee, I am certain that we will continue our examination of the issues related to Scotland's economy and the data and criteria used. I look forward to debating the topic in Parliament in the months to come.

16:05

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I thank the Economy, Energy and Fair Work Committee for publishing its report on Scotland's economic performance.

As many members have said, economic growth in Scotland between 2007 and 2017 was significantly below Scottish Government targets, the performance of the UK economy as a whole, historical trend growth rates for Scotland and those of small EU countries. That is a damning indictment of the SNP Government, clearly spelled out in black and white in the committee's report. We heard earlier from Derek Mackay about some of the reasons for that, but surely not all those targets can have been missed for those reasons. There are other policies that Derek Mackay might consider and other ways in which to boost the economy.

During the 11 years of the SNP Government, we have seen it fail repeatedly to reach its economic performance targets. To top that off, the high-tax agenda pursued by the Government continues to damage our high streets and local communities and curtails the creation of jobs. Ultimately, that impacts on tax revenue and spending on services.

I want to move on to a point that was made in evidence to the committee on the large business supplement and scaling up businesses. The name "large business supplement" is deliberately misleading and was probably dreamed up by someone in the SNP. In reality, the large business supplement is a tax on small, family-owned, local businesses—they are the ones that have to cough up the additional taxes.

Businesses in Scotland have been hit by an additional £190 million, thanks to the doubling of rates by the SNP. Across Scotland, it is estimated that the total bill for big companies will be circa £129 million for the rest of the financial year. Had the rate had been kept on par with the rest of the UK, businesses would have to pay only circa £64 million. The large business supplement is set to double in my constituency.

To add insult to injury, the Government has forced the highest business rates in Europe on to

Scottish companies. Scottish businesses are currently paying business rates equivalent to 2 per cent of GDP, which is higher than business rates paid anywhere else in Europe and 0.5 per cent higher than those in the rest of the UK.

John Mason: Will the member give way?

Rachael Hamilton: I would like to finish my point first.

The committee notes that

"the scale-up of companies has been a long-standing challenge in Scotland. There is a lack of business confidence to do so".

It is unsurprising that the committee has reached that conclusion when Scottish businesses have been forced to withstand the policy decisions of the SNP Government.

John Mason: Would the member confirm that, along with a reduction in taxes that should be paid into the public purse, there should be a reduction in expenditure and therefore that she would support a matching cut in either the health service or colleges and universities?

Rachael Hamilton: In the autumn budget, the chancellor promised more money—£950 million—to the Scottish Government for health spending. John Mason makes an ironic point.

The SNP tax plans hit family businesses as I have just set out. Individuals are also set to continue to pay for SNP fiscal decisions through their income tax. In the autumn budget, the chancellor brought forward a tax cut for 32 million people one year early. That will deliver for workers across the United Kingdom, including here in Scotland. We all know that he will raise the personal allowance and the higher rate threshold. He brought forward that tax cut at the same time as passing on that extra funding for Scotland, perhaps for the NHS. We hope that it will be used in a way that will benefit the people of Scotland.

The Cabinet Secretary for Finance, Economy and Fair Work must follow suit or we will see the private and public sectors struggling to compete with other nations in the United Kingdom and that tax gap will continue to grow.

Derek Mackay: Will the member take an intervention?

Rachael Hamilton: I am sorry, but I want to make a bit of progress, if the member does not mind.

In evidence to the committee, Willie Macleod from UKHospitality stated that different rates of income tax for Scotland and the rest of the UK were an issue for hospitality, too. He spoke to the managing director of a large Scotland-based company that operates throughout the UK and

was told that it was concerned about the impact of the different rates of income tax on bringing staff from England to positions in Scotland. That company is thinking about how it can reward staff appropriately when they relocate and how it can encourage them to relocate. The issue is not just about highly paid chief executives and the like, because last year's Scottish budget put up income tax for those earning more than £26,000.

It is clear that the recommendations in the committee report are a wake-up call for the Government to act. They are an achievable and positive set of recommendations that the Government can work towards to help improve economic growth, notwithstanding what I have just said about the issues affecting high streets, the personal allowance and the higher rate threshold differentials.

The committee was unequivocal in recommending that the economic strategy be reviewed and updated as a matter of urgency. Regarding the enterprise and skills agencies, in particular the south of Scotland enterprise agency, I agree with the committee that a clear focus on delivering the strategy is required. I am glad that the committee believes that there is an opportunity for the south of Scotland enterprise agency to build transparent measurement and evaluation into its activities from the outset. Moreover, I agree that there has to be a consistent, commonly held and settled definition of inclusive growth and that it should be reflected in the enterprise and skills agencies' operational plans.

We know that we are stuck in a cycle of low growth, weak investment and fragile confidence that is hitting our local communities and high streets hard. I just hope that in the decisions that Derek Mackay makes, he makes a sensible one.

