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Scottish Parliament

Wednesday 8 June 2022

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

Portfolio Question Time

Covid-19 Recovery and Parliamentary Business

The Deputy Presiding Officer (Liam McArthur): Good afternoon. The first item of business is portfolio question time. The first portfolio is Covid-19 recovery and parliamentary business. If a member wishes to request a supplementary question, I invite them to press their request-to-speak button during the relevant question or by entering the letter R in the chat function. I make the usual plea for short and succinct questions, and for responses in a similar vein.

Spoilt Ballots

1. Martin Whitfield (South Scotland) (Lab): To ask the Scottish Government what analysis it plans to undertake into spoilt ballots at the 2022 local government elections. (S6O-01182)

The Minister for Parliamentary Business (George Adam): At the recent local government elections, 1.85 per cent of ballot papers were rejected by returning officers. That was an improvement on 1.95 per cent in 2017. The most common reason for a ballot paper being rejected was that the voter had marked more than one first preference. It is a matter of great concern if any voter loses their vote.

We will continue to work with the Electoral Commission and the Electoral Management Board to explore what more can be done to support voters to further reduce the number of rejected ballot papers, so that every vote counts.

Martin Whitfield: Subjective evidence seems to suggest that spoilt ballot papers in multimember wards may have arisen from postal ballots, given the incredibly hard work that polling staff undertook to remind in-person voters of the ranking system. Is the Government aware of that view, and will it, along with the Electoral Management Board for Scotland, undertake a review, given the challenges of identifying spoilt papers in postal votes?

George Adam: I have not been made aware of that specific issue, but I am quite happy to have a look into it and to work with the Electoral

Management Board and the Electoral Commission to make sure that every vote does, indeed, count.

The Deputy Presiding Officer: We have a number of supplementary questions. I will try to get through all of them.

John Mason (Glasgow Shettleston) (SNP): I am a real fan of the single transferable vote, but having one STV vote every five years is a problem when all the other votes are marked with an X. Unlike Martin Whitfield, I realised that people were marking their ballot papers with multiple Xs, despite what polling station staff were doing. Does the minister think that we can continue with STV once every five years?

George Adam: As John Mason will be aware, the STV system takes us away from the traditional cross on the ballot paper. He will also be aware of the many benefits of STV. Although it has been in place since 2007, it is a less familiar process for voters. I agree that it is vital that people do not lose their vote, which is why I will continue to work with the Electoral Commission and the Electoral Management Board to explore what can be done. I would encourage all of us who are involved in the political process to engage with the public on the many benefits of the STV voting process.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): There were more than 50 candidates in Midlothian, and there are such small margins between the winners and the losers in these votes. I noted that some returning officers were explaining the system to each voter who walked in, even if they said that they understood it. However, that was not happening at every polling station. Will the minister consider the instructions that were given to people who were working at the polling stations about what to say to explain the system to voters as they came in?

George Adam: People at polling stations were well aware of how the system works. As I said, we have had the system since 2007. I say again that we have a responsibility, as members of political parties, to make sure that members of the public are aware of how the system works in the future.

Kenneth Gibson (Cunninghame North) (SNP): Does the minister agree that it is time to have randomisation of ballot papers so that the influence of the alphabet is not as strong as it has proven to be over the past 15 years? In the current system, people whose name is higher up the ballot paper have a clear, distinct advantage—particularly new candidates who are standing for the same party. Therefore, Alasdair Allan could easily defeat Willie Wallace if the two of them were standing for the same council ward. The Scottish National Party has randomisation of ballot papers in its internal structures. Surely, it is about time the

Scottish Government brought in randomisation for local government elections.

The Deputy Presiding Officer: I think that you are mixing up your island communities, Mr Gibson.

George Adam: Yes, Presiding Officer. I may have some skin in the game, as does my sister, who is a councillor in Renfrewshire, but I believe it is not as big a problem as many have made out. Again, it is down to us, as those who are involved in the political process, to ensure that the public are aware of how the system works and to think about how political parties can make sure that the vote is to the full capacity.

As I have said to everyone else, I am quite happy to work with anyone to see whether we can get a better system. I will work with the Electoral Commission and the Electoral Management Board to see whether there is anything else that can be done. However, until that day, we have a system that gives us a result that everyone agrees with and that everyone believes is the correct result. That is more important than just about anything else in the democratic process.

Covid-19 Recovery (Cross-Government Policies)

2. Emma Roddick (Highlands and Islands) (SNP): To ask the Scottish Government how its cross-Government Covid recovery policies can reassure clinically vulnerable members of the public. (S6O-01183)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The highest risk list ended on 31 May 2022, as we have strong clinical evidence to show that, as a result of the vaccination programme and new medicines, most people who were on the list are at no greater risk from Covid than the general population. The Scottish Government has written to those who were formerly on the highest risk list to provide advice and guidance.

The Scottish Government continues to promote the distance aware initiative, which helps people to feel more comfortable in public spaces, and we strongly recommend that people still follow basic mitigations such as ensuring adequate ventilation and wearing face coverings where appropriate. Our approach to testing in different groups of the population will also continue to be informed by clinical advice.

Alongside our evolving response to the pandemic, the Scottish Government's Covid recovery strategy will continue to focus effort and resources on those who were most impacted during the pandemic, to ensure a fairer recovery.

Emma Roddick: Many constituents in the Highlands and Islands who have pre-existing

conditions that make catching Covid—even now—more dangerous than it is likely to be for others have been in touch with me to seek better protection from the virus. How can people, particularly those who are not eligible for boosters, remain safe now that restrictions have been lifted but Covid is still circulating?

John Swinney: I whole-heartedly sympathise with the point raised by Emma Roddick on behalf of her constituents and those who are more vulnerable to Covid. The Government's advice, which I set out in my initial answer, is that people should follow sensible precautions. There is also an obligation on others within society to respect the position of people who feel more vulnerable. Those precautions would include the wearing of face coverings where that is appropriate, ensuring adequate ventilation and maintaining good hygiene.

We will, of course, continue to monitor the situation in relation to Covid, and, should there be any requirement for us to either change or intensify the advice, those steps will, of course, be taken.

The Deputy Presiding Officer: We will have a couple of brief supplementaries and brief responses.

Jackie Baillie (Dumbarton) (Lab): Asymptomatic testing has ended for carers and those who are cared for, antivirals are restricted, the platform adaptive trial of novel antivirals for early treatment of Covid-19 in the community does not apply in Scotland, and people aged over 80 who have Covid are being asked to travel distances—from Helensburgh to Oban in one example—to get antiviral treatment.

Those on the shielding list and carers feel abandoned. They were not reassured by a meeting that they had with the Scottish Government. With the BA.4 and BA.5 variants now causing concern, why has the cabinet secretary withdrawn or limited the very things that provide the vulnerable with reassurance?

John Swinney: A range of different measures remain in place that are designed to support those with vulnerabilities. Jackie Baillie mentioned the availability of antiviral medicine, and I know the effectiveness of that for people who are clinically assessed as being the ones who will benefit from it. [*Interruption.*]

Jackie Baillie continues to assert her question from a sedentary position, but my point is that a clinical assessment is undertaken, and I do not think that Jackie Baillie would be at the front of the queue to doubt the clinical assessments that have to be done.

There is a combination of the precautions that I talked about in my response to Emma Roddick a moment ago and the availability of focused treatments to support individuals, should they be in a position of clinical vulnerability. Of course, there is also the protection that is offered by a range of provisions in the vaccination strategy, which has insulated the population so effectively from the serious effects of Covid.

Stephanie Callaghan (Uddingston and Bellshill) (SNP): Public Health Scotland's findings from its most recent survey of people on the high risk list shows that socioeconomic vulnerability remains the strongest association with on-going caution and fear of Covid-19 infection. Is there any further information on how cross-Government Covid recovery policies will respond to that?

John Swinney: Fundamentally, the Covid recovery strategy is focused on tackling inequality that existed before and that was exacerbated by Covid. Our efforts are now focused on ensuring that the socioeconomic inequalities that Stephanie Callaghan highlighted are addressed as a consequence of our cross-Government work on Covid recovery.

Net Zero (Parliamentary Debate)

3. Maurice Golden (North East Scotland) (Con): To ask the Scottish Government when it will next propose a parliamentary debate on reaching net zero. (S6O-01184)

The Minister for Parliamentary Business (George Adam): That is a matter for the Parliamentary Bureau. However, I note that, yesterday afternoon, the Cabinet Secretary for Net Zero, Energy and Transport gave a statement to the chamber—and responded to members' questions—on progress towards Scotland's statutory emissions reduction targets.

Maurice Golden: I thank the minister for that answer, but, given the Scottish National Party's awful environmental record, this Parliament needs more opportunity for scrutiny. Just yesterday, as the minister alluded, we heard the cabinet secretary all but confirm that he expects next year's emissions target to be missed. The flagship deposit return scheme has been delayed twice, the recycling rate is going backwards, and one in nine species is at risk of extinction. Can the minister see how that lack of debate looks like the Scottish Government is trying to hide from its failures?

George Adam: It is hardly hiding when the Cabinet Secretary for Net Zero, Energy and Transport answered questions yesterday and said that we have hit our annual targets. However, should the member wish to explore those matters further, I suggest that he talk to Stephen Kerr, who

is sitting on his right-hand side, and get him to bring the matter up at the Parliamentary Bureau, so that we can discuss it in the usual manner.

The Deputy Presiding Officer: Karen Adam joins us remotely.

Covid-19 Recovery (Banffshire and Buchan Coast)

4. Karen Adam (Banffshire and Buchan Coast) (SNP): To ask the Scottish Government what policies and actions across Government will support people in the Banffshire and Buchan Coast constituency to recover from the impacts of the Covid-19 pandemic. (S6O-01185)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): During the pandemic, the Scottish Government provided more than £4.7 billion in support to businesses in Scotland. Most recently, our £80 million Covid economic recovery fund is providing funding that affords local authorities the flexibility to target support for their businesses and communities. Aberdeenshire Council and Moray Council have been allocated £3.7 million and £1.3 million, respectively.

Further, since 2020, Aberdeenshire and Moray have benefited from the £6 million of additional support that the Scottish Government has provided to town and community partnerships and business improvement districts.

Karen Adam: I thank the cabinet secretary for his answer and I welcome that investment. As the cabinet secretary will know, Banffshire and Buchan Coast is a rural, coastal constituency that has had unique challenges related to its geography and local industries. Covid has exaggerated the existing issues, which are compounded by Brexit and now the cost of living crisis. The fishing industry and ports are key to recovery because, when they thrive, the area and the people benefit. Will there be bespoke support, which is fitting for various specifics, rather than a blanket approach to recovery?

John Swinney: In providing the material that I have already given in my answer, I hope that I have reassured Karen Adam that the Government is targeting funding to particular localities where there is demonstrable need. Aberdeenshire and Moray councils have been funded appropriately in that respect.

The Government will continue to look at all funding streams, to make sure that they are relevant and will meet the challenges of different localities in the country. Specific funds, particularly in relation to the transition to net zero, are available only in the north-east of Scotland, which will be of relevance to the communities that Karen Adam represents.

Covid-19 (Booster Vaccination Programme)

5. Annabelle Ewing (Cowdenbeath) (SNP): To ask the Scottish Government whether it will provide an update on the role that an autumn/winter Covid-19 booster vaccination programme will play in its Covid recovery strategy. (S6O-01186)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): Since its beginning, the Scottish Government's Covid-19 vaccination programme has been guided by expert advice, provided by the Joint Committee on Vaccination and Immunisation.

The JCVI's interim advice in May recommends an autumn/winter 2022 booster programme for those people who are at higher risk of severe Covid-19. We are already working closely with national health service boards in line with that advice. The protection of the most vulnerable people in society continues to be of primary importance, and we stand ready to act on any further advice that recommends boosters for additional groups.

Alongside our evolving response to the pandemic, our Covid recovery strategy continues to focus effort and resources on bringing about a fairer future, particularly for those who are most impacted by Covid-19.

Annabelle Ewing: I appreciate that we await the final advice from the JCVI on the autumn/winter booster vaccination, but people in my Cowdenbeath constituency, and across Scotland, would like to know whether they will get the booster. Can the cabinet secretary provide an update on when that information is likely to be forthcoming, and can he confirm that the timing will be sufficient for the Scottish Government to put in place the necessary arrangements should the JCVI widen out the list of those who are eligible?

John Swinney: At this stage, I am unable to give Annabelle Ewing a definitive timetable, but I quite understand the concerns that she raised and the points that she has articulated on behalf of her constituents in Cowdenbeath.

The JCVI is an independent committee and it is, correctly, taking time to review the emerging clinical evidence including, crucially, the information on vaccine waning, infection rates and hospitalisation. I am certain that, once the JCVI has had the opportunity to do that, it will publish its findings accordingly.

I reassure Annabelle Ewing that, as we have demonstrated over the past 18 months or so, the Government and our health boards are ready to deploy vaccination activity. The vaccination programme has been an extraordinary success,

given the scale at which it has been carried out, and I pay tribute to those who have organised and delivered the programme. I assure Annabelle Ewing and her constituents in Cowdenbeath that the same arrangements will be in place if required on the basis of the JCVI's advice.

Sandesh Gulhane (Glasgow) (Con): I have been contacted by a constituent who received an invitation by letter to attend for a spring booster vaccination. After he registered at the vaccination centre on 22 April 2022 and made his way to the vaccination cubicle, the nurse advised him that she could not administer the booster because he was ineligible. The staff at the centre said that they had been turning away people with appointment letters all day because the wrong letters had been sent out.

Will the cabinet secretary advise why that blunder in the administration of vaccinations occurred, and can he provide reassurances that that error—which, no doubt, wasted valuable staff time and NHS costs, and which wasted patients' time in having to travel—will not occur again?

John Swinney: The vaccination programme has been an extraordinary success and it has been undertaken at an extraordinary scale. Therefore, I will not stand in Parliament and say that a process at that scale will be error free. For members of Parliament to expect it to be error free is on the ambitious side, if I can put it delicately.

Every effort is made to ensure that vaccinations are delivered timeously and conveniently to members of the public. If there is an error involved, I apologise for that—I want nobody to be inconvenienced and nobody's time to be wasted—but, given the scale of the vaccination programme that we have undertaken, the number of errors that have occurred has been kept to an absolute minimum, which is a tribute to everyone who is involved in running the programme.

Paul O'Kane (West Scotland) (Lab): The booster programmes are vital in Covid recovery, as they protect the most vulnerable and, crucially, give confidence to many unpaid carers who feel left behind as things move forward.

The interim guidance for the coming winter booster programme does not include unpaid carers. From speaking to carers, I know that that is of great concern, particularly with the advent of the BA.4 and BA.5 variants and the impact on those for whom they care.

Will the Deputy First Minister commit to working with the health secretary to deliver winter boosters for unpaid carers? What further action is the Government taking to support unpaid carers, many of whom feel abandoned, in the recovery from Covid-19?

John Swinney: As I explained in my answer to Annabelle Ewing, guidance on the distribution of any booster vaccination is given to the Government by the JCVI. Governments of all political persuasions have followed the advice of the JCVI in undertaking vaccination programmes over many years, and the Government will listen very carefully to the advice that we receive from the JCVI, which will specify which groups should be eligible for the vaccination.

Carers are in receipt of much greater support in Scotland than in other parts of the United Kingdom, given the carers allowance supplement that is available here. Mr O’Kane will be familiar with the details of that, and he is welcome to promote it to carers, just as the Government promotes awareness of that benefit to carers. Carers do a phenomenal amount of work to benefit our society. I express my warmest thanks to them and hope that those who are eligible for that support are able to access it.

Freedom of Information Requests (Scottish Government)

6. Stephen Kerr (Central Scotland) (Con): To ask the Scottish Government what its response is to the Scottish Information Commissioner’s progress report on its handling of freedom of information requests. (S6O-01187)

The Minister for Parliamentary Business (George Adam): I have written to the Scottish Information Commissioner, welcoming the report. I am pleased that the commissioner has recognised a number of areas in which the Scottish Government has made improvement. However, I also recognise that the report identifies significant areas in which further work is needed. Work is currently under way to develop the next phase of our improvement plan, in response to the commissioner’s recommendations. We will share that publicly in the coming weeks.

Stephen Kerr: I will ask the minister about one of those areas that requires improvement. I accept that the pandemic was a strain, but the complacency in two thirds of Government desks remaining empty shows no ambition to improve FOI response times. Presiding Officer, SNP special advisors are interfering with FOI responses, leaving no record of their involvement. SNP special advisors are evading accountability, remaining anonymous on official SPAD email accounts. Those are not my words but the findings of the information commissioner. Will the minister, in the spirit of the answer that he gave me a few moments ago, commit to immediately ending the SNP dark arts approach to public scrutiny?

George Adam: As I have already said, we will undertake the extra work that we need to do to make things better. I recognise that there is a

journey of improvement for us to complete. However, we should bear in mind that, in the nine months prior to the pandemic, the Scottish Government hit its target of 95 per cent. We are currently making improvements when and where they are needed, and we will work with the commissioner to ensure that that happens.

Willie Rennie (North East Fife) (LD): Does yesterday’s limited publication of the legal advice on an independence referendum not show a degree of contempt for the information commissioner? The legal advice that is of little interest to the public was released, while the legal advice that is in the public interest was kept secret. When will the Government honour its commitment to openness and publish the legal advice on whether it has the power to hold such a referendum?

George Adam: We have released the legal advice that is required under the commissioner’s decision, as that does not merit the time and expense that would be required for an appeal. However, we disagree strongly with the commissioner’s reasoning and consider that there would be good grounds for a successful appeal to the Court of Session.

The United Kingdom and Scottish Governments observe a long-standing convention that Government does not disclose legal advice, other than in exceptional cases. In this case, we have released the information as required.

The Deputy Presiding Officer: Question 7 was not lodged.

Covid Recovery Strategy (Local Authorities)

8. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government what assistance it is providing to local authorities as part of its Covid recovery strategy to help them resume normal services and manage staff absences. (S6O-01189)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The 2022-23 local government finance settlement of almost £12.7 billion provides local government with a fair and affordable settlement, even in challenging circumstances. As long as councils act lawfully and first fulfil their statutory obligations and jointly agreed national and local priorities, it is a matter for each council to manage its resources and use the total budget that it has available on the basis of local needs.

The Scottish Government and the Convention of Scottish Local Authorities have agreed shared priorities for recovery that focus on targeting support for those who were most affected during the pandemic. Alongside the COSLA president, I chair the Covid recovery strategy programme

board, which brings together a range of partners to co-ordinate activity, increase financial security for low-income households, enhance the wellbeing of children and young people, create good green jobs and fair work and deliver person-centred public services.

Colin Beattie: Some local authorities are really struggling with high absences due to Covid-19. What discussions has the Scottish Government had with COSLA and/or individual local authorities that are still heavily impacted by staff absences?

John Swinney: Local authorities are independent corporate bodies, separate from the Scottish Government. They have the means and sustainability to manage their own workforces. However, I regularly engage with COSLA on a range of issues, so, if there are any concerns on that question that local authorities wish to draw to my attention and to discuss through COSLA, I would be happy to discuss those issues.

Murdo Fraser (Mid Scotland and Fife) (Con): In her statement to Parliament last week on the medium-term financial strategy, the finance secretary set out that local authorities will face an 8 per cent cut in their funding over the next four years. How does that level of cuts help them with Covid recovery?

John Swinney: There are, of course, a range of financial instruments available to local authorities in addition to the measures that were announced last week by the Cabinet Secretary for Finance and the Economy. The Government has always given a fair and affordable settlement to local government.

It is available to Mr Fraser to bring forward any alterations to the Government's budget that he wishes to advance. We hear a lot of rhetoric on this question from the Conservatives, but we see absolutely no action or substance whatsoever. Until we get some action from the Conservatives, we will continue to deliver fair and affordable settlements for local government that enable them to deliver the public services on which we all depend.

Net Zero, Energy and Transport

The Deputy Presiding Officer: The next portfolio is net zero, energy and transport. If a member wishes to ask a supplementary question, they should press their request-to-speak button or enter the letter R in the chat function during the relevant question.

Again, I appeal for succinct questions, with answers to match. Question 1 has not been lodged.

Offshore Wind (Leasing Process)

2. **Colin Smyth (South Scotland) (Lab):** To ask the Scottish Government for what reason a maximum bidding price has been applied to commercial-scale ScotWind projects, but not to 100MW innovation projects looking to progress through the forthcoming innovation and targeted oil and gas leasing round. (S6O-01191)

The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson): Unlike ScotWind, innovation projects are likely to vary considerably in their design requirements, including sea-bed location. That presents significant challenges in setting an appropriate price cap. Therefore, Crown Estate Scotland has used an approach that allows the market to establish a fair price.

The ScotWind leasing round for large-scale commercial projects used a price cap to enable delivery of competitive projects that could maximise supply chain opportunities for Scotland, particularly in the deployment of emerging floating wind technologies.

Colin Smyth: I am not sure that the cabinet secretary actually explained why that cap is not in place elsewhere. Does he not recognise that having one rule for the ScotWind round and a different one for innovation projects means that companies that are focused on using innovative technology and largely Scottish supply chains were at a disadvantage compared with the big companies that have the deepest pockets and which are leasing Scotland's sea beds on the cheap and will, inevitably, be using existing technology and largely global supply chains? That is bad news for Scottish jobs and for innovation.

Michael Matheson: I am not sure whether Colin Smyth has entirely recognised the purpose of the innovation and targeted oil and gas—INTOG—process. The INTOG scheme is specifically designed to support innovation projects for decarbonisation of oil and gas installations. Those projects do not use the same spatial parameters that we have for the ScotWind programme. INTOG is a very different type of programme that is targeted at decarbonisation of oil and gas installations and at helping to support innovation in achieving that. In addition, many of the INTOG programmes will not connect to the grid, but will serve directly only installations that they are decarbonising and other projects, as well.

Alongside that, I note that the leasing round was the first of its type in the world. As I set out, Crown Estate Scotland, in trying to establish a clear commercial narrative and cost around INTOG, has used an approach that it believes allows the market to determine costs. That approach also ensures that we get the innovation that we want

and speeds up decarbonisation of the oil and gas sector.

Maurice Golden (North East Scotland) (Con): Will the final decision on scoring criteria and weighting for INTOG leases for floating offshore wind projects be taken by Scottish ministers or by Crown Estate Scotland, and when will that decision be made?

Michael Matheson: The decision will be taken by Crown Estate Scotland.

Solar Energy Scotland (Report)

3. Clare Adamson (Motherwell and Wishaw) (SNP): To ask the Scottish Government what its response is to the Solar Energy Scotland report, "Scotland's Fair Share: Solar's role in achieving net-zero in Scotland". (S6O-01192)

The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson): The Scottish Government recognises the importance of energy generation from solar photovoltaics in contributing to decarbonisation of Scotland's energy supply and in helping us meet our targets for a net zero emissions society by 2045.

In support of that, the Scottish Government will this year work closely with Solar Energy Scotland representatives to support the development of a solar vision for Scotland. That work, done in consultation with the solar sector, will establish a vision for the future of solar energy to be included in the forthcoming energy strategy refresh and in the just transition plan.

Clare Adamson: The United Kingdom Government's energy strategy presents a false choice between nuclear energy proliferation and continued reliance on Russian gas. New nuclear power will take 10 to 15 years to get up and running, at exorbitant costs, but simply cannot address the current energy and cost of living crises. Does the cabinet secretary agree that we should be fully focused on increasing our renewable energy outputs, including solar energy, which can be done in a fraction of the time and at a fraction of the cost?

Michael Matheson: There is absolutely no doubt that anybody who knows the nuclear industry knows that it will not play a part in helping to tackle the current cost of living crisis and the very high costs that are associated with energy production at present. In fact, there is a risk that nuclear electricity production will actually push up domestic energy costs even further.

If we want to reduce energy costs, it is important that we do so in a way that is targeted at helping to reduce people's energy demand through insulation programmes and the move to decarbonised energy systems, while speeding up

decarbonisation of our energy sector overall. That is why moving much further towards renewables, pumped-storage hydro and battery storage are critical to ensuring that we reduce the costs of energy overall and that we do so in a speedy way—a way that nuclear energy would not be able to provide.

