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Scottish Parliament

Tuesday 27 February 2024

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

Time for Reflection

The Presiding Officer (Alison Johnstone):
Good afternoon. Our first item of business is time for reflection, for which our leader is Carol Telfer, the chaplain of the Glasgow Marie Curie hospice.

Carol Telfer (Marie Curie Hospice, Glasgow):
Thank you for this opportunity.

Over the past three years, Marie Curie has proudly led the nation in taking a moment to reflect and remember those who died during the pandemic, as well as supporting family, friends, colleagues and neighbours who are grieving. Sunday 3 March has been chosen for the day of reflection, when we will specifically remember and pay tribute to those close to us who died when so many people were unable to properly grieve their loved ones.

My dad was one who faced his final days alone, as we, as a family, were unable to be with him as he died away from home and away from those who loved him. The inability to celebrate his life through a proper funeral was difficult to come to terms with, as he was loved by so many.

Sadly, our story is not unique, and we are aware of the impact that the pandemic has made on so many. We are just one family who will take time on 3 March to pause and remember someone who was loved so much.

This year, we again encourage everyone to take a moment of reflection to remember a loved one who has died. That could take many forms—spending time with family to reminisce, having a moment's silence in an otherwise busy day, or taking the time to pause and reflect on the days in which the world was thrown into turmoil and after which the lives of many would never be the same.

As well as being about remembering loved ones who have died, and about supporting those who are grieving, the day of reflection is also a time of hope and looking forward. Marie Curie's vision is that everyone should have the best possible support and care as they or their loved one approach the end of life. Although such people may struggle to be hopeful, we want that time to be at least peaceful.

A verse in Isaiah chapter 26 says:

“God, you give true peace to people who depend on you, to those who trust in you.”

There is a prayer for all who have experienced loss:

“May the Master of the sea still your storm. May you be reminded that God is present, even as the winds whirl and the waves crash. May you hold on to the hope that after the storm comes the calm; after the night comes the day.”

Amen.

[Applause.]

The Presiding Officer: Thank you, chaplain.

Topical Question Time

14:03

Ferries (Arran)

1. Kenneth Gibson (Cunninghame North)

(SNP): To ask the Scottish Government what action it will take to ensure optimum ferry capacity to and from Arran, in light of reports that repairs to the MV Caledonian Isles are not expected to conclude before mid-June. (S6T-01818)

The Minister for Agriculture and Connectivity (Jim Fairlie): The delay involving the MV Caledonian Isles is regrettable, and I recognise the frustration that is felt by communities as a result.

The responsibility for operational decisions about ferry services lies with CalMac Ferries Ltd, as the operator. We expect it to work with advisers to ensure that repair work is progressed at pace. The Cabinet Secretary for Transport spoke yesterday with CalMac's chief executive to convey her concern, and made it clear that everything must be done to address capacity and provide assurances for the Arran community and others across the network—in particular, as we look towards the Easter break and beyond.

The MV Isle of Arran is operating from Ardrossan, and additional sailings continue via the island's secondary route between Claonaig and Lochranza. No capacity issues are reported at this time.

Kenneth Gibson: The minister is fully aware of the impact on Arran and Ardrossan of numerous cancellations due to weather, mechanical breakdown and fender repairs, together with the permanent closure by Peel Ports of Ardrossan's Irish berth and the subsequent removal of the MV Alfred by CalMac.

Ardrossan to Brodick is CalMac's busiest route, yet it is being serviced by the 40-year-old MV Isle of Arran alone. Given that Easter is on the horizon, the loss of the MV Caledonian Isles could not have come at a worse time for Arran's economy. Right now, islanders need certainty. What reassurance can the minister provide to Arranachs and prospective visitors that the capacity that he said is not a problem at the moment will not be a problem during the Easter holidays?

Jim Fairlie: The Cabinet Secretary for Transport has committed to engaging directly with the communities that have been impacted. She met the Isle of Arran ferry committee last week, and she thanks Mr Gibson for his part in organising that event. At that meeting, she agreed to impress on CalMac the need for capacity to be

in place for the Easter holidays. She has done so this week, and will continue to do so.

We are pushing CalMac to ensure that it has in place a robust contingency plan to maximise capacity with available vessels, and that it can clearly communicate that the island remains open for business across that period.

The cabinet secretary is currently travelling back from a visit to the Western Isles, where she met local communities and port and ferry staff.

Kenneth Gibson: I thank the minister for that answer. Of course, people cannot book until at least 4 March, when the new travel times are in place, because of the situation with the MV Caledonian Isles and the late decision for it to be sent down south for work to be done.

The coming disruption and fleet reshuffling are likely to be the first major test of CalMac's route prioritisation framework since it was overhauled last October. Can the minister confirm that the appalling service that Arran has endured in recent months will be considered? In addition, can he say whether the increased risk of cancellations and divergence resulting from issues at Ardrossan harbour will be factored into vessel deployment decisions, with ways being found to expedite the MV Glen Sannox entering service on the ferry network at the earliest possible opportunity

Jim Fairlie: As ministers requested following service disruption last year, CalMac has reviewed its route prioritisation matrix for the major vessel fleet, with the support of the ferries community board. Following public consultation, CalMac has made a number of changes to its prioritisation approach, including placing more emphasis on the level of use by island residents and commercial vehicles, along with higher prioritisation for routes with limited capacity on alternative services. I fully expect that to be applied by CalMac when it considers the deployment options.

The plans and the timing for introducing the MV Glen Sannox to service will be kept under review as we progress through the build completion, handover and operation trials process. The trials are required in order to meet Maritime and Coastguard Agency and other requirements and, ultimately, to provide safe and efficient services for our island communities

Jamie Greene (West Scotland) (Con): The minister said that the situation is "regrettable". That is surely an understatement: it is catastrophic. The island is now being serviced by one vessel that is more than four decades old. If it breaks down, what else is there? The problem is that CalMac will need to take another ferry off another island route, thereby pitting one island against another. That is shambolic.

I ask directly: is the Scottish Government willing to put up its purse and give compensation to businesses that are losing money hand over fist day in and day out, right now? Will it also stand up and apologise to the people of Arran for the absolutely shambolic handling of the entire ferry fiasco over which the minister's party, and his Government, has presided?

Jim Fairlie: The issues around compensation have, understandably and rightly, been raised with the Government many a time. I have looked into the penalty deductions that are made in relation to failures on the network, and the view is that we should continue to use that money to reinvest in the ferry network. There is a legitimate goal regarding use of those deductions, but the best use of that money is to reinvest it back in the network.

I have previously noted the calls for business support, but any such scheme would need to be carefully considered and would require that stark choices be made about funding priorities, set against efforts to provide resilience in the network.

The cabinet secretary and ministers are due to meet to discuss those wider issues in respect of island business resilience.

Katy Clark (West Scotland) (Lab): The minister will be aware of the appalling implications for Arran resulting from the continuing failure to provide a regular Brodick-Ardrossan service. The MV Caledonian Isles has been out of service since early January and—as has been said—the MV Alfred can no longer be used on the route, so we are reliant on the 40-year-old MV Isle of Arran.

Does the minister accept that that is an inevitable problem of having an ageing fleet as a result of past failure to invest? Indeed, the failure to make progress at Ardrossan harbour is coming home to roost. We need much more robust resilience strategies, and the Scottish Government needs to be centrally involved in that provision.

Jim Fairlie: I do not think that there is any doubt that the Arran community has been impacted. I spoke to businesses this morning and am quite sure that the cabinet secretary is working with them regularly and engaging with them fully. I am hearing from businesses in the community that they are very pleased with the response that they are getting from the cabinet secretary. I am convinced that she will find the solutions that we need in order to move forward.

Alasdair Allan (Na h-Eileanan an Iar) (SNP): Unfortunately, withdrawal of the MV Caledonian Isles comes at a crucial time, as we approach the busier summer timetable period. Communities across the network are anxiously awaiting an update on deployment proposals for all CalMac's other major vessels while the MV Caley Isles is

out of action. Can the minister assure my constituents that no island community will be forced to bear the brunt of that disruption in the weeks to come?

Jim Fairlie: As I have already said, the cabinet secretary met CalMac yesterday to convey her concern and to ensure that it has a robust contingency plan in place to maximise capacity with the available vessels, and to ensure continued provision of lifeline services across the network.

At the request of ministers, CalMac has made a number of changes to its prioritisation approach, including placing more emphasis on the level of use by island residents and commercial vehicles, along with higher prioritisation for routes with limited capacity on alternative services. I fully expect that approach to be applied by CalMac when it considers deployment options.

Police Scotland (Response to Crime)

2. Russell Findlay (West Scotland) (Con): To ask the Scottish Government what its response is to reports that Police Scotland's proportionate response to crime pilot, in which not all reported crimes were investigated, is to be extended across Scotland. (S6T-01830)

The Cabinet Secretary for Justice and Home Affairs (Angela Constance): At a meeting of the Scottish Police Authority last week, the chief constable stated that the north-east pilot was about ensuring a proportionate approach to policing. Deputy Chief Constable Malcolm Graham outlined preliminary findings, with a full evaluation to be presented to the Scottish Police Authority in the near future. Any decision on whether the pilot will be extended more widely is for Police Scotland, with oversight and scrutiny to be provided by the SPA. Public confidence will be key to that process.

Officers in the north-east will continue to investigate all reported crimes. That means that all reports will be recorded using the THRIVE model, which involves assessing threat, harm, risk, investigative opportunity, vulnerability and engagement. Police Scotland remains focused on keeping communities safe from harm.

Russell Findlay: The Scottish National Party Government might not want to listen to Opposition members, but it should listen to Scotland's police officers. The Scottish Police Federation could not be clearer about this surrender to criminals, which its chair says

"is being driven purely by finance and not by basic policing principles".

Its general secretary revealed that it had not even been consulted on the policy being extended across Scotland. He said:

“The public have been let down.”

He is absolutely right. Will the cabinet secretary disclose how many crimes were not investigated in the pilot and how many more she expects will not be investigated across Scotland?

Angela Constance: I do all members and all stakeholders the courtesy of listening to their viewpoints. It is a shame that that is not always replicated, in that the narrative from some misconstrues the pilot, which is regrettable.

I emphasise again what the chief constable said to the board and to observers—that the policy is not about non-investigation. Police Scotland has been clear that it will continue to investigate all crimes that are reported.

Every crime will be subject to an individual assessment. If there are no proportionate lines of inquiry and if there is no risk and no threat, a report will be filed and a crime reference number issued but, unless there is further evidence or information, there will be no further action. It is important to remember that, at the end of the day, the public want quick and proportionate responses, bearing it in mind that the changing demands on our society, changes in crime and the changing demands on our police force necessitate that.

Russell Findlay: I really do not think that the Scottish Police Federation is misconstruing the terms of the policy—I am surprised to hear the cabinet secretary suggesting that. Police officers and the public have absolutely no idea what crimes will not be investigated. That is exactly what is happening, no matter how it is spun. The pilot scheme’s evaluation report is also being kept secret. Will the cabinet secretary explain what crimes she considers to be sufficiently minor to be in effect decriminalised?

Angela Constance: It is Mr Findlay who misconstrues the pilot and deliberately misconstrues my words to the Parliament. I have to be clear with him that public confidence in the pilot and in the decision making about it, which is still to take place, is crucial, and that is why there is a robust evaluation process. If Mr Findlay had listened to the commentary and the contribution of the deputy chief constable at the SPA meeting, he would be aware that the policy is about having a proportionate response to each and every crime. We surely do not expect police officers to pursue a line of inquiry if there is no line of inquiry to pursue. It is a shame that Mr Findlay continues to blister the importance of the approach, as it is about ensuring that we have public confidence, that we respond proportionately to each and every

crime and that we work together to keep Scotland safe.

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): Does the cabinet secretary agree that the approach seeks to ensure a proportionate and appropriate response so that, where there are no lines of inquiry, information is recorded but no further action taken, which enables officers to concentrate on more serious crimes where there are opportunities for detection? Does she agree that it is important to reassure the public that, when evidence subsequently comes to light, the matter will be investigated?

Angela Constance: To be clear, there are occasions when reported crimes have no associated threat, risk, harm or vulnerability involved, and no proportionate lines of inquiry for police officers to investigate. I repeat that Police Scotland has been very clear that, when reported crimes have proportionate lines of inquiry—including those that arise after a crime has been reported—they will be investigated, as has always been the case. Deputy Chief Constable Malcolm Graham said:

“If there are no lines of inquiry that can be pursued, then we shouldn’t be, in some ways, setting up an expectation of ... things that police can do”

when

“we can’t”.

I note that the preliminary findings that Deputy Chief Constable Graham outlined at the SPA meeting included the point that about 5 per cent of calls taken by Police Scotland fell into that category.

Pauline McNeill (Glasgow) (Lab): It will be interesting to see whether the pilot approach has public confidence. One essential question is who arbitrates on whether a response is proportionate. How can the cabinet secretary ignore the Police Federation, which said that the policy

“sets a dangerous precedent and we should be very careful”?

Is this a slippery slope? If such crimes are not investigated, how do we know that other crimes will continue to be investigated? How can the cabinet secretary be sure that the policy has public confidence?

Angela Constance: That is a very important part of the evaluation process. The measures will be scrutinised robustly and thoroughly by the oversight group that the Scottish Police Authority has set up. The chair of the Scottish Police Authority will chair that group, which will examine many factors, at the core of which will be public confidence.

I repeat: surely we cannot expect police officers to pursue lines of inquiry where no lines of inquiry exist. We will all want to see the full report along with the full evaluation but, as I said in my reply to Audrey Nicoll, the preliminary, summary findings say that less than 5 per cent of calls taken by Police Scotland fell into that category.

Sharon Dowe (South Scotland) (Con): Former superintendent Martin Gallagher has described Police Scotland's decision not to tackle minor crime as "disastrous". That could include crimes such as vandalism, break-ins and antisocial behaviour in our communities. We often hear that levels of crime are falling, but it is estimated that 60 per cent of crime is unreported. How can the Scottish Government ensure that it is being tough on criminals when it is letting some away without investigation?

Angela Constance: To say that the police do not pursue lines of inquiry where they exist is a serious slur against policing in Scotland. We all have a shared endeavour, and I accept the scrutiny and the challenge. I accept that every member in the Parliament has an interest in ensuring that our communities are safe. Police Scotland investigates a massive range of crimes, from those that some of us may consider to be less serious to those that are of the utmost seriousness. We should look carefully at the pilot, but we should look first and foremost at the facts and the evidence.

Rona Mackay (Strathkelvin and Bearsden) (SNP): I thank the cabinet secretary for confirming that Police Scotland has always stated, as the chief constable has confirmed, that officers in the north-east continue to investigate all crimes that are reported, and that the service remains focused on keeping communities safe from harm. Will the cabinet secretary provide an explanation of the THRIVE assessments that were carried out on crime reports?

Angela Constance: The THRIVE model is not new. It was rolled out as part of the contact assessment model in 2021 to ensure that all callers receive an appropriate response and that incidents are properly prioritised. Handlers consider the six key factors of threat, harm, risk, investigative opportunity, vulnerability and engagement for each call that is received, and if an immediate or prompt police response is required, the call is passed to the area control room and the most suitably located, skilled and equipped police officers will be dispatched. If the call does not require an immediate response, it will be passed to a specialist team of officers and staff for further assessment. In its 2022 assurance review of Police Scotland's contact assessment model, HM Inspectorate of Constabulary in Scotland noted that the THRIVE model was

helping to determine the most appropriate response to reported incidents.

Liam McArthur (Orkney Islands) (LD): The cabinet secretary has referred on many occasions to the importance of public confidence, but it is not clear from her responses to date how public confidence will be assessed. Will she provide more detail on that and on engagement with victims groups, which will have a clear view on the approach's effectiveness?

Angela Constance: That point is important. I expect that the evaluation and the full report will clearly address public confidence and feedback from the communities that we all seek to represent.

The Presiding Officer: That concludes topical questions.

Prison Population

The Presiding Officer (Alison Johnstone):

The next item of business is a statement by Angela Constance on Scotland's prison population. The cabinet secretary will take questions at the end of her statement, so there should be no interventions or interruptions.

14:22

The Cabinet Secretary for Justice and Home Affairs (Angela Constance): I updated Parliament in October that the prison population rose by around 9 per cent in 2023. At that time, the population was 7,937; as of yesterday it was 7,959. Although the rate of increase has slowed, the population remains too high. We monitor it on a weekly basis.

As I have said, doing nothing is not an option. This is not just about the number of people in prison—it is about the impacts and complexities, as those can create new pressures that detract from the ability to focus on prisoner progression and care, all of which demand action.

The prison population projections that were published on 13 February highlight the need for a focus on early and effective intervention, diversion and rehabilitative support. To accommodate the increase, our prison service is keeping its population management strategy under review. That includes taking a range of actions to optimise the current prison estate, including the transfer of male prisoners into accommodation that previously housed women at HMP Edinburgh, and the transfer of robustly risk-assessed adult male prisoners to HMP Polmont.

To be clear, the Scottish Government is not changing its position on the use of prison—it will always be necessary for those who pose a risk of harm or threaten the delivery of justice. Protecting victims and the public from harm is my absolute priority.

We all want the same thing—less crime, fewer victims and safer communities—but we must recognise that prison, although it is absolutely necessary in many cases, is often not the best way to reduce recidivism. We know that those who are released from short sentences are reconvicted nearly twice as often as those who are sentenced to a community payback order. In a recent BBC “Disclosure” programme, Sheriff Mackie stated:

“the idea of somebody serving a life sentence 3 months at a time is a real thing ... we know that short prison sentences do no good.”

With increased investment of £14 million through the draft budget, we will ensure that the courts can access a wide range of effective and

high-quality community interventions. The majority of that additional funding will be used to increase the capacity of justice social work, whose expertise, advice and support are critical to almost every aspect of the criminal justice system. That includes alternatives to remand. Work is on-going to increase the availability of those alternatives, with input and collaboration from key partners.

Significant progress has been made. A total of 1,100 bail supervision cases were commenced in 2022-23, which is the highest number in the past 10 years. The number of people who are currently being electronically monitored is 1,860, of whom 416 are on bail orders. I am keen that justice partners make all available use of that measure, where appropriate.

Alongside partners, we are also making good progress to introduce new electronic monitoring technology and to pilot global positioning system functionality, initially for people who are being released on the home detention curfew—or HDC—scheme. That additional option will further support people who are being managed as they reintegrate into communities. We are also working with the Scottish Prison Service, the Risk Management Authority and justice social work to optimise the use of HDC across the prison estate, where appropriate, to support reintegration and a structured return to the community. HDC is, of course, used in other jurisdictions, including in England and Wales.

As members know, we are working with justice agencies to develop commencement plans within the next year for the reforms in the Bail and Release from Custody (Scotland) Act 2023, which was passed last year. The provisions in that act are intended to refocus the use of remand so that it is reserved for those who pose a risk to victim and public safety and, in certain circumstances, the delivery of justice. The provisions will also improve planning and support for people who are leaving prison.

Let me now turn to our Prison Service. Prison staff are, of course, on the front line, and they deserve our praise and support for the work that they do. A high prison population impacts on those who work and live in our prisons. Increasing investment in the resource budget by 10 per cent to £436.6 million in 2024-25 will enable our Prison Service to safely manage the increasingly complex population, as well as pay progression for staff.

We must also acknowledge the complexities of need in the prison population due to an increasingly ageing population. The Scottish Prison Service is actively considering estate optimisation options, including the possibility of new or adapted accommodation to better meet increasing social care needs. We will work with the Scottish Prison Service to undertake a review of

social care in prisons, which will include a full data assessment of the need across the prison estate and the assessment process, and—this is important—developing strategies to support the changing social care needs of the prison estate. That work will include an options analysis of creating bespoke facilities for prisoners who receive social care. I will discuss that tomorrow with the cross-portfolio ministerial group on prison health and social care.

While work is under way to respond to the high prison population, we need to understand and address its root causes if we are to take a long-term, sustainable and evidence-based approach to those who offend. Like England and Wales, Scotland has among the highest uses of custody in western Europe. In 2023, we imprisoned around 132 people per 100,000, compared with 137 in England and Wales, 106 in France, 98 in Spain and 51 in the Netherlands. However, there is nothing intrinsic about our country that means that it should not or could not have a penal policy that leads to it no longer being an outlier.

It is now over 15 years since the Scottish Prisons Commission, which was chaired by Henry McLeish, examined how imprisonment is used in Scotland. Although we have made good progress on many of the commission's recommendations, a lot has changed since then. We have seen an increase in the reporting of sexual offences; fewer individuals going to prison each year but, on average, serving longer sentences; increased pressure on the High Court; and an ageing prison population with complex care needs that our prisons were not designed to deal with.

There is now a pressing need to consider models of care in prison and the right range of robust community justice alternatives to short-term sentences. The time is right to look again at the sort of justice system that we want to have, and to that end I plan to commence an externally led review of sentencing and penal policy. That will allow us to revisit the fundamental question of how imprisonment is used, and go beyond that to consider how to meet what is surely a shared aim across the chamber: to deal with offending behaviour in an effective and proportionate way, to reduce reoffending through meaningful rehabilitation and to keep our communities safe.

That work is not about reducing the prison population as an end in itself, but about ensuring that custody is used for the right people at the right time rather than as a replacement for taking effective community-based action to tackle public health problems such as addiction and poor mental health. It will not be a simple task, given the complexities in our justice system. The review's scope and approach will need to be developed with partners and any prospective

chair. However, an in-depth review will offer the chance to answer key questions about our approach to offending behaviour and to make recommendations for both short and long-term reform.

I want the review to offer its initial findings for consideration by Government and Parliament during the current parliamentary session. I would welcome members' views and I will ask justice representatives from all parties to meet and discuss the matter in due course.

The needs of the prison population are increasingly complex. Again, I pay tribute to the Scottish Prison Service and our justice partners. We are working together to take action and we will continue to do so. A serious and significant challenge remains. Although the prison population has not deteriorated further, we need to continue work at pace to prevent the issue from persisting or reoccurring. I will continue to keep Parliament updated.

The Presiding Officer: The cabinet secretary will now take questions on the issues that were raised in her statement. I intend to allow about 20 minutes for questions, after which we will move to the next item of business. I would be grateful if members who wish to put a question could press their request-to-speak buttons now.

Russell Findlay (West Scotland) (Con): I thank the cabinet secretary for advance sight of her statement. It is important to note that each and every prisoner is behind bars due to the outcome of a robust, fair and independent judicial process. I am sure that people share my relief that the statement did not contain a plan to conduct a mass release of the sort that we saw during the pandemic. That would have been a mistake—the release of prisoners en masse and without support would again have resulted in significant reoffending.

Part of the problem is that the Scottish National Party Government has failed to build adequate prison capacity. HMP Glasgow will be delivered years late and will cost at least £400 million. The Government talks about alternatives to custody, but it fails to deliver them. The cabinet secretary spoke about “robust community justice alternatives”. Let us take alcohol monitoring technology as an example. Such equipment precisely detects whether the wearer has consumed alcohol in breach of bail or parole conditions. That smart technology has been used successfully across the rest of the UK, but the SNP is still thinking about it. I would like to see action on that. I would be grateful if the cabinet secretary could explain when that technology will be used to its full potential.

The cabinet secretary said that yet another review is being instructed—I am sure that those words fill most of us with dread. What is the exact purpose of the review and who will be on the group? Crucially, can she give a commitment that the voices of victims will be heard?

Angela Constance: I am very pleased that, like me, Mr Findlay wishes to uphold the independence of our courts and judiciary at all times. As he knows, I have no plans for the emergency release of prisoners.

