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Thursday 3 October 2024

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Scottish Parliament

Thursday 3 October 2024

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

General Question Time

The Presiding Officer (Alison Johnstone): Good morning. The first item of business is general questions. To get in as many members as possible, short and succinct questions and responses would be appreciated.

Question 1 has been withdrawn.

Childcare Providers (Support)

2. Martin Whitfield (South Scotland) (Lab): To ask the Scottish Government whether it will provide an update on how it is supporting childcare providers. (S6O-03806)

The Minister for Children, Young People and The Promise (Natalie Don-Innes): The Scottish Government is taking a range of actions to support a diverse, thriving and sustainable sector. Despite the financial challenges that we are facing, the Scottish Government has prioritised funding to enable childcare workers in the private and third sectors who are delivering funded early learning and childcare to be paid at least the real living wage from April 2025. We are the only part of the United Kingdom to do so. That was backed by £16 million of investment in 2024-25.

In parallel, we continue to work with the sector and local government to progress the longer-term reforms to the sustainable rate-setting process that were recommended by last year's joint rates review by the Scottish Government and the Convention of Scottish Local Authorities. We have also legislated to continue the nursery rates relief scheme, which is estimated to be worth about £11 million a year to childcare businesses.

Martin Whitfield: The data that was published alongside the early learning and childcare expansion interim evaluation report highlighted that, between 2018 and 2022, there was a 19 per cent decrease in the number of childcare providers in Scotland. In England, that reduction was just 10 per cent. That indicates a lack of adequate support for the sector and the providers.

The minister has previously stated that the Government is assured that the childcare sector is, in fact, economically sustainable. Will she confirm today that that is still the case? Will the Government publish the evidence that supports that view?

Natalie Don-Innes: I am very confident in the economic model. We continue to monitor the sector's financial sustainability through our financial sustainability health checks. I want to be clear that ensuring such sustainability is a priority for me. I have been clear that private, voluntary and independent providers are an integral part of our childcare sector in Scotland.

As for further work, that fits in quite well with the rates review, which as well as being about updating sustainable rates guidance is about working with local government and funded providers to consider options for obtaining more robust and reliable cost data to direct future approaches. I would be happy to meet the member if he would like to discuss the progress on that further, but I hope that I have answered his question.

Jackie Dunbar (Aberdeen Donside) (SNP): What level of national uptake has there been of the Scottish National Party's initiative of giving three to five-year-olds up to 1,140 hours of funded early learning and childcare a year, following the support that has been given to childcare providers?

Natalie Don-Innes: Recent evidence shows that the estimated uptake rate remains very high, with more than 92,000 children accessing funded ELC in 2023. That includes 97 per cent of three and four-year-olds. Further to that, Improvement Service reporting shows that, in September 2023, 90 per cent of three and four-year-olds who were accessing funded ELC were using their full entitlement of 1,140 hours a year. I think that Ms Dunbar will agree that that is extremely positive and directly contributes to the Government's mission to tackle child poverty, given that every family who utilises the universal offering is saving roughly £5,000 per year per child.

Meghan Gallacher (Central Scotland) (Con): Given the brief conversation that I had with the minister beforehand, I thought that it would be remiss of me not to come in with a brief supplementary question. A constituent contacted me regarding the eligibility criteria, as their child was not able to start obtaining the 1,140 hours after they turned three years old. That would suggest a lack of support for private providers, which Martin Whitfield raised. What conversations is the minister having with local government to ensure that children can access 1,140 hours when they turn three years old?

Natalie Don-Innes: I appreciate Ms Gallacher's question. I want parents and families to be able to receive their entitlement as soon as possible. I appreciate that different local authorities have different guidelines around the offer. I emphasise that it is for local authorities to set those guidelines, but of course I encourage local

authorities to ensure that they are not only speaking to parents and consulting them on their needs but doing their best to ensure that children can receive that offer as quickly as possible once they are entitled to it.