I note that Jesse Norman, who is a former energy minister, pointed out just this week that the UK Government's proposal to build a new nuclear power station year is highly unlikely to happen any time in the next decade.

Willie Rennie (North East Fife) (LD): Will the work that the cabinet secretary talked about doing with the solar sector cover planning and taxation? On planning and taxation grounds, the UK Government has lifted the limit to beyond 50kW for roof solar schemes. Scotland imposes higher taxes and greater planning restrictions. Is not it time to stop putting barriers in the way of businesses that want to do their bit for the climate?

Michael Matheson: I am not entirely sure what Willie Rennie's point was in relation to tax. If he is referring to VAT, he will be aware that it is reserved to the UK Government.

Planning and how to make greater use of solar power will, of course, be among the issues that we consider as we take forward the work. I am sure that the member will want to be generous in recognising that Scotland has been leading the way in pushing forward with renewable energy. He can be assured that the new energy strategy will reflect that, and that solar will be an important part of it.

Marine Environment (Protection)

4. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government what steps it is taking to ensure that the marine environment is protected. (S6O-01193)

The Minister for Environment and Land Reform (Màiri McAllan): The Scottish Government's vision is for clean, healthy, safe, productive and biologically diverse seas that are managed to meet the long-term needs of nature and people. Our programme for government sets out measures to continue protecting and enhancing our marine environment, including via species protection.

Already, 37 per cent of our seas are designated as marine protected areas, which exceeds the global target of 30 per cent by 2030 that is currently being negotiated. We will implement the remaining protective management measures for sites by 2024 and will, in line with the European Union's ambition, introduce highly protected marine areas covering at least 10 per cent of our

seas by 2026, which is also ahead of global commitments.

Rhoda Grant: Next week, all marine protection vessels will be tied up because mariners are on strike because of an imposed pay deal. Marine Scotland has refused to negotiate and has thrown striking workers off the vessels, leaving them homeless. That is the Scottish Government using P&O tactics against its own workers. In the meantime, our waters are not being policed and our protected areas are unprotected. What steps is the minister taking to protect our valuable fishing grounds and protected areas during the strike action? What steps is she taking to resolve the situation and negotiate with the rightly aggrieved workers?

Màiri McAllan: It is inaccurate to draw any comparison whatsoever between the Scottish Government and Marine Scotland's activities and P&O's activities. A number of constructive meetings have taken place between Marine Scotland and Unite, and various options have been explored in trying to resolve the dispute, including proposed commitments on future reforms to pay structures, which would address a number of Unite members' concerns. Although an agreed way forward has not been reached to date, the Scottish Government remains committed to collective bargaining and further dialogue in order to resolve the matters.

Renewables (2030 Target)

5. Michelle Thomson (Falkirk East) (SNP): To ask the Scottish Government what its position is on whether its target of generating 50 per cent of energy use from renewables by 2030 is sufficiently ambitious in light of new opportunities arising for Scotland. (S6O-01194)

The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson): The 2017 Scottish energy strategy set out a target for generating and supplying the equivalent of 50 per cent of energy for heat, transport and electricity in Scotland from renewable sources. A review of the 2017 targets will be considered as part of the forthcoming energy strategy refresh and just transition plan, which will be published for consultation in the autumn.

The strategy will also take into account the role of alternative fuels such as hydrogen as means of providing low-cost energy security and export opportunities for Scotland, given the current global situation.

Michelle Thomson: The current capacity of renewables is just over 12GW, and there are plans for a further 15GW. In addition, the ScotWind leasing round is expected to deliver 25GW. That will represent a more than fourfold increase in

Scottish renewable energy production and will meet all Scotland's current energy demands. That will be far in excess of the 2030 target. Does the cabinet secretary agree that that represents a huge opportunity for Scotland? Will he ensure that every chance is taken to help everyone in Scotland to understand that that is a bounty that will serve us and all our futures, in perpetuity?

Michael Matheson: I agree that we are in a strong and robust position to move forward with development of our renewable energy sector in Scotland. That has been the case over the past decade, and I have absolutely no doubt that it will continue to be the case in the years ahead.

As Michelle Thomson will be aware, we have the ambition of tripling our capacity for renewable energy generation by 2030. We want to do everything that we can in order to achieve that and to remove barriers, including transmission charges, that continue to limit the capacity and development of some areas in the renewable energy sector.

I assure the member that we want to maximise what we are doing not only for domestic purposes but to capitalise on the growing international desire for expansion in areas such as renewable hydrogen. Countries like Scotland can play a major part in supporting the decarbonisation of major European economies that consider that green hydrogen will be a major source of their energy use in the decades ahead. Scotland can play a big part by supplying those markets, which will generate economic and social benefits here in Scotland.

Liam Kerr (North East Scotland) (Con): Last week, I asked a junior minister from what source Scotland will get the 38 per cent of firm power—not power that is dependent on the weather or batteries—that the Climate Change Committee says will be required, but their script did not even begin to answer the question. Will the cabinet secretary provide a straight answer? From what source will the firm power come?

Michael Matheson: Everyone recognises the importance of firm, or dispatchable, power in our network. The Conservatives think that nuclear power is the best approach, but nuclear power generation is one of the most inflexible forms of energy generation. We will ensure that we have dispatchable energy through hydro pumped storage and battery storage; those are the main ways in which it can be delivered.

Liam Kerr should recognise that one of the inhibitors to Scotland's realising some of that potential is that the United Kingdom Government, which controls access to the market, does not have a market mechanism to allow the development and expansion of hydro-pumped

storage in Scotland. Maximising that storage would deliver the dispatchable or firm source that we require, and it would avoid the unnecessary costs, including environmental costs, of nuclear power.

Railway Stations (Accessibility)

6. Marie McNair (Clydebank and Milngavie) (SNP): To ask the Scottish Government what it is doing to make railway stations accessible for disabled people. (S6O-01195)

The Minister for Transport (Jenny Gilruth): Even though accessibility remains a reserved matter, Transport Scotland continues to seek to improve accessibility as part of wider rail enhancements and the decarbonisation programme. New stations at Inverness airport and at Hairmyres, on the East Kilbride route, and the two on the Leven line, will be fully accessible. The Scottish Government will also provide funding for step-free access at Aviemore, Pitlochry, Nairn and Kingussie stations. Additionally, six stations secured funding from the access for all programme, including Anniesland, Croy, Dumfries, Johnstone, Port Glasgow and Uddingston.

Marie McNair: I welcome the Scottish Government's position. It is important that train stations are safe and fully accessible to all. A number of constituents have contacted me regarding difficulty in accessing Clydebank train station. Does the minister support my position that accessibility arrangements need to be renewed and improvements made that help meet the needs of disabled people who use the station?

Jenny Gilruth: Absolutely. We need greater accessibility at our rail stations across the country. To that end, I was pleased to meet Disability Equality Scotland this morning to discuss some of the challenges that its members face in relation to the rail network.

In the second strategic transport projects review, there is a recommendation relating to

"Infrastructure to provide access for all at rail stations",

which involves

"a review of station accessibility across Scotland to identify barriers and improve access for all to the rail network."

It is worth reiterating that rail accessibility currently remains a matter that is reserved to the United Kingdom Government. In the light of that review and in order to progress that recommendation, my officials in Transport Scotland have been working closely with the Department for Transport on an accessibility audit of all Great Britain's rail stations to ensure that maximum benefit is derived from all available funding.

Accessibility improvements for Clydebank station will form part of the considerations of the recommendation that is set out in STPR2. I hope that that reassures the member on that point.

Graham Simpson (Central Scotland) (Con): That was a very encouraging answer from the minister. I was going to ask her whether she would commit to conducting such an audit, and she has. What is the timescale for that? Having that information would be extremely useful for disabled people across Scotland.

Jenny Gilruth: I do not have a note in front of me of the timescales that are involved, but I am happy to write to the member with more detail.

Road Infrastructure (North East Scotland)

7. Douglas Lumsden (North East Scotland) (Con): To ask the Scottish Government whether it will provide an update on future road infrastructure projects in the north-east. (S6O-01196)

The Minister for Transport (Jenny Gilruth): The Scottish Government remains committed to improving infrastructure in the north-east, as is evidenced by the recent opening of improvements at Haudagain on 16 May. We remain committed to making improvements to the A96 with a transparent, evidence-based review of the corridor that is under way, which will report by the end of 2022. Additionally, we continue to progress proposed improvements at Laurencekirk junction through the statutory process.

For the longer term, the second strategic transport projects review sets out recommendations for strategic roads, which focus on safety, climate change adaptation and resilience.

Douglas Lumsden: Earlier this year, the Scottish Government released its national transport strategy and, as my colleague Liam Kerr identified, the document failed to mention the notorious Toll of Birness junction. Upgrading that junction and the wider A90 will not only make a huge difference to the lives of those people who live and work in the north-east, and serve as a catalyst for economic growth, but come with the potential of dramatically reducing the number of horrific accidents and saving lives. Traffic assessments that were done nearly five years ago show that the junction will be almost unusable in the future. With that in mind, will the minister commit to upgrading the junction and bring much needed safety to commuters in Aberdeenshire?

Jenny Gilruth: Of course, consideration of safety improvements on the A90 at the Toll of Birness and Cortes junctions can now be undertaken as part of the wider STPR2 road safety recommendation, which is recommendation 30. That recommendation focuses on

“trunk road and motorway safety improvements”

to progress towards vision zero. Where junction upgrades are needed to support that development in line with Scottish planning policy, developers need to mitigate their impact, which might include upgrading junctions where a safety issue arises as a result of that development.

I recognise the member's interest in relation to that issue particularly, and I am more than happy to write to him with more detail in relation to the time that has elapsed since that issue was first raised, and more broadly in relation to the recommendations that sit within STPR2.

The Deputy Presiding Officer: Bearing in mind that the question is on road infrastructure projects in the north-east, I call a supplementary from Paul McLennan.

Paul McLennan (East Lothian) (SNP): Cars will continue to have a role to play in the travel arrangements of people in our rural communities for some time. Given that we know the role that cars play in our transport-related emissions, and given that the world is on course to exceed the 1.5°C of global warming threshold, does the minister agree that decisions that regard the building of our future roads and infrastructure projects throughout Scotland must be considered in terms of their potential environmental impact?

The Deputy Presiding Officer: That question was not really to do with road infrastructure projects in the north-east, but if there is anything you could offer by way of response, I invite you to do so, minister.

Jenny Gilruth: We are committed to zero emissions from transport and to decarbonising all modes of travel, including by road and in the north-east of Scotland. Our commitment to achieving net zero in transport is clearly set out in the vision and the outcomes of our national transport strategy.

Railway Stations (Safety)

8. **Fulton MacGregor (Coatbridge and Chryston) (SNP):** To ask the Scottish Government what steps it is taking to improve safety at train stations. (S6O-01197)

The Minister for Transport (Jenny Gilruth): Keeping passengers and staff safe on Scotland's railways is our absolute priority. ScotRail has one of the largest closed-circuit television networks in the United Kingdom, with more than 6,000 cameras monitoring more than 350 stations. There are also help points on every platform that allow passengers and staff to connect to a customer information adviser, 24 hours a day. The team speaks through the intercom and uses the CCTV cameras to view passengers and staff in the

station. The team is trained to report any antisocial and threatening behaviour to British Transport Police, which is responsible for monitoring safety at our stations.

Fulton MacGregor: In recent months, there have been a number of deeply distressing and serious incidents at train stations in my constituency. In some of those incidents, people have lost their lives, which can be very upsetting for the community as a whole. Does the minister share my view that we need to do everything possible to assure the public that they can travel by train with confidence and enjoy the benefits of using Scotland's environmentally friendly and publicly owned trains?

Jenny Gilruth: I whole-heartedly agree that passengers and staff should all feel safe to travel on the rail network without fear of antisocial behaviour. However, I must state that the railway in Scotland overall is a safe environment to travel in, notwithstanding some of Mr MacGregor's points this afternoon. This was one of several topics that I raised with the chief constable of British Transport Police and the chief superintendent of British Transport Police Scotland when I met them recently. BTP has confirmed that patrols are being redirected and officers are being deployed to known hotspots to prevent antisocial behaviour and other associated crimes. It is also piloting joint patrols with ScotRail Trains to provide a travel safe team in those areas.

It is hoped that an extension of the travel safe teams' abilities will be further provided and that that will increase the number available in terms of support.

The Deputy Presiding Officer: That concludes portfolio questions. There will be a slight pause before we move to the next item of business and I encourage members who have just come into the chamber not to begin chatting as soon as they have done so.

Urgent Question

14:47

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is an urgent question.

ScotRail Timetable (Hampden)

Graham Simpson (Central Scotland) (Con): To ask the Scottish Government what provisions it is making for Scotland fans to get home after tonight's Nations League match at Hampden against Armenia, in light of the reported announcement by ScotRail that they should leave early if they want to catch a train.

The Minister for Transport (Jenny Gilruth): ScotRail Trains is responsible for operational planning and will always seek to provide the best service possible. However, it has advised that, on this occasion, it has not been possible to provide more than the reduced timetable. I know that that will be deeply frustrating for fans who are travelling to the Armenia match tonight.

As the member knows, rail services, and especially any additional services to support special events, rely on rest day working, which is voluntary, and relying on drivers working on their rest days is not sustainable, either for them or for our rail service.

The train drivers union, the Associated Society of Locomotive Engineers and Firemen—ASLEF—is involved in a dispute with ScotRail in relation to pay. That is not formal industrial action, but it is true that drivers are choosing not to work on their rest days. That is their right, and I respect that. However, the reality is that that has made timetabling for tonight's match incredibly challenging for ScotRail, and it has not been able to run an enhanced service, as happened with the match last week.

As members will be aware, ASLEF opted not to present ScotRail's offer to its members after the two parties met last week. ScotRail has already indicated its disappointment and frustration at the situation. I understand that the parties are due to meet again tomorrow, and I will await an update on that. Clearly, we would all like to see the pay negotiations settled so that we can get back to providing a full rail service for passengers everywhere.

Graham Simpson: So, the answer is that no provisions have been made for fans to get home.

Football fans have been used to leaving matches early to beat the rush. In this case, they have been told to leave early because there is no rush—there are no trains. Does the minister agree

that the situation is not acceptable? Would she like to apologise to the tartan army?

Jenny Gilruth: The temporary timetable that ScotRail has implemented gives passengers a more stable and reliable service. We know that people want certainty when they travel. ScotRail has looked at how best to provide as much certainty as it can during what has been, as we know, a very challenging period for passengers.

Traditionally, ScotRail carries far more supporters to Hampden games than it carries back from games. Last week, approximately 7,000 fans travelled to the Ukraine match by train, but only 2,500 travelled back by train. In general, fans prefer to walk back to the city centre. It is also worth saying that the crowd at tonight's game is expected to be far smaller than the crowd for the Ukraine game. In addition, it is worth saying that the six unadvertised buses that were held on standby at Central station to support any onward travel issues after the Ukraine match last week were not used.

ScotRail has advised that there is not sufficient bus capacity available to support transport of the crowd from Hampden to Glasgow that a high-capacity rail service would accommodate. Replacement buses are procured to provide a substitute in the event of planned or unplanned disruption, in order to leave no gaps in the reduced timetable. However, to do so across the network at the current time would require the provision of an enormous fleet of buses at significant expense. If last week's situation, in which 2,500 supporters returned to Glasgow, was to be replicated, a fleet of some 50 buses would be required, which would create its own transport issues in and around Hampden.

Given the wider industrial dispute that was announced yesterday, it is clear that rail users right across the United Kingdom will face serious disruption that is not of the Scottish Government's making. The answer to the present situation is to resolve the dispute. To that end, I look forward to discussing the matter with ScotRail, after it has met ASLEF tomorrow. We all want the dispute to be resolved, not just for the passengers who will travel to the football match today, but for everyone in Scotland who uses our rail service.

Graham Simpson: My word—the minister's answer to football fans who go to tonight's game is, "Walk to the city centre." There will be no alternative, unless they have taken their own car.

I am encouraged to hear that there will be talks tomorrow. I know that the minister has not bothered to dirty her hands by getting involved in the talks so far, but can she tell us how confident she is that the situation will be resolved tomorrow and that we will not have a summer of chaos?

Jenny Gilruth: Setting aside the member's use of language, I remind him that I do not go into the negotiating room. It is appropriate for ScotRail, as the employer, to negotiate directly with the trade union. That is how we resolve industrial disputes.

I agree with the member that it is important that we achieve a resolution to the on-going dispute. Later today, I will seek an update from ScotRail on the challenges that are currently being faced. It is also important to reflect on the use of rest-day working. That is not a new practice that started on 1 April; it has been a feature of our railways for many years. Some in our railways may view it as an outdated concept. I would like to have conversations on such matters with our trade union partners.

I invite Mr Simpson to review his party's engagement with the trade unions. Last week, his colleague Grant Shapps said that the UK Government was drawing up legislation to ban trade unions from going on strike. As the general secretary of the Trades Union Congress has noted, it appears that the Conservatives are looking to pick a fight with the rail unions.

The Scottish Government works with our trade union partners. We understand fair work principles and we advocate for our trade unions. On that note, I am very much looking forward to working with our railway unions to discuss our national conversation on public ownership of Scotland's railways and how they can play a part in moving forward that vision.

The Deputy Presiding Officer: I will take some supplementaries, starting with Neil Bibby.

Neil Bibby (West Scotland) (Lab): The Scottish Government has given Abellio a contract to provide rail replacement buses, but it appears that, yet again, there will be no rail replacement bus services to get fans home from Hampden tonight.

Yesterday, the minister refused to say how much Abellio is being paid. What is Abellio being paid to do? The minister has said that there is a shortage of buses to provide a rail replacement bus service, but ScotRail is not providing any buses to help passengers with the disruption. Is it seriously the Government's position that there are no buses anywhere in Scotland that could be used to provide a rail replacement bus service for fans returning from Hampden tonight?

Jenny Gilruth: The matter was raised yesterday at topical question time, in relation to the four Abellio contracts that have continued over to allow for consistency in moving ScotRail into public ownership from 1 April.

ScotRail has confirmed that securing rail replacement buses has proved to be significantly

more challenging than it was prior to the pandemic. A fall in the number of the available bus and taxi drivers, coinciding with greater demand as the economy has opened up after Covid, has meant that there is less availability across the country.

Our bus operators face a number of staffing pressures, not least Covid and, of course, Brexit, which Mr Bibby's party now seems to support. We are already seeing bus operators having to make some really challenging decisions around where they are able to provide services.

I have asked ScotRail to consider at all times whether it is able to provide rail replacement services. On this occasion, it tells me that that is not the case.

Bill Kidd (Glasgow Anniesland) (SNP): As we all know, ScotRail's temporary revised timetable is only one facet of industrial disputes that are taking place throughout the UK. Although the Scottish Government wants all parties to get round the table and negotiate a fair and affordable pay deal, it would seem that the Tories would rather use the dispute between the National Union of Rail, Maritime and Transport Workers and UK Network Rail to criminalise industrial action.

That dispute will have a detrimental impact on events such as football matches, as we know. What discussions has the minister had or will she have with Grant Shapps regarding the UK Government's intended course of action for improving industrial relations in the rail sector?

Jenny Gilruth: As I reiterated today, unlike the Tories at Westminster, this Government supports fair work and we support the principle and practice of trade unions and the right of people to join a trade union. I am not surprised to hear the Conservatives ramping up their anti-union rhetoric, but, to be clear, that has no support from this Government and it could not be further from our approach of including and involving trade unions in our work, including the work on how we take forward Scotland's railways.

I continue to engage with ScotRail, which, later this week, is engaging with ASLEF and the RMT to get back round the table and resolve the current dispute. Parties are working together to reach a resolution, whereas the UK Government appears to want to make industrial action illegal.

I have already written to Grant Shapps to make clear this Government's view on the approach to the Network Rail dispute. I have also written to Network Rail to express this Government's concerns surrounding any potential redundancies arising from its proposals, which of course we would not support. That was welcomed by the RMT.

I reiterate that I am appalled that Network Rail employees have had no pay rise for the past two years. That is not acceptable, and nor does it make any economic sense for Network Rail to seek to continue with that. We can only conclude that that is being done for political or ideological purposes. Based on what was reported last weekend, that is now clearly bearing fruit.

Liam Kerr (North East Scotland) (Con): In response to my questioning in committee, the minister told me that the key—indeed, the sole—change from nationalisation was that she would be accountable. Does the minister recognise the concerns of people who might think that, in refusing to step into the situation, she is abdicating that accountability?

Jenny Gilruth: I say to the member that I am accountable. I am here today, answering an urgent question. I was here yesterday, answering a topical question on rail. I was here the week before, answering a question on rail, and the week before that. He has absolute accountability from me—*[Interruption.]*

The Deputy Presiding Officer: Minister.

Jenny Gilruth: —as transport minister—*[Interruption.]*

The Deputy Presiding Officer: Minister! Please resume your seat.

I would like a bit of calm from all parts of the chamber, so that we can hear the answer to the question that the member asked. Minister, please continue.

Jenny Gilruth: As I outlined in response to Mr Simpson, it would not be appropriate for me, as minister, to be in the negotiating room. To my mind, no ministers are ever in the negotiating room. It is appropriate in this instance for ScotRail to be in the negotiating room, as the employer, with our trade union partners. I look forward to their reaching a resolution, so that we can restore ScotRail's full timetable, for the benefit of passengers and staff alike.

The Deputy Presiding Officer: That concludes the urgent question. Before we move to the next item of business, we will have a short pause to allow front-bench teams to take their positions.

Economic Priorities

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a debate on motion S6M-04815, in the name of Liz Smith, on economic priorities.

14:59

Liz Smith (Mid Scotland and Fife) (Con): There are really two reasons behind the Scottish Conservatives' request for this debate. First, the 30-minute statement last week, with less than an hour prior to that in which to digest a significant amount of economic analysis, did not provide satisfactory time for parliamentary scrutiny. Secondly, we have the first projected longer-term outline of the Scottish Government's fiscal policy since 2011—we welcome that timeline—so we believe that extended scrutiny is essential, particularly at a time of challenging economic circumstances.

I will begin by stating some key facts. The Scottish Fiscal Commission's December 2021 statistics showed that the Scottish Government's overall budget for 2022-23 would no longer receive on-going Covid funding as the pandemic eased. What is also correct—the cabinet secretary should know by now that all the experts' statistics, including those from the Scottish Parliament information centre and the Institute for Fiscal Studies, confirm this—is that the block grant that was received from Westminster was the largest in real terms in the history of devolution and is set to rise in real terms during this parliamentary session; that the Scottish Government received about £15 billion of additional Covid spend for the previous two financial years; and that the Scottish Government has had £7 billion more to spend than it expected four years ago.

Here are some more facts. Income tax revenues are growing more slowly than the income tax block grant adjustment. The Institute for Fiscal Studies has predicted that income tax revenues will be about £428 million less than would have been the case if income tax had remained in the United Kingdom tax structure. From 2024-25, the UK income tax rate will reduce to 19 per cent, but there are no signs of the Scottish Government making the same commitment yet—I will come back to that. Social security spend in Scotland is set to rise from 10 to 14 per cent of the resource budget. The size of Scotland's labour force is reducing, and the labour market participation rate is falling.

Then there is the huge black hole in the public finances, which, yet again, the finance secretary told the Finance and Public Administration Committee does not exist—*[Interruption.]* On top

of those facts is the backdrop to the current economic situation. As Dame Susan Rice spelled out last week, the war in Ukraine, the significant increase in global energy prices and difficulties in international supply chains—most especially those that relate to China—are creating serious challenges for every economy in the world.

It is perfectly true that there is greater uncertainty in the economy than there was in December 2021, when forecasts were published. What is also correct—I repeat a view that I have expressed in several debates in the chamber—is that aspects of the current fiscal framework exacerbate the uncertainty. It does not help that there are considerable time lags and often divergence between the forecasts of the SFC and those of the Office for Budget Responsibility, and it does not help that the framework is not inflation adjusted—two aspects that I hope will be resolved when the current negotiations on a new fiscal framework are concluded.

The cabinet secretary cannot blame the fiscal framework on Westminster. It was her predecessor, John Swinney, as well as UK Government ministers, who signed up to it in 2016.