16:11

Tom Arthur (Renfrewshire South) (SNP): I am grateful for the opportunity to participate in the debate. I had the great pleasure and privilege of being a member of the Economy, Energy and Fair Work Committee earlier this year, and I had the opportunity to participate in the inquiry into Scotland's economic performance. I join former committee colleagues in paying tribute to the work of the committee clerks, and I pay tribute to my former fellow committee members for all their hard work and endeavour in producing what is quite an extensive and, by its nature, wide-ranging report. That wide-ranging nature has been reflected in much of the debate.

I will pick up first on the narrative that some Opposition members are seeking to construct of 10 or 11 years of SNP Government having failed to address matters of economic growth. I

appreciate why Opposition members do that: they see it as their job, and it is the nature of the zero-sum game of political debate that parties do not want to admit that the other party has a point. However, any reasonable consideration of where Scotland was in 2007 compared to where we find ourselves as we are about to enter 2019 would find that there has been considerable change for the better. Let us take infrastructure alone: when I come from the west of Scotland to Edinburgh for my week in Parliament, I now travel on an electrified railway line.

Willie Rennie: I acknowledge that the oil industry downturn has had an impact, but does the member acknowledge, in the spirit that he was talking about, any of the points that we are making about the Scottish Government's performance?

Tom Arthur: When the Scottish Government came to power, within 18 months it faced the greatest fiscal crisis since the Wall Street crash of 1929, and it did so in a Parliament with a limited suite of powers. In addition, I gently remind members that, for the majority of the time that the SNP Government has been in power, it has been a minority Government. There is therefore a collective responsibility in the Parliament for the decisions that have been taken.

As I said, I can now travel from Glasgow to Edinburgh on an electrified railway line and I can drive the length of the now-completed M8. The Aberdeen western peripheral route will shortly open, and the M80 has been completed, as has the M74. Those projects were first mooted as far back as the 1940s, 1950s and 1960s, but it took an SNP Government to deliver them. That is testament to the Government's record in getting on with the job. Had there not been an SNP Government, we would still be waiting for many of those important measures to be undertaken.

Some important points about skills have been made in the debate. It may have been Jamie Halcro Johnston who spoke about the need to pair up the demands of business with the education that we deliver. I draw members' attention—as I have previously—to the work of A C Whyte, a construction company that is based in my constituency of Renfrewshire South and in my home town of Barrhead. It has partnered with West College Scotland to deliver a one-year college training course with guaranteed employment at the end. I very much welcome the work that A C Whyte has undertaken in that partnership. That model can be expanded and developed.

Brexit has been the elephant in the room in much of the debate. Publication of the report obviously predated the withdrawal agreement and the political declaration that is only hours old. We can already deduce and understand from the UK's

proposed deal that it does not deliver on the desires of the remain voters or of the leave voters beyond ending freedom of movement.

As the committee's report mentions, we face significant demographic pressures. Over the next 25 years, our pension-age population will increase by 25 per cent, our over-75 population will increase by 80 per cent and our working-age population will increase by only 1 per cent. As the Finance and Constitution Committee's work on the fiscal framework demonstrates, that poses significant challenges and a significant threat to Scotland.

Ending freedom of movement would be a catastrophe, and it would be a catastrophe for Scotland. Not only would it benight us and deny us engagement in the enriching experience that freedom of movement brings; it would have a devastating impact on Scotland's music sector—in which I take a keen interest as someone with a musical background and the convener of the cross-party group on music—as well as posing a fundamental threat to our public services such as health and social care, to many of our industries and to agriculture, as members have mentioned. It would deny us the working-age population of taxpayers that we need both to fund our public services and to work in our private sector. We know the contribution that EU nationals make. They are highly qualified, hard-working and diligent individuals who make a huge contribution. For some areas of Scotland, the end of freedom of movement is an existential threat. The minister, Kate Forbes, will be aware of that in the constituency that she represents.

It is important that we have these debates and look for ways in which we can improve. As Jackie Baillie rightly said, we can always do things better. If we did not believe that we could do things better, we would not bother running to be members of this Parliament. However, the biggest threat that we face right now is Brexit. The only response that we can make to that, short of staying within the European Union, is to continue our membership of the single market and customs union and, within that, to continue freedom of movement.

16:18

James Kelly (Glasgow) (Lab): Members will be glad to know that I am not going to tell any jokes. I could not compete with Mr Lindhurst.

The debate has raised some interesting issues. There has been a lot of coverage of statistics and data, which has been part of the committee's inquiries. We can all agree on the importance of good-quality and consistent data to inform policy choices, even if we disagree on those policy choices. It is important that the data is accurate.