On building more prisons, I will be direct with Parliament: we cannot build our way out of the issue, not least because the capital budget that is available to this Parliament over the next five years will be reduced by 10 per cent. I have been more than happy to discuss the issue with members in and outwith the chamber when they have been advocating for the maintenance of their local SPS establishment or, indeed, for the progress that can and must be made in relation to the replacement of HMP Barlinnie and on the new HMP Highland.

I would be interested to discuss with Mr Findlay his views on alcohol monitoring technology. In the not-too-distant past, I received a briefing on the matter. Technology has a role to play, and I am keen that we push forward with, for example, GPS technology, although that is not the only technological solution.

The review will be what we make of it, which will depend on whether we as a Parliament and a country can come together to ensure that we get in place the right solutions for the short, medium and longer term, rather than constantly revisiting the issues and the problems that are caused by a high prison population. That will require courage and leadership across the political parties.

As for the voice of victims, I say to Mr Findlay that they are always at the heart of everything.

Pauline McNeill (Glasgow) (Lab): Scottish Labour pays tribute to the SPS and its staff for the very hard job that they do.

Will the cabinet secretary give more detail on the plan to use GPS functionality in relation to community sentencing? Scottish Labour is very interested in talking to the Scottish Government about developments in that regard.

In her statement, the cabinet secretary said that the issue is not just about the number of people in prison but about the impact of that on the ability to focus on prisoner progress. However, there do not appear to be any plans to improve the conditions in which prisoners are serving their sentence, because they are still doubling up in cells and there is a lack of activity. It is hard to see how any

of the plans address the acute nature of serious overcrowding.

I also wonder when we will get to see whether the strategy for older people in prisons is a concrete commitment, because I know that it is just a possibility.

Critically, on the question of HMP Barlinnie, there is confusion about the timeline. Will the cabinet secretary be absolutely clear with Parliament what the timeline is for building the new HMP Barlinnie? Is the Government still committed to doing so? Will we see one brick laid this side of this session of Parliament or has the Government dropped any serious commitment to replace HMP Barlinnie? What is the truth?

Angela Constance: I very much appreciate Ms McNeill's tribute to the Scottish Prison Service. The work in our prisons is often unseen, but it should never go unheard, as what happens in our prisons matters. I would certainly never for a minute demur from her points about the impacts of prison condition and overcrowding on progression and reintegration opportunities. As members would expect, I have engaged extensively with the SPS. Individual rehabilitation regimes vary, and the service is working hard to maintain those as much as it can, in as many circumstances as possible. I am pleased to say that the service is doing a really good job in maintaining family contact, which is important for rehabilitation and reintegration.

We have no option other than to replace HMP Barlinnie. As I said in this chamber in the not-too-distant past, once we have the final design, we will be able to give much more clarity on the final costs, which will not be insignificant, and about specific timescales. Plans and designs are progressing, and we have a much better feel for the capacity of, and the model that will operate in, the new prison.

Similarly, we have a lot of work to do with regard to older people, as I outlined in my statement. We have an ageing prison population, just as we have an ageing community—doing nothing is not an option. I will certainly keep the Parliament fully informed.

The Presiding Officer: I am keen to get in all members who have requested to ask a question, so I would be grateful for concise questions and responses.

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): I thank the cabinet secretary for her update. I note the long-standing and complex challenges that we face in relation to Scotland's prison population. As the cabinet secretary outlined, the justice sector will see a welcome increase in funding for the next financial year from the draft budget. Will she give more

detail on how the increase in funding will assist in addressing and reducing the increase in the prison population that is currently being experienced?

Angela Constance: Under the draft budget, a total of £148 million is to be invested in community justice. That means that there will be an additional £14 million, which will be utilised to encourage wider use of robust community-based interventions. The majority of the additional investment will be provided to local authorities for justice social work services.

The additional investment demonstrates our commitment to ensuring that alternatives to custody, including community payback orders, are consistently available. Our work on structured deferred sentences is another example of that commitment. Community-based interventions can help to minimise disruption to families and communities by supporting people to maintain stable relationships, housing and employment. As I intimated in my statement, it is crucial that the right breadth and depth of community disposals are available to our independent courts.

Sharon Dowey (South Scotland) (Con): There has been a troubling pattern of releasing dangerous criminals early, alongside a worrying rise in the prison population. Despite that pattern, funding for crucial aspects of under-pressure criminal justice social work has remained static. Meanwhile, organisations that help to keep people out of prison and reduce our prison population face severe budget cuts. We welcome the investment of £14 million, but that is a drop in the ocean. Given that criminal justice social work is already on its knees, is that investment really enough to help those organisations to make a real difference to the rising prison population?

Angela Constance: As a former forensic mental health social worker and a former criminal justice social worker, I believe that I am well placed to know what is required. I am sure that members wait to hear whether Ms Dowey and her colleagues have any amendments to the budget to further increase funding for criminal justice social work services. Nonetheless, on a point of consensus, I am glad that she welcomes the additional £14 million of investment.

On the point that Ms Dowey's colleague Mr Findlay made about respecting the role of our independent courts and judiciary, people are released from prison either when their sentence has expired or when the independent Parole Board for Scotland has made that decision based on a thorough risk assessment. Nevertheless, given the many letters that I have received from colleagues across the chamber, it is important that we now review sentencing and penal policy.

The Presiding Officer: Again, I ask for concise questions and responses.

Rona Mackay (Strathkelvin and Bearsden) (SNP): How are the new community custody units working to improve outcomes for women in custody? Can lessons be learned for the rest of the Prison Service?

Angela Constance: In relation to lessons learned, a formal evaluation is under way. I very much hope that we can learn a lot from the innovative trauma-informed facilities at the Bella centre in Dundee and the Liliac centre in Glasgow. Both facilities represent a step change in the rehabilitation of women in custody. The custody units support women to develop key life skills and a degree of independence in order to give them the best possible chance of a successful return to the community after leaving custody.

Katy Clark (West Scotland) (Lab): Although considerable investment was made in the new women's custody units, we were advised last year that, for most of the time, occupancy rates were less than 50 per cent, with the highest occupancy rate being 52 per cent. Will the cabinet secretary reassure the Parliament that the assessment criteria have been reviewed and that those excellent facilities are now being fully utilised?

Angela Constance: Yes, I can assure the member that the assessment criteria have been reviewed and that we are seeing an increase in occupancy in the women's community custody units—the figure is now at about two thirds. We are also seeing a safe increase in occupancy not only on the women's estate but at HMP Castle Huntly, which I visited just the other week.

Fulton MacGregor (Coatbridge and Chryston) (SNP): When she last gave a statement on the issue, I asked the cabinet secretary about the increase in social care needs of prisoners, following on from the governor of HMP Glenochil's calls for bespoke facilities to be considered for that group. I am pleased that today's statement includes a commitment to review and analyse the situation with the SPS, but what will the review entail? Will it consider international models, where appropriate?

Angela Constance: Yes, we will of course consider international models, where appropriate. Again, to be direct with Parliament, I should say that the condition of prisons, particularly the older Victorian estate, presents a significant challenge for the delivery of social care and the engagement of prisoners with mobility issues in everyday prison activity. Cells are often too small to accommodate wheelchairs or hospital beds, and there is no room to retrofit accessible showers or toileting facilities.

According to the annual prison population statistics, which were published in December,

there were 451 people in custody over the age of 60, which represents a 130 per cent increase over the past decade. As a result, we will, along with the Scottish Prison Service, push ahead with the work that I have outlined in my statement.

Liam McArthur (Orkney Islands) (LD): The cabinet secretary is right to say that prison overcrowding puts staff at risk and undermines efforts to rehabilitate prisoners. However, it is clear that the remand population is stubbornly high and that courts lack confidence in the consistency and effectiveness of alternatives to remand. What is the cabinet secretary going to do to build that confidence among our judges?

Angela Constance: Mr McArthur is quite correct to be forensically focused on the issue of remand. Perhaps I can quote one statistic at him: as of yesterday, the remand population in the women's estate sits at 41 per cent. That, indeed, is a clarion call for us to go further and faster.

I will not repeat what I said to colleagues earlier about the utilisation of the additional £40 million, which takes the community justice budget up to £148 million. However, additional work is going on to strengthen alternatives to remand, and that work is taking place with key partners across the justice sector. It is important to say that we are also seeing progress in and around bail supervision cases, but there is more to do to ensure that we have geographical consistency. Some areas are doing better than others in that regard, and we want to support the areas that need more support to achieve more.

Ivan McKee (Glasgow Provan) (SNP): Last week, I met local community group Greater Easterhouse Supporting Hands—GESH—and heard about the great work that it is doing with offenders through community payback orders. It gives offenders who have been convicted of lower-level crimes the opportunity to contribute back to society in a positive way, to be supported back into employment where appropriate and to continue in employment by allowing them to deliver community payback at weekends. That model seems to be an effective way of rehabilitating offenders at a much lower cost than incarceration, and it supports local communities and residents by providing the opportunity to use the workforce to deliver local projects.

What scope is there to expand that programme where risk has been appropriately assessed? How can its benefits for society be better communicated to the public?

Angela Constance: I am grateful to Mr McKee for highlighting the good work in that area, although I am disappointed that he did not invite me to visit the local project in his constituency.

I put on record my thanks to Greater Easterhouse Supporting Hands for all the work that it is doing, which is similar to some of the work that the Cyrenians are undertaking in Falkirk in supporting community payback orders and enabling people who have employment during the week to meet their obligations at the weekend instead. The work that Mr McKee highlighted also shows the importance of the third sector in that regard and speaks to the cross-Government and cross-society response that we need to galvanise not only for the sake of our criminal justice system, but for the sake of safer communities.

Maggie Chapman (North East Scotland) (Green): I note the forthcoming externally led review and the cabinet secretary's acknowledgement that prison is often not the best place for people. Given the risks of violence, drug addiction, suicide and other issues that are associated with incarceration, how will she ensure that the review is not just a tweak around the edges of what some people consider to be a broken system? Will she explore ways to include recommendations in Howard League Scotland's recent submission on Scotland's prisons to the United Nations Human Rights Committee?

Angela Constance: I am grateful to Ms Chapman for her question. We should always speak directly with one another about the consequences and risks of a high prison population, and she is right to highlight those.

I am serious about this—I am in this for the gains that we can make in the short, the medium and the longer term. That is in the interests of all the communities that we seek to serve.

As I said in my statement, I want to engage with parliamentarians on the terms of reference for the important work of the review. I am also serious about the fact that it is not about tweaking around the edges, and I do not want us to waste time on reinventing the wheel. It is crucial that the work on which we are about to embark builds on what we already know and on the commissions and reviews that have already taken place.

Annie Wells (Glasgow) (Con): Last month, statistics showed that more than a quarter of community payback orders did not include any unpaid work. Now, the cabinet secretary has said that community justice measures need to be considered to relieve pressure on the prison estate. Will she assure us that such community justice measures will be given only in response to appropriate crimes and that such sentences will include appropriate penalties?

Angela Constance: It is important that we recognise, first and foremost, that, if we have the courage to follow the evidence, it will show that there are lower levels of reconviction for

community payback orders in comparison with short-term prison sentences. It is also important to acknowledge that the recent publication of community justice statistics showed that the unpaid work element of community payback orders is increasing and is the highest that it has been for a few years.

We should also recognise that an individual who is assessed for a community payback order will have a range of needs that must be addressed if we are to reduce the risk that they present to the community. Therefore, there are 10 conditions that could be put on someone who is subject to a community payback order. Ultimately, it will be a matter for the court whether somebody receives a community payback order as opposed to a custodial sentence. We must increase the confidence of our courts so that they have absolute surety that a community payback order will address the needs of any such individual.

Jackie Dunbar (Aberdeen Donside) (SNP): Members across the Parliament should all consider what needs to be done to reduce the prison population and to reach consensus on the issue so that it does not become a political football. Will the cabinet secretary outline further how the review of penal policy might help to achieve that while ensuring that we have policy and measures in our justice system that are fit for the 2020s and beyond?

Angela Constance: As I said in my statement, I will write to justice representatives from all parties. I am committed to engaging with all members across the chamber and with stakeholders to develop the scope of the review. We need to proceed in a structured way so that we can achieve tangible improvements.

I made it clear in my statement that I believe that the core aims of the review will be agreed by members across the chamber, regardless of party affiliation, because I believe that we want to work together to deliver safer communities for Scotland. I am committed to doing what I can to grow that cross-party consensus and to support cross-party leadership.

Ash Regan (Edinburgh Eastern) (Alba): A disproportionate number of women are sent to prison for short sentences, and many of them are victims of trauma. Today, the transgender management policy replaced the interim policy following public outcry about a double rapist being housed in the women's prison estate. The policy fails to address the grave concerns that were raised by the Criminal Justice Committee and the public on the risks that might be posed for female prisoners and staff. When will an impact analysis be done on the strategy for women in custody? How will the impacts of the new transgender management policy be assessed and reported on?

Angela Constance: I want to put on record the fact that Ms Regan took the time to come to the Criminal Justice Committee, although she is not a member of it, when I gave evidence on the issue with the chief executive of the Scottish Prison Service.

It is important to acknowledge that the review that took place more than a year ago that led to the interim procedures being put in place concluded that no woman had been put at risk. The criteria in the new policy make it crystal clear, as did the interim policy, that, should a transgender woman have a history of violence against women and girls, they will be accommodated in the male estate.

First and foremost for me is the protection of women who often have an enhanced vulnerability. The new policy improves admission procedures because it acknowledges that the Scottish Prison Service might, through no fault of its own, be time poor or information poor. In the absence of information, many transgender prisoners will be admitted to the male estate.

Those core protections for women remain. If Ms Regan or any other member wishes to discuss the issue further, I would be more than happy to do so.

The Presiding Officer: That concludes the ministerial statement.

Budget (Scotland) (No 3) Bill: Stage 3

14:57

The Presiding Officer (Alison Johnstone):

The next item of business is stage 3 proceedings of the Budget (Scotland) (No 3) Bill. In dealing with the amendments, members should have the bill as introduced, which is Scottish Parliament bill 41, the marshalled list and the groupings of amendments. The division bell will sound and proceedings will be suspended for around five minutes for the first division of stage 3. The period of voting for the first division will be 45 seconds and, thereafter, I will allow a voting period of one minute for the first division after a debate.

Members who wish to speak in the debate on any group of amendments should press their request-to-speak button or enter RTS in the chat as soon as possible after I call the group. Members should now refer to the marshalled list of amendments.

Schedule 1—The Scottish Administration

The Presiding Officer: The single group of amendments is entitled “The Scottish Administration: reallocation of portfolio responsibilities and associated reallocation of resources”. Amendment 1, in the name of the Deputy First Minister and Cabinet Secretary for Finance, is grouped with amendments 2 to 7.

The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison): The seven amendments that we have proposed today simply update the bill to reflect the Cabinet changes that were announced by the First Minister on 8 February. Specifically, they amend two of the authorised purposes for which the Scottish Administration may use resources. Those are purposes 3 and 6 in schedule 1 to the bill. However, the amendments do not change the overall total of the 2024-25 Scottish budget.

Taken together, amendments 1 to 3 reflect the formation of the new wellbeing economy, net zero and energy portfolio, which replaces the previous wellbeing economy, fair work and energy portfolio. The authorised spend purposes are updated to include the non-transport spend from what was the transport, net zero and just transition portfolio. As a result, the authorised budget for the new portfolio is increased by £732,755,000 to £1,985,171,000.

15:00

Similarly, amendments 4 to 7 reflect the formation of the new transport portfolio, which

replaces the previous transport, net zero and just transition portfolio. The authorised spend purposes are updated to remove the non-transport spend, which is now included in the new wellbeing economy, net zero and energy portfolio. The authorised budget for the new transport portfolio is reduced by £732,755,000 to £3,705,617,000 to take account of that.

I urge members to support the amendments in the group.

I move amendment 1.

The Presiding Officer: Thank you, cabinet secretary. There are no requests to speak at this point. Would you like to wind up?

Shona Robison: I do not think that there is any need.

Amendment 1 agreed to.

Amendments 2 to 7 moved—[Shona Robison]—and agreed to.

The Presiding Officer: That ends consideration of amendments. As members will be aware, at this point in the proceedings, I am required under standing orders to decide whether, in my view, any provision of the bill relates to a protected subject matter—that is, whether it modifies the electoral system and franchise for Scottish parliamentary elections. It is my view that no provision of the Budget (Scotland) (No 3) Bill relates to a protected subject matter. Therefore, the bill does not require a supermajority to be passed at stage 3.

Budget (Scotland) (No 3) Bill

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a stage 3 debate on motion S6M-12295, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill. I invite members who wish to speak in the debate to press their request-to-speak button.

15:02

The Deputy First Minister and Cabinet Secretary for Finance (Shona Robison): In opening today's stage 3 debate on the 2024-25 Scottish budget, I am direct with the Parliament that it is a challenging budget that requires difficult choices. In making those choices, our priority throughout has been to protect our front-line services. It has been done in the face of the United Kingdom Government cutting Scotland's budget. Our block grant has fallen by 1.2 per cent in real terms since 2022-23. Our capital spending power is due to contract by almost 10 per cent in real terms over five years, and that is after factoring in our borrowing powers. All told, it is a cut from Westminster to our ability to invest in infrastructure of around £1.6 billion.

I appreciate that there are differing views on what the budget should support, but we cannot spend money that we do not have. If members have alternative priorities and wish for more investment to be made in a specific area, I ask them to be straight with the people of Scotland and say what they would cut to pay for it.

We are choosing to make our income tax system more progressive to help to fund our vital front-line services. It has become a mantra for politicians who sit to the right of this Government to say that we should instead be focusing on growth, as though the word "growth" was a panacea to cuts from the UK Government on public spending. Growth is vital, and we are investing more than £5 billion across Government to support it. That will help to create jobs, support the green economy and businesses, aid the transition to net zero and fund almost £2.5 billion in public transport and a further £220 million in active travel to provide viable alternatives to car use.

We are also investing £67 million to kick-start a five-year commitment to develop Scotland's offshore wind supply chain, which will bring the total Scottish public sector support for offshore wind to £87 million for next year.

Murdo Fraser: I am very grateful to the cabinet secretary for giving way. If growth is so important to the Government, why is spending in the economy, fair work and energy portfolio down by 8.7 per cent in real terms compared with last year?

Shona Robison: As I set out at the beginning of my speech, because our budget has been cut we have had to prioritise front-line public spending. If the Tories want to disinvest in our health service—*[Interruption.]*

The Deputy Presiding Officer: I will not have this cross-bench sedentary chit-chat going on while the cabinet secretary is on her feet; it is discourteous to her. Please continue, cabinet secretary.

Shona Robison: With a reduced block grant, the choice is either to invest in public services or not to. We have chosen to invest in our health services, fire service, police service and local government. That means that we have had to make difficult decisions elsewhere, and we have been clear with Parliament about that.

Our position is in contrast to that of the UK Government, which is paying for unsustainable tax cuts by further reducing Government spending and investment in the UK economy. It is unclear to me how the UK Government intends to provide the infrastructure or investment in capital that creates long-term sustainable economic growth when it is hell-bent on returning to a new age of austerity.

If members stand in the chamber today and say that the UK's income tax bands and rates should be followed in Scotland, then in the interests of fiscal transparency, they need to say where their hammer blow of £1.5 billion-worth of cuts would fall.

The budget's changes to income tax, including the creation of the new advanced rate, will mean that only employees earning in excess of £100,000 will pay more in income-based taxes during the coming financial year than they did in this one. The contribution from our progressive tax system is supporting us to provide more than £0.5 billion extra for the national health service, taking the total funding for front-line health boards to £13.2 billion next year. That is a real-terms increase, despite a real-terms cut to the NHS in England from the Tories.

Sarah Boyack (Lothian) (Lab): Is the cabinet secretary aware that a quarter of Scotland's sight loss population lives in areas that are served by the Princess Alexandra eye pavilion, but her budget in effect cancels the replacement for that hospital and condemns those patients to rely on a facility that has been designated not fit for purpose for more than a decade? Surely that is not investing in front-line services.

Shona Robison: I will come back to Parliament with a revised infrastructure investment plan, but let me be clear that, with a reduction of £1.6 billion from our capital budget, every part of the public sector will be impacted by that decision by the UK Government, which I hope will be reversed when

the Chancellor of the Exchequer gets to his feet next week.

We will continue to prioritise tackling poverty by investing £6.3 billion in social security benefits and payments, which is just over £1 billion more than in 2023-24.

We are also proud to support pay deals for the public sector that reflect the vital job that it does by providing support in the face of high inflation. This year's pay deals were around £800 million greater than planned, and our total expenditure on public sector pay is now around £25 billion, which is more than half our fiscal resource. On average, public sector pay in Scotland is around 6 per cent more than in the rest of the UK.

We intend to set out pay metrics for 2024-25 after the spring budget, when the fiscal outlook is updated. However, I cannot stress enough the danger to Scotland's public finances from the decisions of the UK Government at the spring budget next week. We are in the absurd position of finalising our budget plans for 2024-25 today, when, in a week, large parts of it may be impacted by the choices of the UK chancellor. Depending on which briefing is to be believed—or which black-top newspaper—the chancellor possibly has headroom of around £10 billion. My message to the chancellor could not be clearer: prioritise investment in public spending and infrastructure over further tax cuts. That message was echoed by the International Monetary Fund, the Institute for Fiscal Studies, the Resolution Foundation and others.

I now turn to the affordable housing supply programme, which is rightly a topic of much interest across parties and stakeholders. Let me be clear that that remains a key priority for the Government. Since 2007, Scotland has seen more than 40 per cent more affordable homes delivered per head of population than in England and more than 70 per cent more than in Wales. I was pleased to see today's statistics showing that the number of affordable homes increased by 7 per cent in 2022-23, compared with the year before, delivering almost 10,500 homes, which is the highest annual increase since 2000.

The very difficult decision to reduce funding for affordable housing next year was driven by necessity rather than choice. We rely on financial transaction funding from the UK Government, but that has been decreasing significantly, with a reduction of around £290 million—or 62 per cent—since 2022-23. That challenge has been compounded by the UK Government announcing in the past two weeks, through the recent supplementary estimates, that there would be a further reduction of £64 million in-year in financial transactions. On top of that, we have the savage cut to capital budgets of £1.6 billion, all of which is

impacting directly on the affordable housing budget.

Despite all those challenges, we remain focused on our target of delivering 110,000 affordable homes by 2032. To support that, we will bring forward the review that was scheduled for 2026-27 to 2024 and will concentrate on deliverability. Housing will, of course, be a key priority if any additional capital is made available. As I said earlier, the chancellor has the opportunity to do that next week and I urge him to do so. I will return to Parliament in due course to set out the impact of the spring budget on our spending plans, including our plans for affordable housing.

I turn to local government. I recognise the undeniable challenges and I thank the Convention of Scottish Local Authorities and council leaders for their on-going engagement on the Scottish budget. That budget delivers record funding of £14 billion for local government, which is an increased share of the discretionary budget. It baselines almost £1 billion of funding across health, education, justice, net zero and social justice, provides a fully funded council tax freeze that protects up to 2 million households nationally, and gives additional support to our island communities. The 2024-25 local government revenue settlement is already more than £650 million higher than the position that was published in the resource spending review less than two years ago.

However, in recognition of its representations, I have confirmed to COSLA my intention to prioritise additional funding to local government following the spring budget. We will allocate up to £62.7 million of additional funding to local government, in addition to the £147 million that has already been made available. That additional funding is contingent on the freeze to the council tax. I welcome the fact that 15 of the 16 councils that have set budgets so far have confirmed the freeze and protected household budgets across their authorities. I hope that that assurance removes the final impediment for those councils that are still considering their position.

Pam Duncan-Glancy (Glasgow) (Lab): Will the cabinet secretary let councils, including Glasgow City Council, know whether the developing the young workforce funding will be forthcoming before the money for that runs out on 31 March?