The long and short of it, confirmed by all economic forecasters, is that the Scottish Government is spending too much in comparison with what it is raising. If the cabinet secretary does not like the term “black hole”, let me try the term “shortfall”. I remind her that, last week, David Phillips of the Institute for Fiscal Studies said:

“A series of expensive spending commitments on top of underlying spending pressures mean that the Scottish Government faces a multi-billion budget shortfall over the next four years”.

We know that, as a result of all that, the cabinet secretary has decided to make savage cuts to public sector jobs. The *New Statesman* offered the view that that will include many jobs in Government agencies and quangos—Transport Scotland, Marine Scotland, Food Standards Scotland and the Scottish Environment Protection Agency were all mentioned in its article. We will see what happens in that regard.

I am sure that the public will find it difficult to understand why on earth substantial, real-terms cuts are to be made to our police, who are on the front line of keeping our communities safe; local government services; trade and enterprise; tourism; and our universities, which the cabinet secretary admitted yesterday are integral to the realisation of the national economic transformation strategy, and which play such a vital role when it comes to research and development and innovation.

That is the same public who will see the profligacy of the Scottish National Party Government in wasting vast sums of public money on ferries that do not sail, Burntisland Fabrications, Prestwick airport and the malicious Rangers Football Club prosecution—the list goes on. Of course, there is also the £20 million for preparing for a second referendum.

Stuart McMillan (Greenock and Inverclyde) (SNP): Yet again, the Conservative Party is talking about the ferries being a waste of money. Is Liz Smith saying to the population of Inverclyde and the workforce at Ferguson Marine that they are a waste of money?

Liz Smith: I cannot believe that question—the extent of the public money that is being wasted by this SNP Government is absolutely patently obvious. It is increasing week by week and is taking away a lot of money that could and should have been used to finance the public books.

I remind members what Audit Scotland has said about parliamentary scrutiny in relation to the spending of public money—this might answer another part of the question that I have just been asked. The Auditor General said:

“The Scottish Government now needs to be more proactive in showing where and how this money was spent, and show a clearer line from budgets to funding announcements to actual spending. This will support scrutiny and transparency”.

That, cabinet secretary, is exactly the same conclusion as the Finance and Public Administration Committee came to.

I turn to the tax issue that is central to the problems that the Scottish Government faces in relation to the disincentives of tax policy and the weaknesses of the tax take. The cabinet secretary has said that Scotland has a progressive income tax policy, but she should heed the warnings of the Scottish Fiscal Commission, which says that, in the next five years, Kate Forbes will have 700,000 middle earners in a higher tax bracket.

Neither should the cabinet secretary forget that, in December, the Scottish Fiscal Commission dismissed her claim that the majority of Scots would be paying less tax. That is simply not borne out by the evidence. The disincentives that come from that are likely to be significant and, most important, Scotland’s divergence from the UK income tax rate threatens to damage Scotland’s competitiveness, which is why we want to see a return to parity as soon as resources allow.

John Mason (Glasgow Shettleston) (SNP): Does the member accept that, through the different tax policies, we raised £240 million extra for 2018-19, which the latest figures are for? If we did not have that money, there would be further cuts to police and other things.

Liz Smith: Mr Mason sits on the same committee as I do, which has been scrutinising Government finances, and he will know exactly what the projections are about the downturn in the tax take that we are suffering from. That is the problem that I refer to. The tax revenue situation is most worrying of all, because it reflects not only the serious challenges about the primary source of Government spending but the serious imbalances in the Scottish economy. Those imbalances—most especially those that relate to the labour force—mean that it is highly likely that we will continue to lag behind the UK on several key economic indicators. Higher tax rates are not delivering the higher tax revenues that we need, which is a serious concern.

The Cabinet Secretary for Finance and the Economy (Kate Forbes): The member just made a comment that is contradicted by David Phillips from the Institute for Fiscal Studies, who explicitly said that the

“tax rises almost certainly have raised revenue”.

Who is right—the member or David Phillips?

Liz Smith: Of course, tax revenues are up in that sense, but they are not up to the extent that the Scottish Government requires for its spending. There is a huge divergence. This morning, at the Scottish Fiscal Commission breakfast, a graph showed that to be patently obvious. That is a serious concern.

The context of that is set out by the Scottish Government’s approach to the north-east and the oil and gas sectors, which encompass a large number of well-paid and highly skilled workers whose tax contributions to the Scottish economy are extremely important. That has become a problem, because we know that the SNP wants to rip the heart out of those industries.

The tax revenue issues were set out in stark terms by the Finance and Public Administration Committee. I remind the cabinet secretary that its unanimous conclusion was:

“The Committee believes that the outlook for Scotland’s economic performance and the downward pressure on the Scottish Budget, requires greater emphasis on prevention and reform.”

The committee wanted the Scottish Government to streamline and make much more coherent its policy strategies. Paragraph 97 of its report said:

“We consider that evidence showing that Scotland is lagging behind almost all other areas of the rest of the UK in key indicators of economic performance is deeply worrying.”

I have mentioned two changes that we would like the Scottish Government to deliver. They are a return to parity on income tax rates, so that Scotland is not disadvantaged, and a finance bill

that would enhance the scrutiny of public spending decisions. However, the crucial element in all this is policies to enhance economic growth, even if the SNP’s partners, the Greens, do not agree with that.

Our Scottish Future was absolutely blunt in its analysis last week. It said that

“Scotland’s long-term failure to increase its growth rates relative to the UK”

is

“the elephant in the room.”

Our Scottish Future told the Scottish Government to stop

“throwing good money after bad or non-productive”

projects, and it cited the illogical decision to cut spending on university research as one example. We agree with that, just as we agree that the Government should ensure that there is a much simpler and more easily understood pathway through the enterprise bodies and grants that it can award. Just about everybody in business wants that change as quickly as possible, because they are keen to get on with boosting innovation and productivity without red tape, form filling and complex planning and procurement processes getting in their way. It is essential for business to feel good about itself and its future if Scotland is to achieve the growth rates that we need.

In recent weeks, several key business leaders have said that the national economic transformation strategy and the Scottish National Investment Bank do not have anything like the clarity and rigour that we need to deliver growth. Businesses also want to see Scotland’s Governments working together—not embroiled in constant bickering and constitutional rivalry, which divert attention away from the important focus. That is another unanimous conclusion of the Finance and Public Administration Committee.

Scotland has immense talent in every corner of the country. We need to mobilise that talent in every way that we can, and we need policies that support that talent, incentivise investment and support our businesses and public services. We need a Scottish Government that is wholly committed to efficiency and transparency in public finances. We do not need one that is constantly peddling grudge and grievance at every turn and not looking after our finances properly.

I move,

That the Parliament is deeply concerned by many of the trends published within the recent analysis of the Scottish economy undertaken by the Scottish Fiscal Commission; is concerned, in particular, by the revised downward growth estimates and decline in real earnings, and that the Scottish Government has imposed higher tax rates on Scotland without increasing revenues, compared with the

block grant adjustment, due to the ongoing issues relating to weaker productivity and inflexibilities within the Scottish labour market; is further concerned by the real-terms cuts of more than £1 billion announced by the Scottish Government, which will affect local government, the police and higher education, among key services; calls on the Scottish Government to commit to ensuring that no one in Scotland pays more income tax compared with people in the rest of the UK, when finances allow, ensuring that policies to deliver long-term growth, including collaborative projects with the UK Government such as city deals, are a priority within Scottish Government spending plans; calls for a finance bill mechanism to be introduced to evaluate the effectiveness of public spending, and further calls for plans for a second independence referendum to be taken off the table.

The Deputy Presiding Officer: Before calling the next speaker, I remind all members who wish to speak in the debate to ensure that they have pressed their request-to-speak button. I call the Cabinet Secretary for Finance and the Economy, Kate Forbes, to speak for up to nine minutes.

15:12

The Cabinet Secretary for Finance and the Economy (Kate Forbes): This debate is really about why and how Scotland cannot afford to remain under UK Tory rule.

It is more than a little ironic that the Conservatives have initiated today's debate on the economy when their Westminster leaders are presiding over the sharpest fall in living standards and the fastest rise in inflation for a generation. Right now, that party is the very symbol of economic mismanagement.

The true cost of Tory economic mismanagement has been laid bare by external commentators. Research by the London School of Economics and Political Science's Centre for Economic Performance revealed that Tory Brexit has caused food prices to rise by 6 per cent, which has deepened the cost of living crisis for households across the UK.

Today, the Organisation for Economic Co-operation and Development warned that next year the UK will have the worst economic growth of any G20 country, bar Russia.

Liz Smith: I am grateful to the cabinet secretary for taking my intervention. What does the cabinet secretary feel about the finance committee's conclusion:

"We consider that evidence showing that Scotland is lagging behind almost all other areas of the rest of the UK in key indicators of economic performance is deeply worrying."

Kate Forbes: Which Government was responsible for faster gross domestic product growth in Scotland in March, when there was a fall in GDP across the rest of the UK? I will come on to speak about a number of other metrics.

All that I have just detailed is happening under the leadership of the very party that lodged today's motion. As I set out in the chamber last week, although inflation is, quite clearly, also impacting on other countries, it is not impacting on them equally. The UK currently has, under the Tory Government, the highest inflation rate of any G7 country and a rate that is almost twice the rate in France.

Under the current devolution settlement, only the UK Government has the macroeconomic levers to fully address the cost of living crisis, but it has failed spectacularly to manage our economy in a way that works for businesses and households. Poverty is rising, costs are rising, the energy price cap is rising, living standards are falling, growth rates are dropping and competitiveness is sliding, under the Conservatives.

Daniel Johnson (Edinburgh Southern) (Lab): I agree with much of what the cabinet secretary has said. The Conservatives are doing an absolutely appalling job of running the economy, but does that not make the case for why we should be doing better? Although we might not have all the levers that the cabinet secretary wants, we do have levers, which does not explain why wage growth is underperforming in Scotland in comparison to the UK average. Can she explain that?

Kate Forbes: I will come on to that, but I think that the context is important.

I recently wrote to the Chancellor of the Exchequer with a comprehensive funding package that would fully address the unprecedented rise in the cost of living. Instead of following that approach and using the fiscal headroom that was available to him to support people and businesses now, the piecemeal package that he announced makes it highly likely that more support will be needed later, when energy prices rise significantly in the autumn. In other words, while right now people sit in cold houses and turn to food banks, the chancellor is sitting on a substantial election war chest. In contrast—this relates to Daniel Johnson's question—we are doing all that we can in response, and our amendment to the motion reflects the priorities that we have for Scotland's economy and our public finances.

Our prudent stewardship of our finances and our careful—*[Interruption.]* That and our careful and ambitious management of the economy have resulted in Ernst & Young Global Ltd's 2021 "Continued resilience: EY's Attractiveness Survey Scotland" finding that Scotland has been the top UK destination for foreign direct investment outside London for the past seven years. Scotland's GDP grew 0.3 per cent in March 2022, compared to a fall of 0.1 per cent in GDP in the

UK as a whole. Estimates for January show that Scotland's unemployment rate fell to 3.2 per cent in the first quarter of this year, which is a joint record low and is below the UK rate of 3.7 per cent. Scotland has a positive trade balance in goods; in 2021 it exported goods that were worth £1 billion more than the goods that it imported.

Willie Rennie (North East Fife) (LD): If the cabinet secretary is willing to take credit for those selective statistics, is she prepared to accept responsibility for Scotland's overall economic performance, which lags behind the rest of the United Kingdom's performance? Does she accept any responsibility for that?

Kate Forbes: The irony of that question is that, although we have set out our approach to economic growth over the next 10 years and have recognised the work that needs to be done in terms of productivity, new markets and entrepreneurship, there is no way around the fact that the macroeconomic levers sit with the UK Government. If the Liberal Democrats want that situation to be different, I suggest that they join us in calling for those levers, because we have done what we have done with one hand tied behind our back.

This year alone, whatever the Conservatives say—I tend to believe independent commentators—Scotland's budget is being reduced in real terms by 5.2 per cent.

Liz Smith: Will the cabinet secretary take an intervention?

Kate Forbes: I have taken quite a few interventions and I am probably running low on time.

If we look across the whole four-year period of the resource spending review, our real-terms funding is to grow by only 2 per cent, after accounting for devolution of social security benefits. The current fiscal settlement denies us even the most modest borrowing powers that most Governments across the world would have access to—powers that Scotland would have as an independent state.

If we need another reason why Scotland cannot afford to remain under UK Tory rule, researchers at the Glasgow Centre for Population Health found that

"Austerity is highly likely to be the most substantial causal contributor to the stalled mortality rates seen in Scotland and across the UK."

Scottish people deserve better than that, and they also deserve informed and intelligent debate about the true nature of our financial outlook.

It is therefore disappointing to see that the Conservatives have, once again, claimed that

"the Scottish Government has imposed higher tax rates on Scotland without increasing revenues".

That is factually inaccurate. It is contradicted—*[Interruption.]* It is contradicted by the Institute for Fiscal Studies, which stated last week:

"We are not saying the tax rises have reduced revenue. The tax rises almost certainly have raised revenue."

In the SFC's December 2021 forecast publication—to which, I think, Liz Smith referred—the SFC noted that the Scottish Government's decisions on income tax since 2017-18 would add about £552 million to the Scottish budget in 2022-23.

In the past six months, we have set out our annual budget, our strategy for economic transformation, two medium-term financial strategies and a three-year resource spending review—all against the backdrop of a pandemic and the biggest economic shock in over 100 years, the most significant cost of living crisis in a generation and the illegal Russian invasion of Ukraine, which is a humanitarian crisis that is affecting the global economy.

There can be no accusation that this Government is shying away from its responsibilities in managing our public finances and Scotland's economy. It is managing them well. Despite the funding pressures and despite macroeconomic powers remaining with the UK Government, our resource spending review prioritises our limited resources on the Scottish Government's long-term ambitions for Scotland.

Other parties in the chamber might have different priorities, but I strongly believe that the priorities that we have set out as part of the resource spending review are the priorities of the people of Scotland: tackling child poverty, transitioning to net zero, economic recovery and helping households with the cost of living crisis. It is our job, as a mature and fiscally responsible Government, to deliver those priorities, but Parliament needs to face up to the realities of where powers lie and the realities of a budget that gets cut by the UK Government.

I move amendment S6M-04815.3, to leave out from "is deeply" to end, and insert:

"endorses the priorities set out in the Scottish Government's spending review of tackling child poverty, addressing the climate crisis, building a stronger economy and improving public services, while supporting those people struggling with the increased cost of living; notes that the overall Scottish Budget has fallen by 5.2% in real terms between 2021-22 and 2022-23 and that the Scottish Fiscal Commission has confirmed a further 1% real-terms reduction until 2025-26; agrees that current financial fiscal arrangements between the UK Government and the Scottish Government are deeply flawed; highlights the persistent dismal failures of leadership in the UK Government, with the UK currently having the highest inflation rate of any G7 country, compounded by Brexit

increasing food prices; notes recent research from the Glasgow Centre for Population Health highlighting the brutal reality of a decade of austerity under the UK Government, and believes that, with full control over the economic and financial powers, the Scottish Government could take further action to build the economy that Scotland deserves.”

15:22

Paul Sweeney (Glasgow) (Lab): It is a pleasure to open the debate on behalf of the Labour Party. I thank the Scottish Conservatives for lodging the motion. The debate is long overdue and urgently needed following last week’s demoralising spending review, when the cabinet secretary heroically attempted to spin cuts that the Tories themselves would be proud of as fiscal prudence—she has done so again today.

However, to put it bluntly, the economic outlook for the next five years is nothing but grim. We often hear warnings of economic uncertainty, and it seems as though not a day goes by without headlines about record fuel prices, record gas and electricity bills and record inflationary pressures.

Of course, those pressures all contribute to the economic forecasts that we are discussing, but the underlying vulnerabilities of the Scottish economy run far deeper than recent price spikes and the cost of living crisis, so I was dismayed to read the Government’s amendment to Liz Smith’s motion. It can only be described as showing the Government burying its head in the sand rather than addressing the failures that it has presided over.

The Scottish Government has done its usual by pointing the finger at Whitehall and highlighting the failings of the Tories—rightly, in this case, but it is also an attempt to distract from the myriad failures that it has presided over in Scotland.

I am afraid that the underlying indicators of economic performance are clear for everyone to see. The Scottish Fiscal Commission’s recent forecasts highlight the stark reality of the challenges that we all face, with productivity stalling, real wages falling and tax receipts significantly lower than previously predicted.

It is an economic forecast that many of us have been warning about for a long time, but the cabinet secretary has point-blank refused to accept it. Take productivity, for example. The SFC states that

“Productivity growth has stalled in Scotland since 2015.”

I repeat—it has stalled since 2015. The single biggest, most important factor in improving prosperity has stalled—seven years of absolutely no progress whatsoever despite repeated warnings.

The cabinet secretary can play the blame game all she likes, and the amendment in her name attempts to do just that, but it is abundantly clear that the Government has no plan for improving productivity forecasts.

We see the same scenario when it comes to average earnings in Scotland. Every year for the next five years, Scotland is forecast to lag behind the UK as a whole. That is not a recent phenomenon. Between 2016 and 2020, earnings in Scotland increased at a slower rate than in the rest of the UK, and the Scottish Fiscal Commission states that, in recent years, the gap has widened, not narrowed. Since 2016, Scotland’s average earnings have grown by 21 per cent, which is 5 per cent less than the UK average over the same period.

John Mason: The member is very good at listing some of the problems that we face, but I do not think that anyone is arguing that those are not challenges. Can he give us some answers?

Paul Sweeney: Given the cost of living crisis, I am happy to accept the proposal for a superannuation.

However, the key proposals are about efficiency of investments and return on investments. There are huge, endless opportunities to increase revenue and get public investments to raise more money for Scotland. There are innumerable opportunities to outline that. Instead of having multinational utilities, the Scottish Government and councils could be making big, bold moves to aim to be the main supplier of heating to all households and businesses in Scotland, with a mass roll-out of publicly owned and developed district heating networks. There is no state entrepreneurship. That is just one example that I give John Mason to take into consideration. In his constituency, in Dalmarnock, there are district heating schemes that are not being expanded and, currently, social housing is being built with gas boilers fitted into the properties. That is introducing and seeding a cost of living crisis in our midst, when we could be doing something different.

I take no pleasure in pointing out those facts, because I want nothing more than for Scotland’s economy to be prosperous, thriving and providing a solid foundation for the improvement of people’s lives. Of course I want that, but the fact is that it is not happening. Scotland’s economy is underperforming, and the Scottish Government needs to take its share of the blame. Yes, external factors have played a role. Brexit, Covid and global inflationary pressures cannot be ignored, but the problems that I have outlined existed well before any of those external factors came in, and have left our economy less resilient in the face of those shocks. The reality of what the poor

economic forecasts mean in practice is stark. Last week, the cabinet secretary outlined the Scottish Government's spending priorities. Health and social security budgets were protected, but everything else was raided. The Scottish Fiscal Commission says that, in 2023-24 and 2024-25, spending on all other areas is expected to fall in real terms. In 2025-26, only the net zero and energy and transport portfolios are expected to increase. There we have it in black and white: austerity, the very thing that the cabinet secretary spent the bulk of her speech criticising in withering terms. For the next three years, the budgets that are afforded to local government; education and skills; the economy and finance; justice and veterans; the Crown Office and Procurator Fiscal Service; net zero, energy and transport; and external affairs and culture will be hammered, and the consequences could not be clearer.

Further cuts to local government will mean further job losses, drastically reduced services, cuts to education and skills, the further widening of the attainment gap and the sacrifice of the life chances of our children. Decimated transport budgets will result in even poorer services, which will push people away from public transport—and increase the costs and subsidy dependence—at the exact time when we should be encouraging them back.

Perhaps the worst consequence of all is the admission of scathing cuts to the number of public sector jobs in Scotland. That point is perhaps the most illustrative of the short-sightedness of this Government when it comes to the economy. Instead of investing, retaining, skilling up and increasing the wages of public sector employees, it sacks them, with the profound personal and financial consequences that that decision will have on families across Scotland. It is a symptom of a Government that is run by accountants, not economists.

It does not take an accountant or economist to see the perilous state that the Scottish economy is in. People can feel it in their pockets and in their pay packets every day. Unless something fundamentally changes and the Scottish Government finally takes its head out of the sand, we will continue on that managed decline and, before we know it, it will be too late to reverse the downward spiral that we are in.

As our amendment today states,

“the failure to grow Scottish wages will also mean that hard-working people are more exposed to the pressures of the cost of living crisis.”

That needs to be at the forefront of our minds. Squabbling about constitutional arrangements, firing figures across the chamber, blaming the Tories and cutting vital budgets will not help ordinary, hard-working people. Everyone needs to

be laser focused on improving their lives in the coming years. All the evidence that I have seen so far suggests that the Government is incapable of providing that focus.

I move amendment S6M-04815.2, to leave out from “is deeply” to end and insert:

“notes the recent findings of the Scottish Fiscal Commission and is deeply concerned by many of the trends identified, including that productivity growth in Scotland has stalled since 2015 and earnings growth is lagging behind the UK's; is further concerned, in particular, by the revised downward growth estimates and decline in real earnings, and that the Scottish Government has imposed higher tax rates on Scotland without increasing revenues, compared with the block grant adjustment, due to the ongoing issues relating to weaker productivity and inflexibilities within the Scottish labour market, with the result that net Scottish income tax receipts in 2022-23 are forecast to be £428 million less than if income tax had not been devolved; considers that this is a consequence of the Scottish Government's failure to use the taxation, borrowing and investment powers of devolution to support and grow the Scottish economy; notes that this has directly resulted in less tax revenue available to invest in Scottish public services, and is further concerned by the real-terms cuts of more than £1 billion announced by the Scottish Government, which will affect local government, the police and higher education, among key services; calls on the Scottish Government to ensure that policies to deliver long-term growth, including collaborative projects with the UK Government such as city deals, are a priority within Scottish Government spending plans; further calls for a finance bill mechanism to be introduced to evaluate the effectiveness of public spending; calls for plans for a second independence referendum to be taken off the table, and believes that the failure to grow Scottish wages will also mean that hard working people are more exposed to the pressures of the cost of living crisis.”

15:29

Alex Cole-Hamilton (Edinburgh Western) (LD): I am pleased to rise to speak for the Liberal Democrats, and I am grateful to Liz Smith for securing the parliamentary time for it.

When the finance secretary outlined the Government's spending review, she laid bare the price of Scottish National Party economic incompetence. The truth is that, when it comes to the economy, by almost every metric, we are falling behind. The SNP likes to take any opportunity that it can to set Scotland apart from the rest of the UK—well, when it comes to the economy, it has accomplished that mission, but there is nothing in that reality for those on the Government benches to take pride in.

In the past decade, under SNP rule, the Scottish economy has been consistently outpaced by the rest of the UK, which means that we have less money to spend on vital public services, many of which are currently in dire need of funding.

We have seen productivity growth stagnate while we fail to keep pace with earnings growth in England and Wales. I was interested to hear the

cabinet secretary tell Daniel Johnson that she would come on to that in her remarks. I may have fallen asleep, but I did not hear her come on to that at all. This has all been coupled with downward growth estimates, as Liz Smith rightly said when she quoted Our Scottish Future.

Project after project has been mishandled and there are not enough workers to build even a handful of offshore wind turbine jackets at Burntisland Fabrications. Where are the 2,000 jobs that were promised to Lochaber by the SNP Government and Sanjeev Gupta in return for taxpayer backing worth hundreds of millions of pounds? Why will communities spend years more without the broadband connections that they need to do business and get on with their lives? The Government might not like it, but its fiscal incompetence is plain for all to see.

Not long ago, the word “ferry” would have conjured up images of relaxed day trips to some of Scotland’s beautiful islands, and island businesses expanding beyond their shores. Now, it is synonymous with cancellations, botched deals, missing documents and horrendous overspend. Those lifeline ferries were promised to our island communities so that people could visit family, go to work or attend hospital appointments on the mainland. They are years late and more than £150 million over budget. Tourist businesses, cafes and more must all be wondering what they pay their taxes for, when the absence of sailings costs them hundreds of pounds each day in lost earnings.