Moving on from statistics, Derek Mackay spoke up for the Government's record on delivering the real living wage. However, we heard from Richard Leonard that 470,000 people in Scotland are not being paid the real living wage. It is important to drill beneath the statistic to see what that means. I was recently talking to some young people in my local area who are not being paid a proper wage, which means that some of them have three jobs in order to make ends meet, to pay their bills and to stay in a house that is wind and water tight. That is the reality that far too many people—particularly young people—face.

Tom Arthur: Does the member agree that we should end the national minimum wage, have a national living wage for all workers and end the iniquitous pay discrimination against 16, 17, 18, 19, 20, 21, 22, 23 and 24-year-olds?

James Kelly: In order to answer that, I will jump ahead to another bit of my speech, on the importance of procurement in being able to mandate the real living wage. It is all very well to have guidance and good practice in public procurement projects, as we currently do; however, when the issue was brought to the Parliament in 2014, the SNP on five occasions voted against mandating the living wage in public sector projects. The reason given for that was that it would be against EU law. Although we all regret the onset of Brexit, perhaps one aspect of it that will come to pass will be that we are not subject to that EU law. I look forward to the SNP then making the appropriate changes to procurement legislation to mandate the payment of the living wage in all public sector projects. That would go a long way to addressing the concerns of the young people that I talked to in my local area, who, as I said, are having to do three different jobs.

Willie Rennie made a good point about grant assistance. At First Minister's question time today, I made a case in relation to the 2 Sisters plant at Cambuslang. It was revealed earlier this week, via a freedom of information request, that Scottish Enterprise paid the 2 Sisters Group £500,000 in 2013 on the basis that the company would keep the plant open until 2020. Sadly, the plant closed earlier this year with the loss of 450 jobs, which has had a devastating impact on Cambuslang. It is an absolute scandal that the 2 Sisters Group has retained that £500,000 within the company. At First Minister's question time, Nicola Sturgeon said that Scottish Enterprise was undertaking to recover the money, but we have to wonder why, months after the plant closed, the company still has the money, given that the legal agreement was supposedly tied up properly. I repeat my call that, when that £500,000 comes back, it should be reinvested in Cambuslang in order to alleviate the economic vandalism that the 2 Sisters Group has wreaked on the community.

Another area that we could look at in improving the economy is the use of the co-operative model, which the Government has not done enough to promote. The cross-party group on co-operatives is currently holding an inquiry into the use of that model in relation to housing. A recent presentation from a student co-op demonstrated how it was able to deliver rents of about £350—less than half the rent level for the rest of the city of Edinburgh. That can provide a real benefit not only to the students themselves but to the economy if they are able to save money on their rents. The Government should look at that.

The Government should also look at technology and, in particular, at increasing the number of women in the technology sector, which currently runs at less than 20 per cent. There are interesting areas that we need to pick up on if we are to move Scotland forward to being a driving force in the economy in the 21st century.

16:24

Gordon MacDonald (Edinburgh Pentlands) (SNP): The committee's report entitled "Scotland's Economic Performance" opens with the words:

"It has now been a decade since the beginning of the financial crash and the subsequent 'Great Recession' ... this ten year milestone marked a timely opportunity to look at the performance of the economy".

How is Scotland's economy performing? A number of witnesses, for example Professor John McLaren, Graeme Jones and Professor Sara Carter, highlighted the impact of the financial and oil price crises on two of our most productive sectors and therefore the economy as a whole. Despite that, the committee heard that compared to other countries and regions of the UK, Scotland is performing well. Even without North Sea oil and gas extraction, Scotland is still the third most productive of the 12 regions of the UK, with productivity sitting just below the UK average. Indeed, only London and the South East of England are more productive than Scotland. Furthermore, Scotland's productivity grew by 7.8 per cent between 2007 and 2016 in real terms, a growth rate higher than that seen in any other country or region of the UK.

Research that was conducted by the Scottish Parliament information centre highlighted that three of Scotland's four NUTS 2—nomenclature of territorial units for statistics 2—regions displayed above-average EU productivity levels, with the Aberdeen and Aberdeenshire area ranked 19th of all the 266 EU regions in 2015. Comparing the percentage change in productivity over the period 2007 to 2016 shows that of the 23 Scottish NUTS 3 areas, 19 grew faster than the UK average growth rate. That improved productivity is

important if we want to trade with countries across the world.

As a result, between 2010 and 2016 the value of Scotland's international exports grew by 24 per cent. In 2016, exports to EU destinations totalled £12.7 billion, which was an increase of 19 per cent, and exports to non-EU destinations were £17.1 billion, which was up 28 per cent. Our increased sales to the world have helped to support the growth in new businesses in Scotland, which has increased dramatically post-devolution. There are 100,000 more businesses now than there were in 2000, and there is the highest number of private sector businesses since records began. Those businesses get better support than they would elsewhere in the UK, which is one of the reasons why the Scottish five-year survival rate is higher than the UK average.