Shona Robison: Any further adjustments to the in-year position will be absolutely contingent on what we learn at the spring budget next week. To be frank, we could have an improved position, but we could also have a position that is detrimental to the budget that we are discussing today. I will look at all representations, but that must be in the context of the future funding position.

I have also listened to the case that has been made by island authorities regarding the additional cost of delivering services to island communities. I am keen to work with COSLA to review the effectiveness of the special islands needs allowance. In the interim, I have committed to boosting the islands cost of living fund from £1 million to £5 million to support those services.

In addition to the funding that I confirmed earlier, I am also committed to increasing local empowerment and to working collaboratively to reform and improve existing local fiscal levers. In the short term, and building on the progress that has already been made, the joint working group on sources of local government funding will continue to identify, explore and deliver reforms to council tax, including exploring improvements in the targeting of council tax collection and support for lower-income households. Depending on the final analysis of the recent consultation, I can also confirm our intention to use primary legislation to extend the powers to increase the council tax on second and empty homes.

I am committed to increasing the fiscal empowerment of local government over the course of this session of Parliament and we are already making good progress with the passage of the Visitor Levy (Scotland) Bill. Alongside that, we will continue to explore jointly with local government how a cruise ship levy could be introduced, either in that bill or through another legislative vehicle, and we are keen to explore further options that are brought forward by local government and other partners.

In the budget statement in December, we committed to examining the scope for increased local discretion over fees and charges, including for planning. A consultation on the improvement of planning services, including increased discretion over fees, will launch tomorrow. We are always open to new proposals from local government and to the joint exploration of options for increasing fiscal and functional empowerment. Indeed, we are open to sensible proposals from any source, including from parties across the chamber.

We have also listened carefully to the ask from local government for more scope to take the steps that it believes are necessary to support its local communities, building on our commitment to support Mark Ruskell in seeking a reconsideration of the European Charter of Local Self-Government (Incorporation) (Scotland) Bill. With that in mind, I confirm that we will begin constructive engagement on the request to consider powers of general competence and examine whether the outcome that is desired could be delivered through an adjustment to councils' existing general power to advance wellbeing. Any new powers must balance fiscal responsibility and risk against the

potential for positive outcomes and should therefore be explored in the context of the fiscal framework that we remain committed to developing with COSLA.

The Scottish Government is committed to reforming the council tax. We share that commitment with our partners in the Bute house agreement, the Scottish Green Party, and COSLA. To date, we have taken forward a number of short-term reforms to the council tax, led by that partnership through the joint working group on council tax, which is co-chaired by COSLA and the Scottish Government. As the Minister for Community Wealth and Public Finance discussed with Councillor Katie Hagmann this week, I now commit to supporting the group in its second phase of work, which is focused on longer-term reform. In line with the commitments that we have made in the Verity house agreement, I hope that we will have the support of COSLA leaders, representing all parties, in agreeing to that work, which will include developing and implementing plans for public engagement to build consensus on the nature of that reform. I will provide resource as appropriate to enable that work to commence in the coming financial year, with a view to its conclusion in 2025-26 and the consideration of its outcome by the Parliament before the next Scottish elections.

I have been clear about the fiscal challenge that we face as a result of the UK Government's failure to invest in public services and infrastructure. I have called on the chancellor to rectify that in his spring budget next week, and I continue to press the UK Government to increase the capital funding that is available to Scotland.

This is a budget that, in tough times, protects the vulnerable, invests in public services, grows our economy and tackles the climate emergency.

I move,

That the Parliament agrees that the Budget (Scotland) (No. 3) Bill be passed.

15:18

Liz Smith (Mid Scotland and Fife) (Con): If this budget process has achieved anything, it is the full exposure of the fundamental divide in Scottish politics, which is between those of us who believe that policies to stimulate jobs, investment and economic growth and to encourage aspiration should be the top priority, and those—principally ministers in the Scottish Government and their bedfellows, the Greens—who believe that the so-called social contract between the Government and the public should be the priority, because they believe that that is the best way to improve the delivery of public services and address our social ills.

Shona Robison: Does Liz Smith not recognise the irony of her talk about policies to stimulate economic growth, given that the UK Government has literally put the economy into recession?

Liz Smith: I see the irony of a Scottish Government that pretends to be on the side of economic growth despite the fact that virtually everybody in the business community—I do not know how many economic commentators—have universally said that this budget is not about growth.

John Swinney (Perthshire North) (SNP): Are we to take it, from that clear commitment that Liz Smith has given, that the Conservatives support growth and are opposed to the social contract, that we will not hear any demands, either in her speech or from any of her colleagues on the Conservative side of the chamber, for any more spending on anything other than what is contained in the budget?

Liz Smith: I do not think that Mr Swinney was listening just now, which is most unlike him—*[Interruption.]* Was he listening? I do not think so. I spoke clearly about the top priorities, but that does not mean to say that one is not going to agree with other things. The level of priorities is the fundamental point of discussion in respect of the whole budget. That is not just a policy divide but a philosophical divide, because that debate matters, as does the future prosperity of Scotland.

Yet again, I want to put on the record why our approach, on the Conservative side of the chamber, is about priority for jobs, investment, economic growth, reducing the tax burden, supporting local government and ensuring that there is lasting public sector reform.

In recent days, the cabinet secretary and various ministers—and even Ross Greer, in the latest debate that we had—have said that they have a lot of respect for Sandy Begbie, but they disagree with him when he says that the current Scottish Government tax policy threatens to make Scotland

“a dangerous place to be rich or create wealth”.

The trouble for them, however, is that virtually all the people who are most likely to be able to deliver sustainable growth actually agree with Sandy Begbie.

Ross Greer (West Scotland) (Green): Liz Smith is, again, using the language that she used in the rates resolution debate last week about wealth creators and those who are most likely to deliver sustainable growth. I ask her to clarify something. Does that mean that the Conservatives believe that only the highest earners, company owners and chief executives, and not the vast

majority of the rest of the workers in our economy, are wealth creators?

Liz Smith: No—absolutely not. I am saying that the very people who are complaining the most about the budget are those who are the leaders of businesses and the various sectors, who are able to deliver the policies that we need to supply that growth in Scotland. That is why groups such as the Confederation of British Industry, the Federation of Small Businesses, the Scottish Retail Consortium and the Scottish Tourism Alliance have spoken out, as has Liz Cameron in today's *Courier*, and why there have been warnings from people such as David Bell, David Phillips and other economic commentators, some of whom are suggesting that tax divergence from the rest of the UK is now beyond the tipping point, because it is starting to erode Scotland's competitiveness. I understand that, yesterday, the First Minister actually acknowledged some concern about that problem.

Although I suspect that it is, privately, increasingly concerned about the extent of the backlash, the Scottish Government defends its tax policy on account of the desire to make the system more progressive—although, incidentally, that does not seem to apply to council tax—and because, in its eyes, there is a moral argument for middle to higher earners to pay more to support public services and the so-called social contract.

That argument might hold just a little bit more water if the public could see that their higher tax burden was delivering better public services in health, education, transport, policing and housing. However, all that they have seen are cuts, especially to local government, which is on the front line of public services, and a very unseemly stand-off between Scottish Government ministers and councils. My colleague Pam Gosal will say more about that in her contribution.

It is clear that the public does not believe that the Scottish Government has got its priorities right, and nor do the Scottish Conservatives believe that those priorities are the right ones. For example, the cabinet secretary knows from the two meetings that I have had with her that we would not be introducing the National Care Service (Scotland) Bill, for two reasons. First, we do not believe that its structure will deliver on the bill's intentions, given that there are blurred lines of accountability. Secondly, like the Finance and Public Administration Committee and several key stakeholders, we do not believe that the proposals have been properly costed. That money would be better spent on helping local government to reverse some of the brutal cuts that have had to be made as a result of persistent underfunding by the Scottish National Party.

On the question of the delivery of public services, there is an extremely important debate to be had about how we make limited resources deliver better results. When we measure results, we should measure outcomes and not inputs. I well remember that when I held my party's education brief—I am sure that Mr Swinney will remember it, too—we had a fascinating presentation from Reform Scotland, which had analysed the growing amount of money that had been put into education over quite a number of years. However, according to international measurements, standards were falling.

The same is currently true of other aspects of the economy. For example, we are putting more money into health, which is understandable, but the statistics show that we are not delivering better outcomes. For example, the other day, the Institute for Fiscal Studies said that we are not seeing increased productivity in return for the increases that have been made to public sector salaries, and it highlighted the position in hospitals.

For the second year in a row, the Scottish Government received Barnett consequential from business rates relief. Instead of that money being passed on to businesses in Scotland, it went into the health budget—much to the dismay, I may say, of many businesspeople. At the weekend, we saw Nick Nairn from the hospitality sector commenting about that, and we have also seen people from tourism, retail and leisure all bitterly complaining about it. We disagreed with that decision not just because it had been made for the second year in a row, but because Scotland is losing out at a time when we are desperate to kick-start the consumer economy.

John Mason (Glasgow Shettleston) (SNP): I note the point that Liz Smith makes. Does she accept that some businesses in the hospitality and retail sectors are doing very well, and that it is better to target any support at those that really need it—for example, those in the islands?

Liz Smith: I think that Mr Mason has made that point seven times, in my hearing. I might agree with him on some aspects of the hospitality industry. Overall, though, if we listen to what the Scottish Tourism Alliance is saying, day in, day out, we hear that the increasing tax differential is causing it particular problems. Therefore I cannot accept Mr Mason's general point.

The cabinet secretary did not like the figure of £411 million of savings that I said could have been made had we returned to the 2016 levels that the Scottish Government promised it would get back to, in terms of the size of the public sector, and we have seen a huge—

Shona Robison: Will Liz Smith give way on that point?

Liz Smith: I will take one more intervention.

Shona Robison: I have to point out that, if we were to use the figures in Liz Smith's calculations, that would have meant that anyone leaving the Scottish Government would have done so with absolutely no redundancy package whatever. I am afraid that those figures are not credible at all.

Liz Smith: By the same token, the cabinet secretary is well aware that, had the Scottish economy grown at the same rate as the UK economy, we would have had £6 billion of extra money to spend. Given that angle, I am not going to accept that line.

I will finish by making a couple of other points. It is important that we understand what creates the dynamism, aspiration, innovation and invention that mean that Scotland has so much potential to offer. At the moment, the budget has left Scottish business and industry in a state of despair. I put it as strongly as that—they are in despair. They are well aware of the difficulties that the Scottish Government is in, but they just feel that the whole budget has been anti-growth.

I therefore leave the budget with the cabinet secretary, who should have another think about what on earth we are going to do to mend the big black hole in the Scottish Government's finances, and also to inspire Scotland to get the best out of everything that we should be able to do, without all the barriers and hindrances that the Government has put in its place.

15:28

Michael Marra (North East Scotland) (Lab): Scottish Labour is clear that the budget does not deserve the support of Parliament today. It is a chaotic and incompetent budget, and it has been damned under the scrutiny of the cross-party committees at Holyrood. It fails the Government's own tests, and it betrays its own rhetoric and spin. It is not a budget for growth or public services, and it is not one that fights poverty. It is a budget that is based on the economically and fiscally illiterate assumption that income tax can be used to plug the hole that has been left by the SNP's failure to grow the economy.

Shona Robison: Will the member give way?

Michael Marra: I will not, at the moment.

We heard a little bit more about that from Mr Swinney just a few moments ago. He seems to fail to understand that we deliver a social contract by growing the economy. The two things are not in opposition: we have to deliver growth if we are to deliver public services.

This is a budget that will hike taxes for nurses who are struggling with their mortgages, while the SNP demands tax cuts for energy giants that are struggling with unprecedented profits numbering in the billions of pounds.

The First Minister (Humza Yousaf): Rubbish!

The Deputy Presiding Officer: Please desist, First Minister.

Please continue, Mr Marra.

Michael Marra: It is a budget through which Scots will pay much more but get much less in return. We know that the public finances are constrained by an economy that is not working, with two Governments that have wasted billions, while families count every pound. That is why a future Labour Government would refuse to play fast and loose with the public finances: it is why we will not make unfunded spending commitments, and it is why we will open the books to public scrutiny at the first opportunity, should we have the chance to serve.

People across Scotland continue to struggle in the shadow of the Liz Truss Government that crashed the economy.

Stuart McMillan (Greenock and Inverclyde) (SNP): Will Michael Marra take an intervention?

Michael Marra: No thank you, sir.

We watched on in recent days aghast at the car-crash TV horror show of someone who was a Tory Prime Minister only 18 months ago peddling conspiracy theories on far-right platforms in front of audiences that include known Nazis. We watched on, not in the least bit surprised, while the current weak Tory Prime Minister refused to do anything about it. The sooner this country has the chance to change, the better. It is urgent, and there is only one way that we can deliver that change.

Michelle Thomson (Falkirk East) (SNP): I have commented on this before; I will comment again. I have heard an awful lot about things in the budget that Michael Marra disagrees with, but I have no sense whatever of what, specifically, UK Labour—of which Scottish Labour is a part—will actually do to manage the debt and deficit, and grow the economy. Does that mean that Michael Marra is in favour of increasing capital for this Government and Parliament in order that they can start to address some of the issues?

Michael Marra: Ms Thomson is absolutely right that we have to grow the UK economy, and that we have to take action to do so. I can tell her how we would go about doing that. On day 1 of a UK Labour Government, we would deliver a new deal for working people in the first 100 days—

The First Minister: Oh!

Michael Marra: The First Minister mocks the very idea of putting money into people's pockets through a real living wage, having rights in the workplace on day 1 and banning zero-hours contracts, which are pro-growth policies that would deliver growth for the UK economy.

The Minister for Higher and Further Education; and Minister for Veterans (Graeme Dey): Will the member give way?

Michael Marra: No thank you, sir.

The consequences of that dreadful Tory Government are written into the policies that we are debating today, but this is an SNP book, and no mistake—it is an epic that has been written over 17 years. It includes failure to reform, failure to grow, failure to be prudent stewards of taxpayers' hard-earned money and failure to do the basic job of making the budget work.

Let me give an example of that chaos. Four times in the chamber and in committee now I have asked the Deputy First Minister how much our colleges will have to spend in the coming year. That figure would normally be available to the sector within 24 hours of the budget statement, but here we are, 10 weeks on, and the Scottish Government still has no idea. The Deputy First Minister does not know, because her Government does not know.

The colleges are charged with training the next generation. They are needed to navigate the greatest economic transition that we have faced in half a century. They are today taking applications for courses that they do not know they can even pay to run.

This is the assessment of the SNP budget from the very top of the college sector in Scotland:

"I think we've had four or five different figures—flat cash, 8.4 per cent reduction, 4.7 per cent reduction and 1.5 per cent reduction ... Honestly, pick a number—any number."

There is no direction, no leadership, no clarity, no empathy, no solutions and no clue. There is chaos. There have been multimillion-pound typos. There has been a failure to provide the Scottish Fiscal Commission with key strategic documentation accounting for £25 billion. There has been a council tax freeze that the civil service was not warned of, and to which the Cabinet did not agree, which was announced before a bemused party conference by a weak First Minister in open panic, following a massive by-election defeat. There is a tax policy that the Deputy First Minister has still not delivered, and which SNP councillors have unanimously demanded should not be repeated.

The Government was elected on a manifesto promise to recruit 3,500 additional teachers, but we now know that the SNP in Glasgow City

Council alone will cut 450 teacher posts, due to budget cuts that have been visited on the council by the SNP in Holyrood.

The Deputy First Minister said at the Finance and Public Administration Committee last week that maintaining teacher numbers is critical to helping kids who are in poverty. What an unholy mess—it beggars belief. The Government even manages to run into the ground the things that it claims are its priorities and on which it claims it is focused—its sacred missions. That is almost as ludicrous as a Prime Minister entering number 10 on a promise to grow the economy, only to lead it into Rishi's recession.

Given all that, trying to hide the whole thing is perhaps the rational decision. No wonder the SNP is so keen to make the budget as opaque as possible, in order to try to hide the truth by continually failing to present the coherent figures that have been requested by the Parliament's Finance and Public Administration Committee, or by failing to provide the key documentation that has been promised time and again but never produced.

Shona Robison: Michael Marra just used the word “opaque”. In the interests of transparency, given that he has again set out that Labour would cut taxes, can he set out where the spending cuts would come? Each budget has two sides, and Michael Marra has been here long enough to know that. He set out the tax cuts side, but what about the spending cuts side?

Michael Marra: Labour has been absolutely consistent in the view that the tax policies that the Government is pursuing in the budget are, frankly, not going to produce the growth that we need. *[Interruption.]*

The Deputy Presiding Officer: Members!

Michael Marra: First Minister, I am more than happy to answer—

The Deputy Presiding Officer: Mr Marra, please resume your seat.

I will not have this. We will listen to the person who has the floor, who is Mr Marra. Please continue.

Michael Marra: Thank you, Presiding Officer.

We want a competent Government that does not waste billions of pounds, that can be a reasonable steward of the public finances and which can run services properly. Of course, it was not the—

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Will the member take an intervention?

Michael Marra: No, thank you, madam.

It was not the Labour Party—the First Minister might want to listen to this—but the Institute for Fiscal Studies, no less, that said that the SNP Government presented a “seriously misleading picture” of local government funding and called out the trademark SNP spin on NHS funding, which is, of course, decreasing in real terms.

The Deputy First Minister must wish that she could—*[Interruption.]*

The Deputy Presiding Officer: Mr FitzPatrick.

Mr Marra, please continue.

Michael Marra: The Deputy First Minister must wish that she could channel Jason Leitch and delete it all before bedtime. Competence, transparency, country before party and a Government that is focused on growing the economy and not on saving its own skin is the least that we should expect, and it is all possible.

Let us be clear that people who earn £28,000 do not have the broadest shoulders: it never feels like that for them in the days between the end of the wages and the end of the month. This budget means fewer university places, fewer college courses, fewer houses being built, no new hospitals or health centres and a declining NHS that is on the verge of collapse, with ever greater pain on the way.

We need change and we need it now—things can be different. We can scrap non-dom tax status and we can cut waiting lists. We can reform our NHS for a better future. We can put a real windfall tax on the billions of pounds of profits of oil companies in order to fund lower bills and we could provide 50,000 jobs through a publicly owned UK energy company that would be headquartered here in Scotland.

We can make work pay, scrap zero-hour contracts, deliver day 1 rights on sick pay and parental leave and ban fire and rehire. We can put working people back in charge of their own lives.

We can have a responsible Government that puts country before party and which ensures value for money—value for taxpayers' money. In doing all that, we can bring growth to an economy that two Governments have failed. The sooner we can have change, the better; the sooner we can vote for change, the better; and the sooner Labour can make that change, the better for Scotland.

15:38

Alex Cole-Hamilton (Edinburgh Western) (LD): In this budget, the Scottish Government is reaching for more tax rises. It is punishing low and middle-income families through fiscal drag, it is taking a hammer to the green renewables piggy bank and it is cutting public services for young and

old alike. Why? It is doing so because Scottish National Party and Green ministers are completely out of ideas about how to spark growth, drive innovation or enlarge the tax base sustainably. They have a habit of making costly blunders—for example, the two ferries that are rusting in dry dock, the botched deposit return scheme, the independence papers and the selling of Scotland’s prized sea bed on the cheap. Next in their sights is the clueless and bureaucratic billion-pound ministerial takeover of social care that we are set to debate this week. In every case, taxpayers and public services are expected to pay the price.

The Government is out of touch and is taking people for granted. One thing that it must realise is that it needs the talents of everyone in order to grow the economy and make our country fairer. There is an intrinsic link between the health of our people and the health of our economy. People are waiting in pain for long-overdue operations. Their conditions are worsening by the day. It can take years for people to get the mental health treatment that they desperately need, which means that they cannot get on in life. There are now around 200,000 people in Scotland who are out of work because of mental ill health, long Covid and long-term conditions. According to the Our Scottish Future think tank, that costs our economy £870 million a year.

The longer people are out of work, the worse their prospects become. The longer they wait to be treated, the greater the cost to the NHS. That is why making yet another cut to overwhelmed mental health services makes no sense whatsoever.

The SNP’s choice to freeze all NHS building plans—to put a hard stop on those construction projects—for two years is damaging. That includes the national treatment centres, which were once heralded as the cure for our waiting lists. That halts the much-needed replacement of the Belford hospital in Fort William and the upgrading and refurbishment of Caithness general hospital alongside the Princess Alexandra eye pavilion, which Sarah Boyack rightly mentioned. We need to see joined-up thinking and an understanding that there is an element of spending to save—a preventative agenda.

The same can be said about the 33 per cent cut to the more homes budget, which is totally disproportionate to the challenges that exist within the Scottish Government’s own capital budget. This morning, we learned that homelessness applications are at their highest level since records began, in 2002, with an 8 per cent increase in children in temporary accommodation.

Members should look at some of the things that are being said by the housing and poverty organisations that, together, wrote an excoriating

letter to the Government. They said that the Government is “perpetuating housing inequality” and risking the transition to net zero, and that its cut to the affordable housing budget is

“baffling in the face of spiralling homelessness”.

Those are not my words—they are their words.

The priority that is being placed elsewhere in the budget on social security risks being undermined entirely by that myopic approach to housing. In the cost of living crisis, housing accounts for a huge proportion of household budgets, and cutting housing will push more people into homelessness and precarious situations.

At the most recent election, there was an SNP manifesto commitment to hire 3,500 additional teachers—we heard something about that from Mr Marra—and classroom assistants alongside them. However, teacher numbers have fallen in the two years since then. Members should look at SNP-run Glasgow, where 172 teaching posts are now on the chopping block. *The Times Educational Supplement Scotland* has uncovered that that is part of a plan to cut 450 posts over three years.

Across the country, we will see bigger class sizes and more pupils becoming disengaged or excluded from school. That is particularly devastating for newly qualified teachers who were attracted to the profession by the Government’s promise of work.

Where is the plan to lift up Scottish education? We do not have in-class support for pupils, who are disappearing. Teachers are dipping into their own pockets to pay for basic equipment. Workloads are out of control. The Government is complacent about school violence and it refuses to put any money into fixing the dangerous concrete that exists in the roofs above the heads of our pupils.

Scotland has just recorded its worst-ever scores in the international education rankings, and the SNP-Green budget will make it significantly harder for that to be turned around. There is also a real danger that the Government is on the verge of taking colleges, universities and apprenticeships for granted. We cannot allow our excellent institutions to be downgraded in the way that they are being. In the words of the National Union of Students Scotland, the £100 million cut

“will mean fewer courses, fewer staff and fewer opportunities”.

It will damage key industries that are experiencing skills shortages, especially in renewable technology.

Therefore, I cannot fathom why the SNP and Green members are backing that cut. Why is there an indifference to what is going on? The budget as

a whole will starve Scotland of the climate-friendly initiatives, jobs and skills that are needed to kick-start growth and to enable us to compete in the race for the industries of the future.

Cutting drugs funding will also mean that more people will end up requiring emergency healthcare or will be lost to us entirely in our spiralling drug deaths emergency.

More education cuts will punish pupils, students and anyone who is looking to upskill and retrain for a better life for themselves and their families. If SNP and Green ministers want to take credit for the extra funding that is being invested in pay deals and in social security, so, too, must they take responsibility where painful cuts are being made.

We will not vote for the budget, because people need a liberal budget that invests in local services, mental health and growing the economy; that enables businesses and entrepreneurs to prosper; and that generates the tax revenue that we need to lift up Scottish education, rescue the NHS and build more warm homes.

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

15:45

Kenneth Gibson (Cunninghame North) (SNP): I commend the Deputy First Minister for taking such difficult decisions in extremely challenging circumstances.

The budget clearly sets out to protect our public services, as it provides above-inflation support for the NHS, police and fire services and local government. I welcome the additional funding for island communities, the 50 per cent increase in investment in digital connectivity and the 31 per cent increase for trunk road maintenance.