Willie Rennie (North East Fife) (LD): The Government's recent report, which has been referred to, indicates that there has been a significant shift of workforce from the private, voluntary and independent sector to the council sector. Does that mean that the minister needs to act with more urgency to close the gap in funding, which the former First Minister Humza Yousaf promised that he would do?

Natalie Don-Innes: Since coming into post, I have worked with urgency, and I have regularly and passionately spoken about how valued our PVI sector is and about the fact that I want to do everything that I can to ensure the sector's financial sustainability. I go back to the guidance on sustainable rates for early learning and childcare, which includes key measures on setting rates, whether that means looking at the process for two-year-olds or at whether meal rates reflect true costs. We are also looking at how local authorities are supporting private settings for children with additional support needs. A range of actions that are under way will make a real difference to the sector, and I have had positive feedback from the sector on them.

Levelling Up Funding

3. **Bill Kidd (Glasgow Anniesland) (SNP):** To ask the Scottish Government what recent discussions it has had with the United Kingdom Government regarding the provision of levelling up funding for areas of multiple deprivation such as Drumchapel in the Glasgow Anniesland constituency. (S6O-03807)

The Deputy First Minister and Cabinet Secretary for Economy and Gaelic (Kate Forbes): I raised that very issue with the Deputy Prime Minister when I met her last Friday. That was on top of our regular contact with the United Kingdom Government on a range of issues, including the future of levelling up and other funds.

Bill Kidd: People in my constituency feel betrayed. Westminster promised funding for projects in communities across Scotland, only for people to see those promises abandoned, first by the Tories and now on Labour's altar of austerity. I have today written to the Secretary of State for Scotland to urge him to deliver the funding that was promised to Scotland's Parliament in order to properly fulfil the promises that were made to communities such as the one that I represent in Drumchapel. Does the minister agree that that funding cannot be a casualty of Labour austerity and that, rather than bypassing Scotland's

Parliament and undermining devolution, any funding should be for this Parliament to deliver for the people of Scotland and their priorities?

Kate Forbes: The member makes a compelling case for decisions being made as close to those who benefit as possible—namely, being made here in the Scottish Government. As I mentioned, I raised the matter with the Deputy Prime Minister last week. I reiterated our concerns about the levelling up fund and how it has been overly politicised under previous regimes.

As I understand it, the big risk is what will happen on 30 October, when the UK Government makes its budget statement. We sincerely hope that decisions will not be made in that budget that impact Scotland, and the community in Drumchapel, negatively.

Paul Sweeney (Glasgow) (Lab): The manner in which projects were put forward by Glasgow City Council for levelling up funding was extremely opaque and involved gate keeping. Notwithstanding that, will the Deputy First Minister confirm when the Scottish Government's regeneration funds, such as the vacant and derelict land investment programme and the regeneration capital grant fund, will be reopened, given that other projects are critically dependent on that funding?

Kate Forbes: The member understands how essential the Scottish Government's regeneration funding has been. He will also understand that, if I cannot get any clarity from the UK Government on its schemes, it stands to reason that it will be very difficult to give him any commitments in advance of the UK Government's budget or our Scottish Government budget. Our sincere hope—I hope that he will use his offices to put pressure on his colleagues—is that there will be a fair settlement to allow us to continue to support communities and that, when it comes to levelling up funding, it will be less opaque, less politicised and more impactful.

Population (Midlothian)

4. **Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** To ask the Scottish Government what assessment it has made of any impact on public services of an increased population in areas such as Midlothian. (S6O-03808)

The Minister for Equalities (Kaukab Stewart): Our population strategy, published in 2021, includes a more balanced population component, which is focused on a sustainably distributed population. Localised population growth has been discussed at the joint Scottish Government and Convention of Scottish Local Authorities

population round-table meeting, which includes representatives from all local authorities.

The ministerial population task force has considered exploratory research about the factors that drive population growth and its impact on public service planning and delivery.