Better employment prospects over the 11 years are reflected in the latest labour market update, which highlights that Scotland, with an unemployment rate of 3.8 per cent, has the lowest unemployment rate in the UK and that we met our target to reduce youth unemployment by 40 per cent, four years early.

On the living wage, Scotland remains the best-performing of all four UK countries, with the highest proportion of employees—81.6 per cent—being paid the living wage or more, and Scotland has the highest pay anywhere in the UK outside London and the south-east. ONS figures show that median full-time gross annual pay has grown by 21 per cent in the past 10 years.

With a highly skilled workforce, we continue to be the top destination for foreign direct investment outside London. Business research and development spend in Scotland grew by over £1 billion for the first time in 2016. That represents a 69 per cent real-terms increase since 2007, compared with a 22 per cent increase in UK spend over the same period.

Scotland has changed for the better over the past 11 years under the Government, but there is more that can be done.

We require better statistics on the Scottish economy. Our conclusions in our inquiry into how to make data count highlighted a number of points that need to be addressed. Although Scotland is now much better served in respect of data than Wales, Northern Ireland and the English regions are, we still lack many of the statistical measures that are produced routinely at the UK level and in other countries. The Government needs to discuss with the ONS, HMRC and others how those gaps can be filled. It also has to introduce more data sharing agreements to improve the coverage and quality of data. We also need to address—this is important—the matter of UK-wide companies not

having to report specifically on their activities in Scotland.

In “Scotland’s Economic Performance”, the committee welcomed

“the Strategic Board’s focus on de-cluttering and streamlining of the enterprise and skills support landscape.”

However, one area that needs to be examined is how businesses are supported from start-up to high growth. Witnesses highlighted that, despite the Scottish Government spending £2 billion a year on economic development,

“there is a divide, when businesses separate from business gateway and look to move to Scottish Enterprise”.

There is not a smooth transition from one agency to the other.

On apprenticeships, I welcome the Scottish Government’s target to create 30,000 modern apprenticeships by 2020. However, we have to ensure that we support the learning and upskilling of all our people, including citizens who are disabled, care leavers and those from black and ethnic minority communities.

Scotland has changed for the better over the last 11 years. Yes, we can do better, but we need the tools to do so. Perhaps the parties that highlighted the deficiencies in Scotland’s economic performance should think about how they have voted over the last 11 years, when there were opportunities to devolve more powers to the Parliament.

The Deputy Presiding Officer (Christine Grahame): We come to closing speeches.

16:31

Rhoda Grant (Highlands and Islands) (Lab): I thank the committee for its reports and for shining a light on why our economy has grown so slowly. There are strong, practical recommendations in the reports that should be considered by the Government.

James Kelly talked about the co-operative model that was mentioned in the report. That is close to my heart, as I am a member of the Co-operative Party. Richard Leonard talked about both employee-owned and co-operative models. They boost productivity and economic growth, which was highlighted in the report, and they provide better conditions and security for workers.

The topic of precarious work has come up in the debate—in Johann Lamont’s intervention and in James Kelly’s remarks, when he spoke in some depth about the issues that young people face, such as working three jobs to try to make a living. Some of those jobs will have zero-hours contracts and others will be precarious because young

people have very few rights in the labour market, which is an issue that we must address.

We must also address how we support our indigenous businesses. I have been approached by people from local companies who have built up a trade and wish to retire and are looking for models to make sure that the business stays in local hands and continues to contribute to the local economy. Too often those businesses are picked off and asset stripped for their contracts and the local workforce is left on its own. We need to make sure that indigenous businesses get as much support as others. A rather shocking statistic mentioned in the debate is that over a third of the Scottish economy is overseas owned. Willie Rennie pointed out that that means that many of the financial incentives that are paid out will go to those overseas companies. We should surely be looking to retain some of those incentives to support our own businesses, because it is clear that, when times get tough, if a person is rooted to where they are working, they are much more likely to stay and try to weather the storm, instead of moving away.

James Kelly highlighted, in the debate and at First Minister’s Question Time, that the 2 Sisters Group has received £500,000 of Government funding—

Derek Mackay: Will the member take an intervention?

Rhoda Grant: Yes.

Derek Mackay: I am mindful that, on 3 September, I sent a 32-page response to the committee’s report. Notwithstanding Rhoda Grant’s comments, could she confirm which of the recommendations in the report, which I have responded to, she thinks that I have failed to deliver on?

Rhoda Grant: There are many and I hope to touch on them as I continue my remarks, as they were raised in the debate.

I will finish my point about James Kelly’s comments regarding the 2 Sisters Group. The Government has given it £500,000. Could that money not have been given to the workforce to try to save the business or to grow another business in its place? Would the money not have been better spent that way, which would have enabled the employees to remain in their own communities?

James Kelly also spoke about procurement. We need to use that to support local companies and to promote a real living wage. One of the other shocking statistics that came out in the debate was that 470,000 people are receiving less than the living wage. The living wage is what it has been proven that people need to live to a

reasonable standard. Those people are living below a standard that we would deem to be acceptable. That is not right in a modern Scotland.