The Scottish child payment—which is unique in these islands, with no equivalent being likely in the rest of the UK, no matter who wins power at Westminster—rises by 6.7 per cent, which means that £26.70 per week will be paid to the parents of more than 323,000 Scottish children. The Scottish Government should be proud of that. Today, the Opposition parties want us to vote against that.

Of course, although expenditure will increase across most portfolios, there is nothing easier for the Opposition to do than to criticise where expenditure is falling, because, unlike the Government, it does not have to prioritise spending. The Opposition is fearful of upsetting any potential voters or vested interests—it wishes to appear all things to everyone.

Daniel Johnson (Edinburgh Southern) (Lab): Kenneth Gibson's committee's report decreed that

the budget was an example of the Government procrastinating on important decision making, and it made the point that the Government was failing to make the strategic decisions that it needs to make. Does he still agree with that point?

Kenneth Gibson: Yes, I agree with that. However, today, we are talking about the funding for the budget that will apply from April. Last year, I asked where Daniel Johnson's fully costed budget was. He said that he would bring it to my office but, a year later, I am still waiting for it.

That is not exactly the action of a potential Government in waiting, or even a junior partner in the nod-and-a-wink unionist de facto coalitions that we see in Edinburgh, Fife, North and South Lanarkshire, Stirling and West Lothian. In the previous session of Parliament, Aberdeen Labour councillors were suspended for working with the Tories. Such has been Labour's ideological somersault from Corbynite to Blairite, in Edinburgh, councillors were suspended for not working with the Tories.

Opposition members have tediously demanded the impossibility of cutting income tax while increasing expenditure across virtually every portfolio, without making the slightest effort to explain how such increases would be funded. That is lazy, cynical and an insult to the intelligence of the people whom we collectively represent.

At last week's Finance and Public Administration Committee meeting, I asked the Deputy First Minister whether any Opposition parties had come forward with alternative fully costed budget proposals. Her reply was, "There have been none."

Despite all the hot air, bluff and bluster from the Tories, Labour and the gang of four whose name escapes me, this budget is the only game in town. Opposing it will mean less money for health and social care, less for our police and fire services and no increase in social security payments for the hundreds of thousands of our citizens who rely on them. The Opposition parties should stop posturing and get behind this budget.

As we know, while Labour presided over the financial crash that began austerity under Gordon Brown and Alistair Darling, the Tories gave us born-again conspiracy theorist Liz Truss and Kwasi Kwarteng. According to the Pensions Regulator, £425 billion was wiped from pension pots by their reckless mini-budget. To put that in perspective, that is equivalent to £34,000 for every single pensioner in the UK, yet the Tories in this place demanded that we mirror their disastrous policies.

As the Office for Budget Responsibility has pointed out, interest payments have rocketed. The 14 increases in two years have not just hit

mortgage payers and anyone else who is borrowing to invest, to spend or just to get by. Last year, that led to average payments of £318 million each and every day on the UK's colossal £2.54 trillion debt. No wonder the UK is in recession.

Scotland's devolved budget is overshadowed by machinations elsewhere and the chaos of two UK budgets in fewer than four months. Anticipating next week's spring statement, the Resolution Foundation warns of "deep cuts" to stretched public services as Chancellor Jeremy Hunt tries desperately to find money with which to bribe voters through tax cuts.

Liz Smith talked about brutal cuts to local government. In England, eight local authorities have gone bankrupt, including Birmingham City Council, which is the biggest. Andrew Goodwin, the chief UK economist at Oxford Economics, said:

"The problem is that this comes on the back of large real-terms cuts ... Efficiency savings have long since been exhausted—you're now really talking about choosing which services not to provide any more."

The Tories' antics down south destroy any thread of credibility that they have as they make hollow demands for increased spending on Scottish public services.

During the stage 1 debate on the budget bill, Graham Simpson waxed lyrical about his love-in with South Lanarkshire Council's Labour leader Joe Fagan, while merely calling the £1.6 billion cut to Scotland's capital budget "regrettable". Those cuts mean less money for housing, less money for schools, less money for harbours and less money for everything that we need infrastructure for.

Today, the Tories and their better together Labour pals will vote against a fully funded council tax freeze for everyone but will oppose an income tax increase for the best paid 5 per cent of earners. Meanwhile, there is no commitment from United Kingdom Labour to mirror the Scottish child payment. Labour is now the party of unlimited bankers' bonuses, the two-child benefit cap, nuclear weapons, the House of Lords, tuition fees and Brexit.

At stage 1 of the budget bill, Michael Marra uttered not a single word of criticism of the UK Tory Government. I am pleased that he has at least ticked that box today.

Labour criticised the council tax freeze, having denounced the Scottish Government last September for consulting on proposals to raise it for higher-band houses. In this chamber, Mr Marra asked:

"why does the Government think that ordinary Scots should foot the bill?"—[*Official Report*, 6 September 2023; c 16.]

However, during last October's Rutherglen and Hamilton West by-election, Labour made three pledges, the first of which was that it would stop the SNP making residents pay more council tax. It called that "constructive ambiguity", which was Labour's incoherent, cynical and downright dishonest policy on Brexit. It pretended to agree with the previous person it spoke to while somehow forgetting that, as traditional media declines, folk have other information sources and can talk to one another—but then Labour always took voters for mugs.

The Opposition has no convictions to have the courage of. It grumbles but presents no costed alternatives. I urge members to support the budget.

15:52

Pam Gosal (West Scotland) (Con): I am honoured to contribute to the stage 3 budget debate from the Scottish Conservative benches today. Everyone recognises that the relationship between national and local government is critical, especially as it is largely through local government that our public services are delivered. We all depend on that relationship to work. It needs to be built on trust and on a mutual understanding of the particular responsibilities that accord to both levels of government.

Earlier last year, there was a degree of optimism that the Verity house agreement would enshrine those principles. There was even more optimism when, in September 2023, the Scottish Government stated that it was looking to address the issue of multiyear budgets, which has been a consistent ask of local government and the third sector for a long time. How that optimism has been shattered in the 2024-25 budget process.

First, on 17 October 2023, at the SNP conference, Humza Yousaf announced, without any warning—including to most of his Cabinet—that there was to be a council tax freeze. That had come about without any prior discussion with local authorities, and there was no detail about whether the freeze would be fully funded. If that development badly strained relations and threatened to undermine the Verity house agreement, worse was to come. Local authorities were left in complete limbo with regard to the financial implications of the freeze and threatened with the loss of money if they did not agree to the freeze, which, of course, was not even in the powers of the Scottish Government to grant.

Between the end of the year and now, an unseemly stand-off between national and local government has been played out in the media and in the full view of the public, who do not know what to expect when their council tax bills land in their

letterbox. We know, via COSLA, that there have been acrimonious meetings with ministers. On Friday 16 February, COSLA said to the Deputy First Minister in blunt terms that £147 million to fund a council tax freeze was not nearly enough. After all, COSLA had been asking for £310 million—so much for the First Minister’s claim that the council tax freeze is fully funded. In a letter on 21 February, there was a stark admission by the Scottish Government that it is no such thing.

That is no surprise to me because, in my role as local government spokeswoman for the Scottish Conservatives, I have taken the time in recent months to speak to 31 out of the 32 local authorities.

Members: Ooh!

Pam Gosal: Here is what I have been hearing. I hear members saying, “Ooh!” I am doing their job for them in relation to local government. [*Laughter.*] Members are laughing at local authorities.

The Deputy Presiding Officer: Members!

Pam Gosal: Members need to stop and listen. Perhaps they need to take a leaf out of the Scottish Conservatives’ book and understand that listening to local authorities is important.

Shirley-Anne Somerville: Will the member take an intervention?

Pam Gosal: Here is what I have been hearing—this one is for the cabinet secretary. Under the current funding settlement, the three shared priorities are undeliverable. Public services are being cut. A just transition to net zero is a pipe dream. [*Interruption.*]

The Deputy Presiding Officer: Ms Gosal, please resume your seat for a second. This behaviour is not worthy of all members who are conducting in it. It is disrespectful to the member who has the floor. Ms Gosal, please resume your speech.

Pam Gosal: Thank you, Presiding Officer.

In relation to tackling child poverty, the cabinet secretary need look no further than SNP-led Glasgow City Council, which is looking to axe 450 teaching posts, or SNP-led Perth and Kinross Council, which could be forced to hike the cost of school meals, cut school days and close breakfast clubs.

Kevin Stewart (Aberdeen Central) (SNP): Will Ms Gosal give way?

Pam Gosal: I will certainly not give way to that member.

After speaking to 31 local authorities, it is clear to me that this decades-old, outdated system is in

urgent need of reform. Just last week, the Deputy First Minister attempted to bully COSLA and all councils into accepting a council tax freeze, or else the Scottish Government would withhold UK Government Barnett consequentials. Imagine the uproar from SNP members if the Westminster Government told the Scottish Government that it must do as it said or Barnett consequentials would be withheld. Less than a year after the announcement of the Verity house agreement, the SNP is demolishing local democracy in front of our eyes. It is simply unacceptable.

The SNP’s gross mismanagement of the nation’s finances means that we face the worst of all budgets—a combination of tax hikes for hard-working Scots and eye-watering cuts to public services. Our approach to the budget is fundamentally and ideologically different from the approach of SNP and Green members. Our stance is that we are fully in favour of sustained public sector reform, a reduced tax burden, economic growth and support for local government. The measures that the Scottish Conservatives have proposed would make economic growth a top priority and would provide much better support for local government. Those are the two things that the SNP has neglected throughout its time in office, and that has been a major contributor to the black hole in public finances.

15:59

John Mason (Glasgow Shettleston) (SNP): I am grateful for the opportunity to speak, once again, about the budget. I speak in support of the Scottish budget for 2024-25. As others have said, it is a very tight settlement. Clearly, we cannot do all that we would want to do. Yes, we would like the Scottish child payment to be higher and we would like more money for affordable housing, transport, colleges and universities, councils, preventative spending and a range of other sectors that really need the finances. However, we can spend only the money that the Scottish Fiscal Commission forecasts that we will have available.

I want to use my speech today to challenge a few myths that have been circulating during the budget process. Myth number 1: we can increase spending in one area without raising taxes or cutting expenditure elsewhere. No, that is not possible. The Scottish budget must be balanced, so demands for more on the Scottish child payment, on business support or on other things mean a cut somewhere else. Opposition parties have no credibility when they ask for more funding for cause X if they do not tell us where the money is to come from.

Capital expenditure is similar. I agree that we would like to spend more on affordable housing,

and I think that the cabinet secretary agrees with that, as she has said that any extra capital or financial transactions money would go to more new homes. However, we have been forced to accept a very poor fiscal agreement, so the bulk of our capital budget comes from Westminster and we have only very limited powers to borrow. Therefore, more money for housing needs to come from somewhere else, such as economic investment or the transport budget.

Myth number 2: growing the economy is the whole answer. We have had the suggestion from Opposition parties that, if only we grew the economy more, the public purse would automatically benefit and we would not need to raise taxes. In fact, some have argued that higher taxes are necessarily a barrier to the economy growing. However, that is flawed thinking. In the first place, it is difficult to grow the economy if there is a shortage of workers. We have a fairly static total population and an ageing population. We need more immigration to provide the bus drivers, hospitality sector staff and health workers we need. However, without powers over immigration or even just Westminster allowing visas specifically for working in Scotland, we are really up against it.

Secondly, the UK shows that lower taxes do not automatically mean better growth. The UK has lower taxes than a number of our neighbours, with only 38 per cent of gross domestic product going in tax. Despite that, we are now into a recession, with the economy contracting. Therefore, clearly, there is not an immediate link between taxes and growth.

Thirdly, even if the economy grows, the question is where the benefits of that growth will go. If businesses are foreign owned or based in a tax haven, and if their profits increase and go overseas, there is no benefit to the Scottish budget. If people who are already better off just earn more and then spend that money elsewhere, again that does not benefit the public purse. I believe that we should seek to grow the economy but that, as a separate, albeit related, exercise, we need to do more to redistribute income and wealth within Scotland.

Myth number 3 is specifically a Labour myth: we can cut taxes for middle earners but not cut public services. Wrong again—that does not work. No one is saying that middle earners are rich. We are saying that those who can afford it, including middle earners, should pay a bit more tax so that we can all get better public services. Cutting income tax, as Labour suggests—by £560 million, I believe—means cuts to vital public services.

Myth number 4: we can raise taxes as much as we want and introduce new taxes quickly. Many of the Scottish Trades Union Congress proposals for

possible new taxes, plus those for revising how present taxes work, are very good, but some of them would take a considerable time—that is, several years—especially if we required Westminster approval in addition to our legislative processes. Those proposals will therefore not solve our problems for 2024-25.

With council tax, we need to act on a replacement or at least a major revamp. Even revaluation would not be popular among those who would lose out, yet we cannot go on much longer using 1991 property valuations. Houses in more deprived areas appear to have gone up less in value than those in richer areas, which means that poorer tenants and residents are losing out.

On raising income tax, there is no real sign, as yet, of behavioural change that is due to the slightly higher Scottish rates. We need to remember that people make decisions as to where they live and work for a range of reasons. Tax may well be one of them, but so are house prices, which are normally much lower in Scotland than they are in London. I suggest that another reason is living in a more caring country, where people who are in need are treated with more respect—for example, Social Security Scotland treats people with more respect than is often the case with the Department for Work and Pensions.

On social security, it is worth focusing on one of the big positives of the budget. Increasing spending on social security from £5.3 billion to £6.3 billion is a real success story. I have not heard many Opposition calls for that sum to be cut. We will need to carefully watch its affordability as we go forward, but let us be positive right now that the adult disability payment is going to a range of people who need and deserve it but who would not get it if they lived in the rest of the UK.

I suggest that, overall, this is a fair budget in the circumstances. As far as I am aware, the Opposition parties have not come up with any real suggestions as to how it could be amended. The Conservatives and Labour can vote against it at decision time if they want, but they would not do any better if they were in power and I suspect that it would be a lot worse.

16:05

Jackie Baillie (Dumbarton) (Lab): Seventeen years of economic and financial mismanagement by the SNP have come home to roost. The scale of the SNP's financial failings is exposed in a deeply chaotic budget, the impact of which will be felt by generations of Scots for years to come.

Sleight-of-hand presentation cannot mask the reality that public finances are in dire straits and that Scots are paying the price of SNP incompetence. Public services are at breaking

point, and nowhere is that more evident than in the NHS. Members should not just take my word for it. The Scottish Fiscal Commission's analysis reveals that the SNP Government plans to spend less in real terms on health and social care in 2024-25 than it did in the preceding financial year.

Shona Robison: Will Jackie Baillie give way?

Jackie Baillie: Maybe you should listen for a minute.

I am also old enough to remember—*[Interruption.]* I will give way on this point, because I would like to hear what the Deputy First Minister has to say.

The Deputy Presiding Officer: Jackie Baillie, please resume your seat. Mr Swinney is gesticulating at the chair. I am not sure what he is trying to say. If he wants to say something, he should raise a point of order.

John Swinney: On a point of order, Presiding Officer. Members are supposed to address each other properly in the chamber. Jackie Baillie, who is a long-standing member of the Parliament, was failing in that. That is all that I am gesticulating about.

The Deputy Presiding Officer: Thank you, Mr Swinney. That is noted.

Ms Baillie, we need to refer to members courteously and, of course, through the chair.

Jackie Baillie: I always endeavour to do so, Presiding Officer, and I learned everything that I know from John Swinney, so I am grateful to him for the reminder of behaviour.

I am genuinely long enough in the tooth to remember that, for the last two years of a UK Labour Government, when the SNP was in government here, the money that was passed on to Scotland for the NHS was diverted away from it by the SNP to be spent on other things. Had the SNP not done that, the NHS would be at least £1 billion better off in the budget now.

Let us roll forward to 2021, when the SNP's NHS recovery plan promised more than £1 billion of investment to increase NHS capacity, reform the delivery of care and quickly get everyone the treatment that they needed. Humza Yousaf presented a flagship network of national treatment centres, with at least 40,000 additional elective surgeries and 40,000 procedures per year by 2026, increasing to 50,000 in the years after. By 2026, an additional 1,500 staff would be recruited to work in those national treatment centres.

Those plans were apparently costed and worked out. Audit Scotland, in a scathing report in September 2023, warned about delays. Now, many of those national treatment centres have been cancelled or postponed for years. The result

of that incompetence is that planned operations continue to lag well behind pre-pandemic levels: 60,000 fewer operations were carried in 2023 out than were performed in 2019.

Those cancellations and delays are already impeding the recovery of our NHS, and waiting times are getting even longer for people who are waiting for in-patient treatment. That is nothing less than an insult to the almost one in six Scots who are on an NHS waiting list and the hard-working NHS staff who are simply trying to do their jobs in a broken system.

Audit Scotland has described Scotland's NHS as directionless, risking patient safety and on the brink of breakdown. Health is fully devolved, and responsibility lies with the SNP Government. The Deputy First Minister, like the rest of the Government, is at pains to blame everybody else, but there comes a point when a little self-reflection is required. After 17 years in power, the SNP has left the health service at breaking point, with extreme overcrowding and long waiting times threatening patient safety.

Let me focus on capital. There has been a 10 per cent cut to the capital budget for the Scottish Government over the next five years, but there has been a 100 per cent cut to the capital for new health projects. National treatment centres that are critical to tackling waiting times have been delayed for years in Ayrshire and Arran, Lanarkshire, Lothian, Grampian, and Tayside. They are all gone and there is no answer about what will happen now to tackle waiting lists.

People in the Highlands are waiting for the redesign of Caithness general hospital and the revamp of Raigmore's maternity services, which are now parked on the shelf. Lochgelly and Kincardine in Fife, the Liberton GP practice, the Gilmerton GP practice, East Calder in Lothian and Greenferns in Aberdeen have all been denied desperately needed health centres. Funding has been pulled from the Edinburgh eye pavilion, despite promises to the contrary, and a new cancer centre in Lothian has been delayed. A promise to publish the revised capital investment plan alongside the budget has been broken. There is no transparency from the SNP—there is just more secrecy.

Where has the capital gone? What is it being spent on? Overpriced replacement ferries are costing almost four times the original, at almost £400 million, and they are seven years late. What other capital projects will be cancelled or delayed? Will it be the A9 or the A83 at the Rest and Be Thankful? The reality is that we simply do not know.

The crisis in social care deepens. Care packages are cut, contracts are handed back, staff

morale is low and the number of vacancies is growing.

The SNP can spin out of this in any way it wants to, but this is a Government that has lost control and is financially incapable of running the country. The real-terms decline in funding to the NHS is an insult, as is the real-terms cut to the social care budget, and the impact of those cuts will impede the recovery of our health and social care services for decades to come. SNP ministers have, for years, promised patients and staff that they would deliver state-of-the-art national treatment centres, but despite almost 830,000 Scots being on waiting lists for tests and treatment, those promises have been broken.

The people of Scotland should not have to pay the price of SNP incompetence. That is why Scottish Labour cannot vote for the budget today and why only Scottish Labour can be trusted to support our NHS and social care services and their dedicated staff, so that they can deliver for the people of Scotland.

16:12

Stuart McMillan (Greenock and Inverclyde) (SNP): The budget is set against the backdrop of some of the toughest conditions that the Scottish Parliament has faced. We have had to contend with 14 years of Westminster austerity, which has been compounded by a Brexit that Scotland did not vote for and is wiping billions from the UK economy, and has also been exacerbated by the Truss-Kwarteng mini-budget disaster that further contributed to inflation rates rising and the cost of living crisis deepening. Yet, despite our being presented with a profoundly challenging financial situation that is not of Scotland's making, the budget sets out to protect people, sustain public services, support a growing sustainable economy and address the climate and nature emergencies. I will be voting for the budget, but we all recognise that we could spend more money on every single department if the money was there.

At the heart of the budget is the social contract with the people of Scotland, where those who have the broadest shoulders are asked to contribute a little more. It is a budget that reflects our shared values as a nation and speaks to the kind of Scotland that we want to be—one where everyone has access to universal services and entitlements, and where those who are in need of an extra helping hand receive targeted additional support. The Scottish child payment is an example of that.

Given the reckless economic mismanagement that is on display at Westminster, it has become increasingly important to prioritise the most vital services: the NHS and social security. That means

supporting those who are on the lowest incomes, including by lifting kids out of poverty, despite the Scottish budget being slashed by Westminster.

Health is one of the key issues that constituents raise with me, as I am sure that they do with other members from across the chamber. Although health is fully devolved, I often remind constituents that, without the full levers of power, it is misleading to treat Scotland as if we are already independent, considering how devolved areas are funded. For example, the Tories delivered a 3 per cent real-terms cut to England's NHS in their autumn statement, yet the SNP and Green Government has just increased the front-line NHS budget in real terms. That is a choice that the Scottish Government has made, despite the UK Government providing less funding in that area.

When we compare Scotland's health record with that of Labour-run Wales, we see that we have more GPs, more dentists and more qualified nurses and midwives per 100,000 people. The SNP Scottish Government has also protected free eye exams, whereas people in England and Wales must pay for that service. In fact, people across Scotland have reaped several benefits since the SNP came to office in 2007, including free prescriptions, free school meals, free childcare for three and four-year-olds, free bus travel for under-22s, free dental care until the age of 26, seven additional welfare benefits—including the Scottish child payment, which I have already mentioned—and publicly owned rail services.

Brian Whittle (South Scotland) (Con): Will Stuart McMillan give way?

Stuart McMillan: Hold on.

Free university tuition is saving Scottish students thousands of pounds. However, only last week, Michael Marra suggested that Labour would consider reintroducing back-door tuition fees.

Earlier, Michael Marra touched on windfall tax, but he must be honest with the population. The windfall taxes that he was talking about would be based on the global profits of energy companies and not the profits that are made solely in the UK. Is Michael Marra suggesting that a future Labour Government, possibly later this year, will attempt to charge a windfall tax on profits made in France or elsewhere?

Michael Marra rose—

Stuart McMillan: If he wants to answer that, I will take his intervention.

Michael Marra: I appreciate Stuart McMillan giving way. What Labour is proposing is a real windfall tax that will pay for a green prosperity plan that will deliver 50,000 jobs in Scotland and will include a publicly owned energy generation company that is headquartered in Scotland. Those

are the kinds of transformation projects that can be undertaken by taxing the energy companies, whereas this Government appears to believe that somebody with £28,000 has broad shoulders and should pay the costs.

Stuart McMillan: Michael Marra did not answer the question that I posed to him. The question was about the global profits of energy companies and not the profits that are made solely in the UK. Although Labour likes to think that it knows better when it comes to the interests of the people of Scotland, its rhetoric—as we have just heard—says it all.

We read in *The Greenock Telegraph* last week that Jackie Baillie has called for ring-fenced funding to be given to the treatment of long Covid patients. Although I, too, want more money to be spent supporting people who are suffering from long Covid, I found it strange—

Jackie Baillie: Will Stuart McMillan take an intervention?

Stuart McMillan: Haud on a minute, Ms Baillie.

I found it strange that Ms Baillie sought for the Barnett consequential to be ring fenced for long Covid when, normally, her party is vehemently against any sort of ring fencing. That shows how the argument can change depending on the politics that are being used.

As in almost every other budget process, local government finance is a focus for Labour, which, year on year, shouts about cuts but never wants to accept that Scotland's budget has been reduced by Tory austerity budgets for the past 14 years.

Budgets are about choices, and I am pleased that the Cabinet Secretary for Finance is providing additional resources for local government. It is now a choice for local councils as to whether they implement the fully funded council tax freeze or place an additional burden on households.