At a future round-table meeting, we expect COSLA to bring forward an overview of local challenges that stem from population growth to inform the work of the task force and further collaborative delivery of the population strategy.

Christine Grahame: I thank the minister for her comprehensive answer. According to the most recent census, in 2022, Midlothian's population had increased by 16 per cent since 2011, which is five times higher than the Scottish average. That will be an underestimate of the current position, with more substantial housing developments being built month after month. Pressures on nurseries, schools and medical practices—let alone roads—can only get worse.

I hear what the minister has said and I ask her, in her representations with COSLA and so on, to suggest that Midlothian is a special case, given the population explosion in the area.

Kaukab Stewart: I thank Christine Grahame for putting her question on the tensions that are faced in the areas that she represents.

Each local authority receives its fair share of the total funding that is provided by the Scottish Government. The needs-based distribution methodology is kept under constant review and is agreed each year with COSLA on behalf of local authorities. Although the formula takes into account a range of factors, it is primarily based on population. It follows that, all other factors being equal, if the population of a council area grows faster than those of other local authority areas, it will receive an increased share of the available funding.

The Scottish Government is always open to suggestions to improve the funding formula. However, the proposals must come through COSLA in the first instance, as is correct.

Hospitality Industry (Meetings)

5. **Craig Hoy (South Scotland) (Con):** To ask the Scottish Government when it last met with senior representatives from the Scottish hospitality industry. (S6O-03809)

The Deputy First Minister and Cabinet Secretary for Economy and Gaelic (Kate Forbes): The straight answer is less than two hours ago, when I met the Scottish Hospitality Group to discuss the challenges and opportunities that the industry faces.

I use this opportunity to commend and endorse the work that Scottish hospitality does as an industry. It is often the linchpin of local economies, and it is a major and vital employer, offering many excellent skilled career paths to people all across Scotland. It is the pride of Scotland, offering high-quality service and excellent food and drink.

Craig Hoy: I am glad that my question was a prompt for the minister to meet the industry. As the recent report on brand Scotland by the Parliament's cross-party group on beer and pubs confirms, 2 per cent of Scotland's pubs closed last year, compared with 0.9 per cent in England. The report makes a number of recommendations on how to stem losses.

In my area, the Goblin Ha in Gifford, which is an iconic heritage pub that forms almost half of the village's main street, now lies shuttered and in darkness, having closed twice under two different tenants in the past 12 months. The local community is rightly concerned about the impact, not just of the loss of a local community gathering place but of vital jobs and tourism revenues.

Rural pubs are paying a heavy price for the Government's failure to provide adequate support, particularly in relation to business rates. Will the minister therefore agree to meet me to discuss the findings of the CPG report and to explore how the Government can provide a lifeline to struggling pubs such as the Goblin Ha in Gifford?

Kate Forbes: Craig Hoy makes a compelling case about the importance of hospitality businesses, in terms of not just their economic impact but their being, often, a centrepiece for local community activity. The stats make that clear. Last year, Scottish hospitality comprised 14,815 businesses, accounting for 9 per cent of all businesses in Scotland and contributing £4.7 billion in gross value added. They are a major employer, employing 216,000 people in 2022, which is 8 per cent of all employment.

Although Craig Hoy has homed in on the specifics of a local case, I take him back to the macro impact and why it is on us all to support Scottish hospitality to ensure that it has a thriving future and to do everything within our power to save our high streets, as well.

Ferry Strategy

6. **Rhoda Grant (Highlands and Islands) (Lab):** To ask the Scottish Government whether it will provide an update on its long-term ferry strategy to ensure reliability for communities. (S6O-03810)

The Minister for Agriculture and Connectivity (Jim Fairlie): We published our updated vessels and ports plan earlier this year, and Transport Scotland published the consultation report and its

initial responses on 3 September. That confirmed that reliability and resilience were the first priority of the plan. To support that, we are delivering six new major vessels for CalMac Ferries and are procuring seven new small vessels. The plan also confirms that we will retain a “resilience vessel” to cover planned and unplanned outages and that we will introduce a two-vessel summer service on the Little Minch, which will add capacity and resilience to Western Isles services and the network as a whole.