The same could be said for all those going to restaurants, bars and theatres, and shift workers and commuters, who are all staring at train timetables in disbelief. The Scottish Greens must be the only green party in the entire world to go into government, nationalise the rail sector and put a red pen through a third of the rail timetable. It has been reported that that is costing the Government and the Scottish economy £80 million each week. The Scottish Government had two years to prepare for its running of ScotRail, but it did precisely nothing to anticipate or avoid the dispute. Every day that this SNP-Green Government fails to provide core connections—whether they are ferries, broadband or trains—can be measured in lost revenue to our economy.

Daniel Johnson: Does Alex Cole-Hamilton agree that transport disruption and chaos is a problem not just because of the disrupted journeys, but because it prevents people from getting to new opportunities and new jobs elsewhere in Scotland, which, given our regional inequalities, is a horrendous economic crime in itself?

Alex Cole-Hamilton: I absolutely agree with Daniel Johnson. The £80 million in lost revenue that has been quoted is just the tip of the iceberg.

It will represent a lost opportunity to grow our economy further, on top of all the social disruptions that I have laid out.

The Government has also been good at wasting opportunities. When he was First Minister, Alex Salmond often spoke of making Scotland the “Saudi Arabia of renewables”. ScotWind was the best chance for generations for the Scottish Government to bring serious money into the public purse, but, alas, it sold it on the cheap after inexplicably deciding to cap how much companies were allowed to pay in the offshore wind auction. That was despite comparable auctions south of the border and around the world showing that it is a fiercely competitive market. Who on earth puts a cap on something that they are selling in those circumstances?

Kate Forbes: Does the member think that a £25 billion requirement to invest in the supply chain is selling it on the cheap?

Alex Cole-Hamilton: I am sorry, but that is a very weak area for the cabinet secretary to try to defend. Anybody who has ever been on eBay knows that, when they are selling something, they put on a reserve price, which is the lowest possible price at which they will sell the item. No one puts a cap on it. No one says, “Please don’t give us any more money than we are providing in these circumstances”, but that is exactly where we find ourselves.

The truth is that Scotland’s prized sea bed was sold at a pittance. That matters, because that income goes straight—or could have gone straight—to the Scottish Government to be spent on schools, hospitals and better pay for social care workers. However, once again, we are seeing that potential squandered.

It is well past time to remove the drag of SNP economic mismanagement. The Government has its priorities all wrong. When it comes to allocating finances, as I highlighted at First Minister’s question time last week, we have recently learned that the number of people suffering from Covid has risen to more than 150,000—that is one in 30 Scots—but the First Minister is devoting twice as much money to a divisive second independence referendum as she is to that awful condition.

The SNP-Green Government is devoting its focus, top civil servants and tens of millions of pounds to an unwanted independence referendum. We need look only at the statistics that were published in the past 24 hours to see why that is indefensible: more than 300,000 operations have been lost to Covid; delayed discharges are up 64 per cent in a year; there are dangerous levels of nursing vacancies; and thousands of children and adults are waiting more

than a year for the mental health support that they desperately need.

Everyone needs SNP and Green ministers to be focused on what really matters right now. Instead—

The Deputy Presiding Officer: Mr Cole-Hamilton, you need to conclude. Thank you.

Alex Cole-Hamilton: I will conclude with this point, Presiding Officer. Instead, national health service staff, patients, islanders and hospitality businesses are all being taken for granted. That is shameful.

The Deputy Presiding Officer: We move to the open debate. Speeches will be of six minutes. I call Douglas Lumsden, to be followed by Michelle Thomson.

15:36

Douglas Lumsden (North East Scotland) (Con): It is good to be discussing this important topic, because we were unable to do so last week, as my colleague Liz Smith pointed out.

The spending review highlights the SNP-Green devolved Government's mismanagement of our economy. With the highest-ever core block grant coming from the UK Government and more investment in Scotland than we have seen previously, it is ridiculous to see an SNP minister defend their economic decisions as they did last week.

Let us be clear that the tough decisions that this devolved Government is now facing are a direct consequence of its economic incompetence. At yesterday's Finance and Public Administration Committee, I questioned the Cabinet Secretary for Finance on public sector job cuts. At first, I was given the usual smoke and mirrors, as we would expect of the SNP, but it was eventually mentioned that figures would go back to the levels that we saw before the pandemic.

Most of the increase was for health, and the cabinet secretary said that there will be no cuts to health staff. We have more than 1,000 staff in Social Security Scotland; I presume that that number will not be cut. We are expanding early learning and childcare provision; I presume that the Scottish Government will not reverse that policy. Therefore, we can presume only that the hammer will fall on the likes of the police, firefighters, teachers, social workers, carers, refuse collectors, road workers and lecturers, whom we need to upskill our workforce.

Kate Forbes: Is the member distancing himself from his Conservative counterparts in the UK Government who are proposing to cut 91,000 government jobs?

Douglas Lumsden: We are in Scotland. At least there is a bit of clarity from the UK Government. All that we get from the cabinet secretary is smoke and mirrors. She gives no answers about where the jobs will be cut. She needs to come clean with our public sector workers and let them know where the planned cuts to the workforce will take place.

I want to focus on the impact of the proposed savage cuts to local government in the spending review and on the impact of the wider economic situation on our vital public services. I have spoken before in the chamber about the importance of prevention in all our public services and the need for investment in preventive services that stops greater expenditure further down the line. I would like to focus on that, which I thought was a view that many members from all parties shared.

The spending review has shown us that this SNP devolved Government is planning to cut local government's budget by 8 per cent in real terms by 2027. The Government suggests that local government should make savings by reducing real estate, increasing digitisation and having more shared services. That advice is an insult. That is teaching your granny how to suck eggs—local government has been doing that for the past five years to balance its budget in the face of SNP austerity.

For many local authorities, the low-hanging fruit has gone and efficiencies through digitisation have been achieved. The headcount reduction, in conjunction with unions, has been done. This deal means that jobs will be lost. Bins will be collected less often. Care packages will be cut. New schools will not be built. Roads will not be repaired. Sports facilities and libraries will close. All of that is happening on this Government's watch, and it is a disgrace.

The Minister for Public Finance, Planning and Community Wealth (Tom Arthur): The resource spending review affords us the opportunity to consider our spending some six months out from when the budget will be presented. Can Mr Lumsden state what total quantum he believes should be allocated to local government in the next financial year and the following financial years?

Douglas Lumsden: I will come on to the waste that this Government makes all over the place.

If there was more transparency around the budget process, that question might be easier to answer. We had things in the budget for this year such as a line with £620 million for things that we might see coming in, including ScotWind. Now, that has been taken out of this year's budget and

put into next year's budget, and suddenly the £620 million has miraculously just reappeared.

Prevention is much better than trying to tackle the outcomes of such austere measures. Our sports and libraries aid health and wellbeing and prevent long-term illness. Our schools and youth clubs cut down crime. Good roads cut down accidents. New schools increase attainment and opportunities for all.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Will the member take an intervention?

Douglas Lumsden: I have taken enough interventions.

Cutting investment in our local government is short-sighted and will lead to greater costs down the track.

The SNP is also cutting off investment from key sectors such as oil and gas, which will have massive implications for the north-east and Scottish economies. At the breakfast meeting with the SFC that SPICe held this morning, we heard that one of the reasons that our economy is falling behind the rest of the UK is the decline in the energy sector and the income tax take from it. It is clear that the SNP Government does not back the oil and gas industry and is driving investment away. While we still have a demand for hydrocarbons, it is better for the environment and better for jobs in the north-east that the energy industry in this country is protected and supported. This devolved Government's outright hostility to the industry is directly related to the cuts that it is having to make to public services. The Government needs to change its tune before it is too late.

Much has been said today about the cost of living crisis. Time will not allow me to go into detail here, but the UK Government has now provided over £37 billion of support to families. However, families in Scotland will have to pay more income tax than families in the rest of the UK—a point that Liz Smith covered earlier. That is the Scottish Government's contribution to the cost of living crisis: higher taxes.

And what is this devolved Government doing with our taxes? It has spent £250 million on ferries that do not sail, £40 million on the doomed, malicious prosecution of Rangers and £50 million on loans to BiFab, and now £20 million is being allocated for an independence referendum next year. That is £4 million more than it has allocated as an increase in the education budget. Colleagues, that is an absolute disgrace. This Government holds its obsession with having a referendum above the education of our children.

The spending review has so many areas of concern that we can only skim over today. We will have more sessions in committee—maybe—to go over it in detail. However, the SNP-Green coalition will need to put the needs of the people of Scotland at the heart of its policies—

The Deputy Presiding Officer: Mr Lumsden, you need to conclude. Thank you.

Douglas Lumsden: —and not its obsession with independence. We need more spending on our local authorities so that they can deliver our vital services. We need this false nod—

The Deputy Presiding Officer: Mr Lumsden, could you please conclude your remarks? Thank you very much.

Douglas Lumsden: —to an independence referendum dropped, with the money going towards education.

15:43

Michelle Thomson (Falkirk East) (SNP): If the past few days have taught us anything, it is that the price of dependence on the failing UK state and leaders such as Boris Johnson makes the need for Scottish independence all the more urgent.

Economics cannot be understood without a deep appreciation of society. That idea was fundamental to the work of Adam Smith. To understand *The Wealth of Nations*, it is best to read his earlier work *The Theory of Moral Sentiments*. Smith knew only too well the importance of justice, of effective administration of the law, of ethics, of human behaviour and of empathy for others—all issues that the Tory Government at Westminster shows little regard for.

Liz Smith: Adam Smith also talked substantially about the importance of economic growth. I ask Michelle Thomson to expand on what her Government believes are the most important features of improving economic growth.

Michelle Thomson: I am delighted to have taken that intervention, because I will go on to reflect much more carefully on economic growth, gross domestic product and so on.

As well as a lack of morality, I notice the absence from the Tory motion of any mention of Scotland's assets. We know about the Tories' track record of exploiting Scotland's resources such as those in the North Sea. Of course, Norway invested in its future and created a fund for long-term investment while successive UK Governments squandered the riches. At that point, there was no empathy with the needs or, indeed, the rights of the Scottish people, so long as the

Tories' friends in the City of London were doing all right, thank you.

Today, Scotland has the prospect of an even larger and longer-lasting asset, with the wind and seas driving a revolution in sustainable energy production. Earlier today in the chamber, I commented that Scotland's anticipated energy production capacity far exceeds even our own 2030 target.

We need to put the needs of people and society at the heart of our economics. I ask the people of Scotland to focus on the right outcomes. Who do we trust? Is it a Government elected by Scotland for Scotland, or Boris Johnson?

The Tory motion talks of concerns about the growth estimates being revised downwards, but it fails to acknowledge the failure of UK Government policies that contributes to that.

Craig Hoy (South Scotland) (Con): Will the member give way?

Michelle Thomson: Let us take the previous 20 years and run an international comparison of GDP growth rates.

Sorry, but I missed the member. I will come back to him.

From that comparison, we find that the UK's growth was 68 per cent in nominal terms, while the average large advanced economy grew by 93 per cent and the average small advanced economy grew by 138 per cent, which is double the cumulative growth of the UK economy. Scotland is having to pay a heavy price for that UK failure and for being tied to the UK's economic mismanagement, particularly in comparison with other medium-sized advanced economies, many of which have a weaker asset base than Scotland has.

Douglas Lumsden: Will the member take an intervention?

Michelle Thomson: I will take one if the member is going to directly counter my figures and give figures that show that I am wrong.

Douglas Lumsden: I am just curious to know why Scotland's growth figure is half that of the rest of the UK. Can the member please explain that?

Michelle Thomson: I can absolutely explain it. I can refer directly back to the cabinet secretary's comment that members on the Tory benches seem incapable of understanding the difference between micro and macro economics. I encourage them to look at exactly which powers reside in Westminster, as that is absolutely the crux of the debate.

If the Tories had a genuine concern about growth or any understanding of economics, the

motion would be shouting from the rooftops for Scotland to have full economic powers. I notice, too, that the motion says nothing about the straitjacket that is imposed on Scotland by our lack of borrowing powers, which the cabinet secretary referenced. The Tories complain about highly uncertain forecasts, but they have not mentioned that UK public sector net borrowing was £151.8 billion in the financial year ending March 2022. If it is good that the Government of Boris Johnson can borrow so freely, why is the Scottish Government denied those powers?

The pseudo economics of the Tories also turns a blind eye to corruption and large-scale financial crime, which distorts markets and punishes consumers and businesses that play by the rules.

Craig Hoy rose—

Michelle Thomson: I am sorry, but I have only one minute left.

The egregious law breaking of Boris Johnson really matters, because it not only displays a disregard for our society but almost permeates into the economy. As long as Boris Johnson and, indeed, most of the Tories care not about money laundering and other forms of financial crime—the cost of which is counted in the hundreds of billions of pounds annually, according to the UK's National Crime Agency—and as long as they care not about the distortions created in markets and the wider economy or about the people they are supposed to serve, the state capture that has taken place in the UK will continue in both our society and our economic system.

However, the most objectionable aspect of the Tory motion is the undercurrent of trying to force a feeling of helplessness and dependency in Scotland. The Tories seek to damage the Scottish people's belief in themselves and to feed the myth that it is better to allow people such as Boris Johnson to be in charge than for us to be accountable for creating our own future. Of course, that explains the Tories' fear of allowing the Scottish people to decide their future, but they will fail to prevent us from doing that. Scotland will be the wealthiest country ever to achieve political independence, and that will put the people of Scotland in charge of our future.

15:50

Michael Marra (North East Scotland) (Lab): I thank Liz Smith for moving her motion and bringing the debate to the chamber. I am happy to support the amendment in Paul Sweeney's name.

I start by directly quoting remarks that were made by the First Minister some six years ago. She said that

“excellence in education is essential to our prosperity, competitiveness, wellbeing and to our overall success as a nation.”

I could not agree more with those remarks, but last week’s resource spending review is a damning indictment of the Government and shows what its priorities truly are. The suggestion that education is by any means up there is an insult to the intelligence of the Scottish people. It was once said that education was the Government’s “defining mission” and a sacred cause, but none of that was true, was it?

In response to the cabinet secretary’s spending review, the Scottish Fiscal Commission has made it clear that there will be an 8 per cent real-terms cut in Government spending on colleges and universities. The cuts will not just devastate colleges and universities but tear through every tier of our education system, from local government and early years schooling to academic innovation and research.

At the heart of the cuts lies the SNP’s inability to reconcile itself with the reality that a strong and properly resourced education system is integral to the Scottish economy. It is, to be frank, the single greatest economic lever that we will ever have in this country. The net output of properly investing in our education system and, by extension, our young people is that our workforce and society will be strengthened and diversified. Proper investment from pre-school to PhD level is crucial in order to fill job vacancies, nurture talent and support economic development. In fact, research by London Economics shows that, for every £1 million of Scottish Government investment in university research, £8 million of economic growth is generated. As colleagues have highlighted, we could do with some more of that.

John Mason: Is the member’s broad argument that we should be putting more money into education and less into social security?

Michael Marra: No. Mr Mason is right to highlight that it is a question of priorities. The Government has to make choices. Other colleagues have raised issues about waste and the choices that are put to the Scottish people at elections. The Government says that its priority is education, that it is a sacred mission and that it is its defining purpose, but the Government needs to back that up with action. Both things cannot be true at the same time. The Government has made its choices, and Labour will put forward the choices that we would make.

However, the budget is not fixed in the way that some members wish to suggest it is. We can grow our economy and the amount of money in our coffers, and we can ensure that we have a better tax take in our country.

It is particularly troubling that the SNP has decided that now—when our schools, colleges and universities finally have the chance to pull back from the rubble of Covid and the resulting educational deficit that the pandemic has left behind—is the time to hit schools, colleges and universities with a further blow.

I sincerely hoped that the cabinet secretary would, at the very least, have recognised the need to invest in the cohort of students and young people who have suffered so much over recent years. They have lost a large amount of their education, and their life chances have been particularly harmed. I know that there might be talk of spending in future budgets, but the spending review has set a clear direction of travel, with trouble ahead for all those services. The incredible disruption over the past two years will have taken an immense toll on young people’s academic and mental wellbeing, with the effects being felt not just at the moment but for many years to come.

Colleges are already dealing with substantial cuts in this financial year. This morning, the Education, Children and Young People Committee heard about voluntary and, potentially, compulsory redundancies across the sector. I remind the cabinet secretary that that is the very sector that is meant to handle the energy transition in our economy. Members have mentioned the need to transition to a net zero economy, so we need to ensure that we invest in and support that sector.

In the past couple of weeks, Scottish universities have received outstanding results from the research excellence framework, but they have also been rewarded with cuts. Simultaneously, research funding in England has shot up. On the same day as the resource spending review was announced, UK Research and Innovation announced a 31.7 per cent increase for research over three years. That is the competition—that is the reality. Our universities have to compete in that marketplace, have to work to recruit the same staff—outstanding, excellent staff—from across the world and have to ensure that they can match those terms. That compounds a long-term trend.

I say to SNP members that eight of our top 10 universities in this country have progressed at a slower rate than their comparators in the rest of the UK. There are direct consequences of that. UKRI funding had been a national advantage—we had previously captured 15.4 per cent of it—but it is now reduced to 12.9 per cent. The trend is only going in one direction and the decisions that are taken today further exacerbate the situation.

All of that results in the points that colleagues have made: productivity is stalled since 2015; failure to grow wages and the direct impact that that has—

The Minister for Just Transition, Employment and Fair Work (Richard Lochhead): Does the member recognise that the biggest threat to research funding that the university sector in Scotland is mooting as we speak is the UK Government's threat not to participate in the horizon programme? That is a perfect example of how the UK Conservative Government is damaging research in Scotland, which is a priority of the university sector at the moment.

Michael Marra: I agree with the member that it is entirely irresponsible to withdraw from the horizon programme. It is a massive issue for our universities. However, proportionately, the amount of money that is brought into Scotland by the horizon programme is dwarfed by the central funding that UKRI and the Scottish Funding Council provide, which, in proportion, is just as important, if not more so.

I will conclude on this point, Presiding Officer—I appreciate the leniency. The Government has long known the challenge of demographic transition, and there has been no substantive programme of reform to address it. Michelle Thompson is keen to talk about Adam Smith, although I am not sure that he would agree with her on the idea of throwing up trade barriers across the UK. I would point to the work of Mariana Mazzucato and the idea of an entrepreneurial state that can grow our economy, invest in our people and build a better future for Scotland.

15:57

Paul McLennan (East Lothian) (SNP): I thank the Tories for introducing the debate, which allows us to compare the policies of a UK Government that is failing Scotland with those that an independent Scotland would benefit from.

The Tory motion mentions

“downward growth estimates ... a decline in real earnings”

and labour market “inflexibilities”. The main levers of economic powers are still held at Westminster, and I will mention the impact of that situation in my speech.

Douglas Lumsden: Will the member take an intervention?

Paul McLennan: No. I have just started.

The Tory motion highlights the failures of the union and the negative impacts that it has on the Scottish economy.

“Britain's economy is in a bad place. Removing Boris Johnson might help” was the headline of an analysis by Julia Horowitz, who is a CNN business analyst. She said:

“Boris Johnson survived a vote of confidence on Monday triggered by lawmakers in his own party. They've been angered by government parties that broke coronavirus rules, his handling of a deteriorating cost-of-living crisis and a dearth of clear policy goals.”

That is how others see the UK. She went on to say that the cost of living crisis had been caused in large part by global factors, but that Brexit had significantly exacerbated it.

The UK economy ground to a halt in February and started shrinking in March.

Douglas Lumsden: Will the member take an intervention?

Paul McLennan: No. I have just started.

The UK economy is continuing down that route. We are heading into a recession. Retail sales fell in May for the second consecutive month. The British pound has plunged almost 8 per cent against the US dollar this year alone, losing even more than the euro. That impacts on Scotland.

Jamie Greene (West Scotland) (Con): Will the member take an intervention?

Paul McLennan: I will in a second.

The pound is the third worst-performing major currency this year. Only this morning, the cabinet secretary mentioned that the OECD forecasts that the UK will have the lowest growth rate and the highest inflation rate in the developed world, apart from Russia. Stagflation, here we come.

Douglas Lumsden: The member spoke about independence and about currency. Can he confirm what the currency would be in an independent Scotland?

Paul McLennan: I think that that was set out in the growth commission's work and is there for everyone to see.

Last week, Bank of America strategists stated:

“Investors should hedge for an 'existential' sterling crisis as the British currency faces struggles usually seen in emerging markets”.

CNN states:

“Around the world, countries are facing huge economic challenges ... but the United Kingdom is in a particularly bad spot”,

and:

“The knock-on effects of Brexit have led to crippling labor shortages and boosted operating costs for businesses, making the spike in prices even worse.”

UK Government policy impacts on Scotland.

Inflation in the UK reached 9 per cent last month. It is above the rate of 8 per cent in the United States and Germany's 7.4 per cent. Japan's economy, which was characterised as low inflation for decades, has the lowest inflation rate,

at 1.2 per cent. UK Government policy impacts on Scotland.

The Tories and the Labour Party are keener than ever to talk down the Scottish economy at every opportunity. Of course, that is fuelled by the independence debate, with unionist parties feeling the need to highlight the negatives and ignore or dispute the positives when it comes to Scotland's economy.

Last week, the University of Glasgow issued a report that highlighted that people across the UK are dying younger because of UK Government austerity. The people who are living in the poorest areas are the hardest hit. It says:

"Mortality rates, and related indicators such as life expectancy, are important markers of the health of a population. Over the past two centuries, there has been a consistent improvement in mortality rates across the UK. However, after 2012 life expectancy stopped improving and death rates among people living in the poorest areas have increased."

Scotland spends more than £700 million a year mitigating Tory welfare policies, which impacts on our ability to spend in other areas. UK Government policy impacts on Scotland.

Jamie Greene: Will the member take an intervention?

Paul McLennan: No.

Let me recap. What impacts on our spending power and fixed budget? Scotland has no powers over interest rates and no ability to vary national insurance rates, and it had no say over Brexit—of course, the Labour Party supports that position. Inflation is at a 40-year high—our rate is the highest in the G7—and our currency has "emerging market characteristics", and analysts are advising investors to hedge against it.

Michael Marra: The member has cited the growth commission's position as his own on currency, but that would not allow for control over our interest rates either, would it?

Paul McLennan: The growth commission said that that would be the initial position and then we would move on to our own currency, which would set rates.

Of course, we are still feeling the impact of Brexit, but the Tories have not mentioned it—even once—during the debate. Not one Tory MSP has mentioned Brexit in this debate.

What can Scotland influence? Scotland has its own inward investment and trade agency in Scottish Development International. That organisation and its performance are very much in the control of the Scottish Government. Last week, Ernst & Young published a survey showing how well Scotland is doing on the foreign direct investment front, relative to other parts of the UK

and to countries elsewhere in Europe. Funnily enough, the Tories have not mentioned that either.

Scotland outpaced UK progress significantly. Ernst & Young declared that Scotland had made "great strides as a destination for FDI"

in 2021. It stated that its findings suggest that the outlook for FDI in Scotland is exceptionally bright.

Scotland achieved a 14 per cent rise, to 122, in the number of inward investment projects secured in 2021, which put the 1 point increase in the UK in the shade, while countries across Europe saw an overall 5.4 per cent rise in attracting FDI projects. That increase in inward investment projects in Scotland was the fourth consecutive annual rise. Ernst & Young stated that, in the past year, Scotland continued to

"make further great strides as a destination for FDI, meaning we can look forward to the future with even greater confidence."

Scotland's record level of attractiveness is underpinned by investors rising perceptions—how others see Scotland.

Estonia regained independence in 1991. Its GDP has since increased fivefold, and today it is recognised as Europe's Baltic tiger. After the velvet divorce from the Czech Republic, Slovakia saw its economy grow by 60 per cent in the 10 years thereafter. Denmark and Norway have GDPs of between 30 and 40 per cent—higher than Scotland's. Are there lessons for Scotland there, or are our circumstances simply too different, as the Opposition would tell us?

The UK's stewardship of the economy is failing Scotland. Scotland is on a journey towards independence and, like every other independent country, the right to choose its own path, run its own economy and rejoin the EU. Scotland is on that journey, and will find its way home soon. Scotland will regain its rightful place in the world.

16:03

Alexander Stewart (Mid Scotland and Fife) (Con): I am grateful for the opportunity to speak in support of the motion in the name of my colleague Liz Smith.