In Inverclyde, the Labour council group wants to introduce a two-year budget that will see the council tax increase by 8.2 per cent next year and a further 6 per cent the year after. In contrast, the SNP council group has proposed a one-year budget that will implement a council tax freeze, keeping more money in my constituents' pockets. It is interesting that Inverclyde Labour is proposing a two-year budget, because, if Sir Keir Starmer wins the next general election, it would surely expect him to give Scotland more money. However, Labour clearly does not believe that that will happen, and we have heard nothing about that this afternoon.

I will support the budget. Like all members across the chamber, I would like more money to be invested in every area, but that is only possible with independence for Scotland.

16:18

Liam Kerr (North East Scotland) (Con): In late January, Richard Lochhead, the Minister for Small Business, Innovation, Tourism and Trade, intervened on me, asking for my help in suggesting how the Government could increase its budget. In response, I offered that he should

“cut the waste and grow the economy”.—[*Official Report*, 25 January 2024; c 76.]

The second element of that point is illustrated by Office for National Statistics figures that show that Scotland would have an extra £6 billion in tax revenue over the next 10 years if our economy grew at the same rate as the rest of the United Kingdom. However, it will not have that revenue: PwC forecasts that Scotland will have the fourth-lowest GDP growth of any UK region in 2024.

What concerns me most is that the budget makes it abundantly clear that the Government has no strategy to grow the economy. Specifically, short-termist and blinkered decisions are being taken around education and skills, which were described in a recent editorial in *The Scotsman* as

“the fundamental building block upon which everything else depends.”

Alasdair Allan (Na h-Eileanan an Iar) (SNP): I am interested in the member's theory that there are policies that a devolved Scottish Government could pursue that would somehow release the untold billions in products of economic growth that he mentioned. Could he explain to me how that would be possible, given that VAT, corporation tax and most of the extra taxes that such businesses would pay all go to the UK Government?

Liam Kerr: We can talk about a small business bonus or income tax; there are innumerable ways that that could be done, which have been articulated throughout the afternoon. If the member cares to listen, I will give him some more examples. A proper strategy and, by extension, a proper budget to grow the economy would look at how we get people into the economy with the skills that they need and the qualifications that employers require.

John Mason said that it is difficult to grow the economy if there is a shortage of skilled workers, and for once—uniquely—he is right. We will not get those workers by cutting the economy budget by £97 million, the enterprise budget by £62 million or the employability budget by more than £30 million. We certainly will not do that by axing the flexible workforce development fund, which, according to the Chartered Institute of Personnel and Development, is one of the key interventions in the upskilling space, as well as a unique offer for Scottish apprenticeship levy payers. It is also particularly surprising that that fund is being axed

given that an independent evaluation unequivocally recommended its continuation.

The Minister for Social Care, Mental Wellbeing and Sport (Maree Todd): Does the member think that it will help to attract people to work in our social care system if the UK Government creates a hostile environment that says very clearly that although they are welcome to come and look after our most vulnerable people, their families are not welcome in the UK? That is exactly what the UK Government has done. We need immigration as well as growth.

Liam Kerr: I am grateful to the member for giving a speech in the middle of my contribution. She ought to be listening to my points about upskilling the Scottish economy. That is not done by slashing funding to the Scottish Funding Council by more than £141 million. Our higher education sector is already struggling, and it does not need a budget that the Institute for Fiscal Studies said brings cash cuts of almost 6 per cent to resource budgets and a £28.5 million cut to teaching grants. As we heard, that means a cut of at least 1,200 places for Scottish students.

Bear in mind that the supply of talent to grow our economy will also come from the further education sector. The SFC reports that two thirds of colleges are already facing a budget deficit and the Auditor General recently warned about sustainability in the sector. However, the budget sets out a funding reduction of £33 million in revenue funding, which colleges are warning might lead to a reduction in places, further limiting the future supply of skilled entrants. Given that the number of college students has fallen by more than 140,000 since the Scottish National Party came to power, that is a staggering lack of planning by the Government.

Make no mistake: this is not only about young people. The SNP Government's adult learning strategy states that more than 300,000 Scottish adults have

"low or no qualifications"

and that almost 2 million Scottish adults have

"low numeracy skills."

The response in the budget was to cut lifelong learning funding by almost £24 million.

We must not forget that, last year, there were more than 350 fewer science teachers, 300 fewer maths teachers and 180 fewer computer science teachers than there were in 2008. Furthermore, a Scottish Government document that came out today shows that the number of pupils leaving school with no qualifications is at a 13-year high.

I will not be voting for the budget today, as it has been put together without any form of strategic

plan by a cabal of ministers, several of whom have been out of the economy for so long—if, indeed, they were ever in it—that they clearly do not understand how to grow it, are just economically illiterate, or, I dare say, both.

The Government's budget is making the wrong choices for Scotland, preferring short-termism, diversion and grievance over coherent, cogent, competent strategic policy making. I will vote against it.

The Deputy Presiding Officer (Liam McArthur): I advise members that there is no time in hand and that any interventions will have to be accommodated in the time allocated for speeches.

16:24

Ivan McKee (Glasgow Provan) (SNP): It is a pleasure to speak in what is arguably the most important debate of the year. The budget is not just about getting the numbers to add up but, as the Deputy First Minister has so clearly outlined, sets out the Government's hugely important values, approach and priorities.

We must recognise and appreciate the UK Government's fiscal context; the drag caused by Brexit, which is pulling down our economy; and the fallout that we are still living with from the disastrous experiment in Trussonomics, which we see in the numbers that the Deputy First Minister laid out today. That will not get any easier when UK Labour is rapidly back-peddalling on its commitments, whether those are on green investment or support for social security payments.

We should be proud of our values, of the social contract between the Government and people of Scotland, of the provision of universal services and of the principle that those who can afford to pay more should do so. I will list those services, because we sometimes forget about them: free tuition fees, free prescriptions, free travel for the under-22s, free school meals, free childcare, and free dental services for those under 26. Of course, there is also the Scottish child payment, among many more benefits.

We should be proud of the work that the Scottish Government has done to embed that social contract and of its acceptance by the people of Scotland. However, part of that social contract should be to continue ensuring that we have excellent delivery of those services and that we spend taxpayers' money as efficiently and effectively as possible.

Brian Whittle: It is all very well having free dental care up to the age of 26, but if people cannot actually access NHS dental services because that is not financially viable for the dentist

then they cannot access treatment and they cannot access the legal service. That inequality is a direct responsibility of the SNP Government.

Ivan McKee: If the member looks at the comparable data for the rest of the UK, he will find that the Scottish Government is doing a better job than the UK Government in all those regards.

I will focus on how we strengthen that social contract and maximise the funds available to support front-line services. The Scottish Government absolutely recognises the importance of delivering an expanding tax base to fund that social contract.

I will first talk about how we can broaden the tax base, ensuring that more taxpayers are paying more tax and that we have more higher-rate taxpayers in Scotland. We all agree with the progressive principle, but it is hugely important to understand where we are in that regard and to monitor that to ensure that the policies we are executing deliver more, not less, revenue.

We need to understand the percentage of revenue lost due to behavioural changes, doing so both through the Scottish Fiscal Commission's theoretical calculations and by understanding what is happening in reality. We know that more people are moving to Scotland from the rest of the UK than are moving in the other direction. We must continue monitoring that very closely. I look forward with interest to the longitudinal data that will soon be published by His Majesty's Revenue and Customs and that will track how Scottish and UK taxpayers move, so that we can understand in more detail the effect of the tax changes that have been rolled out in the past few years. We must also understand the multiplier effect, which is not only about tax revenue but about the money that is spent within the broader economy as a consequence.

My second point is about the need to broaden types of tax. It is important to recognise the need to move beyond income tax to have a coherent policy on property taxes. I very much welcome the Deputy First Minister's commitment to take that work forward and review those property taxes, so that we can have more progressive and proportionate taxation as a consequence. I also welcome the commitment to work towards more decentralisation, particularly of the general power of competence, to give councils more power to address broader issues.

Daniel Johnson: Given that one of the two income tax measures that the Government set out raises only £7 million, is the member suggesting that that should be reviewed?

Ivan McKee: It is clear from what I said that it is important to continue monitoring the percentage of behavioural change. If measures lead us to a

position where the data shows that we are receiving less revenue, then those measures do not make economic sense, or sense for the funding of our public services. The member knows the SFC numbers as well as I do and we both look forward to seeing future data—as I am sure the Government does—from HMRC.

My next point is about spending. A lot of numbers are thrown around about the spends of different portfolios. It is important to go below the bonnet on that, to understand, below those headline numbers, how effective each spend is. Christie gives us the road map and underlining principles to take forward that work to understand how effectively and efficiently that money is spent in each portfolio and what the opportunities are for the removal of duplication and more effective and efficient public service delivery.

The public sector reform agenda needs to pick up pace, and I look forward to that being taken forward with clear metrics on what we are measuring and comparisons across different organisations—all 129 of the Scottish Government's agencies and non-departmental public bodies. Data on the details of the spend—how much is spent in the back office versus the front line—is hugely important for each of those bodies. It is important that we understand the delivery of funding streams, in order to make those as streamlined and efficient as possible. We have spoken about the estates strategy, and there is much more besides.

What is really important, as a number of members have raised, is to recognise the lack of powers of the Parliament and the Government—for example, on economic levers around company law and tax, and levers around employment law to drive up low wages. The Labour Party has refused to support the delegation of that to the Scottish Parliament.

There is a lack of borrowing powers, which Scotland needs to have as normal independent countries do. Only with those full powers of independence can we deliver on the potential of the Scottish economy.

16:31

Mark Griffin (Central Scotland) (Lab): I draw members' attention to my entry in the register of members' interests, which shows that, until July last year, I was the owner of a private rented property in the North Lanarkshire Council area.

This budget has been entirely chaotic. It will send the housing emergency spiralling and it has surely put the final nail in the coffin of the Verity house agreement. Working people will pay more and get less; the 10,000 children who are trapped in temporary accommodation will continue to be

stuck there; and the Government has finally admitted what we all knew—that the council tax freeze is underfunded. The Government has used Barnett consequentials, which arise from money that is allocated to local government in England, to restore the previous cut to councils' budgets. That is particularly galling—in essence, it uses councils' own money to plug Government cuts.

The finance secretary said that the budget was built on

“Our values of equality, opportunity and community”.—
[*Official Report*, 19 December 2023; c 9.]

There is an overused quote when it comes to budget times:

“Don't tell me what you value. Show me your budget, and I'll tell you what you value.”

Shelter has come to an assessment of the Government's budget. In its intervention—which is possibly the most devastating response to a budget in all my time in the Parliament—it has made clear what it thinks of the Government's values. It said:

“The Finance Secretary called this a ‘values-led budget’. Those values now include increasing homelessness.”

How any Government could receive such a damning critique from experts who deal with homelessness and just carry on without making any changes is astounding. To cut £200 million and pretend that 110,000 affordable homes will still be built has been described this morning by Shelter as an attempt by the Government to “gaslight” homeless people.

Ross Greer: I pose to Mark Griffin the same question that I posed to him two weeks ago, and I hope that the Labour Party has considered it since then. This year, the Scottish Government faces a £485 million real-terms cut to its capital budget. Once what is legally or contractually obliged or safety critical is taken out, almost no options are left for balancing the capital budget. How would the Labour Party have done it instead? Nobody claims that it is a good decision.

Mark Griffin: Ross Greer made that intervention a number of weeks ago. He makes the mistake of thinking that this is somehow a day 1, year 1 SNP Government budget. It has been 17 years in the making. The Government is reaping what it has sown in its wasteful spending.

John Swinney: Will Mark Griffin give way?

Mark Griffin: I am sorry, but I do not have time.

It is wasteful spending. There has been an absolute failure to grow the economy. That is something that has come not just this year but has been arrived at over a number of years.

Again, I make the point that I made to Mr Greer a number of weeks ago. We do not come to the chamber asking the Government to fund new commitments—we are simply asking the Government to meet its own commitments. It promised the people of Scotland that it would build 110,000 affordable homes, but it is cutting £200 million from the budget for that. That is the Government's failure, not this Parliament's failure.

We have to realise that the reason why the Government is in this mess in the first place is because the First Minister felt the need to stand up in front of the SNP conference and make £500 million of unfunded promises to get him through his first conference speech. When it comes to the budget, it is clear to everyone outside the chamber, as well as those inside it, where the fault lies.

On the eve of this debate, on the front page of the *Daily Record*, the Scottish Federation of Housing Associations, Homes for Scotland, the Chartered Institute of Housing, Shelter Scotland, Crisis and the Joseph Rowntree Foundation all spoke openly to set out the incredible damage that this values-led budget will do.

Independent research shows that 693,000 households have some form of unmet housing need. YouGov polling shows that 80 per cent of the country think that we are in a housing crisis. There are 250,000 people on social housing waiting lists, 30,000 people are homeless and 10,000 children are in temporary accommodation. In that context, to take a 4 per cent cut to the capital budget and end up with a figure for housing cuts that is six times higher is simply malicious. That is a hammer blow to the housing sector that will boost homelessness and push the housing emergency in the wrong direction.

It is no wonder that those in the housing sector think that the Government's promise to deliver 110,000 affordable homes is gone and that bringing forward a review of the scheme is a tacit admission of failure.

I am talking about the children in temporary accommodation; the first-time buyers; the workers who are building the homes; the sons, daughters, friends and families who are living in overcrowded homes, unable to buy somewhere of their own or stuck in unfit homes or on waiting lists; and the working people who are paying more but getting less. They have all been abandoned by this budget, which Parliament should reject.

16:37

John Swinney (Perthshire North) (SNP): This budget takes place at a time of enormous fiscal challenge for the Scottish Government in dealing with the cumulative impact of 14 years of austerity,

the unwanted Brexit process, rampant inflation and increased borrowing costs. Some of those factors are a product of the problems on the international stage, especially the illegal invasion of Ukraine and the conflict in the middle east. However, most of them are a direct product of the deliberate policy and financial choices of the United Kingdom Conservative Government.

That context forces this Parliament to address some acute financial and policy issues, and the Scottish Government has been prepared to do that. The Government's budget priorities of equality, opportunity and community deserve our support. On equality, tackling poverty and protecting people from harm is ably demonstrated by the commitment to the Scottish child payment, which is lifting children out of poverty. On opportunity, we are building a fair, sustainable and growing economy, with—crucially—Scotland's wealth per head having increased by 10 per cent since 2007 in comparison with 6.4 per cent in the United Kingdom. On community, we are delivering efficient and effective public services, with greater investment in NHS recovery than would have been the case if Scotland had followed policy in the United Kingdom.

Despite the prevailing economic and fiscal conditions, the Scottish Government has taken decisions to expand the resources that are available to Parliament to spend. That has meant that Parliament is able to invest in the social contract that is so vital to people in Scotland. The existence of free access to higher education is an important part of that contract, as is access to 1,140 hours of early learning and childcare, which is more than double what was on offer when we came to office in 2007. The maintenance of free personal care for the elderly is a policy choice that has to be paid for, as is the availability of concessionary bus travel for over 60s, which has now been extended to young people under the age of 22.

In that respect, I met some pupils yesterday at Perth grammar school, who explained to me the significant increase in the opportunities that are available to them to participate in society as a result of the policy innovation that this Government has taken forward.

Those choices are available only because the Scottish Government is prepared to take the financial decisions needed to make them possible. Some of those have involved being prepared, over a number of years, to take a progressive approach to taxation. I commend the Government for doing that.

One of the acute challenges in the budget is the capital programme. The UK Government plans to reduce capital funding for Scotland by 10 per cent in real terms over the next five years. That is a

very short-sighted policy approach that does not recognise the need for sustained investment to support long-term competitiveness. It also takes place at a time when the value of capital budgets has been eroded by soaring inflation. Private sector organisations tell me that in the past two years their construction costs have risen by 30 to 50 per cent. If that has happened in the private sector, why on earth does Parliament not believe that it is also happening in the public sector? To answer Jackie Baillie's question about where the money has gone, the money for capital projects has been eroded and eaten up by inflation, which the Conservative UK Government has allowed to become rampant.

The Scottish Government has a commendable record on capital investment, with the successful completion of the Queensferry crossing, the Aberdeen western peripheral route, the M8, the M80, the M74, the Borders railway and the Airdrie to Bathgate line. I point out to Mr Griffin that, on average, the Scottish Government has built more social houses per annum than the previous Labour and Liberal Executive managed to do. I look forward to the budget continuing to support the dualling of the A9, a project on which the Government has already embarked and which it is committed to completing.

Liz Smith: Mr Swinney has just reeled off some of the Scottish Government's successes on capital spend. Does he acknowledge that there has also been a huge category of failures because of the waste that the Scottish Government engaged in on several really big commitments, such as those on the ferries, Burntisland Fabrications and a range of others? Had those been successful, we would have had an awful lot more money in this budget.

John Swinney: There will be capital projects that get into difficulty, such as the UK Government's projects for frigates, aircraft carriers, and high speed 2, which are squandering money left, right and centre. The Tories do not have a leg to stand on as far as public finance management on capital projects is concerned.

That brings me neatly to where I intended to end on the Opposition. If the Conservatives' plans were followed here, we would have to take £1.5 billion out of this budget. If Labour's plans were followed, we would have to take £561 million out of the budget. I wish that I had some of the brass neck of the Conservatives, who come here and lecture us about public finances when every one of the members currently sitting on their front bench—Liz Smith, Murdo Fraser and Liam Kerr—told us to do what Liz Truss did, which resulted in wrecking the United Kingdom's economy and public finances. I wish that I had a smidgen of the brass neck of that crowd.

In Scottish Labour's tradition of making empty, vacuous speeches that are high on rhetoric and devoid of choices, Mr Marra has truly excelled himself today. His contribution perhaps competes only with the vacuous speech made by Jackie Baillie.

The budget is being undertaken in difficult circumstances, but, despite the gravity of that challenge, it will deliver formidable benefits to the people of Scotland. I urge Parliament to support the Government in its efforts to deliver equality, opportunity and community, in line with the values of the people of Scotland.

16:43

Ross Greer (West Scotland) (Green): It has been said already that there has never been a more difficult context in which to set a Scottish budget. Going into it, we have a £1.5 billion gap, which would have been a £3 billion gap had we followed the tax policies set by the Conservatives and had Parliament rejected those championed by the Greens in recent years.

There has been a huge cut to the capital budget of almost £0.5 billion in one year and more than £1.5 billion over the remainder of the capital spending cycle. Despite those challenges, the budget reflects Green values. It puts people and planet first, and it is honest about the need to redistribute wealth to deliver on those ambitions.

The contrast could not be sharper. Earlier this month, we heard that the planet has hit 1.5°C of global warming. That is catastrophic, yet the UK Government is ditching its climate action measures and approving more oil and gas licences, and the Labour Opposition is ditching its UK-wide £28 billion green spending commitment. We should compare that with the £4.7 billion in the Scottish budget for climate and nature, which is securing our country's and our planet's future. It is taking action now to tackle the climate crisis, restore our natural world and create jobs for the future.

Michael Marra: Will the member give way?

Ross Greer: Not at this point.

I will repeat a quote from Francesca Osowska, the chief executive of NatureScot. She said to the Finance and Public Administration Committee:

"I see in the budget a shift towards recognising the long-term challenges of climate change."—[*Official Report, Finance and Public Administration Committee*, 9 January 2024; c 42.]

What the Scottish Government is doing is working. We saw that in the Fraser of Allander Institute report that was published just a few weeks ago, with an increase from 27,000 to 42,000 jobs in the renewables sector in just one

year. The budget includes £67 million for the offshore wind supply chain, which is a doubling down on that key sector. We cannot prioritise everything or every sector, but that money shows that the Scottish Government is investing in green growth in the sectors that will really reward us for years to come.

Liam Kerr: Will the member take an intervention?

Ross Greer: Not quite at this point.

We need to ensure best value for money in our spending, and that is about setting stricter conditions on the money that goes from the public sector to the private and third sectors. When Ivan McKee was Minister for Business, Trade, Tourism and Enterprise, he made a lot of progress on applying real living wage conditions to grants and contracts issued by the Government. That was a great move, but we need to move forward. The budget includes a commitment to move towards disqualifying from those grants and contracts companies that use unpaid trial shifts.

We can go further again. We should apply that commitment not just to grants and contracts, but to all money that moves from the public sector to the private sector. Bus companies would be an obvious area for that. We can strengthen fair work commitments and what that actually means, moving away from the somewhat abstract concept of the worker's voice to make it clear that the Government expects any company in receipt of a grant or contract to recognise trade unions. That is important for making progress on our child poverty targets, for example, when funding is limited.

The council tax freeze is clearly not what the Greens would have chosen, and it cannot happen again, but we are not voting down a budget with £4.7 billion for climate and nature and £6 billion for social security just because we are unhappy with one policy. I welcome the Deputy First Minister's commitment this afternoon on the next steps on council finance reform, which involve more than doubling council tax on second and holiday homes, not just raising more revenue but freeing up more housing.

The power of general competence is an incredibly important power, and I welcome the commitment to explore that. It would be living up to the value in the Verity house agreement of local by default, national by agreement if we were to empower councils in that way. The Greens do not want an English-style general power of competence that does not allow councils to create their own taxes and levies but does allow them to make the kind of dodgy investments whereby councils such as Thanet have financially catastrophised. That cannot be where we end up. The general power of competence presents a

huge opportunity, however, and will build on the commitments that have already been made for a visitor levy, a cruise ship levy and a carbon emissions land tax, as well as the progress already made on doubling council tax on holiday homes. There are also the infrastructure levy and the public health levy, which is mentioned as a commitment to explore. That particular levy is important, as I do not think that the general public want supermarkets to pocket the profits from any increase in minimum unit pricing. That money should be reinvested in our health service.

I am proud that, despite inflation and cuts, we are funding essential services from progressive taxation. I understand Conservatives' opposition to such tax policies, which is in line with their economic philosophy. I accept that Liz Smith put forward an alternative saving option for the national care service. The problem is that Graham Simpson, in his stage 1 speech, spent it many times over—never mind what Conservative colleagues have said this afternoon.

It is not surprising, but the Labour Party is disappointing the rest of us on the left of the spectrum by mimicking Tory tax policy, opposing not just its own manifesto but its own votes in the Parliament for previous rate resolutions. I really felt for Michael Marra today. His script was clearly written for him in London. For years, we have asked what Scottish Labour's budget policies are, and today Mr Marra told us. Scottish Labour's alternative to the budget is to sit tight and just wait for England to start voting for the Labour Party. It is an admirable sales pitch for Labour's general election manifesto, but, as Mr Marra is fond of reminding us, this is the Scottish Parliament and, if the Scottish Labour Party was in charge, the 90,000 children who have been lifted out of poverty this year by this Government's policies would still be waiting. That shows a total lack of ambition for Scotland. We saw how Scottish Labour is not in charge of its own policy, with the removal of the reference to collective punishment from the Commons ceasefire debate last week, and that could not have been better symbolised than by the Labour Party confirming that, if it wins the next general election, it will lift the cap on bankers' bonuses but will not lift the two-child limit on child benefit.

This is a budget with Green values at its heart: cancelling school meal debt, extending free school meals to 20,000 more children, providing a record £4.7 billion for climate and nature, and creating jobs in the green industries of the future, all funded by the redistribution of wealth from those at the top to the most vulnerable people in our society and to the public services that need it. That is why the Scottish Greens will vote for the budget today.

16:49

Jackie Dunbar (Aberdeen Donside) (SNP): I am pleased to speak in support of the budget. It is a difficult budget at a difficult time. Years of Tory austerity have taken their toll on the budget, as has the sky-high inflation of recent years, which means that the money that we are allocating is stretched much thinner than it might have been—and that is before we factor in that things have been made worse by Brexit and by nearly every one of Liz Truss's 50 days as Prime Minister. In short, times are tough. That stands true not only for the Scottish Parliament's budget, but for household budgets across this country.