Rhoda Grant: It seems that a day does not go by without further delays to the new ferries and breakdowns of vessels in the existing fleet. South Uist is again bearing the brunt of the cancellations, and businesses are again being failed. Added to that, we are now in the fleet’s annual maintenance period.

I see that the Hebridean Isles vessel, which is due to be scrapped next month, is to provide cover for lifeline services. Will the minister now admit that there is a requirement for standby capacity for the fleet and that, if it is possible to retain the Hebridean Isles in the fleet beyond November, the Government should do that? Will he provide compensation to businesses before they are forced off island due to ferry failures?

Jim Fairlie: I do not think that there has ever been any lack of recognition of the fact that a resilience vessel would be required. However, it will not be possible to retain the boat to which Rhoda Grant refers beyond this point, because it would need a major overhaul. Caledonian Maritime Assets Ltd and CalMac Ferries anticipated that it would be out of service for many months as a result of such an overhaul, only to be disposed of when the new vessels come into play early next year.

As I said, the plan that has been set out looks at the resilience of all sectors. I will be happy to meet the member to discuss what that will look like as we go forward.

Private Jet Tax

7. Mark Ruskell (Mid Scotland and Fife) (Green): To ask the Scottish Government what its response is to the recommendations in the recent Oxfam Scotland report, “Cleared for Take-off: A Private Jet Tax for Scotland”. (S6O-03811)

The Minister for Public Finance (Ivan McKee): The Scottish Government welcomes the contribution from Oxfam Scotland, and we will consider the taxation of private jets as part of our work to introduce air departure tax.

We continue to explore all options to implement ADT in a way that protects lifeline services in the Highlands and Islands, and we will work with the United Kingdom Government on how that can be

achieved in compliance with its subsidy control regime.

The UK-wide air passenger duty, including the higher rate, which already applies to private jets, will apply in Scotland until ADT is introduced.

Mark Ruskell: I thank the cabinet secretary for that constructive answer.

Oxfam has calculated that introducing a tax on private jets in Scotland could raise nearly £22 million a year, which would be enough to deliver the fairer fares on trains that commuters really need. Last week at First Minister’s question time, we heard that the First Minister would be

“very much in the spirit of”—[*Official Report*, 26 September 2024; c 17.]

embedding such a tax on luxury travel in a future air departure tax.

Would the minister support such an initiative? Can he provide more detail on the discussions that his Government is undertaking with the UK Government on the introduction of an air departure tax for Scotland and, in particular, on the intricacies around the details of an exemption for the Highlands and Islands? How much progress can we see being made on that in the months ahead?

Ivan McKee: The Scottish Government continues to engage constructively with the new UK Government, and we will report back on progress on that issue in due course. We are very keen—as, I am sure, the new UK Government is—to make progress on the issue, in compliance with state aid rules, and to ensure that we continue to support connectivity for the Highlands and Islands.

With regard to the specifics of the Oxfam report, I have asked officials to engage with Oxfam on the substance and the details of its calculations. Having had a quick look at the report, I have to say that it does not appear, at first glance, to have taken into account behavioural impacts. That is interesting, given that the primary thrust of the report is to reduce travel by private jet in the interests of tackling climate change.

However, as I said, I have asked my officials to engage constructively with Oxfam to understand the basis of its calculations. We will continue to engage with all parties in the Parliament with regard to discussions on what will be included in the forthcoming Scottish Government budget.

The Presiding Officer: We have time for a concise question 8.