As Scotland continues to recover from the economic damage of the past two years, careful management of the economy should be one of the highest priorities for the Scottish Government in the coming years. The debate is an important opportunity to highlight some of the SNP Government's failures in that area. As the recent analysis by the Scottish Fiscal Commission confirms, the economy is an area in which the Government's record is one of wasted potential and failure.

One area where such failure is abundantly clear is income tax. As with so many areas, income tax is one over which the Scottish Government has received substantial new powers only to fail to use them properly. The introduction of two additional income tax bands in Scotland was supposed to have been done to create a more progressive tax system. Regardless of the Government's intentions, that does not justify the creation of a system that has been described by the Institute for Fiscal Studies as "unnecessarily complicated".

Of course, the Government may claim that having a more progressive tax system means that lower-income households pay less tax than they otherwise would, but, given that analysis by the IFS finds any savings for those households to be "barely apparent", it is clear that the current system fails to achieve that.

What does the Scottish Government have to show for all its fiscal meddling with Scotland's tax system? According to the most recent analysis, it has more than £400 million less than it would have done if it had simply stuck with the UK tax bands. That is yet another example of the Scottish Government receiving significant new powers, only to completely misuse them. It was perhaps the IFS that best summarised the situation when it stated that the SNP's income tax changes had achieved little more than making a "political statement"—a political statement that is affecting poor individuals the length and breadth of this country and is resulting in hard-working families paying more.

We know from all the economic statistics that there is a substantial black hole in the public finances. That is despite the UK Government's block grant providing real-terms increases in funding for every year of the parliamentary session. While IFS analysis suggests that the deficit could turn out to be significant, we already know about the cuts that vital public services are facing as a result of that black hole.

Education and policing budgets are set to be hit with real-terms cuts over the course of the parliamentary session. Unsurprisingly, local government will, once again, bear the brunt of those cutbacks. The Scottish Fiscal Commission's analysis suggests that local government budgets will be cut by 7 per cent in real terms by 2027. Even taken by itself, a figure of such magnitude should set alarm bells ringing for the Government.

We must not forget that that follows on from a period in which councils have had their budgets slashed. Between 2014 and 2021, funding for local government fell by 2.4 per cent in real terms, and it received a £250 million real-terms cut in the 2022-23 budget.

More and more often, the councils of communities across Scotland are faced with no choice but to provide only the services that they are legally obliged to provide. On current forecasts, I fear that that trend is set to continue, with money being removed from local government budgets, facilities being closed and families losing opportunities in their communities, despite what the Government says that it wants to achieve for those communities and our constituents.

We have now had 15 years in which to learn about the SNP's economic priorities in Government, and it is clear that local government has never been one of them. As the spending review makes clear, disappointingly, that is unlikely to change.

This is the first opportunity that I have had to highlight such issues in my new role as shadow minister for just transition, employment and fair work, but it will certainly not be the last time that I highlight the SNP's failures in this area. The Scottish Government has a lot of work to do to get Scotland's economy back on track and to deliver budgets that are truly reflective of the Scottish public's priorities.

The Scottish Government should commit to aligning income tax rates with those for the rest of the UK. It must also work alongside the UK Government to capitalise on the potential for both of Scotland's Governments to work together. The city region and growth deals, which now cover nearly every part of Scotland, have shown what can be achieved through cross-Government co-operation, and the Scottish public will rightly expect to see more of that in the coming years.

The SNP should drop its plans for a divisive and desperate independence referendum that the Scottish public simply do not want. We had a choice and we made our choice. To put £20 million aside for another referendum is an absolute insult to hard-working families the length and breadth of the country.

I support the motion in Liz Smith's name, and I urge members across the chamber to do likewise.

16:09

John Mason (Glasgow Shettleston) (SNP): I am more than happy to take part in the debate.

We are facing challenging times financially and economically, and inflation is a major part of that. The war in Ukraine, with its impact on energy and food prices, has been very much outwith the control of the Scottish Government—and most Governments, for that matter—yet we are now having to live with the consequences.

The decline in real earnings is important, not least for those personally impacted. We discussed

the matter at some length on Tuesday at the finance committee. A lot depends on not just what level inflation peaks at, but how long higher inflation continues. If it is just for one year and there is then a rapid reduction in inflation to the target of 2 per cent or thereabouts, many employees might live with that. However, if higher inflation continues longer, with a spiral of wage and price inflation, we will all face serious problems.

I would like to look a little more closely at the Tory motion, especially the suggestion that tax rates have been made higher

“without increasing revenues,”—

there is a comma at the end of the phrase—which is followed by the phrase:

“compared with the block grant adjustment”.

At the very least I consider that to be poor English, but I suspect that it has been written deliberately to try to confuse both the Parliament and the wider public.

The Conservative motion attempts to conflate two or three distinct issues. First, the different tax rates in Scotland have raised more revenue than would have been raised if we had left rates the same as those in the rest of the UK. The figure was estimated at £240 million in 2018-19, so there has been real extra money to spend on health and other priorities.

Secondly, Scottish earnings—and therefore Scottish tax receipts—have not been growing as fast as UK earnings and taxes, and we are all agreed on that. There are a number of reasons for that, including the decline in oil and gas in the north-east of Scotland, where there had been many high earners and taxpayers, and the inability of most parts of the UK, including Scotland, to compete with London and the south-east. I see that our Liberal Democrat friends have left the chamber, but, as Vince Cable said in 2013, London is like a black hole,

“draining the life out of the rest of the country”.

Daniel Johnson: The member is right on the detail, but that does not explain why every Scottish region was underperforming against the UK Government average. That is surely cause for concern and is not entirely supported by his London explanation.

John Mason: It depends on which figures we look at. If we look at the longer term, certainly since I have been in the Scottish Parliament, we see that, although the picture changes from year to year, on the whole, Scotland compares favourably with most English regions with the exception of London and the south-east. An example that one of my colleagues gave is that,

when figures on international inward investment were published recently, Scotland was doing very well.

Thirdly, the Tory motion implies the question whether we would have had more income for the Scottish budget if income tax had not been devolved at all. If that were the case, it would show that

“the current financial and fiscal arrangements between the UK Government and the Scottish Government are deeply flawed”—

which is a quote from the SNP amendment. That implies that the fiscal framework is deeply flawed and needs to be looked at as soon as possible.

None of what I have said is to say that the Scottish Government or we, as the Parliament, should not be taking responsibility for what we can control. Of course, we should be seeking to grow the economy, increase productivity and achieve increasing tax revenues. However, it does mean that we have to be honest and realistic about what we can and cannot do under the present fiscal framework. It seems to me that changes to that fiscal framework need to be made as soon as possible.

Going back to the wording of the Conservative motion, I find it somewhat ironic that Conservative members frequently stand up in the chamber and make points of order about the accuracy of Government answers, yet when they produce a motion, it seems that it is clearly intended to mislead.

On the content of the resource spending review, I very much agree that our focus should be on the neediest in our society, so it makes sense to protect social security spending, even if we will have to make savings in other areas that will be clearly disappointing. However, as the cabinet secretary said, we cannot prioritise everything.

Liam Kerr (North East Scotland) (Con): Will the member take an intervention?

John Mason: If it is brief.

Liam Kerr: I am grateful. If the SNP is to cut budgets for local government, the police, prisons, universities and rural affairs by about 8 per cent over the next four years, while providing £20 million for indyref 2, can we take that as a sign of where the member's priorities lie?

John Mason: Frankly, that £20 million would not make much of an impact on the police, local government or a number of other issues. I will come back to that if I have time.

I think that the report of the Glasgow Centre for Population Health has been mentioned. It talks about life expectancy in Scotland between 1995 and 2019. Up to 2009, there was a general

increase in healthy life expectancy for males and females, but from 2011 to 2019 there was a decrease of two years across the board and a decrease of 3.5 years in the 20 per cent most deprived areas. We must focus on the poorest people in the country.

There is inconsistency in the Labour amendment. Labour calls for long-term growth, but refuses to accept that we could get long-term growth by being independent, like other smaller countries. That is inconsistent and hypocritical of Labour.

The Presiding Officer (Alison Johnstone): You must conclude now, Mr Mason.

John Mason: I hope that the Opposition parties will engage in an adult and constructive way. They should, by all means, give us their priorities, but they cannot have everything.

16:16

Katy Clark (West Scotland) (Lab): I warmly welcome the debate and the opportunity to consider the significant announcements that were made last week.

We have heard from many members about the backdrop to the discussion. Across the UK, we have the sharpest fall in living standards, rising food and fuel prices and rising inflation. As members said, Brexit, the pandemic and Ukraine make the economic situation more challenging.

As members also said, there seem to be specific issues in Scotland around poor productivity and earnings growth. The growth forecasts are poor.

We know that, given the announcements last week, we face significant cuts in budgets for many sectors for which the Scottish Government is responsible.

I will focus on the impact of those cuts. Local government will be significantly affected by a cut of approximately 7 per cent. When the announcements were made last week, Unison's Scottish secretary, Tracey Dalling, said:

"This is a desperate day for public services that will have catastrophic consequences for Scotland's communities".

I want to focus on a sector for which the impact of the cuts will be disastrous: the justice sector. The sector is already in crisis. Before the pandemic, approximately 13,400 sheriff court trials were outstanding. As the Criminal Justice Committee indicated in a report earlier this year, there are now approximately 32,400 outstanding cases in the sheriff court.

In last week's announcements, significant real-terms cuts of at least 20 per cent over the next few years were proposed. The Crown Office and

Procurator Fiscal Service budget is frozen at £170 million per year until 2026-27, the community justice budget is frozen at £47 million per year until 2026-27, and the judiciary budget is frozen at £29 million per year until 2026-27. The legal aid and Scottish Police Authority budgets are also frozen, along with the budgets for the Scottish Prison Service, the Scottish Courts and Tribunals Service and the Scottish Fire and Rescue Service.

I fully appreciate that politics is about priorities and choices, as members have said, but those real-terms cuts will have significant impacts on a sector that is already in crisis. The projected gap is £3.5 billion. The Parliament needs to debate such issues, because the impacts will be significant.

We know that there is a massive backlog in trials—43,606 as of February—and that Scotland has the highest proportion of people in prison anywhere in Europe. It has historically had very high percentages of people on remand, which rose to 30 per cent, and perhaps higher, during the pandemic. We also know that it costs £40,000 a year to keep a prisoner in prison. There are significant impacts and consequences of the types of cuts that were announced last week, which the Parliament needs to debate.

I have focused on one sector, but other sectors have similar stories. It has been said that it is a matter of choice and that other sectors have perhaps done better. The challenges that we face in the health sector and social security budgets have been mentioned.

I hope that we have a serious debate about how we make the Scottish Parliament's budget bigger. I do not think that it is helpful to specifically focus on independence in this debate, because the Parliament can do many things with the powers that it already has. We heard a number of speeches about income tax, and we heard my colleague Paul Sweeney talk about what could be done with district heating. There is much that could be done on municipal energy production that would contribute significantly to many of the issues before us today.

We urgently need to consider what we could do on land taxes, and we need serious proposals for a land value tax, including looking at what we can do to tax the profiteers such as Amazon, which operates out of warehouses that could fall under a land tax. Those are the kinds of debate that we should be having in the chamber.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Will the member give way?

Katy Clark: I will take an intervention, and I hope that I will get my time back.

Christine Grahame: The member mentioned Amazon in relation to tax, but that is not a tax over which we have power. That is the whole problem for the Labour Party.

Katy Clark: A land-based tax would be lawful, and I hope that we come back to that debate. I look forward to debating the member on that specific issue in future.

A number of reports have indicated the types of taxes that are within the powers of the Parliament. The Scottish Trades Union Congress, in a joint report with the Institute for Public Policy Research Scotland, listed a number of areas that we could be looking at, including local inheritance tax, local payroll tax, fair work supplements on business taxes, local income tax and carbon taxes.

I hope that, in coming debates, we seriously engage with those suggestions and that the Scottish Government comes forward with proposals on how we meet the massive challenges of the coming years.

16:23

Jim Fairlie (Perthshire South and Kinross-shire) (SNP): There are two words that I did not expect to hear much in Conservative members' speeches today. Those words, of course, are the two Bs: Boris and Brexit—two pretty big Bs for anybody to deal with. Boris blunders along and bungles Brexit. Meanwhile, the disastrous consequences of Brexit are swept under the number 10 carpet, no doubt alongside all the party hats and empty bottles. I am afraid that the OBR estimated that, by last year, only two fifths of the Brexit damage had yet been inflicted.

The Tories chose to title this debate "Economic Priorities", so let us consider the priorities and choices that they have inspired. Whereas the UK Government has chosen to cut universal credit, the Scottish Government has increased the Scottish child payment. Whereas the UK Government continues to impose the bedroom tax, the Scottish Government continues to protect people from it. Whereas the Tories want to ensure that no one in Scotland pays more income tax compared with people in the rest of the UK, we, in the SNP, see the benefit in making progressive changes to the tax system, so that those who are at the bottom pay less and those who are at the top pay a wee bittie more.

The Tories are happy for the UK Government to plunder Scotland's resources in the North Sea to make grand gestures across the UK. On the one hand, we have to use huge amounts of a limited budget to mitigate Tory policies, and on the other hand, the rest of the UK benefits from Scottish resources. What does that tell us about Scotland's place in this union of equals?

The picture of growth is not the same across all sectors. Yesterday, I read that the industrial biotech sector in Scotland is not only exceeding growth expectations but is on track to achieve an annual turnover of £1.2 billion and more than 4,000 jobs by 2025. That is way in excess of the initial targets of the national plan for industrial biotechnology, which were set at £900 million in turnover and 2,500 employees by 2025.

I have spoken previously, and often, about the fantastic growth in the Scottish tourism and food and drink sectors over the years—which is now under threat from Brexit and the Tories—and areas such as renewable energy, which still have massive potential.

My colleague Paul McLennan talked about the growth commission, but it is worth repeating that Ernst & Young's annual survey of foreign direct investment showed that Scotland recorded a 14 per cent increase in such projects in 2021. That is not a little bit better than the rest of the UK; it is streets ahead. That is a truly significant level of investment compared with an increase in foreign direct investment of 1.8 per cent in the rest of the UK and 5.4 per cent across Europe. If we are worried about growth figures, that is exactly the sort of thing that will turn the situation around. People want to invest in Scotland and do business here, and, according to Ernst & Young's survey results, Scotland's perceived attractiveness to investors now sits at a record high.

Douglas Lumsden: The member talked about growth figures for specific sectors, but why does he not look at the growth figures overall? Scotland's growth figure is almost half that of the rest of the UK.

Jim Fairlie: The macroeconomics sit with Westminster.

However, to go back to the point that I was making, that investment is no flash in the pan. We have been the most successful nation or region in the UK—outside London—at attracting foreign direct investment for nine of the past 11 years, and for the seventh year running. Why are we doing so well in that field? I imagine that the proactive work that is being done by the Scottish Government in offices in various major European and other cities worldwide played a large part. I will give credit where it is due and say that that programme of work began before devolution under a Tory Scottish Office, continued through the Labour-Liberal Democrat days and truly flourished under the SNP. The modern-day Tory response to that success story was that Stephen Kerr decided to write to Dominic Raab to bleat about the waste and beseech him to put the First Minister in her place and ensure that we do not see any further additions to that network. I say to Mr Kerr that he

had better buckle up, because we intend to go a lot faster—not stop.

That brings me neatly to the last part of the Tory motion that we are debating. It wants us to take plans for a second referendum off the table. Well, I have news for Tory members: it was the people of Scotland who put that on the table by electing a party that decisively won the 2021 Scottish Parliament election when there was an explicit commitment in our manifesto for holding such a referendum.

The amount that was set aside for the referendum is, in relative terms, tiny, but what a powerful tiny investment it will prove to be. It will give our nation the opportunity and ability to finally operate as a normal country. It will mean that we have the power to address the economic problems that we have to face and to engage with other countries. It will allow us to build bridges rather than put ourselves behind false barricades—as the UK has decided to—and to take responsibility for our own future. That independence is priceless.

16:28

Ross Greer (West Scotland) (Green): I am grateful to Liz Smith for giving us the opportunity to discuss the resource spending review and the wider financial situation that faces the Scottish Government, but I am frustrated that this afternoon's opportunity to discuss something that is so far reaching and serious has been wasted on what I can only describe as performative ignorance, from some quarters. A number of useful contributions have been made, but alongside them we have heard what I can only assume are deliberate misunderstandings—I hope that they were deliberate—about how devolved finance works. As is the case with every budget, there have been demands for billions of pounds in extra spending and tax cuts, but without any explanation of how they would be paid for.

The first line of the Conservative motion is quite correct; we are all concerned by some of the trends in our economy that are putting a squeeze on our public finances, and by the significant decline in real earnings that is expected during the coming period. However, from there on I can characterise the Conservative motion—and the comments that Conservative members have made during the past week, since the spending review was published—only as disingenuous. That applies in relation to income tax, in particular. There has been deliberate conflation of two entirely separate issues: devolution of income tax and the fiscal framework under which that devolution has taken place, and the separate issue of the rates and bands that we set.

Daniel Johnson: Will the member take an intervention?

Ross Greer: I will not yet, Mr Johnson.

It is quite true to say that devolution of income tax has, under the terms of the fiscal framework, been detrimental. Nobody in the chamber argues that the fiscal framework is fit for purpose, but it is disingenuous to imply that the progressive changes to income tax that were made in 2018—at the instigation of the Greens—have somehow resulted in less money being raised. As Mr Mason pointed out, for the one year that we have confirmed figures, the opposite was the case: a quarter of a billion pounds was made available to our public services as a result of making our income tax rates more progressive.

On top of that, it seems that the one key proposal that the Conservatives have is that we cut tax, particularly for higher earners. That would mean that we would have even less money for our public services—the public services that they are complaining are having spending reductions.

Labour members might demand higher spending without offering proposals for where the money should come from, but they do not demand that even less money be raised while simultaneously demanding that more money be spent. The Conservatives cannot argue for a low-tax high-spend position and expect it to be taken seriously. It is disappointing that Labour's amendment is only cosmetically different from the Conservative motion and offers no proposal as an alternative to the savings that are laid out in the spending review.

One point of agreement that I offer, though, is to reiterate my interest in exploring changes to the budget process, potentially including the introduction of finance bills. As I have said to Liz Smith previously, that would be an appropriate issue for Parliament's Finance and Public Administration Committee to consider, in order to build on the work that it has done in recent years to improve the budget process.

However, it bears repeating that the Scottish Government has a fixed budget: it cannot overspend, nor can it meaningfully borrow.

Daniel Johnson: In the interests of accuracy, will the member at the very least acknowledge that the budget is not entirely fixed, because 37 per cent of the revenue that the Government has to spend comes directly from taxes that it sets in Scotland?

Ross Greer: I only wish that the Labour Party would make a single proposal on any of the five core devolved taxes that we have that could be considered at budget time. Quite rightly, the Labour Party wants huge increases in public

spending on a range of things, about which I completely agree with it, but in the six years of budgets that I can remember, it has not once proposed how it would actually pay for its proposals.

Even the Scottish Government's modest borrowing powers are restricted to correcting forecasting errors, and those are arbitrarily capped. Both the overall sum of the Scottish Government's reserves and the amount that can be drawn down in any individual year from those reserves are also arbitrarily capped. There are universities in Scotland that have reserves that are larger than what the Scottish Government is allowed to hold. Because all the caps were set in cash terms, rather than being a proportion of the overall budget, their value in real terms is far smaller than it was when the fiscal framework was agreed. If we add to that the real-terms erosion of the settlement by a 9 per cent inflation rate and the fact that the UK Government cut the Scottish budget by 5.2 per cent this year, it is quite clear why the numbers look as they do.

The most notable spending pressure on social security is an example of the Scottish Government's success, not its failure. Establishing the Scottish child payment and raising it to £20 and then to £25 is a game-changing achievement. That will be a lifeline to so many low-income families—although, sadly for many, it will now act largely as a mitigation against the UK Government's cuts to universal credit, rather than something that sits on top of UC in order to genuinely boost family incomes enough to lift them out of poverty.

Conservative MSPs want to talk about Government waste and avoidable spending, but not one of them can defend Westminster policies—from the bedroom tax, to the benefit cap, to the universal credit cut, on which the Scottish Government must spend hundreds of millions of pounds simply to mitigate it. That is absolutely the right thing to do, but imagine how much more Scotland could do if so much public money was not constantly being spent to limit the damage that has been caused by a Government that the country did not vote for.

If the UK Government were to take a more humane approach, or even a less nakedly inhumane one, not only would it provide some desperately needed relief to people across the UK, it would be of huge benefit to Scotland's public finances. Even uprating its own social security payments in line with inflation would be hugely helpful on both counts.

Alongside the commitment to protect the most progressive package of social security anywhere on our islands, the spending review ensures that the Scottish Government is able to deliver on its

commitment to tackle the climate emergency. We have an overriding moral obligation to play our part in reaching net zero—for the people who are already suffering the devastating effects of climate breakdown and for future generations. The economic benefits and the return on public investment are massive. For example, the £1.8 billion “Heat In Buildings Strategy” for energy efficiency will deliver thousands, if not tens of thousands, of jobs in home energy insulation, heat-pump installation and other sectors. Those decent-paying jobs will contribute to local economies, raise new revenue through tax and—if the training and skills opportunities are delivered correctly—lift families out of poverty through secure employment.

No one is pretending that the financial context of the spending review is a good one, but given the absurdly tight room for manoeuvre that the Scottish Government has, it has rightly prioritised efforts to tackle child poverty and the climate crisis. If Labour and the Tories have serious alternatives, they should have put them forward, because the motion and amendment make it look as though they have not even read the Scotland Act 1998.

16:34

Emma Roddick (Highlands and Islands) (SNP): I have heard today quite a lot from Tories complaining that our priorities are wrong. The SNP Government's priorities are clear: they are to tackle the cost of living crisis, child poverty and the climate crisis. Whether the Tories like it or not, people voted for those priorities. They voted for the party that is offering to direct public spending towards tackling poverty—

Douglas Lumsden: Will the member take an intervention?

Emma Roddick: I have had only 20 seconds, but okay.

Douglas Lumsden: I thank Emma Roddick for taking an intervention. Does she not think that one of the key priorities should be to prevent poverty? How is that achievable when there are cuts to local government, to enterprise agencies and to the budget for universities and colleges?

Emma Roddick: I am really glad that Douglas Lumsden has asked that, because I will come shortly to how exactly the Scottish Government is doing that, despite what his party has inflicted on this country.

Whether the Tories like it or not, people voted for those priorities and were not impressed with the Tories' pleas for so-called economic growth to be the priority—especially as we all saw what Conservative-led economic growth actually meant

during Covid. It meant that the rich got richer and the poor got poorer. It is no surprise that the Tories are here today arguing for tax breaks for the people who are on the highest wages. It meant public contracts being awarded to friends of friends, and employers being rewarded for having terrible sick-pay policies and unfair contracts. It meant billions in unjustified spending being directed to growing specific pots of money—not for the public interest but for private interests.

In her opening speech, Liz Smith complained about shortfalls. One of the reasons why the Scottish Government does not have as much money as it would like to spend is that it is having to spend more than £770 million this year alone to mitigate the impacts of harmful UK Tory policies for which Scotland did not vote. That includes the bedroom tax, the cutting of the benefits of the people who are already worst off, and the cap on the number of children in a household that the Tories are willing to ensure people have enough money to clothe and feed. That is not right and it is not sensible. One would think that it is indefensible: however, here the Tories are, trying to defend it anyway.

Using the fact that managing Scotland's finances is a huge challenge within the union as an argument for staying in the union is like someone saying that they will not take medication because their condition is getting worse.

There is a fix. It is that we get the ability to borrow, to invest more productively and to make wider decisions about budgeting. It is certainly not to remain tied to a UK Government that has political ideologies and priorities that are fundamentally opposed to our own, and which shows no signs of giving us those powers if we hang around. The answer is independence.

Craig Hoy: Can Emma Roddick say in what way a policy of sterlingisation would allow Scotland to borrow and to frame its own affairs?

Emma Roddick: Michelle Thomson referred earlier to “a lack of morality”: that was the perfect demonstration of it. I am not interested in endless economic growth for the few; rather, I am interested in making sure that the standard of living is not at the lowest it has been since records began.