I believe that this budget delivers for these difficult financial times. It delivers significant investment for our public services, it delivers support for Scotland's growing economy, it delivers on tackling the climate emergency, and it delivers on protecting our most vulnerable people from the full force of Tory austerity. I am proud that the Scottish National Party Government is refusing to follow Westminster's austerity agenda and is instead, with the limited powers of devolution, using this budget to mitigate some of the worst of the Tory cuts. That includes the continued mitigation of the bedroom tax. The Scottish Government is investing in tackling inequality and in our future, such as through the record investment in social security.

The Scottish Government is unashamedly targeting resources at the people who are most in need. Since 2007, where devolution has allowed, we have made a range of choices in this Parliament that have made things a little easier for those people than they are for people elsewhere in the UK.

An SNP Government decided to stop taxing folk for being sick. That means that prescriptions in Scotland are free, saving folk £9.65 for every prescription that they need to pick up. The same goes for eye tests, saving folk £25 every time that they need to get their eyes tested.

An SNP Government decided that university education should be free. That means that back-door tuition fees—graduate endowments—were scrapped. University tuition has remained free in Scotland while the cost of it has soared to up to £9,250 a year in England.

An SNP Government made a decision to invest in Scotland's future and give our young folk the best possible start in life. That means that we are well ahead of the rest of the UK in the provision of universal funded childcare. It means that the game-changing Scottish child payment, which is now going up to a record £26.70 a week—that is £26.70 more than anywhere else in the UK—will benefit more than 327,000 under-16s. It means

that every baby born in Scotland is supported with the contents of a baby box, which includes a range of essentials to support a baby's first six months.

The accumulated impact of those decisions adds up, and they are making a positive difference to folk across Scotland. That means that, on average, people are spending £37 a year less on their water bills than people in Tory-controlled England are. It means that, on average, households are paying £648 a year less in council tax than households in Tory-run England are. It means more investment in education, with £305 more per person being spent in Scotland than in England. It means more investment in transport, with £234 more per person being spent. It means £87 more per person being spent on police, public order and safety; £294 more per person being spent on housing and community amenities; £86 more per person being spent on environmental protection; £75 more per person being spent on agriculture, fisheries and forestry; and £124 more per person being spent on enterprise and economic development.

In practice, that means that, per head of population, Scotland has more police officers, more prison staff, more firefighters, more nurses and midwives, more hospital consultants, more general practitioners, more dentists, more NHS staff, more teachers and more schools. All of that has been achieved without the full range of powers that the Tories have at Westminster. It has been achieved despite the many obstacles that the Tories have thrown in our way, such as austerity, Brexit and Liz Truss. And that is before we touch on the billions being spent on Trident, the billions disappearing on Covid cronyism contracts, the millions being spent on unelected lords and the billions being spent on new nuclear power plants at the expense of investing in a just transition for the north-east of Scotland.

What a contrast with what we have in front of us today. At the heart of the SNP budget is our social contract with the folk of Scotland. For 17 years, the SNP has delivered for the folk of Scotland. It has made life better for them, and the budget is no different. It will still do only a fraction of the good that it could be doing, though. It is only with the full powers of independence that Scotland can escape Westminster austerity for good, invest in our future properly and realise our full potential. However, whatever resources and powers we have, that social contract with the folk of Scotland will be honoured to the best of the Government's ability.

16:55

Ash Regan (Edinburgh Eastern) (Alba): The budget exemplifies Scotland's being failed by two Governments. As a mid-size European nation that is abundant in natural resources and human

talent, Scotland should be thriving for all our citizens, but here we are again in Parliament, voting on a budget that fails even to attempt to weave a Scottish silk purse from the pig's ear of Brexit Britain.

I am sympathetic to the Scottish Government's difficult position as the junior partner in the flawed fiscal framework, but my sympathy will run out if the only response to the poor budgetary cards that it has been dealt is hand wringing and finger pointing, instead of substantive action on delivery of the core mission on which it was elected.

Scotland deserves better than a spiral of downstream cuts to public services, and we deserve better than a slashed capital budget and critical investment in infrastructure being hamstrung by decisions that are made in Westminster. Our constituents deserve honesty in forecasting on matters that are important to their lives—whether that is schools' additional support needs provision or affordable homes—and not a continuing pattern of delayed disappointment.

In 2024, thousands of Scots are still being failed in their basic need for a home of their own. Many children are being raised in temporary accommodation because of the lack of social housing across Scotland. The current desperate situation is not a blip; it is a direction of travel. Proactive planning must replace reactive managed decline, if we are to tackle the challenges of the inadequate supply of homes and unlock the significant economic opportunities of building and sustaining communities across Scotland.

We cannot afford not to act. The downstream consequences of insecure housing and homelessness are devastating to lives, to our society and to the economy. They exacerbate the challenges to sustained provision of health, education and welfare services.

The brutal cut of £205 million in real terms to the affordable housing supply programme budget makes the current target to complete 110,000 affordable homes by 2032 increasingly unrealistic. Soaring build costs and supply chain delays have resulted in house builders going out of business in a climate of housing shortage. The reality is that the affordable housing budget, even as it stands, will now buy less than it could have bought at the beginning of the parliamentary session.

The Scottish Government cannot continue to fall back on its previous successful track record on housing. A recent Survation poll that was commissioned by True North found that 74 per cent of Scots believe that we are experiencing a housing crisis. The Scottish Government is right to blame the disastrous impact of Brexit for construction supply chain issues, labour shortages and the inflationary pressures that are being

driven by UK Government financial mismanagement.

However, it is eight years on from Brexit. We were dragged out of the European Union against our will. Scotland has not yet had the right to choose, and Scotland's future is not in Scotland's hands. Campaign slogans fade and leave the reality of managing the consequences across all sectors of our society.

The time for hollow words is over. The people of Scotland deserve clarity and transparency from both Governments to enable them to plan their lives with security, and our country's vast resources must benefit the common weal if we are not to be stuck in an ever-decreasing cycle of pulling our people out of the river. It is time that the Scottish Government went upstream and tackled why they keep falling in.

The Government must publish its promised revised capital spending plan, with it considering both inflation and reduced capital funding from the UK Government. Given that this is the second year in a row in which the budget has been cut, coupled with the increasing concerns across the housing sector as to the viability of the target, we now need an annual tracking commitment from the Government in order to present clarity. That is not to manage disappointment about failed targets, but to address head on the threats to delivery, to allow plans to pivot where required, and to halt the impending housing crisis, with real ambition for Scots.

The Deputy Presiding Officer: The final speaker in the open debate will be Keith Brown.

17:00

Keith Brown (Clackmannanshire and Dunblane) (SNP): I should say at the start of my speech that I believe that this is a good budget that was constructed in very difficult circumstances. I like that it supports our public services, that it has social justice at its heart and that it protects our NHS—the best-performing NHS in the UK.

However, we heard in a number of speeches from Conservative and Labour members comparisons with previous Tory Governments or a future Labour Government.

Liz Smith told us that there is not sufficient support for business. That statement comes from a party that said virtually nothing in Scotland about the effects of Brexit on the Scottish economy and business. If the member is going to listen to what business says about the budget—which would be quite right; I do not deny that it should be done—why did she not listen to business when it told her its concerns about Brexit, which has had a far

greater impact on business in Scotland? Is it the case that she shares Boris Johnson's attitude to business? I cannot use the word that he used when he said what he would do to it, but I can say to members that it starts with an F. That was the Tory approach to business.

Conservative members have also made allegations that there is financial mismanagement or a budgeting crisis. Those allegations come from a party that has seen us reach £2.65 trillion in debt, which is the highest-ever level. We have the highest tax burden since the second world war: that has come from a Tory Government. As John Swinney mentioned, we also see the effects of inflation.

Murdo Fraser: Has Mr Brown reflected on the comments of the Scottish Government's economic adviser, Professor Mark Blyth of Brown University, who said that independence would be "Brexit times 10". How can he come to the chamber with a straight face and talk about Brexit without realising that independence would be many times worse?

Keith Brown: First, I do not agree with that statement and there is no way of knowing what it is based on. However, the idea that an independent Scotland could not construct a better future than being £2.65 trillion in debt and having the massive tax burden that the Tories have given us is, in my view, for the birds.

We have had 14 years of Tory austerity, which built on the previous Labour Government's start to austerity way back in 2008-09, and that has had a huge impact on our public services.

We also have to consider the impact on the Scottish taxpayer. For example, they are currently contributing to the Ajax tanks programme. It was meant to cost £5.5 billion and to have produced 589 tanks by 2017. We have had only 44 tanks. The tanks were meant to cost £9 million each, but the current cost is £90 million each, and the programme is seven years late. That is the level of Tory mismanagement of the economy and the impact on the Scottish taxpayer.

The Tory Government, as Maree Todd said, has now said that we cannot have care workers coming to this country because their families cannot come. That has passed without comment or a word of criticism from Tory MSPs, who fail to criticise any action of the UK Government. There is another path for them. Why, if they really believe in support for business, can they not just say that it is wrong for the UK Government to cut our capital budget? What prevents them from doing that? Tory MSPs could do a lot more to stand up for Scotland and add their voices to the case for Scotland.

I turn to Labour. My goodness. Jackie Baillie mentioned the last period of the previous Labour Government. We all know its last words, which were

“There is no money left.”

It started the austerity—

Jackie Baillie: Will the member take an intervention?

Keith Brown: I will not. Jackie Baillie would not take an intervention from me and I will not be taking one from her.

What Labour did in 2009-10 is exactly what it did in 1979: it facilitated a long-term Tory Government that was committed to austerity, and Scotland continues to suffer the consequences of that.

Michael Marra mentioned the Scottish Government’s budget and Glasgow City Council. Let us make a comparison with Birmingham City Council, which is a Labour-run local authority. It will be making £1.5 billion in cuts, including cuts to adult social care, and it will be imposing a 21 per cent increase in council tax on the people of Birmingham. Of course, Birmingham City Council has something in common with Glasgow City Council: both have to deal with the legacy of Labour having failed to pay the councils’ female workers for many years.

That is the history of government by Labour, and that is a warning about what we should expect from a future Labour Government.

We have been talking about local government. I remember, having been a local government leader in the early 2000s, telling the Labour and Lib Dem Executive in Scotland that it was once again cutting local authorities’ share of the overall Scottish budget. I was told by both parties that it was not an important indicator, and that I should not worry about it. However, it seems to be very important to Labour and to the Lib Dems now. We have done far more to remove ring fencing and to support local government than Labour has ever done.

Alex Cole-Hamilton spoke about selling off the sea bed cheaply. His is the party that, under Vince Cable, sold off the Royal Mail for billions of pounds less than its market value. We are still paying for that. I will not mention what Ed Davey has done in relation to the Post Office, or the party’s betrayal on tuition fees. However, those things are very important. People think that we should dismiss and forget about the Lib Dems because they are an irrelevance, but we should not forget their record in office.

Michelle Thomson: Will the member give way?

Keith Brown: I will, if I am allowed to.

The Deputy Presiding Officer: You will not have any additional time, Mr Brown.

Keith Brown: I conclude by saying—given what has been said and the complete absence of any substantive amendment or suggested change to the proposed budget—that to my mind, the best thing that members in the chamber can do is vote for the budget motion in the name of the Scottish Government.

The Deputy Presiding Officer: We move to winding up speeches.

17:06

Daniel Johnson (Edinburgh Southern) (Lab): In some ways, this debate is summed up by what we have just heard: a desperate, flailing SNP speech—something akin to a second-rate George Osborne tribute act—that attempts to blame a Labour Government for a global financial crash, despite the fact that the previous Labour Government left the economy growing. We will have no more of that chaotic nonsense.

This has been a chaotic budget. It is all pain and no gain, leaving Scottish taxpayers paying more but getting less. This is not just about a single year’s budget but about the cumulative impact of 17 years of stopgaps and short-term decision making. It is not just us saying that—committee after committee in this Parliament, the Institute for Fiscal Studies, the Fraser of Allander Institute and leading economists are saying that, too.

This budget is from a Government that is out of ideas, out of touch and, given that this is its penultimate budget, increasingly out of time.

The reality is that Scottish taxpayers are being failed by two Governments. The Tories are ushering in a recession under Rishi Sunak, and the SNP is presiding over 17 years of cuts, which is leaving every institution in Scotland weaker and impoverished after its time in government.

Perhaps the most interesting and most telling section of the debate was the exchange between Liz Smith and John Swinney. There was a contrast, with the two sides trying to juxtapose the social contract versus growth. Those are not binary options. We need one in order to deliver the other. We need the NHS so that, when people get ill, they get better and return to work. We need a good education system so that people can learn the skills that they need for the workplace. Businesses need roads and rails that are invested in so that they can get their goods to their customers and their workers can travel to their place of work.

We need to have good and well-funded public services for growth, and good and well-funded public services require there to be growth, so that

the revenues that are generated can be reinvested in them. It is not either/or, which is the mistake that the Conservatives and the SNP have made in the chamber this afternoon.

Michael Marra was quite right. In some ways, this whole budget process was summed up in its inception. It started with a commitment to local government that was designed in a matter of hours in order to give the First Minister, who is struggling to make any headway whatsoever, a talking point for his speech from the conference podium. Civil servants were given mere hours' notice before he did so.

Let us just look at the budget. It has been called out by the IFS, which has shown that it does not deliver the compensation to councils as was originally set out. It will mean £65 million cuts to core local government budgets, leaving local authorities such as Glasgow City Council making hundreds of cuts to teacher numbers. That travesty will do long-term damage to our young people in Glasgow.

Kenneth Gibson: I am enjoying Mr Johnson's speech, but it is just empty rhetoric. Where is Labour's alternative budget?

Daniel Johnson: I would be delighted if Mr Gibson could point to one year in which the SNP, when it was in opposition, presented an alternative budget to the Parliament. No, it did not, so we will have none of that.

Jackie Baillie was quite right in what she said about health. A 4 per cent cut has done an awful lot of work in this debate. It has led to a 100 per cent cut in the budget for NHS projects across Scotland. That means that we do not know when the Princess Alexandra eye pavilion will be replaced, when Raigmore hospital will get its upgrade or when Lochgelly will get much-needed upgraded health facilities. The budget leaves our health service teetering on the edge and provides only sticking plasters for it to carry on.

Mark Griffin was quite correct in what he said about housing. This year's capital budget is being cut by 26 per cent. Yet again, the 4 per cent cut in the Government's capital budget has been massively amplified. The housing budget will be cut by half over two years, so is it any wonder that 15,625 households are waiting in temporary accommodation, that the number of homelessness applications has increased by 36 per cent and that, as the Scottish Parliament information centre has pointed out, home building this year will be at half the rate that is needed for the Government to meet its affordable housing targets? That is not just a tragedy but an outright scandal. As Mark Griffin correctly pointed out, the Government is failing not only to do what we have called for but to

meet its own commitments on affordable housing. That is how far short the budget falls.

Ivan McKee was quite correct to say that it is not just about making things add up but, ultimately, the budget is summed up by a lack of planning and a lack of strategy.

Alex Cole-Hamilton: Daniel Johnson will have heard, in Keith Brown's rather bizarre tirade against my party—we clearly upset him no end—that the Scottish Government has burned through, in this year alone, half the money from selling off our sea bed on the cheap. Does he accept that that betrays a lack of forward planning by the Government?

Daniel Johnson: The Government has squandered all the money that came in. It has patched up the holes in its budget instead of investing money for the future. That is absolute economic illiteracy.

Let us be clear about what has been said. The Finance and Public Administration Committee described the Scottish Government as "procrastinating on important decision-making". In recent days, Audit Scotland set out that there is a lack of vision or medium-term financial strategy in the health service. The Institute for Fiscal Studies points out that the budget will grow by 2.3 per cent over the medium term but that, if the Scottish Government continues on its path, it will have to make cuts of between 3 per cent and 12 per cent because of its failure to implement a medium-term strategy.

The Christie principles lie in tatters. Those principles were about being outcome oriented, focusing on stability and having joined-up medium-term and long-term planning. On each of those points, the Scottish Government has done precisely the opposite.

We cannot have a budget that asks hard-working people to pay more while less and less funding is provided for public services. The SNP is asking working people to make up for its incompetence, which is why Scottish Labour cannot support the budget at decision time.

17:13

Murdo Fraser (Mid Scotland and Fife) (Con): At the start of the debate, my colleague Liz Smith set out her view that the budget exposes the fundamental divide in Scottish politics between those who want economic growth in order to stimulate investment, create jobs, encourage aspiration and, crucially, grow the tax revenues that we need to spend on our public services, and those who believe that the role of Government is simply to tax individuals so that it can take more of their money and spend it, without having any

regard for the impact that that has on the wider economy. We see the outcome of the latter approach writ large, with Scottish economic growth over the past decade, on average, lagging behind that of the UK—indeed, the Scottish economy has grown at only half the rate of economic growth in the UK.

Liz Smith quoted those, including many in the Scottish financial services sector, who are increasingly concerned about the growing tax differential between Scotland and the rest of the UK, and she was quite right to do so. The Parliament's Economy and Fair Work Committee heard recently from one large hospitality chain that it is already having to offer higher salaries to attract staff to Scotland to compensate for the additional tax that they will pay. That is hardly surprising when someone who earns £50,000 a year will be paying over £1,500 more in tax than someone south of the border. That simple illustration puts into context all the messages that we have heard from the SNP this afternoon about the so-called benefits of its approach, because clearly those are not seen by many of the people out in the real world who might otherwise be attracted to come and work in Scotland.

There might be some justification for the approach that the SNP Government has outlined if people really felt that they were getting good value for money. However, according to an opinion poll that was published earlier this month, by a margin of two to one, people in Scotland do not believe that the additional taxes that they are paying represent good value for money. Even on the SNP benches, members are starting to raise concern about the tax differential. Kate Forbes was in the press a few weeks ago saying that

“Continually increasing taxes is ultimately counter-productive”.

Even the former finance secretary, Derek Mackay, understood that equation. What a pity that the current incumbent of that office does not get that higher taxes do not necessarily lead to greater revenues.

Keith Brown: Murdo Fraser is carefully avoiding mentioning the fact that, under the Tories, the UK now has the highest tax burden since the second world war. He also never mentions the £400 to £500 lower council tax in Scotland. As well as the differential that he mentions, will he at least acknowledge the base that the UK Government has set in having the highest tax burden since the second world war?

Murdo Fraser: Mr Brown makes a point about the tax burden, but he seems to forget what we have had over the past few years. We had Covid, when the entire economy was closed down and had to be supported by the Government through

borrowing money for the furlough scheme, the generous business support and individual support payments that were made to keep the country going. [*Interruption.*]

The Deputy Presiding Officer: Let us listen to Mr Fraser.

Murdo Fraser: Surely Mr Brown is not suggesting that that was a bad idea.

We also had the invasion by Russia of Ukraine, which had a devastating effect on the world economy and, again, the Government had to borrow money to give cost of living payments, from which many of our constituents have benefited. Of course the Government has had to borrow money and, when Governments borrow money, they eventually have to pay it back. Mr Brown should recognise that.

John Swinney: Will Mr Fraser give way?

Murdo Fraser: I have already taken an intervention. I might give way to Mr Swinney later, if I have time.

The Scottish Fiscal Commission has pointed out that behaviour change will wipe out many of the potential gains from higher taxes on higher earners. That argument was made many years ago by the economist Art Laffer, and it is as true today as when he made it. We used to hear that argument in the chamber all the time from Alex Salmond. I know that we are not allowed to mention his name any more, but he used to mention that all the time, and it seems to have been erased from the memory of the current SNP front-bench members.

If we were to grow the economy, we would have more tax revenues. Instead, we see a real risk of higher earners leaving Scotland or not coming here in the first place. There is little wonder that we are hearing about a boom in property sales in Northumberland and towns such as Berwick-upon-Tweed, as the Scottish Government is creating tax exiles and then losing out on vital tax revenue as a result.

Kenneth Gibson: Can the member tell me how cutting capital by £1.6 billion over the next three years will help to boost economic growth?

Murdo Fraser: If Mr Gibson had done his homework and looked at the plethora of cuts that are being delivered by the SNP Government right across the economy and fair work portfolio, he would realise that he has a real brass neck to raise that question with me, given what the Government that he supports is doing. This budget is simply a long list of cuts.

John Swinney: Will Mr Fraser give way?

Murdo Fraser: No, thank you.

We see cuts to local government right across the country. Local services are being cut or are disappearing. Libraries are being closed in Mr Swinney's constituency, leisure centres and public toilets are being closed and there are cuts to educational support staff and to teachers. In SNP-run Glasgow, 172 teaching jobs are to go, which is a point that Pam Gosal made strongly. All that is thanks to the choices of the SNP Government—those cuts are being handed down to local authorities.

On capital, we see a 26 per cent cut in funding for housing at the very time when homelessness is at record levels. There is a cut of 75 per cent in the just transition fund and a total freezing of the NHS capital programme, which means that long-awaited patient treatment centres in cities such as Perth are not now proceeding and that long-awaited health centres in places such as Lochgelly and Kincardine are not being delivered. Of course, the SNP tries to deflect criticism.

John Swinney: Will Mr Fraser give way?

Murdo Fraser: Yes, I will give way, because Mr Swinney is so persistent.

John Swinney: In responding to the intervention from my colleague Keith Brown, Mr Fraser mentioned some of the major difficulties that have faced the United Kingdom economy—Covid and Ukraine. I agree with him that those are big factors. Would he now like to apologise for his support for Liz Truss's economic madness?

Murdo Fraser: Mr Swinney was the Cabinet Secretary for Education and Skills in the SNP Government. As a result, the average child in Scotland is one year behind the equivalent child in England. If anybody should apologise to the chamber, it is Mr Swinney who should apologise for his record as education secretary when he was in the Scottish Government.

The Scottish Government tries its best to deflect criticism and to put the blame on Westminster for the cuts, but even if we accept that the capital budget has been reduced, it is down 10 per cent in real terms. How does that equate to a cut of 100 per cent in the NHS capital budget, 75 per cent in just transition funding or 26 per cent in affordable housing? It is not possible to take a 10 per cent cut and turn it into a 100 per cent cut with any credibility or justification.

The most worrying of all have been the cuts in the economy, fair work and energy portfolio. It was downgraded in the recent Scottish Government reshuffle and lumped in with net zero and the environment. Perhaps that is no wonder, with an 8.7 per cent real-terms cut across that portfolio. The tourism budget is down 12.3 per cent, the enterprise, trade and investment budget 16.7 per cent, the Scottish National Investment Bank

budget 29.2 per cent and the employability budget 24.2 per cent. All the measures that could help with economic growth are being cut in the budget. The Government has no interest in promoting economic growth, creating jobs or supporting household incomes.

The budget has no friends outside the chamber. It has no interest group outside the chamber telling us to support it. It delivers real pain for communities across Scotland, which will lose vital services. It hikes taxes on hard-working families but delivers no benefit to them as a consequence. It is a budget that fails Scotland and one that we should reject.

17:22

Shona Robison: I thank members across the chamber for their contributions. I will come back to some of them in a moment.

Through the budget, we can show the breakdown in allocation between different portfolios and areas of activity within them. However, we are cognisant that, in practice, there will be areas that overlap in how they affect people, which is why we always consider our budgeting in the round. Of course, we always reflect on the priorities of the people of Scotland as we set budgets, and we will continue to seek new ways to engage with as wide an array of people and interests as possible as we work towards future budgets.

As I set out, the budget prioritises front-line spend in difficult circumstances, which I will come back to in a moment. We have heard a theme throughout the budget process, which is that members—particularly Opposition members—focus more on areas where difficult decisions have been made and less on areas where funding for front-line services has increased. They have refused to bring alternative spending plans on any aspect of the budget to the Parliament and, of course, have not been straight with the public when pretending that they can cut taxes while increasing public spending. I am afraid that that is not credible and does not work.