Angela Constance talked about inclusive growth. It is important that we look at how women are treated in the workforce. The value given to female entrepreneurs was talked about in the report. I was at a Commonwealth Parliamentary Association women's conference, and women entrepreneurs were making presentations to the group. What was stark about what they were saying was that most of them could not find work that would fit with their caring responsibilities, so they set up their own companies so that they could make a living. In turn, they employed other women and made sure that their conditions were flexible. There is a lot to be done, and setting up a business should not be seen as a last resort but as something that we encourage people to do, as it creates wealth in our communities.

Another issue touched on in the report and in the debate was automation, and the challenges and opportunities that automation can bring to build a high-wage and high-skilled economy. It can boost productivity as well, and the report says that skills are crucial for the capitalisation of those developments. Yet we see that companies do not have digital and automation skills. We need to reskill our whole workforce.

When I met the Scottish Retail Consortium this morning and talked about apprenticeships and the apprenticeship levy, I was concerned that the consortium was clear that apprenticeships were not working properly, certainly in the retail sector. The average age for a start in that sector was 27 years of age, usually because the sector's hours were more family friendly. Those people could not access apprenticeships because of their age. That is not right—we need to look at reskilling and making sure that our workforce is ready for the future.

The Presiding Officer is looking at me as if I should be winding up. I must emphasise that the economy is hugely important, because, without a vibrant economy, we cannot do the things that we want to do, such as tackling poverty and health inequality and creating a country that we can all be proud of.

16:37

Murdo Fraser (Mid Scotland and Fife) (Con): The debate started with the committee's convener, Gordon Lindhurst, delivering the committee's views with his trademark swashbuckling style. We were then tantalised by Angela Constance telling us that it was a unique experience being on the committee, without elaborating on what way it was unique—I do not know whether it was having to

listen to the convener's jokes. Perhaps she will tell us later and privately what was so unique about it.

I want to pick up issues that came up in the debate and say something about aspects of the report that I think are important. A number of members—the convener, Dean Lockhart and Jackie Baillie—talked about the issue of the pre-release of data. It is clear that statistical bodies all support an end to the pre-release of data and say that it is not good practice. The only people who take a contrary view are the Scottish Government. I ask the Government to reflect on that issue and consider whether it is time to change practice.

Derek Mackay: Is Murdo Fraser aware that that is primarily a decision for the chief statistician, who makes his own judgment on it, rather than ministers? It would be for the chief statistician to decide whether to propose a change; it is not a ministerial decision.

Murdo Fraser: I am sure that, such is the weight and influence of the economy and finance secretary, if he were to have a gentle word in the ear of the chief statistician, that might have some bearing on his decision making.

Derek Mackay: Will the member give way?

The Deputy Presiding Officer: This is getting interesting.

Derek Mackay: Would some not argue that that would constitute interference, which is the accusation that the Opposition is suggesting we should want to avoid?

Murdo Fraser: Perhaps the answer is for Parliament to express a view on the matter, so that there is no question of undue influence.

Gordon Lindhurst: Will the member take an intervention?

Murdo Fraser: I would love to—

The Deputy Presiding Officer: I will give you time, if you want to take Mr Lindhurst's intervention.

Murdo Fraser: If I have time, I will give way. Come on, convener.

Gordon Lindhurst: To correct the cabinet secretary, the point is that that is the position under the current legislation but it is the way in which the current legislation and regulations have been set up that is the problem.

Murdo Fraser: I thank the convener for clarifying that, but perhaps I will move on quickly to other matters.

A number of members talked about Scotland's economic performance more generally. There was an exchange between Willie Rennie and Tom Arthur on that issue. I understand the point that

Tom Arthur was making on headwinds—he talked about the financial crash and Brexit, which, of course, has not happened yet. However, surely the issue is the relative performance of the Scottish economy compared with the performance of the UK economy as a whole. The Fraser of Allander institute—the closest that we have to gospel on these issues—has pronounced that it believes that there has been a decade of underperformance relative to the UK economy and that, during that period, the Scottish economy has grown at a third of the UK rate. We should reflect on that.

We now have a clear choice on Brexit: the Prime Minister's deal or no deal. I would encourage members and, indeed, the Scottish Government—

Tom Arthur: Will the member take an intervention?

Murdo Fraser: I have taken three interventions already. I will have no time to make all the very important points that I want to make if I take another. I am sorry about that.

Members should listen to what industry bodies such as the Confederation of British Industry and NFU Scotland are saying and sign up to the Prime Minister's deal.