Speaking of which, for a party that insists that chat about independence is a waste of time, it is incredible how often the Tories manage to work it into debates. *[Interruption.]* No matter what the SNP says or does not say, the Conservatives will continue to bang on about independence. *[Interruption.]* I remember their 2017 and their 2022 council campaigns—it was independence, independence, independence—*[Interruption.]*

The Presiding Officer: Members—I would like to hear Ms Roddick. Thank you.

Emma Roddick: The Tories' council administrations are formed based on independence; their party name has “Unionist” in it. The Tories call supporting independence “divisive”. That is misleading. It is one answer to a question that has not been answered yet—that is why we are still discussing it. Public opinion is split. Opposing independence is just as divisive as supporting it. The Tories cannot pretend that their view on the matter is the one that has consensus. *[Interruption.]*

Let us imagine, just for a moment, that Scotland was independent right now and that we were sitting in this chamber, looking at Brexit and the Covid shambles in a country that is run by a Prime Minister who does not have the confidence of the public or of even as many of his own MPs as Margaret Thatcher had. Imagine that the Tories had lodged a motion asking this Parliament to agree that we should join a union with that country. Would we think that that sounded like a good idea? I do not think so.

We have already heard that the Scottish Government has no control over UK Government spending decisions or what it gets from the block grant. It is perhaps more important to note that the people of Scotland have no control over the UK Government's spending decisions. The election of the last Labour Government is a distant childhood memory for me, but the country that I have grown up in has not voted Tory in any election since. Scotland is not voting for tax breaks for the rich or for Tory Governments. The Tories can whinge that it is undemocratic in some way not to pander to their calls for those things here and, instead, to call for decisions about us to be made by us, but that is blatant nonsense. They just cannot remember what democracy looks like.

It is clear that the Tories and the Scottish Government have different priorities. The Tories favour what they call economic growth over tackling economic inequality, but they cannot be surprised when I and others stand up and call that out for what it means. It means abandoning the most vulnerable people to the sharpest fall in living standards since records began in the name of funnelling more money to their pals.

16:40

Jamie Halcro Johnston (Highlands and Islands) (Con): First, I echo the sentiments that my colleague Liz Smith expressed when she introduced today's debate.

Last week, the cabinet secretary made a major announcement on Scotland's public finances in the chamber, but just 30 minutes of parliamentary

time was given for her to speak and take questions. That is not treating the Scottish Parliament with respect, and it is not giving even basic recognition to accountability. That is one reason why the Scottish Conservatives brought forward this debate today.

The resource spending review and the associated outlook that the Scottish Fiscal Commission provided have been a wake-up call. More than ever, a battle of priorities will shape Scotland's immediate future, but the decisions that we make now will impact on how we rebuild the economy after the unprecedented economic shock of Covid.

That is why we should look with real concern at where the axe is to fall. The IFS noted that the areas that will suffer significant real-terms cuts are "local government, the police, prisons, universities and rural affairs".

However, with cuts of around 16 per cent in real terms, the enterprise, tourism and trade portfolio will be hit even harder than most. When we are lagging behind the rest of the UK in growth and productivity, it seems an unusual position for our enterprise budget to be slashed in that way.

We should ask whether this Government has come to terms with the devolution of tax powers and the creation of the fiscal framework, because no longer is the economy, in any sense, someone else's problem.

As long as SNP and Green ministers seem content with lagging behind the rest of the UK and remain stubbornly inattentive to the needs of business and apparently untroubled by being outpaced by comparative English regions, there will be continued pressure on our finances. In March, we were presented with the national strategy for economic transformation—a lightweight document that did not live up to its name. However, when enterprise bodies are being cut to the bone, what now for the delivery of even the most modest goals of that strategy?

Sadly, the approach that the Scottish Government has taken will not only harm itself but impact yet further on local government, where councils have already been forced—for too many years—to do more with less. One of councils' core functions is, of course, the provision of schools, and there can be little doubt that the spending review has thrown out education as a priority. At the most fundamental level, it is galling to see the Scottish Government rankle at the highest core block grant from the UK Government in its history, while passing on swingeing cuts to people's local councils. That is particularly the case in my region, the Highlands and Islands, where local councils have a far greater ability to be responsive to local needs and to deliver effective change on the

ground. However, their services seem unvalued by a Government in Edinburgh that seeks only to centralise authority.

What of the Scottish Government's stewardship of its finances? In last week's quick-fire question slot, I asked the finance secretary about waste in Government projects. To tell us that we face a tough economic outlook down the road is one thing, but to do so while her Government wastes hundreds of millions of pounds of taxpayers' money on unfinished ferries and other failed or failing projects is quite another. The Scottish Government will be aware of the catalogue of weaknesses that Audit Scotland—among others—identified. Those issues cannot be branded with Covid or Brexit, because they are home-grown calamities, with the Scottish Government's logo firmly painted on the side. It is time for SNP and Green ministers to move beyond the excuse that these things happen. They must set out concrete proposals for getting value for money from public spending, because the alternative is precisely the cutbacks that Kate Forbes set out.

Gone already, it seems, are the long-term strategies that could make a difference to people's lives: reducing the attainment gap, boosting productivity to at least UK average levels and fighting health inequalities. This is a spending review that does little to actually review the outcomes of SNP spending. Instead, it tries to maintain vanity projects while cutting back core budgets, and it lets short-term firefighting replace reform and improvements in public services.

It is also an arrangement that hits our constituents hard in their pockets. Unless action is taken, the gulf between the tax that people in Scotland pay and the tax that people in the rest of the United Kingdom pay will grow wider still. What have we gained from this situation? A taxation system that hammers earners—one that was projected to raise an additional half a billion pounds in revenue but actually loses us £170 million due to a lack of growth in the tax base. Members on the Government benches can spare us any nonsense about the 19p band that they created. It was a fiddle that was entirely concocted to create rebuttal points, and a measure that can save a taxpayer an absolute maximum of 42p a week.

If we can take any lessons from the resource spending review, it is that we cannot go on with a Scottish Government that confuses suffering with solidarity, and action with achievement. In some ways, I welcome the finance secretary's belated conversion to economic reality because, for too long, this SNP-led Administration has played for the support of interest groups while seeing Scotland's public services suffer.

In times like this, we see where a Government's real priorities lie and where its choices can make a difference. Sadly, in this case, the Scottish Government has made choices that will have a devastating impact the length and breadth of this country.

The Presiding Officer: Christine Grahame is the final speaker in the open debate.

16:46

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Reading the Tory motion and the Labour amendment, I have to wonder what planet—indeed, what UK—they live in. Some speeches reminded me of groundhog day—2014 and “better together”, when Scots were told that, if they voted yes, they would be thrown out of the European Union. We all know what happened after that—we are out.

To state the obvious, for its spending purse, this Government depends almost entirely on the Barnett formula and any consequential that flow from what the UK Government additionally spends on its domestic responsibilities. Our tax-raising powers are limited, and most people in Scotland pay less tax than people in England do. However, we all pay extra UK national insurance, which is a tax, and people on universal credit have lost the £40 per week that was delivered during Covid. Most of those people are working.

Reference has rightly been made to the Scottish Fiscal Commission but not to the fact that it has independently verified that our budget has decreased by 5.2 per cent in real terms between 2021-22 and 2022-23. The Scottish Fiscal Commission has also confirmed a further 1 per cent real-terms reduction in 2025-26. We are and will remain at the economic mercy of the UK Government until such time as we are independent of it.

Liz Smith: I am not sure which newspapers Christine Grahame reads, but, in his column in *The Scotsman* last Saturday, Brian Wilson said that the SNP should check its own graph, and he referred us to the Scottish Government core resource and Covid-19 funding to 2024-25 in real terms. When she talks about the 5.2 per cent cut, Christine Grahame fails to mention that we have the highest block grant in history, she fails to recognise that that will increase in real terms for this parliamentary session and she fails to recognise that the finance secretary has £7 billion more than she was forecasting four years ago. Can Christine Grahame explain all that?

Christine Grahame: I recognise an intervention when I see it, and that was a speech. I take no lessons whatsoever from Brian Wilson—the Tories are desperate to pray him in aid.

We have had two years of Covid, years of post-Brexit—which is not concluded and which was not oven ready—the impact of the war in Ukraine and inflation, which is set to rise to 10 per cent with desperate and destructive cost of living and energy prices. I repeat that the UK has the highest rate of inflation of any G7 country, and it is almost twice France's rate. I have noticed that the Conservatives dance round that. Who does the UK Government attack? The independent governor of the Bank of England. The UK Government criticised him, claiming that the bank had fallen “asleep at the wheel” on inflation. Mr Bailey rightly responded:

“There's a lot of uncertainty around this situation ... And that is a major, major worry and it's not just I have to tell you a major worry for this country. There's a major worry for the developing world as well. And so if I had to sort of, sorry for being apocalyptic for a moment, but that is a major concern.”

The governor of the Bank of England used the term “apocalyptic”.

The increase in food and energy prices does not just impact on individuals and families; it impacts on the cost of manufacturing, the cost of running our schools and hospitals, and even the cost of filling the ambulance diesel tanks. Those bills will land at the feet of the Scottish Government.

It is as plain as a pikestaff that we, in Scotland, face the same economic challenges as other nations worldwide, except that we do not control the macroeconomy. We do not control all the other tax-raising powers, such as corporation tax, VAT and fuel duty.

Despite that, to protect the most vulnerable, we have commendable social policies. We make choices. We have free school meals for primary 1 to P5; free prescriptions; no tuition fees; free travel for all under-22s, over-60s and certain disabled people—and so on, because that is not the complete list. To that can be added the £770 million that has already been mentioned to mitigate—I hate that word—Tory policies.

I mention waste to Liz Smith specifically. UK Government waste includes the festival of Brexit, which cost £120 million; track and trace, which cost £37 billion and was criticised by the Public Accounts Committee at Westminster; high speed 2, which will cost at least £112 billion; ferries that did not exist, which Chris Grayling ordered at a cost of £81 million—[*Interruption.*] I have more to come. [*Interruption.*] Oh, the Conservatives do not want to hear it. Perhaps they should listen.

Nine Nimrods were scrapped in 2011 at a cost of £4.2 billion; Boris's garden bridge when he was London mayor cost £43 million and was never built; Crossrail cost £4 billion above its £14.8 billion budget; and then there were the personal

protective equipment contracts that were given to cronies. There is a great big list of waste.

I could add policies to that and an economic tsunami that Scotland did not vote for. There are six Tory MPs in Scotland, with only four wanting to toss out Boris—or is it three and a half? After all, Douglas Ross could give the Kama Sutra a run for its money. Of the UK Government's man in Scotland, we would expect nothing less of uber-loyalist Alister Jack, who I am sure is expecting a comfy seat in the best special retirement home, the House of Lords.

Here is my message to Boris as he clings by his fraying fingernails to the door handle of number 10: grant that section 30 for a legally binding referendum. After all, with your Government's track record, a victory for the union should be a skoosh. Go for it Boris; otherwise we will know that you fear yet another unhappy result.

I say to Katy Clark that independence is not an end in itself but the right to tax fairly and to deliver a socially just society. It is time that Labour woke up to that.

The Presiding Officer: We move to winding up speeches. I call Daniel Johnson.

16:53

Daniel Johnson (Edinburgh Southern) (Lab): Thank you, Presiding Officer, although I think that I will need a moment to gather myself while—I hope that the member will forgive me for saying this—I expunge the picture of Douglas Ross and the “Kama Sutra”.

The spending review and the Scottish Fiscal Commission's forecast make three things brutally clear. First, under SNP management, the Scottish economy has underperformed not just over the long term but in relation to the UK average. That would be bad enough if it just meant that Scottish workers were earning less and had fewer job opportunities than they should. However, it is even worse: income tax devolution means that there is hundreds of millions of pounds less to spend on front-line public services than would be the case if income tax had not been devolved. Next year alone, there will be £400 million less.

Secondly, after 15 years in charge, the SNP has suddenly woken up to the need for public service reform and modernisation, except that it has left it so late that it has no vision or strategy as to how the apparent efficiencies will be made. Instead, there are just four vague references to shared services and reforms. It all sounds very similar to things that are being proposed in Westminster by the Tories and which the SNP is so quick to criticise. The cabinet secretary has used the word “reset” endlessly in recent days, but, every time

she says it, she means cutting jobs and public services, and passing the buck, yet again, to local councils to make those cuts.

Thirdly, let us make no mistake: the spending review means cuts—deep cuts—to critical services. There will be cuts to local services of 7 per cent over five years, so it is inevitable that class sizes will increase, local roads will deteriorate, parks will be left to rust and libraries will close. It is not just councils that will bear the brunt of those cuts; our colleges and universities will see their resources slashed, which means that we will not have the ability to grow the skills that it is so clear from the data our economy needs.

If the SNP says that health jobs will be protected, it is abundantly clear, as Douglas Lumsden pointed out in his speech, that, ultimately, there will be huge cuts to the rest. Half the job increases that came during the Covid period have been in the health service. If the cuts are to be made in places other than the health service, that means up to 8,000—a third—job losses in central Government and one in 20 jobs in local government at risk. Although the SNP has been quick to criticise the Tories—rightly—for austerity, this comprehensive spending review is nothing short of that same austerity being meted out to Scottish jobs and Scottish services throughout the country.

There has been much talk from members on the SNP benches about independence. They are absolutely within their rights to argue their opinions about what it might or might not deliver, although I urge them to read what the sustainable growth commission wrote and ask it—

Jim Fairlie: Will the member give way?

Daniel Johnson: I will give way in just a moment. SNP members should ask the growth commission what holding public service spending to half that of economic growth would really do to public spending.

SNP members might be entitled to their opinions on independence, but they are not entitled to their own facts, and the facts are very straightforward. Since 2016, average wages in Scotland have been below not just the UK average, but that of Northern Ireland and—apart from in east Scotland—that of Wales. Average wages in Scotland have been below the average in places such as Manchester and Cumbria.

I will take an intervention from Jim Fairlie now, so he can tell me why average wages in Scotland have been so far below UK average wages since 2016.

Jim Fairlie: I ask Douglas—my apologies—Daniel Johnson whether he recognises that, as an independent country, we would have a very

different position. The Norwegian sovereign wealth fund is worth £2.1 million to each and every Norwegian citizen. Does he agree that there has been a massive wasted opportunity for the people of Scotland?

Daniel Johnson: The oil is gone. If we had a time machine, that argument might be relevant, but we are in 2022 and we have to face facts today.

Michelle Thomson is right that we have to understand the distinction between macroeconomic and microeconomic policy. She is correct that, largely, macroeconomic policy largely rests with the UK Government. However, microeconomic policy rests with the Scottish Government. We have control over skills, enterprise support and regional economic development. In past decades, Scotland has done very well, with Scottish productivity growth that was higher than the UK average and growth in average wages in Scotland higher than the UK average. Why, when those levers have been demonstrated to work, have they been failing to work in the past decade? That is the reality.

SNP members are absolutely right to point out the dreadful context in which the UK finds itself. However, they cannot explain why, when we are up against what is obviously—in their own words—an incompetent Government, they are not able to do at least a bit better. They need to explain why, in that context, we are doing worse than the UK average instead of better. If we have those levers, surely we should be able to beat the UK average in terms of skills growth and enterprise support. Instead, we have the highest spend on enterprise support and the lowest levels of productivity growth in the UK.

The spending review lays out the Scottish Government's priorities very clearly: they are to find money for another divisive independence referendum, while cutting and slashing its spend elsewhere.

The SNP is completely devoid of any answers as to why it has been utterly incapable of using the levers that are at its disposal to grow Scottish incomes and investment. The SNP has left Scots paying the highest level of tax in the United Kingdom, following the introduction of the 19p basic rate, while receiving less for it than they would have done prior to income tax devolution. That is a fact for which few Scots should ever forgive the SNP.

17:00

The Minister for Public Finance, Planning and Community Wealth (Tom Arthur): I am grateful to members across the chamber for their contributions. I am also grateful to Daniel Johnson

for his revelation that the oil is gone. I always find it funny that, when the price of oil goes up, we start to hear more people saying that the oil is gone. The reality is that oil still has an important part to play in the future of the north-east, and we are committed to supporting the north-east in a just transition.

I will move on to some points of consensus. Liz Smith said that this is a time of challenging economic circumstances. We have to be realistic about the position that we find ourselves in here in Scotland as well as across the UK and in the wider world. We are not unique; we are all wrestling with these challenges.

Liz Smith also said that Scotland has immense talent in every corner of the country. Although we have a job to do to debate constructively and with passion about what we think needs to change to harness that, in doing so, we must make sure that we never risk talking down the huge potential of our country, even inadvertently. We need to recognise that talent and be able to have constructive engagement across these islands. That means being able to point out where, for example, the UK Government gets things wrong, as happened with—on the subject of a just transition—the Acorn project.

Daniel Johnson: I agree with the minister that we have huge potential, but can we maximise that potential when we are cutting three of the four budget lines that are relevant to developing skills in Scotland?

Tom Arthur: That is a central point, and it is one that Michael Marra spoke about passionately in advocating for education and that Katy Clark spoke about passionately with regards to the justice portfolio. Fundamentally, in the resource spending review, we are having to make decisions, and the fundamental reality of that is that there is an opportunity cost. We should recognise the money that is being invested in employability, and we should not forget Scotland's performance on foreign direct investment, which members have referred to and which is a reflection of the talented workforce that we have across Scotland.

I want to pick up on the technical but important point of process that Liz Smith and Ross Greer raised about a finance bill. I inform members that we are working to re-establish the devolved taxes working group, which is an important piece of work. It is important to recognise that the devolution of taxation is, to use an oft-used phrase, a process and not an event. We need to ensure that, in debates such as this, we allow time for that detailed technical consideration of such matters.

Liz Smith: I am grateful to the minister for mentioning that point. Can he confirm that the possibility of a finance bill is included in the discussions? Given Audit Scotland's remarks on the matter, I think that it would be welcomed by all the political parties in the chamber.

Tom Arthur: Yes. That will be discussed as part of the process. I would not want to pre-empt what the outcome will be.

Paul Sweeney spoke about some of the causes of where we are just now. He mentioned Brexit and Covid, both of which are proximate causes, but we are still living with the legacy of 2007 and 2008. As a number of members mentioned, the Government came to power 15 years ago. It was by coincidence and misfortune that that was just as the teaser rates on sub-prime mortgages started to end across the United States, precipitating the global calamity that we faced. All the parties that were in power in the period up to that point have accountability for that, and we are still living with the reality of it, which is a rise in poverty. It was disappointing that Alex Cole-Hamilton did not recognise the contribution of austerity, which we are still living with to this day. We have to recognise that, ultimately, that was a policy decision that his party supported when in government.

I come back to the fundamental question of choices. Douglas Lumsden spoke with passion about local government, and I recognise his interest in that matter, as a former councillor. However, when I asked him what quantum he wants to be allocated to local government, he did not respond, even though that is the question that we have to grapple with. If we are to increase one budget line, that means decreasing another.

We have made a clear choice in relation to our priorities. We want to tackle child poverty and deliver a just transition, and we have put our money where our mouth is with regard to social security. If members want increased budgets in other areas, it is incumbent on them to say where the money should come from. We are not having a question-and-answer session or a stage 1 debate during the budget process; we are six months out from the budget. The RSR provides a broad framework and the parameters. Following the debate, members across the chamber have the opportunity to reflect on what they want to see in the budget, come December. If members want increased budget lines elsewhere, it is incumbent on them, as responsible parliamentarians, to say where the money should come from.

Michelle Thomson made a very important point about insufficient borrowing powers. That relates more broadly to the operation of the fiscal framework. We have to get some facts straight. Our devolved taxes are raising more revenue.

John Mason made the point that issues are being conflated. We are talking about the operation of the fiscal framework. I hope that members across the chamber can unite in wanting revisions to the fiscal framework that address some of the key points, give us additional borrowing powers and expand the powers with regard to the reserve. That would allow us to more reasonably manage the volatility that Governments face in particular circumstances, especially the current circumstances.

Alexander Stewart referred to income tax and hard-working families paying more. Hard-working families are paying more; they are paying more for food, energy and a range of household goods. That is the reality. However—this is where the counterfactual involving the Tories being in power comes in—families are not paying prescription charges, university tuition fees or for eye tests, which is the reality for people south of the border. That is an important point. The reality is that, if we were to follow the Conservatives' policy of a £500 million tax cut for the best paid in society during a cost of living crisis, most people would view that as a dereliction of duty.

Paul Sweeney: Will the minister take an intervention?

Tom Arthur: I am afraid that I do not have time. I must conclude.

Fundamentally, the resource spending review is about choices. Adam Smith was mentioned a couple of times in the debate, and I want to quote one of his biographers:

"the Government seems to lack a sense of mission. It has a large majority, but no long-term plan. There is no sign, for example, that it has even begun to get to grips with the need for greater security and resilience in a range of policy areas."

That was said by former Financial Secretary to the Treasury and Tory MP Jesse Norman talking about the UK Government, which is chaotic and is lacking in decisions, vision and mission. In contrast, the Scottish Government has a purpose and a mission: reducing child poverty and tackling the climate emergency. That is exactly what the resource spending review will deliver.

17:07

Murdo Fraser (Mid Scotland and Fife) (Con): It is my pleasure to close the debate on behalf of the Scottish Conservatives. It has been a very helpful and valuable debate—in fact, it might be one of the most important debates that we will have in the chamber for a long time, because the medium-term financial strategy that the finance secretary set out last week sets the trend for Government spending for the next four years. To be frank, it is disappointing that, as there was only

a half-hour statement on the subject, it was left to an Opposition party to hold the debate.

Kate Forbes: Like other parties, the member's party is represented on the Parliamentary Bureau, which sets the timings. Given that every Conservative member has raised that issue in the debate, will the member accept that it is incumbent on his chief whip to make that point to the bureau?

Murdo Fraser: Surely, it is up to the Government of the day to allow enough time to debate in the chamber what could be the most important set of issues that the Parliament faces over the next four years.

We learned quite a lot in the debate. First, we learned that the SNP does not like the term "black hole". What should we call it? Perhaps we should call it a mismatch between the money that comes in and the money that goes out. That black hole—that situation or mismatch—is entirely of the SNP's making, no matter how much its members try to deflect. All the SNP speeches were characterised by deflection. They were all about trying to point elsewhere rather than taking responsibility. The fact is that it is down to them.

I am very disappointed in the finance secretary, because we heard her once again making the claim that there has been a 5.2 per cent cut in the Scottish Government's budget. She knows that that is a dishonest claim, because she is not comparing like with like. She knows perfectly well that the previous year's budget was inflated because of one-off Covid money. If that money is taken out, the budget for this year is the highest that it has ever been.

Kate Forbes: If he calls me dishonest on that statement, the member must also call the SFC dishonest, because I am quoting directly from the Scottish Fiscal Commission.

Murdo Fraser: The commission and the cabinet secretary are not taking into account the one-off Covid money that was in the budget for last year. The reality is that the core budget is up and that the block grant is up by £4 billion on last year—10 per cent in cash terms, 7 per cent in real terms—and is the biggest block grant in the history of devolution.

We also know, because the cabinet secretary said it in her statement last week, that the budget for this year is £7 billion higher than was expected in 2018. At her predecessor Derek Mackay's last medium-term financial strategy in 2018, he predicted a budget of £7 billion lower than her budget for this year. That is thanks to the UK Government, which provided more money in this block grant to support devolved spending in Scotland. Yet what do we see? We see cuts across the board.

Michelle Thomson: I continue to wonder. When I was growing up, Scottish Conservatives would often talk about accountability and taking responsibility for creating our own future. Why is it uniquely now that the best that Scotland can hope for is to go cap in hand to Boris Johnson and ask for more money, rather than to create a better future? What on earth has happened to the Tories?

Murdo Fraser: That intervention is brilliantly timed, because I will go on to talk precisely about what the SNP has done with its extensive devolved tax powers. We know that tax receipts are not performing as well as was hoped, despite the fact that the SNP's tax changes are bringing 700,000 more Scots into the 41 per cent, higher tax rate, which makes Scotland the highest taxed part of the UK. As we have heard in the debate, we also know that income tax receipts amount to £400 million less than would have been the case under the old system.

That is the party that wanted fiscal devolution and that signed up to the Smith commission. John Swinney sat on the Smith commission and it left us in a worse position as a result.