Labour would have to find £560 million through reductions in spending to fund its tax cuts. We have heard from UK Labour that it has a commitment to continue with Tory spending plans. The idea that there is any more money for health, housing or anything else is misrepresentation, to say the least. The Tories, who have said that they want to return to UK tax levels, would lose £1.5 billion of revenues from the Scottish budget. Can members imagine the impact that that would have on employability, areas of the economy, housing, health or anything else? We need more

transparency from the Opposition when it comes to budget setting.

I want to turn to a couple of areas. First, there was an interesting difference of opinion on health even among members on the Labour front bench. Daniel Johnson at least acknowledged that the health budget had increased, whereas we heard Jackie Baillie and Michael Marra saying the opposite in the same debate.

Jackie Baillie: Will the Deputy First Minister give way?

Shona Robison: Not at the moment, because the member did not take my intervention. I might later, if I have time.

The truth of the matter is that there is an extra £0.5 billion for front-line NHS boards, with a total investment of £13.2 billion, which is an above-inflation increase of 4 per cent, in contrast to the UK Government's real-terms cut. That is before we look at the in-year revenues that will go to health, which depend on whether we get agenda for change pay consequential from the UK Government. We will pass every penny on to the NHS, as we have done previously.

There is an additional £230 million to support a minimum of £12 an hour for adult social care workers, which is a 10.1 per cent increase for all eligible workers. I would think that the Labour members would welcome that and vote for it, but they are voting against that proposition, which is quite astonishing.

I turn to the affordable housing supply programme, because it again encapsulates the Opposition's refusal to recognise the impact of not just the 10 per cent cut to the capital budget but the cut to financial transactions capital, which has had a devastating impact. There is £290 million less coming through financial transactions, which were underpinning the affordable housing supply programme. Just two weeks ago, there was a further £64 million cut to financial transactions, directly impacting on the affordable housing supply programme. It is not just the 10 per cent cut to capital, but all the other cuts that undermine our ability to deliver.

We have a good track record of delivery on affordable housing, and we are determined to continue that record. As I have said—and I will say it again—if we get additional capital in the spring budget next week, the priority will be the affordable housing supply programme. We recognise the importance of continuing with the Government's record on delivery of affordable housing, which has been higher than anywhere else in these islands, and the impact that it can have on homelessness.

Let me turn to some other points. Liz Smith talked about Scotland's economic performance. Tory members always attempt to talk down Scotland's economic performance while presiding over a recession, with economic commentators—to an institution—all saying exactly the same thing. The International Monetary Fund, of all organisations, the OBR, the IFS and the Resolution Foundation are all talking about Tory economic incompetence in cutting taxes instead of increasing public spending. If that happens at next week's spring budget, it will be an outrage and it will further compound the economic incompetence of the Tory Government.

Liz Smith: I know full well that there are concerns within our party about the comments that are forthcoming from so many in the business community about the increasing tax differentials and the difficulty that they are presenting to Scotland in terms of recruiting new labour, which we desperately need in Scotland's powerhouse industries. We cannot get some of those people. Those are not our comments; they are coming from across the business community, right, left and centre. That is why the budget has had such a negative reaction.

Shona Robison: The Scottish Fiscal Commission builds in the assumptions on behavioural change and HMRC is doing a lot of in-depth work, which we will, of course, pay close attention to. However, the National Records of Scotland data shows net in-migration to Scotland. That just does not fit with the Tories' narrative and they cannot bring themselves to welcome the fact that people from the rest of the UK make an active choice to come and settle here. Why do they do that? They do it because of free tuition, the free support that is given and the social contract, where there is a better offer on childcare, for example, and local services also give a better offer to people. That is why people come from the rest of the UK to locate in Scotland. The Tories, of course, cannot bring themselves to welcome that.

On Scotland's economic performance, earnings in Scotland have grown by 8 per cent in 2023—faster than earnings in any other part of the UK, including London and the south-east—which is providing much-needed revenue for our tax base.

They might not fit with the Tory narrative, but those are the facts about the performance of the Scottish economy. For once, it would be refreshing to hear the Tories welcome some of those aspects.

Brian Whittle: Will Shona Robison give way on that point?

Shona Robison: No. I do not have a lot of time.

Alex Cole-Hamilton talked about Liberal budgets, and I gently say to him that we know

what the last Liberal budget looked like when that party was part of a Tory-Liberal coalition in the UK Government—they butchered welfare spending. People are still seeing the consequences of that, whether in the rape clause or the two-child limit. We know what Liberal budgets look like, so we will take no lessons from Alex Cole-Hamilton.

Alex Cole-Hamilton: Will the member take an intervention?

Shona Robison: Very briefly.

Alex Cole-Hamilton: I am grateful to the cabinet secretary for allowing me to interrupt yet another bizarre tirade from a prominent SNP politician. She mentioned the rape clause, but that did not come in under the Lib Dems. In fact, it was the Lib Dems being in coalition government that stopped the worst excesses of the Tory Government, such as the rape clause. My goodness—*[Interruption.]*

The Presiding Officer (Alison Johnstone): Members, let us hear Mr Cole-Hamilton.

Alex Cole-Hamilton: My goodness, can the cabinet secretary not see the tempering influence that we held over that Government?

Shona Robison: I am really not sure what to say, other than that, if the best that the Liberals can do to stop the worst excesses of a Tory Government is to prop up that Tory Government, we know what happens when we vote Liberal Democrat.

Like Kenny Gibson, I am still waiting for any alternative budget proposals. He reminded members, quite rightly, of the impact of the Truss budget, which the leadership of the Tories in Scotland urged—demanded, in fact—that we follow.

Kenny Gibson also, quite rightly, reminded members of the position of local authorities down south, with eight councils in England going bankrupt, which compares with record funding for local authorities in Scotland of £14 billion. That is a real-terms increase in funding to local government, even setting aside the money for the council tax freeze. With the only council so far not to freeze the council tax being the Tory-Liberal coalition in Argyll and Bute, is it not ironic that the Tories come here and lecture us about tax increases? Argyll and Bute is the only place where the Tories are able to act rather than just talk, and what do they do? They increase people's taxes by 10 per cent. They do one thing in opposition in the Parliament—

Liz Smith: Will the cabinet secretary give way?

The Presiding Officer: The cabinet secretary must conclude.

Shona Robison: —and they do an entirely different thing when in government in a local authority. We will take no lessons from the Tories on tax policy.

This is a budget in difficult circumstances that prioritises funding for front-line public services. I urge the sensible people in the chamber to back it, because it means funding for services and for social security payments, and it means ensuring that people are supported in difficult times.

Business Motion

17:33

The Presiding Officer (Alison Johnstone): The next item of business is consideration of business motion S6M-12318, in the name of George Adam, on behalf of the Parliamentary Bureau, on changes to the business programme. Any member who wishes to speak against the motion should press their request-to-speak button now.

Motion moved,

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

(a) Wednesday 28 February 2024—

delete

followed by Ministerial Statement: Working Towards a Tobacco Free Scotland by 2034 and Tackling Youth Vaping

after

followed by Scottish Government Debate: Local Government Finance (Scotland) Order 2024

insert

followed by Referral Back to Lead Committee at Stage 1: National Care Service (Scotland) Bill

(b) Thursday 29 February 2024—

delete

2.30 pm Parliamentary Bureau Motions

2.30 pm Portfolio Questions:
Education and Skills

and insert

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions:
Education and Skills

followed by Ministerial Statement: Eljamel and NHS Tayside Public Inquiry and the Independent Clinical Review.—[George Adam]

Motion agreed to.

Parliamentary Bureau Motion

17:34

The Presiding Officer (Alison Johnstone): The next item of business is consideration of Parliamentary Bureau motion S6M-12319, on referral 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 Local Government Finance (Scotland) Order 2024 [draft] be considered by the Parliament.—[George Adam]

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

Decision Time

17:34

The Presiding Officer (Alison Johnstone):

There are two questions to be put as a result of today's business. The first question is, that motion S6M-12295, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill at stage 3, 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.

17:35

Meeting suspended.

17:38

On resuming—

The Presiding Officer: The question is, that motion S6M-12295, in the name of Shona Robison, on the Budget (Scotland) (No 3) Bill at stage 3, be agreed to. Members should cast their votes now.

The vote is closed.

Clare Haughey (Rutherglen) (SNP): On a point of order, Presiding Officer. I was unable to connect to the voting app. I would have voted yes.

The Presiding Officer: Thank you, Ms Haughey. We will ensure that that is recorded.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, 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)
 Constance, Angela (Almond Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (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)
 Gougeon, Mairi (Angus North and Mearns) (SNP)

Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Gray, Neil (Airdrie and Shotts) (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)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (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)
 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)
 Carlaw, Jackson (Eastwood) (Con)
 Choudhury, Foyso (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Dowey, Sharon (South Scotland) (Con)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Eagle, Tim (Highlands and Islands) (Con)
 Findlay, Russell (West Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallacher, Meghan (Central Scotland) (Con)
 Golden, Maurice (North East Scotland) (Con)
 Gosal, Pam (West 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)
 Kerr, Stephen (Central Scotland) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lumsden, Douglas (North East Scotland) (Con)
 Marra, Michael (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCall, Roz (Mid Scotland and Fife) (Con)
 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)
 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

Regan, Ash (Edinburgh Eastern) (Alba)

The Presiding Officer: The result of the division is: For 68, Against 55, Abstentions 1.

Motion agreed to,

That the Parliament agrees that the Budget (Scotland) (No. 3) Bill be passed.

The Presiding Officer: The final question is, that motion S6M-12319, in the name of George Adam, on behalf of the Parliamentary Bureau, on referral of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the Local Government Finance (Scotland) Order 2024 [draft] be considered by the Parliament.

The Presiding Officer: That concludes decision time.

McClure Solicitors

The Deputy Presiding Officer (Annabelle Ewing): The final item of business is a members' business debate on motion S6M-11980, in the name of Stuart McMillan, on McClure Solicitors. The debate will be concluded without any question being put. I invite those members who wish to speak in the debate to press their request-to-speak buttons now.

Motion debated,

That the Parliament notes with concern the reported failure and subsequent administration of McClure Solicitors in 2021; understands that the firm is believed to have had over 100,000 clients, many of whom held wills or trusts managed by the firm, and that a significant number of those clients will have lived in the Greenock and Inverclyde constituency, where the firm was originally founded in 1853; further understands that, since entering administration, a substantial portion of the firm's former clients remain unaware of its closure and the transfer of their files to another law firm, Jones Whyte in Glasgow, which, it believes, is obligated to provide such files to former clients at no cost if they do not wish to engage its services; acknowledges that, subsequently to the firm entering administration, a number of former clients have reported discrepancies and irregularities in the work carried out by McClure Solicitors, resulting in the need for substantial rework or correction, often incurring costs amounting to hundreds or even thousands of pounds for the former clients; understands that a number of former clients have lodged complaints with the Scottish Legal Complaints Commission regarding the work carried out by McClure Solicitors, and that some of these complaints have led to compensation orders to recompense those affected; notes the Scottish Parliament's passage of the Trusts and Successions (Scotland) Bill, which is aimed at modernising and improving the creation and management of trusts, and acknowledges the ongoing progress on the Regulation of Legal Services (Scotland) Bill; notes the belief that there should be a formal inquiry in the future to thoroughly examine all aspects of the firm's conduct, its collapse and subsequent events, and to suggest any changes necessary to prevent a recurrence of what it sees as the suffering experienced by many former clients; further notes the belief, however, that the current priority should be assisting those former clients who face substantial legal fees or challenges in selling family homes; notes the encouragement for all MSPs to actively support and assist any of their constituents in need, and further notes the calls for the Scottish Government to consider initiating an information campaign to raise awareness among the potentially thousands of former clients who, it believes, have yet to be informed about the situation and are unaware that their wills, trusts and other legal affairs may not be in order.

17:42

Stuart McMillan (Greenock and Inverclyde) (SNP): I thank MSPs across the chamber for supporting the motion to allow the debate to take place. Before I get into the substantive points of the motion, I will give some background on how my office became so heavily involved in this particular matter.

As we know, McClure Solicitors, which was founded in Greenock in 1853, went into administration in 2021. The Glasgow-based firm Jones Whyte then took on the roughly 100,000 matters that McClure had on its books; some people had multiple matters. That meant that anyone who needed to gain access to their documents would need to contact Jones Whyte. They could choose to stay with Jones Whyte or go to any other solicitor of their choice.

When McClure ceased trading, there was not a vast amount of press coverage to read, in particular with regard to how the situation would impact former clients. That occurred during the Covid-19 pandemic. I believe that 84 jobs were secured when Jones Whyte took over the good will, work in progress and certain assets of McClure, including all wills, powers of attorney and trusts.

I was aware that McClure was no more, but the matter had not gained much news coverage or generated many emails to my inbox. However, as of last summer, that changed. An increasing number of people started to contact my office, likely spurred on by the growing knowledge that the firm had gone out of business, more national news coverage, specifically from Katie Hunter at BBC Scotland, and more and more people with trusts receiving letters from Jones Whyte.

I understand from discussions with Jones Whyte that, although there may, quite rightly, be an expectation that former McClure clients should have been notified by now, Jones Whyte is simply not able to do that en masse. The firm is making its way through the files as quickly as it can, and focusing on trusts in the first instance. However, Jones Whyte was clear that anyone who has business with McClure should contact it, and it will do all that it can to help.

Once again, for clarity, I note that there is no requirement for former McClure clients to use Jones Whyte's services in the future. If those former clients want their legal documents to be reviewed, they can instruct Jones Whyte to do that, or they can ask for their documents to be returned to them or to another lawyer of their choice.

As I learned more about the issue, I arranged meetings with interested parties, including the Law Society of Scotland, the Scottish Legal Complaints Commission and the Minister for Victims and Community Safety, and I have spoken to several solicitors and many constituents. I put on record my thanks to the SLCC and its chief executive, Neil Stevenson, for engaging with my office as I have attempted to assist constituents who have been affected. Neil attended two public meetings that I held in my Greenock and Inverclyde constituency to explain to former McClure clients

what the SLCC can and cannot do with regard to any support or redress.

The first event that I hosted sold out and, given the level of contact that I was receiving from constituents, it became clear that another one was required. Across two meetings, more than 270 constituents gained a seat to put questions directly to the SLCC and to me. After the last meeting, I have had requests to do a third meeting, with lawyers present to answer legal questions. I am working through the legal ramifications and risks of doing that.

Although both meetings were for former McClure clients, they were held not specifically to discuss McClure Solicitors, but to provide information about the main route that former clients have for recourse if they believe that they have a complaint to make about McClure, its staff or any other lawyer.

I know that some of my constituents have already had complaints upheld by the SLCC and have had compensation awarded. That is why I have been so keen to raise awareness of the issue. It is also why I was keen to bring to the chamber a members' business debate. I am aware that it is not only my constituents who have been affected by the situation. I have no doubt that there will be former McClure clients who will find out about the firm closing down only from watching the debate or from any subsequent press coverage as a result of it.

It is clear that something went very wrong at McClure Solicitors, and that is why we are here today. Thousands of people across the United Kingdom spent significant sums of money with McClure, in the expectation that they would not have to pay for any legal work like that again. For many, however, that will not be the reality. Thousands of people are now having to spend additional sums of money to have McClure partners removed from their trusts. Although I understand that that may involve a cost to the trustee who is being removed, I would ask all those individuals whether they believe that, morally, they should be taking a fee.

I also understand that there is nothing wrong at all with solicitors being named as trustees on trusts. However, I believe that it is more commonplace for a law firm itself, as opposed to individual lawyers, to be named on trusts. If that had been the case with McClure—although I believe that it started to do that in later years—more people may have been in a different situation today.

I turn to what can be done as we go forward. At the second public meeting, a constituent suggested that the Scottish Government should create an organisation to review people's

documentation in order to help them to determine what action, if any, to take next. Most of the people are not legally trained and will have already spent many hundreds—if not thousands—of pounds on documentation that may or may not be fit for purpose. That idea is welcome, but I do not know where the solicitors would come from to staff such a body, as trust lawyers are specialists and most will already be in employment. Those who are currently in training may not possess the relevant expertise, and some who are retired may not want to get involved. Nevertheless, if the Scottish Government could consider that suggestion, I know that that would be appreciated.

I believe that an inquiry should be held in the future. I know that some MSPs have echoed that call. However, I make it clear that I do not think that an inquiry at this point would be beneficial, as the current focus must be on helping people. The fact that not every trust will have been reviewed indicates to me that any inquiry in the short term would be premature. It would also divert time on the part of solicitors who are dealing with many of the McClure cases that would otherwise be spent on helping people now. That said, we need an inquiry to be held in the future in order to drill down into what happened at McClure leading up to the administration—not a fishing expedition that looks at everything and anything, but a focused inquiry.

Constituents have made many claims about their documentation—I have a very short list of those claims here. Those include claims that powers of attorney were not lodged with the Office of the Public Guardian in Scotland, despite the work being paid for; that trusts were in the wrong name or other details were wrong; and that clients were not properly advised as to what a trust is, why they might want one, and what the future implications for them would be. Some have even suggested that trusts may have been set up for relatives who lacked capacity, and that trusts had not been registered appropriately with HM Revenue and Customs and the land register of Scotland. The reviewing of the documents will be vital in substantiating those claims—or not—ahead of any inquiry.

I accept that Parliament cannot pass legislation retrospectively to fix past issues, but we can learn from what has happened. The Government has already introduced bills before the Parliament, including the Trusts and Succession (Scotland) Bill, which was passed in December; the Regulation of Legal Services (Scotland) Bill, which passed stage 1 last week; and the Judicial Factors (Scotland) Bill, which the Delegated Powers and Law Reform Committee will be scrutinising from late April. Those bills are important, as they will strengthen the regulatory regime within which law firms operate. However, as I indicated last week in the debate on the Regulation of Legal Services

(Scotland) Bill, I believe that an inquiry into what happened at McClure will ultimately lead to more lessons being learned and, potentially, further reform.

During my 17 years as an MSP, no other single issue has dominated my case load and my inbox as this one has. Thousands of my constituents are affected, as are many more people UK-wide. I will continue to do whatever I can for my constituents, and I encourage anyone who has been affected to contact their MSP, or their MP if they live elsewhere in the UK.

The Deputy Presiding Officer: I remind those members who wish to speak in the debate to check that they have pressed their request-to-speak buttons.

17:50

Fulton MacGregor (Coatbridge and Chryston) (SNP): I thank Stuart McMillan for bringing this important debate to the chamber. I know that he has put a lot of work into organising information evenings and being a strong advocate for those who have been affected by the issue. As we have heard, he has been dealing with a huge number of cases.

I also thank my other colleague Bob Doris, who has engaged a great deal on the issue and hosted a well-attended event in Parliament last November. The information from his event and from Stuart McMillan's event has been invaluable in helping me to understand the sheer scale of the issue at hand.

Constituents first came to my office regarding McClure in 2021. In many cases, they had not been informed that McClure had gone into administration, and they had found out only by chance that their trusts had been passed on to Jones Whyte. To add to their uncertainty, my constituents were advised that there were systemic issues with some of the trusts. In order to examine those trusts, fees upwards of £300 were quoted before any information could be disclosed.

Those costs, coupled with the uncertainty and lack of communication, have caused intense stress for my constituents and their families. In many cases, those who have been affected are now in their mid-70s or even older. Among those who are elderly, there are many who are now incapacitated, and it has fallen to their families to try to work through the confusion.

One such example concerns two of my constituents, who are happy to be named in the chamber today—my office phoned them to check. Pamela and Bob Adams visited my office recently to underline the level of stress that they have experienced in trying to navigate the legal

labyrinth to get clarity on a family protection trust and power of attorney registration that had been established for Pamela's mother. I am very grateful to them for sharing their story, which has allowed me to better understand the real impact of the situation on real people.

With approximately 100,000 clients affected, the problem goes far beyond Glasgow, Lanarkshire and central Scotland, and more and more people across the entire UK are now discovering that they may be affected. Some of the issues that my constituents have raised are quite alarming. Stuart McMillan mentioned the issues, but I will go through them again. They include assets that should have been put into family protection trusts but were not; powers of attorney that were paid for but not registered; McClure partners and staff refusing to sign documents to enable the change to land register records without being paid for doing so; McClure taking instructions and money from potential clients up until the day that it went into administration, knowing that the work would not be completed or the money would not be returned; and McClure putting itself on wills as executor, in many instances against the express wishes of the client.

Those are very serious matters. As an MSP, I cannot give legal advice, but I say to anyone who feels that they have been affected that, if they are not satisfied with anything that they have experienced with regard to any actions from McClure or Jones Whyte or, indeed, from any other solicitor with whom they have been in contact, it is their right to make a complaint to the Scottish Legal Complaints Commission. Those allegations are grave, and I welcome Police Scotland's establishment of a dedicated team to investigate the numerous complaints thoroughly.

I turn to what we can do in the chamber. As Stuart McMillan mentioned, the Trusts and Succession (Scotland) Bill was passed unanimously late last year. At stage 2, amendments were lodged to allow trustees to remove a trustee without going to court in an extra set of circumstances. Those instances would occur when the trustee in question was no longer, or was no longer entitled to practise as, a member of a regulated profession. That amendment was deemed necessary after trustees from McClure who were appointed in a professional capacity agreed to resign only in exchange for payment of a sum of money.

Furthermore, the Regulation of Legal Services (Scotland) Bill, which passed stage 1 last week, gives us another opportunity to ensure that such situations cannot arise again. The issues with McClure have come up in our committee's evidence taking on the bill.

I encourage the holding of a full investigation of allegations that have been brought by people who have had dealings with McClure in the past. I hope that everyone who has been affected can find a swift resolution and that the Parliament will continue to legislate to ensure that such a situation can never happen again.

I again thank my constituents who have come to me with their difficulties. Like Stuart McMillan, I have every expectation that their number will continue to rise over the coming months and years, as people become more aware of the issue.

17:55

Russell Findlay (West Scotland) (Con): I, too, congratulate Stuart McMillan on securing this important debate and for all the significant work that he has done on it, along with other members including Bob Doris.

It is right that Parliament is willing to get its teeth into such a monumental scandal as that involving McClure. That bust law firm has left a trail of damage that has harmed the interests of hundreds, if not thousands, of former clients across the UK. By no definition could those former clients be described as wealthy. They were ordinary folk who put their trust in a high-street law firm—decent, hard-working people who took responsibility for putting their affairs in order. Many are now in their twilight years—in their 70s, 80s or even 90s—and most are still unaware that there might be problems with their wills, trust deeds or other legal documents. Others have discovered discrepancies and irregularities in work carried out by McClure and have been forced to fork out good money to try to put things right. However, that is not always straightforward and can often trap families for years in an expensive state of limbo. When any type of business ceases trading, customers and creditors can suffer a detriment, but when a law firm goes under, the consequences can be much more far reaching.

Last week, I spoke in the stage 1 debate on the Regulation of Legal Services (Scotland) Bill, which Fulton MacGregor and Stuart McMillan also mentioned. That bill is relevant to this debate: the system of legal regulation in Scotland is confusing, complex and costly and McClure victims might even suspect that it was designed with the purpose of deterring complainers and protecting lawyers. It is harder to negotiate than a hall of mirrors.

Seven long years ago, the Scottish Government ordered a review of legal regulation. It found that Scotland needed a single regulator that is independent of the profession and the Government. However, ministers chose to bin that recommendation. Astonishingly, the review

report's author says that what is now on the table is "much more complex" than what already exists.