In relation to other points in the report, one of the things that somewhat depressed me about the debate is that it could have taken place at any time over the past decade. I served on the Economy, Energy and Fair Work Committee's equivalent in two previous sessions of Parliament, and the work that the committee has done in this session has some depressingly familiar themes. How we improve productivity, enhance exports and commercialise the research from our universities are all issues that we have been talking about for the past 10 or 15 years. That is not to say that the report does not make some valuable points; some of the conclusions need highlighting.

I have lost count of the number of new economic strategies that we have had over the past two decades. We have had individual strategies across a range of sectors. As the Fraser of Allander institute pointed out in a recent report, there is a very cluttered landscape when it comes to what such strategies are intended to deliver. Dean Lockhart made that point in his speech. The committee recommended that the Scottish Government

“produces an action and implementation plan ... backed up with a monitoring and evaluation plan.”

I appreciate that that is two more plans, but it seems to me that getting things done is more important than producing yet more strategies.

[*Interruption.*] I am delighted that the cabinet secretary agrees with that.

The economy exists only because we have businesses, and we know from recent figures that there has been a fall in the number of enterprises in Scotland. Historically, we have had lower levels of entrepreneurship in Scotland than there have been in the UK as a whole. The committee noted the evidence on the need to ensure that Scotland is a good place to do business. Rachael Hamilton touched on that point in her speech. We hear again and again from organisations that represent business that we must keep Scotland competitive on tax with the rest of the United Kingdom. I hope that the cabinet secretary will address that issue in his budget next month.

I was pleased that the committee addressed the “missing middle businesses”. Willie Rennie touched on that issue, which has long been identified, in his speech. We have a good number of large secure businesses and a wide range of SMEs, but substantial middle-range businesses have always been missing in the Scottish economy, compared with other economies, particularly Germany's. The committee heard that it is those “missing middle businesses” that struggle to access the support that they need to grow. They fall between two schools: they are too large for start-up support but too small to benefit from Scottish Enterprise account management. There needs to be greater focus on that area.

In closing, I want to make some comments on the Scottish national investment bank, because it is important. The initiative is welcome and fulfils an unmet need, but it will not achieve much, as the committee has said, if it not sufficiently focused.

There is concern when we hear calls—we heard them from Mr Leonard earlier in the debate—for too much direction to be given to the investment bank and for political interference over how it might lend money. My concern is that every time we get a business failure—whether it is Michelin, which we are hearing about in Dundee at the moment, or whatever else—there will be calls for the SNIB to use its resources to invest. Whatever the general merits of those calls, that is not what a Scottish national investment bank should be about. If it is going to be successful, ministers will need to appoint good people to run it and then get out of the way and let them take decisions for themselves.

In closing, Presiding Officer—

The Deputy Presiding Officer: No, you must conclude.

Murdo Fraser: —I say that it is a very worthwhile report and I commend it to the chamber.

16:45

Derek Mackay: Surprisingly, I agree with much of the report, and I said so in my 32-page response to the committee; I said that there is a lot of consensus in the report and I welcomed much of it. That is why I asked what members feel was missing from the recommendations, notwithstanding the genuine difference of opinion on pre-release access to data, to which I will return.

One of the recommendations is that we should establish an economic consensus in Scotland. I genuinely think that this debate has been an argument in which some of us some of the time, arguably including me, rely on the lines that we believe in, but we need to work a wee bit harder to find the economic consensus. It is the only way by which we will make progress and deliver the actions on which we appear to agree. Gordon Lindhurst was certainly a champion of the committee report, but I hope that he will equally reflect on what I felt was a very constructive response to the committee's recommendations. In that sense, I agree with Murdo Fraser—it is not often that I say that—on the actions that are required.

I thought that Jamie Halcro Johnston gave a very fair and considered speech—that is his career knackered—and Angela Constance gave a powerful and articulate speech about how growing the economy and tackling inequality go hand in hand. I believe in economic growth because, through growth, we can tackle inequality in our society, and that is what drives me.

It is true that our economic indicators are strengthening: our GDP growth has been outperforming that of the rest of the United Kingdom over the past 12 months; unemployment is at a near record low at 3.8 per cent; foreign direct investment in Scotland is in a stronger position, second only to London and the south-east of England; and our exports are growing.

I have spent the past few months listening to businesses, and I have to say that pre-release access to data has not been the number 1 issue that they have raised with me among the things that we need to do to grow our economy. It is not a ministerial decision; I say to the Tories in particular—and to those who used to be in power—that it is more a question of, "Do as we say, not as we do." In Whitehall, pre-release access still exists.

I am convinced that, no matter how much time some members of the Opposition—just some of them—are given to look at the evidence, they still will not look at the facts to come to the right decision. A case in point has to be Brexit. I will not take any lectures from the Tory party on economic

planning when we look at the madness that is Brexit right now—it has been totally mismanaged by the Tory party. Dean Lockhart says, "Let us see how it pans out"—how reckless can you be with people's jobs and lives?