John Mason said that the fiscal framework was deeply flawed. Why did Mr Mason and his party sign up to it if it is? Mr Arthur was similarly disparaging. That is the party that calls again and again for more economic and fiscal levers, but when it gets those levers and pulls them, it leaves us poorer and worse off. That is the answer to Michelle Thomson's question.

Tom Arthur: I make the serious point that both the UK Government and the Scottish Government agreed that there should be a review of the fiscal framework, which recognises that the framework would be a learning process. Does the member not concede that point?

Murdo Fraser: Of course. However, Mr Arthur has said that the framework is—I think that he said, "fatally" or "fundamentally"—flawed. If it is that bad, why did Mr Arthur and his party sign up to it in the first place?

We now have to live with the consequences of what we have seen in relation to tax revenues and the block grant, which will be that real savings will have to be made in public spending. Swathes of departments, including justice, education, universities and local governments will see real-terms cuts of 8 per cent over the next four years. For enterprise, trade promotion and tourism, the outlook is even grimmer—cuts of 16 per cent in real terms. As Jamie Halcro Johnston reminded us, some of the axe falls in the very areas in which we would expect investment to deliver a faster growing economy, such as universities, tourism

and trade, which will see the biggest reductions in spending.

Michael Marra made a very fair point about the importance of education, not only in its own right but also as a driver for economic success. However, education is cut under this budget too.

In his earlier intervention, Stuart McMillan talked about the jobs that had been saved at Ferguson Marine. What he did not say was that it has been estimated that up to 40,000 jobs could be lost under the spending review that we have seen announced, although ministers are claiming that there will be no compulsory redundancies.

There have even been suggestions that public sector staff could move to a four-day week but get their salaries cut by 20 per cent as a consequence. No wonder there has been a furious reaction from the trade unions, with Unison threatening strike action if the Scottish Government does not rethink its plans.

As we have heard from Douglas Lumsden and Alexander Stewart, local councils will be the hardest hit. Vital services such as bin collections and libraries are under more pressure than ever before. It should not surprise us that the SNP Government waited until after the local elections before announcing those plans—we might have seen a very different outcome if the voters had known what was coming down the track for them at that particular point.

We also see cuts in the capital budget. Spending on motorways and trunk roads is being cut from £411 million this year to £377 million in 2025-26. My constituents and, I am sure, those of Kate Forbes are concerned about the impact that that might have on the A9 dualling project, which is already many years behind schedule. We do not know what will come of that.

In spite of all those cuts, there is still plenty of money for the SNP's pet project: £20 million is being ring fenced for a divisive independence referendum in 2023, despite everyone knowing that it simply is not going to happen. That says all that we need to know about the priorities of the SNP Government; it would divert precious resources to another unwanted referendum rather than support our courts, our universities or our local councils.

Scotland undoubtedly needs a different approach. We want to see a renewed focus on growing the economy at least in line with the UK average. That would increase tax revenue to fund important local services.

In her contribution, Michelle Thomson asked why the Scottish economy is not growing any faster. As the Institute for Fiscal Studies has pointed out, we are not even matching average

UK economic growth. That is not an issue of macroeconomics; it is about this Government using the powers that it has at its disposal to grow the economy. There needs to be a better understanding that, if our private sector businesses do not thrive, our economy will not progress. That means tackling the productivity puzzle with a laser-like focus. There needs also to be constitutional stability, not the endless threat of another referendum hanging in the air.

The horrendous situation—and it is horrendous—that Scottish public finances now face is not the fault of Westminster but is entirely down to the actions of this SNP Government. For years, it has railed against so-called Tory austerity. Now, we have a made-in-Scotland SNP austerity and the Government simply has no one else to blame. That is the point that my colleague Liz Smith made in the motion that she moved, which I am delighted to support.

The Presiding Officer: That concludes the debate on economic priorities.

Business Motion

17:17

The Presiding Officer (Alison Johnstone):

The next item of business is consideration of business motion S6M-04839, in the name of George Adam, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees—

(a) the following programme of business—

Tuesday 14 June 2022

2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Ministerial Statement: Education Reform Update
followed by Stage 3 Proceedings: Good Food Nation (Scotland) Bill
followed by Committee Announcements
followed by Business Motions
followed by Parliamentary Bureau Motions
 6.00 pm Decision Time
followed by Members' Business

Wednesday 15 June 2022

2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions: Health and Social Care; Social Justice, Housing and Local Government
followed by Health, Social Care and Sport Committee Debate: Wellbeing of Children and Young People
followed by Business Motions
followed by Parliamentary Bureau Motions
followed by Approval of SSIs (if required)
 5.00 pm Decision Time
followed by Members' Business

Thursday 16 June 2022

11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
followed by Members' Business
 2.00 pm Parliamentary Bureau Motions
 2.00 pm Scottish Parliamentary Corporate Body Questions
 2.15 pm Portfolio Questions: Constitution, External Affairs and Culture
followed by Ministerial Statement: Role of

Incineration in the Waste Hierarchy

followed by Stage 3 Proceedings: Miners' Strike (Pardons) (Scotland) Bill
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
 Tuesday 21 June 2022
 2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Scottish Government Business
followed by Stage 3 Proceedings: Non-Domestic Rates (Coronavirus) (Scotland) Bill
followed by Committee Announcements
followed by Business Motions
followed by Parliamentary Bureau Motions
 6.00 pm Decision Time
followed by Members' Business
 Wednesday 22 June 2022
 2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions: Justice and Veterans; Finance and Economy
followed by Scottish Labour Party Business
followed by Business Motions
followed by Parliamentary Bureau Motions
followed by Approval of SSIs (if required)
 5.10 pm Decision Time
followed by Members' Business
 Thursday 23 June 2022
 11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
followed by Members' Business
 2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions: Education and Skills
followed by Scottish Government Business
followed by Stage 3 Proceedings: Fireworks and Pyrotechnic Articles (Scotland) Bill
followed by Parliamentary Bureau Motions
 6.30 pm Decision Time

(b) that, for the purposes of Portfolio Questions in the week beginning 13 June 2022, in rule 13.7.3, after the word "except" the words "to the extent to which the Presiding Officer considers that the questions are on the same or similar subject matter or" are inserted.—[George Adam]

Motion agreed to.

Parliamentary Bureau Motions

The Presiding Officer (Alison Johnstone):

The next item of business is consideration of Parliamentary Bureau motion S6M-04842, on approval of a Scottish statutory instrument. I ask George Adam, on behalf of the Parliamentary Bureau, to move the motion.

Motion moved,

That the Parliament agrees that the Cross-border Placements (Effect of Deprivation of Liberty Orders) (Scotland) Regulations 2022 [draft] be approved.—[George Adam]

17:18

Michael Marra (North East Scotland) (Lab):

Thank you, Presiding Officer, for affording me the opportunity to speak on this SSI on cross-border placements for children. This morning, members received a representation from the Children and Young People's Commissioner Scotland that we consider our decision on this issue in the light of our obligations as human rights guarantor for all children in Scotland. The commissioner laid out a set of issues pertaining to the regulations that deserve the attention of the Parliament. Colleagues on the Education, Children and Young People Committee heard evidence on the issue from the office of the commissioner as well as from the minister and her officials.

I know that the minister has reflected this in her work on the issue, but we should be clear that we must not let the perfect be the enemy of the good with regard to the welfare of children in England and Wales, for whom appropriate care placements are unavailable closer to home. The measures are, and must be, temporary. Labour will support the SSI on that basis, but the situation in which the Parliament finds itself is unacceptable. The situation with the incorporation of the United Nations Convention on the Rights of the Child, which could have been done many months ago, denies measures of legal clarity in the area, and that is a situation of the Government's own making.

First, I ask the minister to assure members that the range of issues pertaining to the welfare of those young people that were raised by the commissioner are being taken on board by the Government. Can she now assure us that those issues will be dealt with to the fullest degree possible in accompanying guidance for the statutory bodies that must deal with the cross-border placements?

Secondly, the placements are required because the situation in England and Wales is one of disarray. We must also be clear that Scottish

facilities are reliant on the funding that follows the placements to keep the lights on.

All is not well in our own sector—far from it. On 25 May, I asked the minister for assurances that the making available by the Government of full funding for Scottish placements would be an integral part of the proposed children's care and justice bill. In response, she said:

"We need to think about how we can assist that service to be economically viable."—[*Official Report, Education, Children and Young People Committee, 25 May 2022; c 55.*]

I ask her to elaborate on that assurance to the chamber, as the current situation in Scotland is unsustainable and presents a risk to appropriate provision.

Thirdly, the proposed children's care and justice bill has been promised as the long-term fix for the temporary measures. We still have no date for the introduction of that bill, and I ask the minister to provide a firm date—

Alex Cole-Hamilton (Edinburgh Western) (LD): I whole-heartedly agree with what Michael Marra has said. Does he agree that, as a rights guarantor, the Parliament has a duty to make sure that we do not render a second class of looked-after young person, as the children's commissioner has warned might happen as a result of what is proposed?

Michael Marra: Mr Cole-Hamilton makes a very fair point. The SSI before us is a temporary measure. I was convinced by the argument that the minister and her officials made in committee, which was that it was a necessary stopgap before new legislation was introduced. I am looking for assurances to be provided that it is a truly temporary measure. It would provide assurance to the Parliament and to the children's commissioner if we could be told when the children's care and justice bill will be introduced, to ensure that the measure is as temporary as it can be.

Labour will support the SSI, but we believe that it is imperative that the minister addresses the issues that I have raised in the chamber today.

17:21

The Minister for Children and Young People (Clare Haughey): I am grateful for the opportunity to speak to the draft regulations. The Scottish ministers have committed to keeping the Promise by reducing cross-border placements to a minimum. We all agree that such placements should occur only in exceptional circumstances.

Last year, the United Kingdom Supreme Court ruled the use of a court's inherent jurisdiction to authorise deprivations of liberty in residential accommodation as lawful and as not incompatible

with article 5 of the European convention on human rights.

Where deprivation of liberty—or DOL—orders are made elsewhere in the UK and children are to be placed in Scotland, there needs to be an appropriate legal mechanism to recognise them. Currently, recognition is granted through a Court of Session petition process, which is not designed for such cases. In Scotland, a lawful basis for deprivation of a child's liberty is an essential requirement under article 5 of the ECHR. Therefore, the essence of the regulations is about ensuring that children's rights are complied with, and ensuring compatibility with the ECHR.

The Scottish Government is satisfied that the draft regulations are ECHR compliant. We published a suite of impact assessments alongside them, including a children's rights and wellbeing assessment that detailed our consideration of children's rights.

The regulations before Parliament provide recognition of DOL orders in Scots law, but with conditions attached. The conditions mean that there will be greater accountability for authorities elsewhere in the UK that place children in Scotland, and greater protections for the children who are placed in that way.

I have always made it clear that the regulations represent an interim step towards better regulation of cross-border placements. Of course, we are exploring longer-term solutions as part of the proposed children's care and justice bill, on which we are currently consulting. We welcome views from all stakeholders.

I know that the office of the Children and Young People's Commissioner Scotland raised a number of concerns with the Education, Children and Young People Committee. We have engaged with the commissioner's office and other key actors throughout the development of the regulations. On 23 May, I wrote to the committee to respond to the concerns that had been raised and, on 25 May, I gave evidence to the committee, in which I focused on the improvements that the regulations will make to the status quo for children who are placed in Scotland.

I also stressed that the scope of the regulations—to provide a route for legal recognition of deprivation of liberty orders and to deliver a better regulated placement process—is in line with the powers that the Parliament has granted to ministers. We are clear that funding models that are based on the acceptance of children on cross-border placements cannot be sustained. That is why we are committed to looking at more fundamental measures in the forthcoming children's care and justice bill.

Ultimately, the regulations will not and should not be a substitute for proper provision being made available for children in England and Wales.

I have met my UK Government counterpart to express my great concerns about the lack of capacity that is driving cross-border placements into Scotland and will continue to seek assurances that those are being addressed urgently.

In the meantime, we cannot delay in taking action to better protect those children. That is why we introduced the draft regulations, which the Education, Children and Young People Committee voted unanimously to support at its meeting on 1 June.

The Presiding Officer: The question on the motion will be put at decision time.

The next item of business is consideration of three Parliamentary Bureau motions. I ask George Adam, on behalf of the Parliamentary Bureau, to move motions S6M-04840 and S6M-04841, on the approval of Scottish statutory instruments, and motion S6M-04843, on the designation of a lead committee.

Motions moved,

That the Parliament agrees that the Non-Domestic Rates (Valuation Notices) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2022 [draft] be approved.

That the Parliament agrees that the Delegated Powers and Law Reform Committee be designated as the lead committee in consideration of the Moveable Transactions (Scotland) Bill at stage 1.—[George Adam.]

The Presiding Officer: The question on the motions will be put at decision time.

Decision Time

17:25

The Presiding Officer (Alison Johnstone):

There are four questions to be put as a result of today's business. I remind members that, if the amendment in the name of Kate Forbes is agreed to, the amendment in the name of Paul Sweeney will fall.

The first question is, that amendment S6M-04815.3, in the name of Kate Forbes, which seeks to amend motion S6M-04815, in the name of Liz Smith, on economic priorities, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. There will be a short suspension to allow members to access the digital voting system.

17:26

Meeting suspended.

17:32

On resuming—

The Presiding Officer: We come to the division on amendment S6M-04815.3, in the name of Kate Forbes. Members should cast their votes now.

The vote is closed.

Joe FitzPatrick (Dundee City West) (SNP): On a point of order, Presiding Officer. I would have voted yes.

The Presiding Officer: Thank you. We will ensure that that vote is recorded.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Chapman, Maggie (North East Scotland) (Green)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)

Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Greer, Ross (West Scotland) (Green)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 Minto, Jenni (Argyll and Bute) (SNP)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 Regan, Ash (Edinburgh Eastern) (SNP)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Slater, Lorna (Lothian) (Green)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Tweed, Evelyn (Stirling) (SNP)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Choudhury, Foysol (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Dowey, Sharon (South Scotland) (Con)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)

Gulhane, Sandesh (Glasgow) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Hoy, Craig (South Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 Marra, Michael (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McNeill, Pauline (Glasgow) (Lab)
 Mochan, Carol (South Scotland) (Lab)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 O’Kane, Paul (West Scotland) (Lab)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Sarwar, Anas (Glasgow) (Lab)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Sweeney, Paul (Glasgow) (Lab)
 Villalba, Mercedes (North East Scotland) (Lab)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whitfield, Martin (South Scotland) (Lab)
 Whittle, Brian (South Scotland) (Con)
 Wishart, Beatrice (Shetland Islands) (LD)

The Presiding Officer: The result of the division on amendment S6M-04815.3, in the name of Kate Forbes, is: For 67, Against 55, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The amendment in the name of Paul Sweeney falls.

The next question is, that motion S6M-04815, in the name of Liz Smith, on economic priorities, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. Members should cast their votes now.

The vote is closed.

Colin Smyth (South Scotland) (Lab): On a point of order, Presiding Officer. My app did not work, and I would have voted no.

The Presiding Officer: Thank you, Mr Smyth. We will ensure that that is recorded.

Pam Duncan-Glancy (Glasgow) (Lab): On a point of order, Presiding Officer. My app did not work, and I would have voted no.

The Presiding Officer: Thank you, Ms Duncan-Glancy. We will ensure that that is recorded.

Kaukab Stewart (Glasgow Kelvin) (SNP): On a point of order, Presiding Officer. My app says that I have not voted, and I would have voted yes.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)
 Chapman, Maggie (North East Scotland) (Green)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Greer, Ross (West Scotland) (Green)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 Minto, Jenni (Argyll and Bute) (SNP)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 Regan, Ash (Edinburgh Eastern) (SNP)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Roddick, Emma (Highlands and Islands) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Slater, Lorna (Lothian) (Green)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)

Tweed, Evelyn (Stirling) (SNP)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Choudhury, Foysol (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Dowey, Sharon (South Scotland) (Con)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Griffin, Mark (Central Scotland) (Lab)
 Gulhane, Sandesh (Glasgow) (Con)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Hoy, Craig (South Scotland) (Con)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Lumsden, Douglas (North East Scotland) (Con)
 Marra, Michael (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 Mochan, Carol (South Scotland) (Lab)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 O'Kane, Paul (West Scotland) (Lab)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Sweeney, Paul (Glasgow) (Lab)
 Villalba, Mercedes (North East Scotland) (Lab)
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whitfield, Martin (South Scotland) (Lab)
 Whittle, Brian (South Scotland) (Con)
 Wishart, Beatrice (Shetland Islands) (LD)

Abstentions

Sarwar, Anas (Glasgow) (Lab)

The Presiding Officer: The result of the division on motion S6M-04815, in the name of Liz Smith, on economic priorities, as amended, is: For 67, Against 53, Abstentions 1.

Motion, as amended, agreed to,

That the Parliament endorses the priorities set out in the Scottish Government's spending review of tackling child poverty, addressing the climate crisis, building a stronger economy and improving public services, while supporting those people struggling with the increased cost of living; notes that the overall Scottish Budget has fallen by 5.2% in real terms between 2021-22 and 2022-23 and that the Scottish Fiscal Commission has confirmed a further 1% real-terms reduction until 2025-26; agrees that current financial fiscal arrangements between the UK Government and the Scottish Government are deeply flawed; highlights the persistent dismal failures of leadership in the UK Government, with the UK currently having the highest inflation rate of any G7 country, compounded by Brexit increasing food prices; notes recent research from the Glasgow Centre for Population Health highlighting the brutal reality of a decade of austerity under the UK Government, and believes that, with full control over the economic and financial powers, the Scottish Government could take further action to build the economy that Scotland deserves.

The Presiding Officer: I propose to ask a single question on four Parliamentary Bureau motions. Does any member object?

No member objects. Therefore, the final question is, that motions S6M-04840 to S6M-04842, on approval of Scottish statutory instruments, and S6M-04843, on designation of a lead committee, be agreed to.

Motions agreed to,

That the Parliament agrees that the Non-Domestic Rates (Valuation Notices) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Companies Act 2006 (Scottish public sector companies to be audited by the Auditor General for Scotland) Order 2022 [draft] be approved.

That the Parliament agrees that the Cross-border Placements (Effect of Deprivation of Liberty Orders) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Delegated Powers and Law Reform Committee be designated as the lead committee in consideration of the Moveable Transactions (Scotland) Bill at stage 1.

The Presiding Officer: That concludes decision time.

Falklands War

The Deputy Presiding Officer (Liam McArthur): The final item of business is a members' business debate on motion S6M-03916, in the name of Graeme Dey, on commemorating 40 years since the Falklands war. The debate will be concluded without any questions being put. I encourage members who wish to participate to press their request-to-speak buttons now or as soon as possible, or to place an R in the chat function. I call on Stuart McMillan to open the debate on behalf of Graeme Dey.

Motion debated,

That the Parliament marks the 40th anniversary of the Falklands War, which began on 2 April 1982 and lasted 74 days until the Argentine surrender on 14 June; remembers the 255 UK Armed Forces personnel who died and were among over 1,000 lives lost in the conflict; commemorates the service and sacrifice of all those involved, with 30,000 sailors, marines, soldiers, airmen and merchant mariners having taken part, and with many more civilians having supported the war effort; recognises the particular role of Arbroath-based 45 Commando and the 2nd Battalion of the Scots Guards, which between them lost 15 men to the fighting; appreciates the efforts of poppyscotland and Legion Scotland to mark the occasion, including a service of remembrance to be held in Edinburgh on 18 June 2022, and commends the work of both organisations in supporting the veterans of this conflict and their families, many of whom continue to be affected by the tragedy of war to this day.

17:39

Stuart McMillan (Greenock and Inverclyde) (SNP): I am delivering this speech on behalf of my colleague Graeme Dey MSP, who is ill. I am privileged to have been asked to do so, and I imagine that my role in the Scottish Parliament branch and executive committee of the Commonwealth Parliamentary Association might have been a factor in that. In 2013, I visited the Falkland Islands on behalf of the Scottish Parliament to take part in a conference on the issue of self-determination for the islands, which is an issue that Graeme Dey's speech touches on. From this point on, this speech is from Graeme Dey.

Any commemoration demands careful reflection on an event's impacts and legacies, and one marking a 40th anniversary requires a particular focus. Many, if not most of us, in the chamber will have some recollection of the Falklands conflict, and I am grateful to colleagues who supported the motion and those who are contributing this evening. However, a recent survey by Help for Heroes found that almost half of 18 to 34-year-olds do not know when the Falklands war happened; indeed, more than a quarter of them had not even heard of it. Based on the age profile, that is perhaps not surprising, but it is important

that we do not allow that conflict to join the Korean war in being felt by many of those who served in it as a forgotten war.

Veterans and their sacrifice cannot be forgotten. It is crucial that we remember those who lost their lives and those who were left mentally and physically scarred by events 40 years ago. When we reflect on past conflicts, it can be easy to get caught up in dates, overall narratives and accounts of decision making of political leaders. One of Mr Dey's abiding personal memories, as a young journalist at the time, was of an infamous tabloid newspaper front page reporting the sinking of the Belgrano. That very much returned to the forefront of his mind when watching a recent documentary on the war and hearing a British naval veteran speak of his mixed emotions on hearing of that event. The euphoria over a significant win for his side in the conflict was immediately tempered by recognition that many fellow mariners had perished.

In reflecting on what unfolded in the south Atlantic, it is essential that we focus on those individual stories and sacrifices on the front line. The first front line, in the Falklands, consisted of 32 local defence force volunteers and the navy personnel there at the point of invasion, none of whom had gone there expecting to see action. At just 67 men, the marine contingent, which was known as naval party 8901, showed a bravery and resistance that went unrecognised for too long.

In a recent documentary, Major Mike Norman, who led those men in a vastly underresourced defence against an 800-strong landing party, described how certain of death he was. Many tabloid headlines at the time painted Norman and his men as cowards, but their efforts, which have now been acknowledged, quash any such claim. During the several hours of fighting, around 6,500 rounds of ammunition were discharged, casualties were inflicted and arms were eventually laid down only on the orders of the British governor. After being sent home, most of the marines immediately volunteered to head back and ended up there as part of the forces who recaptured the islands.

The 45 Commando unit, which is based in Arbroath, in Mr Dey's constituency, played a significant role in the Falklands, being among the very first troops to depart, with Cabinet Secretary Keith Brown among them. The 45 were to become known as the yompers, due to the extreme miles that they had to march, or yomp, in grim conditions on those small islands, 8,000 miles from home. They followed a 110-mile route with constant diversions and detours, during which everything that they had was carried on their backs.

James Kelly, a young second lieutenant talked of going for 44 days without fresh water and a change of clothing and being freezing cold and

soaking wet, with wind chill temperatures well below zero. The marines saw ships being hit and sunk, and friends and colleagues injured. That must have been unimaginably hard on all involved, but there were to be tough, heart-breaking experiences for those back home, too. Theresa Davidson was just 25 when she lost her husband, Clark Mitchell of the Scots Guards, on the final day of the Falklands conflict. He was one of eight Scots Guards to lose their lives that day. All of that is a reminder that there is nothing—nothing—glorious about war.

Apart from the liberation of the islands and the sending of a clear message that the right to self-determination is to be cherished and protected, the Falklands war proved important in another way, in that it led to a re-evaluation of previous perceptions of trauma. It was to become recognised that, even the after-effects of a short-term war had the power to linger for much longer than desired. The unpredictable nature of trauma can be brought on by grief, survivors' guilt or simply the inability to cope with the reality of life after war. As a result, too many Falklands veterans have been led on to paths of alcoholism, drug abuse, homelessness, family breakdown and crime.

When we read the stories of Falklands veterans, the main takeaway is that, for most, not a day goes by without a memory or thought of the conflict. Individual decisions that were made during the war can still play on their minds, with the only solution being to live with them and their consequences, good or bad. Post-traumatic stress disorder, or PTSD, was not recognised until 1987. Before then, during the second world war, it was known as shellshock and, during the great war, it was viewed as cowardice.

There remains progress to be made. Many people who have served in the armed forces fear that, by disclosing a suspected mental health issue, they are disclosing a weakness that may affect their future careers. That is why I express my continued appreciation for the military charities and associations that provide the necessary support and friendship to manage the powerful emotions that are experienced daily by our veterans.