I will explain a bit more about previous attempts to protect the public. In 2008, the Scottish Government created the Scottish Legal Complaints Commission. The SLCC's briefing document for members is refreshingly candid. It reveals that it can say very little about McClure, because it would be a criminal offence to disclose information about even the existence of complaints. The SLCC describes the system as a complex "maze" that fails to protect the public from harm.

It also says that, in recent years, the convoluted system has somehow been made even more complex and unworkable.

The Minister for Victims and Community Safety (Siobhian Brown): Will the member take an intervention?

Russell Findlay: If I have time.

The Deputy Presiding Officer: I can give you a wee bit of time back.

Siobhian Brown: Does Russell Findlay recognise that the Scottish Legal Complaints Commission urged all members to agree to the general principles of the Regulation of Legal Services (Scotland) Bill at last week's stage 1 debate in order to secure much-needed reform?

Russell Findlay: The SLCC's position in respect of the regulatory framework is that it wants the system of which it is a part to be changed for the better. What is on the table—what is in the bill—does not protect the public. It is not often that a regulator admits that it has fewer teeth than a newborn baby. However, the situation is not the SLCC's fault; it is by the Scottish Government's design.

A few months ago, I heard from a number of McClure victims at a meeting hosted by Bob Doris. They told me that the value of business paid for by McClure clients is in the region of £120 million—we are talking huge sums of money—yet they say that it might cost up to £150 million to put things right. That seems to be a win-win situation for the lawyers, but it is not so good for the clients. I agree whole-heartedly with Stuart McMillan that, first and foremost, the McClure victims should receive swift redress, and then some form of inquiry may be required.

18:00

Rhoda Grant (Highlands and Islands) (Lab): I, too, thank Stuart McMillan for bringing the debate to the chamber. I also pay tribute to the victims of McClure Solicitors campaign group for pushing for justice. Bob Doris hosted the group in

the Parliament last November, and I know that other colleagues have been active on the matter too, because many of us have constituents who have been affected. The Delegated Powers and Law Reform Committee used lessons from the McClure situation to amend the Trusts and Succession (Scotland) Bill.

Sadly, however, action on the matter has been far too slow. Jones Whyte has not advised everyone who is involved, and I wonder whether the Scottish Legal Complaints Commission or the Law Society of Scotland should step in and take the lead on warning people to reassess their trusts and wills that were set up by McClure, because those people need to be told now that they could be impacted.

Stuart McMillan: Jones Whyte told me that the reason why it has not contacted everyone so far is that it is focusing in the first instance on the trusts, which are a lot more complicated in comparison with wills and powers of attorney, before moving on to the latter.

Rhoda Grant: I am grateful for that intervention, but I think that people still need to know, because the process is happening under the radar, and many more people will be impacted.

Although I understand that Jones Whyte has a lot of work to do, I have found the firm difficult to deal with, certainly when I am acting on behalf of my constituents. My constituents were not given access to documents until I intervened, and those documents were then provided in a way that was very difficult for elderly people to deal with. In addition, Police Scotland has stepped forward to act only now, but I am glad that it is stepping in, because previously it had told victims that the McClure situation was a civil matter.

People in this situation need help and advice.

Russell Findlay: Has Rhoda Grant, given her expertise and knowledge of these cases, seen anything that might suggest any criminality in respect of the McClure scandal?

Rhoda Grant: While there are certainly a lot of things that do not seem right to me, and which need an explanation and an investigation, with regard to the question whether there has been criminality or just very poor practice, who knows? We will not know until we get someone to investigate, because the documents are complex and one would need to try to follow the processes that were carried out. We need to ensure that there are people in place to provide such help and advice to the victims. We should also be asking whether any solicitor who is involved in drawing up a trust deed should be involved in the trust itself.

We have to remember that elderly people are involved: the people who drew up the trust deeds

are elderly themselves and may not remember doing that, and some of the people who are trying to manage the affairs of clients after they are gone are also elderly. That causes great difficulties. We hear of people suffering bereavement and having to deal with those barriers and hurdles, and we have also heard about houses that have been caught up in these matters lying empty for years and becoming a drain on the finances of family that are left behind and are expected to maintain properties while they have no access to them.

I disagree with Stuart McMillan on one point: I think that an investigation has to happen now. People are not getting the support that they need right now, but they will never be compensated unless there is an investigation. They are currently being turned away by the Scottish Legal Complaints Commission, which will not deal with the matter. We need to find somebody who is independent of all this who will go through the cases, and whom the victims can speak to and have their cases reviewed by. There are many thousands of other people who are affected and yet are totally unaware of the situation.

In conclusion, we need to ensure that people are warned, and we need an investigation to help those who are affected. We need to ensure that that investigation also leads to the closing of loopholes. We need to ensure that every victim is compensated and that nobody is turned away.

18:05

Bob Doris (Glasgow Maryhill and Springburn) (SNP): I was already aware of the issues surrounding the collapse of McClure Solicitors, of the emerging evidence, following its collapse, of its incompetent or unscrupulous practices, and of the impact on many thousands of clients. That was mainly due to the diligent work of my colleague Stuart McMillan, who has been a champion for the victims of McClure.

For other MSPs, the scandal has been a bit of a slow burner. It has only been in recent months that my constituents have started to step forward and voice the impact on them of the incompetence of McClure. To be honest, some are unsure about what was incompetence, what was negligence and what was misconduct. When does systematic misconduct become potential criminality? It is all a bit unclear. I am not saying that that was the case but, if it was, from what I can gather, it would have been on an industrial scale.

When a loved one—perhaps someone's mum or dad—passes, sorting out their financial affairs should be the least of a grieving relative's worries. One of the reasons why families ensure that wills and family protection trusts are set up is to provide certainty in such circumstances. McClure provided

anything but that. My constituents point to family protection trusts not being set up properly—indeed, as we have heard, they were sometimes not set up at all. Such issues often come to light only when a loved one dies.

There are also concerns about how Jones Whyte solicitors, which took possession of McClure's client cases, is handling its responsibilities, given the delays in informing families and the fact that it is charging what have been described to me as exorbitant fees. I absolutely accept that Jones Whyte has a huge and complex workload, but I am aware that a variety of insurance schemes exist. When something such as the situation with McClure's happens, money should be drawn down through insurance companies in order to get additional resource to resolve such matters promptly. It is not acceptable for Jones Whyte to say that it simply does not have the resources to resolve the matters swiftly and speedily.

There have been concerns about solicitors that are named as professional trustees in family protection trusts charging inappropriate fees when families seek to have their names removed. For the avoidance of doubt, I am talking about solicitors that were responsible for setting up the flawed or inappropriate trust in the first place, charging families to remedy their own incompetence. One family described that to me as simply brazen.

Stuart McMillan: Does Bob Doris agree that, although such practices are legal, morally they leave a sour taste in the mouth, and that those individuals should not be charged?

Bob Doris: I agree with every word of what Mr McMillan said, so I thank him for putting that on the record. I associate myself with those comments.

I mentioned that the McClure debacle has been a slow burner. I think that the cases in Glasgow are the tip of the iceberg. We all have a responsibility to publicise the situation. Perhaps the *Glasgow Times* should run a campaign saying, "Have you been a victim of McClure's? Step forward. We need to know." We have to get to the bottom of this, but it will take years to understand the true extent of what happened.

We should always advise our constituents and anyone else who is listening to go to the Scottish Legal Complaints Commission in the first instance. From an event that I held in the Scottish Parliament, I found out that people do not always go to the right body to seek assistance. I am not saying that it will resolve everything, but people should always go to the SLCC.

I asked the Law Society of Scotland and the Scottish Legal Complaints Commission whether a

pattern of incompetence or misconduct has been identified. To be fair, they want more powers to be able to talk publicly about the patterns that emerge from their casework, but I am unclear about whether there could be a bit of a stand-off between Police Scotland and the Law Society about whose responsibility it would be to be clear about whether criminality might be at play.

I suspect that this is the start of a long campaign that Mr McMillan will champion. A lot of MSPs stand in solidarity with him in pushing for justice for the victims of McClure's.

18:09

Clare Haughey (Rutherglen) (SNP): I, too, thank Stuart McMillan for securing today's debate on McClure Solicitors and the fall-out since it ceased trading in 2021. I also thank his constituency team, who my office staff have been in touch with to seek advice on some issues, and I thank Bob Doris and members of the victims of McClure Solicitors campaign group for a briefing on this subject that was hosted in Parliament in November.

From the testimonies of the members of the campaign group at that briefing—and from messages from the growing number of constituents who have raised the issue with me—it is clear just how wide ranging and serious are the issues that the former clients of McClure's are now experiencing. The company's actions have impacted an estimated 100,000 people across the UK, with a potentially significant number of people being unaware that their wills, trusts and other legal affairs may not be in order. I have heard reports of former clients of McClure's who have struggled to sell their homes, of others who had allegedly paid McClure's to put their properties in trust or to set up a power of attorney but who subsequently learned that that never happened, and of people having to pay thousands of pounds in further legal fees to try to resolve some of the issues that they have experienced since McClure's went bust. According to the action group, many of those are people who are in their 70s or older. Some have sadly passed away, and it is their families who are trying to sort out the mess now.

In the past couple of months, I have been in frequent contact with the Law Society of Scotland and Jones Whyte, which took over the good will, work in progress and certain assets of McClure's when it ceased practice. The Law Society of Scotland has been clear that it expects Jones Whyte to write to each client, giving priority to the most urgent cases with on-going work, but not everyone has been contacted—I understand that, at the briefing in November, the campaign group said that it estimated that around 90,000 people still were not aware that McClure's had ceased

trading. I therefore continue to urge Jones Whyte to notify all clients in a timely manner, and will remain in contact with the Law Society to ensure that its expectation that all clients are written to is realised. In the meantime, however, I hope that today's debate will help to increase public awareness of the demise of McClure's, and I will be doing what I can to spread the word in my Rutherglen constituency.

I hope that any constituent who is impacted will contact Jones Whyte regarding their documents and consider making a complaint to the Scottish Legal Complaints Commission, if they deem that to be appropriate. The SLCC is the gateway for all complaints about solicitors in Scotland and can award compensation if it upholds a complaint. I know, from the briefing, that concerns had been raised about the SLCC's capacity to handle a significant number of complaints, particularly as the awareness of this issue grows. Although the SLCC is funded by a levy that is paid by legal professionals, not by the public purse, I hope that its capacity and ability to handle an increased number of complaints can be monitored.

There are three key issues that need attention: everyone who is impacted must be made aware of the situation, individuals should be signposted to where they can make complaints, if they deem that to be necessary, and there should be a formal inquiry to thoroughly examine all aspects of the conduct of McClure's, its collapse and subsequent events. That last point has been raised with me by my constituents, and I am aware that the police have recently confirmed that they are looking into it.

Everyone who is caught up in this issue deserves our full support. I know that Stuart McMillan will continue his campaign seeking answers and remedies, and I would like to reassure my constituents that I will be doing what I can to assist them, too.

18:13

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): I, too, thank my colleague Stuart McMillan for bringing this motion to the chamber. The level of interest in the impact of the failure and administration of McClure Solicitors speaks for itself. Stuart McMillan and his constituency team have worked tirelessly to respond to those impacted who have contacted his office seeking help, as well as others. My heart goes out to those affected, who are likely to find that the Police Scotland investigation and legal complaints process arising from the company's failure will be lengthy and not straightforward.

I will highlight one case that was reported to me by constituents who, like many others, were

completely unaware of the demise of McClure's, and found out completely by accident. My constituents approached McClure's to put in place arrangements for a simple family protection trust. It was quite by chance that they discovered that McClure's had gone into administration. Despite the range of support offered by the Law Society of Scotland, the Scottish Legal Complaints Commission and others, my constituents have found that the most reliable source of advice for them has been, remarkably, a Facebook page.

They have now placed their affairs in the hands of a local solicitor. However, while doing so, they have discovered discrepancies in the handling of their trust by McClure's, which has caused them considerable stress and uncertainty, and they are now out of pocket. Although I hope that those charged with addressing the failings by McClure's will seek to assist clients back to a position where there is no loss or disadvantage, that is by no means guaranteed. I am reassured to hear that other members' engagement with bodies such as the Law Society has been positive.

The timing of this debate coincides with last week's debate on the Regulation of Legal Services (Scotland) Bill, which other members have highlighted. Regulation has been a controversial subject with two distinct strands: those who consider that the current system favours solicitors and does not benefit consumers, and those who take the view that the current system provides high-quality legal services and that the independence of the judiciary from Government must be preserved.

During that debate, several members spoke powerfully in articulating the appalling way in which the legal profession had treated people who had sought help from it. As one member put it:

"There is little that is more corrosive than suffering an injustice and it is even worse when that injustice is caused by the justice system."—[*Official Report*, 22 February 2024; c 90.]

Another member highlighted that, 18 years on from the unsuccessful Legal Profession and Legal Aid (Scotland) Bill, significant concerns remain about the conduct of some elements of the legal profession, and there is a lack of confidence in the current arrangements to adequately protect the consumer interest.

Russell Findlay: I thank the member for quoting me. As a former police officer, has she seen anything so far that might constitute criminality in respect of McClure's?

Audrey Nicoll: I have not scrutinised this particular case closely enough to be remotely able to pass an opinion on that.

In the meantime, as we await the continued passage of the bill through the parliamentary

process—which I hope will underpin good law that will protect the public and prevent such a situation from arising again—our constituents wait patiently.

I will finish by highlighting two areas of practice that, in my mind, must be in place, if they are not already. First, client base details must be accessible to those overseeing the transfer of business, with clients contacted at an early stage to advise them that their chosen legal advisers have ceased trading and their business will be transferred to another nominated company or, if they wish, to one of their choosing. Such contact must progress at pace following the collapse of any solicitors business.

Secondly, it is crucial that when clients are advised of the circumstances of a change, resources are directed to ensure that all work instructed was completed correctly and that no issues remain outstanding.

I fully support this debate and Stuart McMillan's work, and I urge constituents in my constituency of Aberdeen South and North Kincardine to get in touch with me at any time if they feel that they might have been affected.

18:18

Marie McNair (Clydebank and Milngavie) (SNP): I thank my colleague Stuart McMillan for securing this highly important debate. I know that he has done a lot of work in this regard to support his constituents and raise awareness, and I thank him for that.

I am speaking on behalf of several constituents who have been affected by McClure. As has been mentioned, it is estimated that around 100,000 people across the UK have been impacted by the scandal. The clients are predominantly elderly and, in some cases, vulnerable, too. Many who were impacted were advised that a new will was beneficial, and they were later sold family protection trusts and powers of attorney on the back of that. The cost of that was in the thousands—money that the clients had worked hard for over their lives and could not afford to lose. Since the takeover by Jones Whyte, it is believed that files have been passed over without the express permission of clients, which is a cause for concern among some constituents.

With McClure Solicitors now in administration, thousands of people are left with significant difficulties in accessing assets, because of numerous inaccuracies or failings by McClure. That has caused undue stress, anxiety and financial difficulty for clients and their surviving families, who are often now having to pay extra to remedy those failings. It is a disgrace.

One of my constituents, who gave me permission to share their story, told me:

“I paid McClure to prepare a will and power of attorney for me in 2020. The power of attorney was never registered with the Office of Public Guardian. Jones Whyte Solicitors have taken over from McClure and said that I need to pay again. As a 75-year-old pensioner, frightened to turn my heating up, I am distressed to have to start further payments to yet another law firm.”

Another said:

“My mother was a victim of McClure Solicitors and was encouraged to put her home into a trust and buy a will and a power of attorney for £3,500. It was mis-sold to her, and two of the McClure staff put themselves on the trust as trustees and also changed the title deeds of my mother’s home to name themselves on the deeds without her knowledge. We are now trying to unravel the mess that they have made with the new solicitor, costing further expense to my retired mother.”

Those are just two examples of the several cases that I have received in my office. What links each one is that the victims are elderly, and that some also have serious health conditions. It is utterly unacceptable that they have been put into such stressful financial difficulties at a point in their lives when they should be able to relax and put their feet up.

I back Stuart McMillan’s calls for an inquiry into the firm’s conduct and subsequent collapse to prevent a recurrence of the situation. Unfortunately, it is expected that thousands might be unaware of what has happened and that, as a result, their legal affairs will not be in order. It is therefore vital that, as MSPs, we do what we can to spread awareness, in tandem with the excellent work of the victims of McClure Solicitors campaign. If that awareness raising can be extended to a Scottish Government information campaign, as suggested by Stuart McMillan, that would also have my backing.

How we treat elderly residents says a lot about who we are as people, and it says a lot about our country, too. They deserve to be treated with compassion, honesty and respect, and they should not have been misled. It is vital that we do everything in our power to support those victims as best we can. I am firmly on their side, alongside Stuart McMillan.

18:22

The Minister for Victims and Community Safety (Siobhian Brown): I thank Mr McMillan for raising this important matter, and all members who have spoken and raised a number of important points. I will respond as far as I can in the time allowed.

I sympathise with all those who have been adversely affected by the collapse of McClure Solicitors. It is important that, when that happens

in a regulated market, measures are in place to protect consumers. I encourage those affected to seek advice from the Law Society of Scotland and the Scottish Legal Complaints Commission, which can provide information and clarity on how to seek redress through raising a complaint, making a claim under the client protection fund or making a claim through the professional indemnity insurance scheme. Such measures and schemes provide consumer protection and redress where appropriate, and they remain a route to redress when a legal firm has gone into administration.

The Government has also taken proactive steps to strengthen the legislation in respect of both legal regulation and trust, which will help militate against such a situation happening in future. Cases such as that of McClure Solicitors show the need for legal regulation that centres on the public interest and the protection of the consumer.

Russell Findlay: What is the minister’s response to Esther Robertson’s take that the proposals in the Regulation of Legal Services (Scotland) Bill make the regulatory framework even more complex?

Siobhian Brown: We went through the history of the independent regulator in last week’s stage 1 debate. I watched Esther Robertson give evidence at committee, and she acknowledged that there was a divide and that views were so polarised that it would be very difficult to get everybody on board. That is why a compromise was reached at stage 1 in order to move things forward.

As I have said, cases such as the McClure Solicitors one show the need for legal regulation that centres on the public interest and protection of the consumer. That is what the Regulation of Legal Services (Scotland) Bill, which was agreed to at stage 1 last week, seeks to achieve. The current legal framework places the emphasis on regulating the individual solicitor, rather than the law firm by which they are employed. In a significant shift for legal services regulation, the bill introduces a requirement for all legal businesses to be regulated as entities.

That new system of entity regulation will bring greater oversight and monitoring of legal businesses. It will introduce a requirement for all legal businesses to be authorised to provide legal services, with public and consumer interests at their heart. That will allow the Law Society to review a business’s performance to ensure that it is complying with its duties to clients and that it is financially sustainable. The regulator will be able to direct changes and impose sanctions where there is non-compliance.

Entity regulation will also introduce greater consistency in the regulation of legal firms, with all entities having to meet the same high standards. A

greater ability to collate data will help the Law Society identify and address deficiencies early and take the necessary preventative action. The intention behind the bill's extension of regulatory complaints to cover such legal entities is to allow for a mechanism for addressing systemic issues in legal firms.

The bill also sets out the regulatory objectives that must be complied with as legal regulators exercise their functions, including consideration of the consumer principles, the better regulation principles and the human rights principles. The bill will streamline the legal complaints system, as many stakeholders have called for, making the process faster and simpler for the consumers and legal practitioners who find themselves involved with it, such as all those who have been affected by the McClure situation. Where there is any concern that a legal regulator is failing in its duties, the bill will introduce an ability for the regulator's performance to be reviewed and for measures to be taken to ensure that improvements are made, where necessary.

During the parliamentary passage of the Trusts and Succession (Scotland) Bill last year, we learned about the fallout of the failure of McClure Solicitors and the impact on existing trusts. I thank Stuart McMillan, who, as convener of the Delegated Powers and Law Reform Committee, led scrutiny of that bill and ensured that the matter of McClure in the context of trusts was fully considered.

The Trusts and Succession (Scotland) Act 2024 has made important changes to how trusts are administered and how trustees are appointed and removed. Parliament made amendments to the bill at stages 2 and 3 to respond to the significant practical difficulties that co-trustees might face in removing a trustee who was appointed in their professional capacity and who is no longer a member of the profession.

I will now highlight a few of the issues that have been raised. First, I appreciate the need to raise public awareness about McClure in the public domain. When McClure ceased trading, the Law Society published notifications on its website to flag up the situation. As we know, the good will, the work in progress and certain assets have been taken over by Jones Whyte Solicitors, but it is now the responsibility of the acquiring firm to contact McClure's former clients. That process is on-going and, due to the large number of people affected, Jones Whyte has indicated that it is prioritising the cases that need immediate attention and is continuing to inform all clients.

Bob Doris: I wonder how that is being resourced by the acquiring firm. The minister talked about an insurance scheme that can pay out in relation to various matters; if the issue is

one of resource, surely such insurance schemes should be drawn upon for that. It should be a matter of course that all clients are advised on the collapse of the firm and their cases reviewed without its costing them a single penny.

Siobhian Brown: I appreciate that point. There is no specific legal duty on Jones Whyte to contact the clients, and there is a risk of making legislative changes for individual situations that would not be appropriate and which could, in future, act as a deterrent to a legal firm stepping in to take over a case and the files of another legal firm that has gone into administration in such a situation. That could be detrimental to the clients involved. However, I acknowledge the member's point.

I also want to delicately raise one issue about police involvement. I am aware that the matter has been reported to Police Scotland, which has met with those affected. Given that, as I understand it, Police Scotland has commented that an assessment of the information is on-going, it would be inappropriate for me, as minister, to comment further, and I caution elected members against stating that any criminality has happened.

Clare Haughey raised concerns about the SLCC's workload—and rightly so. As she has said, it is funded by a levy on the legal professions in Scotland. I meet regularly with the SLCC, and any proposed levy that takes into consideration increases in complaints, such as the complaints relating to this matter—

Rhoda Grant: I understand that the member does not have the answers to everything and that the police and the SLCC are looking into the matter, but does she have any advice for my constituent who is getting nowhere with the SLCC? As someone who does not have a legal background, I am not in a position to advise her, but it is clear that there are unanswered questions and things that do not look right to me. What assistance can my constituent receive to get to the bottom of this, so that she is satisfied that her relatives' wishes have been put into action and that they have not lost out?

Siobhian Brown: I would advise the member's constituent to get in touch with the SLCC, but if she is not getting anywhere, the member can write to me—I do not know the personal circumstances—and I can look into it on her behalf.

As for the calls for an inquiry, the priority at the moment is to find a solution for the people who have been adversely affected by the situation. Because this is an on-going regulatory matter and because an inquiry would not provide practical help to any of those who have been adversely affected, I do not support establishing an inquiry at this stage.

The Scottish Government will continue to monitor the situation alongside the regulatory authorities. I am aware of the calls from Stuart McMillan and Marie McNair for the Scottish Government to consider initiating an information campaign to raise awareness among the former clients, not all of whom might have been informed of the situation as yet. That is a matter for the Law Society of Scotland as a regulatory body, and I understand that the legal firm Jones Whyte took on the McClure files and is engaging with those affected.

The priority in respect of McClure is to find a solution for those who might have been adversely affected, and I encourage those with concerns to seek advice from the Law Society or the Scottish Legal Complaints Commission. This is an on-going regulatory matter, and the overall responsibility for the regulation of the solicitor profession rests with our primary regulators—the Law Society of Scotland and the Lord President.

The Law Society has written to me today to advise that an independent regulatory committee is taking proactive action and intends to bring in new practice rules and additional guidance, principally in relation to obligations and expectations, including on the issue of communications, when a solicitor or practice makes arrangements to pass client assets to another. That letter has come in only today, and more information will be coming to MSPs in that regard.

The Scottish Government will, of course, continue to monitor the situation alongside the regulatory authorities.

Meeting closed at 18:33.

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