We already know that the Tories have adopted austerity as an ideology. That in itself has harmed our economy; rather than supporting our economy, it has harmed our business growth and our economy.

Murdo Fraser: Will the cabinet secretary give way?

Dean Lockhart: Will the cabinet secretary give way?

Derek Mackay: I have a choice! Who should I take? Dean Lockhart is still standing—I should have taken Murdo Fraser.

Dean Lockhart: The policies of the UK Government apply across the UK, so why is it that the economy of the rest of the UK has grown by 1.2 per cent since the financial crisis but growth under the SNP Government has been only 0.7 per cent? There is only one explanation—it is the input and policies of the SNP Government.

Derek Mackay: Scotland is more dependent on the oil and gas supply chain than the UK as a whole is—that is the explanation of why we have been more impacted by the downturn.

The Tories said that our strategy was not good enough and that we had too many strategies. Have members heard what the new idea was in the new Scottish Tory economic strategy, apart from cutting taxes for the rich in our society? The big new idea from Dean Lockhart was a new framework. We are getting on with the actions to grow our economy, and that is why the GDP growth rate in Scotland over the past 12 months has been outperforming the rate in the rest of the UK.

To be fair to Willie Rennie, I thought that his speech was quite considered, if not the best-informed speech that he has ever made in the chamber—but I would say that. He made the case that, although the Scottish economy is underperforming as part of the union, we are still better together, only to go on and say that immigration policies will adversely impact Scotland's economy—they will impact the UK's economy, too, but they will impact the Scottish economy disproportionately. He is 100 per cent right. We should have powers over immigration so that we can make the right choices to support our society and economy, as well as doing the right thing.

We then turned to another friend of better together: the Labour Party, which wants us to take more action on the living wage and employability

but does not want to give us the power to do that. It would rather have that power in the hands of the Conservatives, too.

We heard about Labour's industrial strategy. However, not only does the SNP have policies to support industry, including emerging industries, in Scotland, we have intervened to save jobs and, unapologetically, we will continue to intervene to protect industrial jobs in Scotland. If members want to see what interventions look like under the SNP, they should note that Liberty Steel is making steel again, we are building ships and we intervened over Burntisland Fabrications. We will take the right actions to support our economy—

Richard Leonard: Will the cabinet secretary give way?

Derek Mackay: Maybe the member should hold off on that particular intervention.

The Deputy Presiding Officer: Please sit down, Mr Leonard.

Derek Mackay: I have only about a minute left.

Our economic interventions are right. They are about investing more in our infrastructure, in inclusive growth and in innovation, so that we are the creators of our economic success and not just the consumers. Our interventions include internationalisation and our export strategy, and the national manufacturing institute for Scotland to support future industrial growth opportunities from advanced technology.

The national investment bank will be transformational, the enterprise agencies support start-ups and scale-ups and the south of Scotland enterprise agency will support that part of the country. We have city deals to stimulate our regional economies, innovation centres to work with the public and private sectors, and rates reform to ensure that we have the best package of rates anywhere in the UK. We work with the UK Government on the industrial strategy to make sure that we maximise the funds from that channel.

We are stimulating our economy and providing stability and stimulus. It is so important to support entrepreneurship at this time, as well as to have a focus on digital, women, enterprise and fairness as part of our economic strategy.

I have set out some of the actions that we will take to stimulate our economy, while the Tories try to wreck the economy with their ideological approach to Brexit, which has put us in such a precarious position.

16:52

John Mason (Glasgow Shettleston) (SNP): I start by commending the convener for the

collegiate approach that we take on the committee. There was a lot of agreement on the committee when it came to identifying issues, many of which have come up in the debate. However, the reality is that none of us has a magic wand or can always clearly see how to solve some of the challenges that we have faced and are facing.

I will reiterate a couple of the points that the convener made at the start of the debate. I thank Graeme Roy for his input to both reports, each of which runs to around 100 pages and contains a lot of material. He was extremely helpful to the committee.

The other point that the convener made that is worth reiterating is that data and statistics are there to serve the users, not vice versa. There is room for movement from where we have been in that regard.

I will start, as other members have done, with data. There was a lot in the data report other than pre-release access, which I will come to. There were some positive points. The fact that the ONS said that it was extremely willing and wanted to engage more with the Scottish Parliament was positive and the committee will be keen to develop that. The committee agreed that we need to prioritise getting data on earnings, trade, Scottish prices and regional figures. There was a positive reaction to the Digital Economy Act 2017, to the fact that we should now have more access to HMRC data and to the question of how the gaps can be filled, which Gordon MacDonald mentioned.

The barriers that we still face include the cost of getting data, the lack of power that we have in certain sectors and the fact that there is no disaggregation in relation to many companies and other organisations.

Gordon Lindhurst also touched on the requirements of the Scottish Fiscal Commission. As a member of the Finance Committee when the commission was set up, I think that that issue should be a priority for us all.