For many Falklands servicemen, the effects of PTSD have taken years and sometimes decades to manifest. Before PTSD received recognition, veterans were shunned and unsupported, to the point where the act of seeking help seemed out of the question. Take the example of the youngest Scot who was deployed in the Falklands, David Cruickshanks, who was aged 17 and for whom joining the navy was a dream come true. It was not until 1999—17 years after the Falklands war—that his struggle with PTSD and depression was

picked up by a doctor in an unrelated consultation. Only then did he start to speak about his personal struggles.

Last November, Mr Dey was fortunate to revisit RM Condor's woodlands garden of remembrance, which is a poignant memorial to the men who have lost their lives in various conflicts, including the Falklands. The garden's tranquil environment offers a focal point for the men of 45 Commando and their relatives to reflect and remember. One cannot visit it and fail to be moved. It is a matter of record that 255 British servicemen lost their lives in the Falklands as well as, lest we forget, 649 Argentinians. According to Royal British Legion figures, approximately 350 British Falklands veterans have taken their own lives since the conflict.

Although it can be said that, in the decades since the Falklands war, there has been more cultural awareness of the seriousness of PTSD, many people still struggle with the issue. The expectation during the Falklands conflict was to get on with it and deal with it, whatever "it" actually was. There can no longer be a stigma around asking for help, which is an act that is so simple yet, in some cases, is life changing.

To conclude my contribution to the debate I want to quote Ian Gardiner, then commander of X-Ray company, 45 Commando, as he reflected on the war:

"We are all of us changed men. For many, it was the pivotal event in their lives. The time before was innocence, while afterwards was a particular form of adulthood that not many ever see."

In recognition of those words, this anniversary must serve as a reminder of the need and our collective responsibility to support our veterans whose service exacted a toll, because they bear their physical and mental wounds every single day, not just during anniversaries of the conflicts in which they saw action.

The Deputy Presiding Officer: Thank you, Mr McMillan, and thank you for stepping into the breach at short notice.

17:48

Jackson Carlaw (Eastwood) (Con): It is a pleasure to contribute a few thoughts to the debate, 40 years since the UK's victory in Port Stanley and the end of the Falklands war. I thank Graeme Dey for lodging the motion and wish him well, and I thank Stuart McMillan for introducing it and associate myself with everything that he had to say. I am delighted that the Scottish Parliament is taking time to commemorate again those who were lost in the war and the fight to ensure that the Falkland Islands are British, free and able to choose their future. I acknowledge and welcome

Mr Brown's repeat performance this afternoon and, of course, his service to the Falklands in that conflict.

Over the course of a 74-day war, 250 British troops were killed, along with three islanders. Debates such as this and that of my colleague Sharon Dowey at the end of last month give us the opportunity to remember those who gave their lives to protect the freedom of Falkland Islanders. It is also a further opportunity to thank veterans for their service.

As a result of that military campaign to protect the islands and their people, Falkland Islanders have had their right to self-determination upheld and guaranteed under the continuing protection of British Forces South Atlantic Islands, headquartered at RAF Mount Pleasant. The islanders' gratitude for the United Kingdom's intervention and continuing support is clear. They remain proud to be British, deeply affectionate and appreciative of the efforts of the UK during those dark weeks and months and for the heroism and discipline of our military personnel.

I see that the lights have dimmed, Presiding Officer—sunglasses are now no longer required.

At an event in Parliament at the end of last month to commemorate the 40 years since the conflict, we heard from the representative of the Falkland Islands to the UK, Richard Hyslop, who spoke of the nation's progression from wool production and sheep rearing to tourism, fishing and the oil and gas industries. Since the war, there has been an estimated doubling of the population of the islands.

Although the victory signalled change for the islands, huge consequences were also felt in defeated Argentina, as a result of the humiliating failure for the Argentine junta. Our victory at that time was pivotal in ridding Argentina of military junta rule and bringing more democracy to that nation.

The conflict was the UK's first large-scale military engagement following the debacle of Suez in 1956. Our military was still lacking in confidence and standing wounded on the world stage. More widely, the US was suffering following the debacle of the Iranian hostage crisis rescue mission and the longer-term trauma of Vietnam. The west was no longer as confident or, in the eyes of many, as effective as the powerhouse that they had come to expect. The Falklands conflict reignited our resolve, because it was a situation in which talk was clearly no longer enough and action had to be taken. To paraphrase Churchill, doing one's best was not enough; we had to do what was required.

In the days that followed the invasion of the Falklands, there was a united front across the country and, basically, across the globe in respect

of the UK's military involvement. Most members of the European Community at the time came out against Argentina's aggression, along with Canada, Australia and New Zealand. Many other countries stood in support, and some took their own action by implementing sanctions. There was a united effort to ensure that the invasion did not become a precedent and that we could defend the right of Falkland Islanders to live their lives in their way. At the time, we did not know that we could secure that, but we managed to do so.

On Tuesday, we officially reach 40 years since the end of the war. At that time, I was in my early 20s, and I was not fighting, but I remember the daily BBC reports and I am acutely aware that, because of the passage of time, many members of the Parliament today do not have any first-hand recollection of the event. However, we cannot allow the sacrifice to be forgotten.

One key issue is that, in the 40 years since, the Falklands war has remained unique, in that it was the last war to predate 24-hour rolling news. At the time, that allowed the news flow to be limited and controlled by the UK Government and military, as well as being inevitably limited by the remoteness of the islands. That contrasts with the on-going war in Ukraine, where journalists are embedded in the major conflict zones and are reporting live at every stage. Public opinion was therefore far more managed with the Falklands war, which is perhaps best illustrated by the famous words that Brian Hanrahan used to avoid the military censors when he said:

"I counted them all out and I counted them all back."

The existence of in-depth and committed coverage changed that. Never again will a western Government send troops to a country while controlling the narrative and limiting the media, which is only right. Military campaigns are now widely reported, with the media able to promote images and sometimes uncomfortable truths, which influence the public's perception. That now performs a significant role in how any military conflict must be planned and managed.

The Falklands war was the antithesis of that. We saw with the Americans in Vietnam how the contrary situation can fundamentally change the public's support for a war. There is now a fine line for Governments to tread. The level of engagement by the media is, I think, a healthy outcome of modern conflict.

At the time of the Falklands war, I remember Mrs Thatcher addressing the Conservative conference in Scotland. Nobody thought that she would come, but she did, because there was a major event taking place in the Falklands and it was important for continuity to be seen to be happening here at home. I have always admired

that statecraft, which is something that is gained and is a trait that is both learned and shared, irrespective of party. As the Falklands were invaded, Harold Macmillan visited Mrs Thatcher to pass on his advice and counsel, while Mrs Thatcher did the same for Tony Blair at the commencement of the second Gulf war.

As we approach 40 years since the victory in the Falklands, we should acknowledge the wider influence that it had on the way that military conflicts were subsequently conducted. As a nation, we should remain proud of our efforts in 1982 and our commitment to the Falkland Islands. That should never falter, and we should acknowledge the progress that the islands have made since then with British support.

The Deputy Presiding Officer: Thank you, Mr Carlaw. I gave you a bit more time, as you took the return to mood lighting in your stride.

17:55

Sarah Boyack (Lothian) (Lab): I thank Graeme Dey for lodging his motion. Last month, we had an excellent debate that was prompted by Sharon Dowey, but the debate today gives us just a little more time to reflect on the impact of the conflict on people, not just as numbers or statistics.

For many people, the impact of war and serving on the front line stays with them throughout their lives. It is not necessarily something that they want to talk about because of its impact on their lives, on their mental and physical health and on their families. While we celebrate this 40th anniversary, we also need to remember that it is an incredibly painful anniversary for many people who lost a family member. The impact of the war lives with them today.

I want to reflect on the impact on veterans and how we support them, but I also want to reflect on the lives of the people who live on the Falkland Islands and on how we can retain and develop our links with them. It was striking to see from poppyscotland in its briefing that even now, 40 years on, veterans are coming forward for the first time to seek support; 40 years seems to be a long time to wait to ask, but it is critical that we support them.

As Graeme Dey said, the knowledge that we have of the impact on veterans' lives is not new. Between 1916 and 1919 injured soldiers were treated in military psychiatric hospitals for post-traumatic stress disorder, as we would call it now, but then it was called shellshock. Recent estimates show that up to 325,000 British soldiers might have suffered from shellshock from the first world war. For too long there was stigma for the people who had to live with the aftermath of their service. Results of a 2018 research project from

King's College London estimated the rate of PTSD among United Kingdom veterans of all conflicts to be 7.4 per cent. The rate of PTSD among the public is 4 per cent. That is something to reflect on. The evidence showed that the rate was even higher for veterans who had served in Iraq or Afghanistan: for veterans who had been deployed to those conflicts the rate of PTSD was 9 per cent, and for those who had been deployed to war zones in combat roles the rate was even higher. It was predicted that many would develop mental health conditions. As was highlighted in Graeme Dey's speech, it is important that we act. There are on-going impacts on veterans who are living with the after-effects of PTSD and who need ongoing support now, wherever in Scotland they live.

It is very welcome that the motion acknowledges the work of poppyscotland in providing life-saving services. It offers financial, housing, mental health and employment support, among other support services. Veterans who come home from combat cannot be left behind by the country that they served, so we must challenge the stigma that they often face. Poppyscotland fills gaps where there is underprovision, and the work of its services is absolutely vital.

Across the road from Parliament is Scottish Veterans Residences' Whitefoord house, which provides supported housing for former members of the UK armed forces who are homeless or at risk of homelessness. Its work is invaluable.

I want, because it is important, to finish with a few words on the impact on the Falklands war on the islanders themselves, who were grateful for support, but who themselves needed to recover from stress and from the anxiety caused by armed conflict and unexploded bombs on their land.

There are many links between the Falkland Islands and Scotland—some of the first settlers there were from Scotland. Even the islands' name came from Scots. We have strong ties to the islands through the Scots Guards.

I am told that the dialect that is spoken in the Falklands is a very unusual mix of Scots and Somerset English. That makes islanders somewhat unique. There are 60 nationalities now living there. The Falkland Islanders are keen to use the 40th anniversary not just to commemorate their freedom and to thank those who served in the conflict, but to show the world the modern Falklands. There are research institutes for Scottish, Antarctic and Mediterranean academics. There is an 80 per cent return rate to the islands among those who leave to go to university, and there is only 1 per cent unemployment. There is maybe something to learn from that.

The state is also important in supporting islanders. There is support for people to enable them to go on holiday because of the costs, and welfare rates are very good. University places are funded to enable students to come to study in the UK and then to go home.

As we celebrate the 40th anniversary, let us remember those who put their lives on the line, not just in the Falklands but in military conflicts since then. Let us also reflect on the aspirations of the islanders, and on how we can retain and develop our links with them. I welcome the commemorative services that will be held later this month. Let us think about how we develop our links, whether that is through the Commonwealth Parliamentary Association or through our academic research links. The 40th anniversary is a celebration: we need to think not only about the past but about how we will move forward together.

18:01

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I congratulate Graeme Dey on securing the debate and Stuart McMillan for his able delivery of Graeme Dey's speech.

As you know, this is my second contribution in a short time in a debate about the Falklands war. There will therefore be some overlap.

I am pleased that the debate is focused on the men and women who went to that war—some never to return. It was a war that took place thousands of miles away and was fought over a territory that practically none of us had heard of until we heard the drumbeats of war. Was the war necessary? Did it resolve once and for all the tensions and dispute about sovereignty? I will consider those questions later in my speech.

First, let me emphasise my regard for all service personnel who found themselves in that conflict, and especially for those who were on the front line. I express sincere sadness and regret for all the lives that were lost, and for the people—British, Argentinian and the islands' civilians—who were injured, both physically and mentally. Death and injury do not discriminate. I recognise that damage—physical and emotional—endures among survivors to this day. I also acknowledge the professionalism and courage of our armed forces.

The toll was this: three Falkland Islanders died and a total of 904 military personnel were killed in the conflict. Of those, 255 were British military personnel and 649 were Argentinian. British forces reported that 775 service people were wounded in the war, with 115 being captured between April and June. Meanwhile, 1,657 were reported

wounded among Argentina's military personnel and more than 11,000 were captured.

I recall how horrified I was 40 years ago—I said this in the previous debate—as I travelled on the bus to my law studies, to hear passengers in front of me cheering that we should “Bash the Argies!” Jingoism had a field day, which was fuelled in particular by *The Sun* newspaper, which took a bloodthirsty stance from the start, gambling that that would pay off in increased circulation. It did. It invited readers to sponsor Sidewinder missiles and offered free “Sink the Argies” computer games. It splashed its front poster page with “We'll Smash 'Em” printed over pictures of Winston Churchill and a bulldog. It even urged the Government to reject an offer of peace talks from the Argentine military regime, with the headline “Stick it up your junta”.

War is not a desk game to be played out in print and the media, distant from the reality and responsibility of the real war—the cold, the fear on a bloody and unforgiving landscape, and the junta sending young conscript infantry into battle, often unfed and lacking even basic equipment, including proper footwear.

I am glad that Jackson Carlaw referred to the press coverage, because that coverage was, as we know, highly censored. All the significant news 40 years ago, good or bad, was announced or leaked from London. Reporters in the south Atlantic had the sour experience of hearing their news being broken on the BBC World Service. Reports were censored, delayed and occasionally lost. When relations between the press and the Royal Navy on board the HMS *Hermes* were at their worst, Michael Nicholson of ITN and Peter Archer of the Press Association prefaced their bulletins with the rider that they were being censored—which was, itself, censored.

There was, I believe, an opportunity to resolve the dispute about sovereignty of the Falklands by diplomacy. It might have failed, but it was not given enough time and space. I know I was not alone in having grave concerns about launching into that war and about how it was conducted. There was the sinking of the General Belgrano, the Argentinian cruiser. Was it sailing to or out of the exclusion zone? That is still under dispute. The retaliation came days later, of course, with the sinking of the HMS *Sheffield* off the coast of the Falkland Islands, which killed 20 men. There was no going back after that.

Was there a failure of intelligence to see the Argentinian threat on the horizon? Was diplomacy exhausted? I quote from an article in *The Times*, which said:

“The British Government was aware of an Argentine threat to the Falkland Islands for almost a year before they were invaded.”

I return to the lives that were lost and damaged. They must not be forgotten. I have not forgotten them, but I have also not forgotten how the loss of those lives might—just might—have been prevented had intelligence and diplomacy been tested first and taken to their limits, before our armed forces were put into a conflict.

I will finish on this. They are the words of a Welsh guardsman who spoke earlier today and who was aboard the Sir Galahad, which was a troop ship that was attacked by Argentine fighter jets on 8 June 1982 as it sat unprotected. The explosion and fire on board the Sir Galahad at Bluff Cove killed 48 men, including 32 Welsh Guards, and dozens of men were injured, some being horribly burned. When he was asked whether he thought that the war had been worth while, he replied, as a soldier would:

“Ours not to reason why, ours but to do or die.”

As politicians—after that loss of lives, loss of futures, and the scars of injury and trauma on those who served—even today, as sovereignty of the Falklands remains disputed, it is ours to reason why.

18:07

Maurice Golden (North East Scotland) (Con): I thank Graeme Dey for lodging the motion for this debate and my colleague Sharon Dowe for her recent Falklands war debate. I wish Graeme Dey a speedy recovery.

The motion that we are debating today specifically recognises the contribution of 45 Commando, which is based in Arbroath in my north-east region. The unit has a proud history, including taking part in the D-day landings at Sword beach, the 78th anniversary of which we marked on Monday. In 1982, the unit was again in the thick of the fighting, most notably at the battle of Two Sisters, one of the key engagements of the conflict that helped encircle the Argentine forces at Port Stanley and ultimately end the war.

Even before the battle had begun, the Royal Marines of 45 Commando had shown what they were made of. The sinking of the container ship, Atlantic Conveyor, saw the loss of almost all the transport helicopters that she was carrying, meaning that the marines of 45 Commando would have to march across east Falkland on foot, which they did, yomping 56 miles across inhospitable terrain in gruelling conditions while carrying 80-pound loads. When the battle was joined, they were the central force of a three-pronged attack on the heights around Port Stanley.

The attack on Two Sisters mountain began on the night of 11 June and carried on throughout the evening. They were met by fierce Argentine fire

but again the Royal Marines showed their courage, their determination and their skill. They pressed the attack, aided by accurate artillery fire from both 29 Commando and HMS Glamorgan, and by dawn the mountain was in British hands. Four Royal Marines lost their lives and 17 were wounded; on the opposing side, 20 Argentine troops were killed—a sober reminder of the cost of war. Thankfully, the war was soon over. Within days, the Argentine forces surrendered and British forces liberated Port Stanley.

Today, the Falklands is a peaceful and prosperous place. Tourism is increasing, and the islanders continue to develop their own distinctive culture and make their own democratic decisions. All of that was possible through the sacrifices of Britain's armed forces. Many of the sacrifices that those veterans of the Falklands made—both physical and mental wounds—are still with them, as is the case for veterans of all conflicts. I have had the honour of meeting many such veterans because of the strong military community in Tayside and my role as chair of the cross-party group on the armed forces and veterans community.

It is important that we remember the events of 40 years ago, but it is just as important—if not more so—that we continue to support the brave men and women who still bear the scars of that conflict.

18:10

The Cabinet Secretary for Justice and Veterans (Keith Brown): I thank Graeme Dey, my predecessor as minister for veterans, for securing this members' business debate. I am sure that, as Maurice Golden has just done, we all wish him a speedy recovery.

The debate marks the 40th anniversary of the liberation of the Falkland Islands and the end of the Falklands war. As Jackson Carlaw said, it is strange to think that that was 40 years ago. As I said in the debate last week, 40 years ago we were closer to the second world war than we are now to the Falklands war.

At the time, my experience was as a signaller, which meant that I was lucky enough to have a high-frequency radio and could listen to Scotland's world cup matches, which most people could not. Unfortunately, this year I will not be able to listen to or see Scotland's world cup matches because Scotland will not be there. That shows how things have changed in the intervening period.

This debate is different from the Sharon Dowe's recent debate. Jackson Carlaw focused, quite rightly, on the international implications and the way in which states have responded to the Falklands war. I will come back to that, but, first, I

note that he also mentioned the principle of self-determination. Although, as Christine Grahame said, the debate on how the Falklands war came about in the first place will continue, self-determination is an important principle—one that is, I think, worth fighting for.

As we near the 40th anniversary, a number of events and activities will provide us all with a chance to consider the lasting impact of the conflict. I look forward to attending the Royal British Legion event at the National Memorial Arboretum in Staffordshire to mark the official anniversary next week.

On another point that Jackson Carlaw made, in the rest of my contribution I will focus—rightly, I think—on what Graeme Dey, in the speech that Stuart McMillan read out on his behalf, wanted us to focus on: the impact on veterans.

First, I go back to Jackson Carlaw's point about statespeople, including international statespeople. I understand that the Prime Minister will also attend next week's event, and in the past day or two, I think that he has also said that, if he gets the opportunity, he will go down to the Falkland Islands. Jackson Carlaw mentioned how important it was for Margaret Thatcher to get advice from Harold Macmillan—he gave a couple of other similar examples. I would not refute that: getting advice in such situations is very important.

To return to Graeme Dey's speech, I think that a really important piece of advice is that we should know about the impact of war on those who are asked to fight—both veterans and those who do not come back from war. For my part, I am more than happy to contribute to enhancing the Prime Minister's knowledge if he wants to discuss that next week, in the Falkland Islands or at any other time, because it is extremely important that people who have the responsibility of sending people to war have a full understanding of the impact. That is what Graeme Day tried to do in his speech.

I should mention briefly, because Maurice Golden and other members mentioned it, the memorial garden at RM Condor barracks. I should also mention, as I did last week, the four people in my troop who died and did not come back: Sergeant Bob Leeming, who had a wife and family; Corporal Fitton; Corporal Uren; and Marine Keith Phillips, who was the same age, held the same rank and had the same first name as me, and who, at 19 years old, never returned from the Falkland Islands. That was the real impact on the families of those four people. Those guys were in my troop; there were other guys in 45 Commando, and many others as well, but those were the guys I knew best.

I am delighted that the Scottish Government has been able to partner with Legion Scotland and

poppyscotland, as Sarah Boyack mentioned, on establishing a Scottish national event in Edinburgh on 18 June, which will provide the people of Scotland with an opportunity to commemorate the anniversary. To coincide with that event, poppyscotland is delivering a wider learning programme. In last week's debate and again today, the point has been made that people are not aware of the Falkland Islands. That important learning programme and package of resources for schools across the country will allow young people to learn more about the conflict; it will also highlight the role of the armed forces today and how we can support them and their families.

It is important that, as Graeme Dey tried to pass on in his speech, we acknowledge the lasting impact that the experience of war can have on some members of the armed forces community. We continue to work to address that. Many veterans of the Falklands still struggle with physical or mental scars or have faced hardships in the years that followed the war. Veterans of that conflict served at a time when there was a lack of knowledge and education about the symptoms of mental ill-health, and a huge amount of stigma was associated with mental health issues.

I will mention the point that was made in Graeme Dey's speech about the absolutely appalling coverage of the guys who were down there when the war broke out. They fought extremely bravely but then were ordered, rightly, in the face of massively superior enemy forces, to lay down their arms. It was absolutely appalling that they were described as cowards by one tabloid newspaper. It was appalling that people thousands of miles away from the theatre of conflict felt able to cast judgment on people fighting in that circumstance and call them cowards. I hope that those in the media have learned from that coverage.

Jackson Carlaw mentioned some of the ways in which the media have changed over time and the healthy engagement of the media in conflicts. We also have the reverse of that, with Putin using his media to censor things and present a very favourable account of why the Russians are wrongly and illegally in Ukraine. Therefore, it can work both ways. However, Jackson Carlaw made an important point about the changing nature of the media.

Christine Grahame: I am delighted that we have touched on that issue, and I appreciate that media coverage has changed with the passage of time. Will the cabinet secretary congratulate journalists who are currently in Ukraine? They are dodging bullets, but they are not dodging the truth.

Keith Brown: That was very well put. We must remember that Clive Myrie and others are in real danger.

On the portrayal of the marine detachment that was in the Falklands at the time, the editor of the newspaper concerned was interviewed about that coverage recently, and I do not think that the people who made such comments lacked an understanding of the impact of such comments on the veterans who served in the Falklands. As soon as they returned to the UK, many of those veterans chose to go right back down and fight again. Some of the journalists at the time—Ian Bruce, for example, who is a fantastic journalist—put themselves in harm's way to try to get as much of the truth as they were able to gather back to their audience.

We are also continuing to campaign to address the stigma experienced by veterans and their families. The campaign, which is led by See Me, addresses negative views and promotes positive images of veterans contributing as employees, volunteers, blue-light officers, clinicians, carers and community representatives.

Over a number of years, we have supported the mental health needs of veterans and their families through the innovative work of Veterans First Point and Combat Stress. We have funded both organisations to provide mental health services specifically for veterans and their families, and we are continuing to fund those specialist providers this year.

Combat Stress will receive £1.4 million to provide a Scotland-wide veterans mental health service. The organisation also provides a 24-hour telephone advice service, recognising that not all veterans are comfortable with online services. I know that, for older veterans, accessibility of services is really important. Combat Stress recognises that need and has recently opened two new bases, one in Glasgow and the other in Edinburgh.

We have also agreed to continue funding the six existing Veterans First Point providers. They will receive £666,000, which is to be match-funded by their local health boards and will enable veterans to access an NHS service in their community, which I know is appreciated by many service users.

To this day, veterans of the Falklands are still coming forward to seek help and use those services for the first time. More than 60 Falklands veterans requested support from Combat Stress over the past year alone. Therefore, I finish by expressing my gratitude to our close-knit charity sector in Scotland. I am sure that I speak for all here today when I say that I am continually impressed by the level and quality of support that the sector provides to our ex-service personnel and their families. I extend my heartfelt thanks to everyone who supports those charities in whatever way they can.

If members were able to participate in the remaining events to mark the 40th anniversary, or at least encourage others to participate in them, that would be gratefully appreciated.

The Deputy Presiding Officer: Thank you, cabinet secretary. That concludes the debate. I close this meeting of Parliament.

Meeting closed at 18:20.

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

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