One thing that has not been mentioned is the link that we make in the report to the gender pay gap—an issue that we had previously studied—and the need for gender-disaggregated data, which is something that, by and large, we do not have. I think that Kezia Dugdale and Gillian Martin were members of the committee when we put the report together, although they are no longer on the committee.

With regard to data, although most of our discussions were collegiate, we divided on the question of pre-release access. Before the debate, there were three positions on the matter, although I think that Angela Constance has added a

fourth—that of sitting on the fence. However, I maintain that the minority view on the committee is still the best. The committee went strongly for the option of pre-releasing everything, and the Government has stood by its position of not changing anything, but the minority view on the committee was that there should be a presumption against pre-release access and that the Government should be invited to make arguments on a case-by-case basis. I still think that that is a good way forward.

I want to touch on one or two issues that have hardly been mentioned or which have not been mentioned at all in the debate. We spent quite a lot of time discussing productivity, which came up with a lot of witnesses. There is an assumption that increasing productivity is automatically a good thing, but it was pointed out that, in some sectors—say, in restaurants—what was needed was more staff, and more productivity was not necessarily a great thing.

There has not been much mention of technology and automation, although I know that Rhoda Grant highlighted the issue in her closing speech. We felt that the enterprise and skills agencies needed to really focus on that.

The care sector has hardly been mentioned, but it is clearly a huge part of the Scottish economy nowadays. Although it does not export anything or attract tourists, it is nevertheless a growing sector that we need to take seriously but in which the pay is very poor.

On entrepreneurial thinking, we focused on colleges and universities, where much of that kind of thinking takes place. There is now more emphasis on the issue in schools, which is a good thing. Indeed, we saw that at the recent business in the Parliament event, of which the committee was a sponsor.

Procurement, too, has not been mentioned, and we felt that many SMEs are still not achieving the share of public expenditure that they could be achieving here and which is perhaps being achieved in other countries.

Growth sectors have not been mentioned to any great extent, although Willie Rennie talked about the need to broaden the economy. We wondered whether the system has been too rigid, particularly with regard to what Scottish Enterprise has focused its help on, and whether improving low-productivity sectors might make an impact on the economy.

The Scottish national investment bank has been highlighted as a positive step forward, and I think that we agreed that all investment decisions should have equality impact assessments. At the same time, I agree with Murdo Fraser that the bank should not be there to bail out struggling

companies. That is not its main aim. As for decluttering, which was mentioned a few times, we saw the Enterprise and Skills Strategic Board as a positive way forward in decluttering some areas.

I will move on to a number of areas that have been mentioned a fair bit in the debate. First, we looked at what is called “the fear of heights” or of scaling up—or, indeed, the missing middle sector—which is certainly an issue that concerns me a lot. We seem to be good at starting companies and growing relatively small ones, but there is a question whether some of those companies are sold too soon. We had a very useful meeting with Skyscanner, which might have sold at the right time; time will tell, of course, but at least it waited a lot longer than a lot of other companies to sell itself off. Nevertheless, it is still the case that there is often rejoicing on the financial pages when a small company gets sold for a sizeable sum, even if it might have grown.

Points have been made about ownership. We have not spent very much time considering social enterprises as an option. I think that we felt that Scottish Enterprise and Highlands and Islands Enterprise perhaps need to focus more on that sector, and that potential entrepreneurs should also think about it when they start up their companies.

Employee ownership is very important. Embedding companies in Scotland—Michelin and others have been mentioned—is important. An overseas branch may be closed more easily than one that is based here, although it is clear that Scotland-based companies have struggled as well.

A number of members mentioned inclusive growth. Although I do not have time to cover that, committee members jointly felt that that issue is really important.

I thank members for their interest in taking part in the debate. The committee will note the points that have been made and we will certainly continue to focus on the issues.

Decision Time

17:00

The Presiding Officer (Ken Macintosh): There is one question today. The question is, that motion S5M-14824, in the name of Gordon Lindhurst, on behalf of the Economy, Energy and Fair Work Committee, on Scotland's economic future and economic data, be agreed to.

Motion agreed to,

That the Parliament notes the conclusions and recommendations contained in the Economy, Energy and Fair Work Committee's 5th Report 2018 (Session 5), Scotland's Economic Performance (SP Paper 359), and its 3rd Report 2018 (Session 5), *How To Make Data Count: Improving The Quality And Coverage Of Our Economic Statistics* (SP Paper 277).

Meeting closed at 17:00.

Correction

The First Minister has identified an error in her contribution and provided the following correction.

The First Minister (Nicola Sturgeon):

At col 12, paragraphs 4 and 5, in each instance where it occurs—

Original text—

under-65s

Corrected text—

65 to 74-year-olds

At col 13, paragraphs 7 and 8, where it first occurs—

Original text—

under-65s

Corrected text—

65 to 74-year-olds

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