School Meal Nutritional Standards

8. Brian Whittle (South Scotland) (Con): I will be concise, as always.

To ask the Scottish Government what steps it is taking to ensure that school meals meet or exceed existing nutritional standards. (S6O-03812)

The Cabinet Secretary for Education and Skills (Jenny Gilruth): We expect all local authorities to comply with the high standards that are set out in the Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2020, which are accompanied by supporting statutory guidance. Education Scotland health and nutrition inspectors monitor school food and drink provision as part of the school inspection programme.

Brian Whittle: School meals are a crucial way to offer the balanced nutrition that is so important in tackling hunger, malnutrition and issues relating to behaviour, attainment and physical and mental health. Does the cabinet secretary believe that the current nutritional standards are sufficiently high to meet those criteria?

Jenny Gilruth: I am cognisant of time. There is a technical working group that has independently advised on the development of nutritional standards. That group's primary focus is on the health and wellbeing of children and young people. I am more than happy to engage directly with the member about that, because I know that he has previously raised the issue here.

First Minister's Question Time

12:00

National Care Service

1. Russell Findlay (West Scotland) (Con): The Scottish National Party's plan for a national care service has already wasted £28 million of taxpayers' money. Four parliamentary committees have warned about its flaws, national health service bosses have serious concerns and Scotland's council leaders and unions have pulled their support, so why is the First Minister pushing ahead with a plan that no one seems to want?

The First Minister (John Swinney): Before I answer the substance of Russell Findlay's question, I welcome him to his post as leader of the Scottish Conservative and Unionist Party. I look forward to our exchanges, which will take their course over the coming weeks, months and years.

The national care service is a product of consultation and dialogue with members of the public. It follows the Feeley review of adult social care, which concluded that across the country there was such variation in the quality and effectiveness of social care that there was an argument, and a necessity, for a national care service to ensure that, wherever in the country an individual is in the social care service, they are able to receive the highest-quality support. That is the foundation of the national care service and it is on that basis that the Government will pursue the proposition that have we put to Parliament.

Russell Findlay: I thank the First Minister for his kind words and look forward to our exchanges: I have counted 60 until election day.

I really hope for some answers from the First Minister. One in five care homes has closed in the past decade and the NHS is paying the price, with almost 2,000 people trapped in hospitals—the highest number on record. Scotland's care sector is collapsing today. People need action today. Every penny should be spent helping them today, rather than wasting years on yet another SNP pet project that is doomed to failure. Why can the First Minister not see that?

The First Minister: It is for many of the reasons that Mr Findlay puts to me that I support having a national care service. I am very concerned about the level of delayed discharge in our hospitals today. That has been the focus of significant attention from me as First Minister, from the Cabinet Secretary for Health and Social Care and his team and from those who act on our behalf.

I will give Mr Findlay an illustration of the problem in the country. Almost 2,000 people are delayed in leaving hospital at the moment. We have been putting in a sustained effort, and I think that the situation would have been significantly worse had we not done so. However, per 100,000 of population, the number of delayed discharges in each area ranges today from 9.3 in one local authority area to 108 in another, which is 10 times as many. If one local authority area can secure a delayed discharge level of 9.3 per 100,000 of population, I ask myself why the position is 10 times worse at the other end of the spectrum. That is unfair, it must be addressed and that is what a national care service will deliver.

Russell Findlay: The First Minister's own figures reveal that this is a today problem, and it is classic SNP—wasting time and money and neglecting what people really need. Government ministers are yet again grabbing power from local communities. The national care service will cost billions of pounds, and that is just to set it up. How will another expensive, bloated and wasteful quango help anyone?

The First Minister: One of the factors that Mr Findlay will be calculating in the cost assessment that he has just put on the record is the fact that, as part of this exercise, we intend to increase the pay and remuneration of social care workers around the country. No wonder he objects to that, because the Conservatives have objected to every attempt on our part to improve pay for social care workers the length and breadth of the country.

I assure Mr Findlay that, at the present moment, significant pressure is being applied to improve the delayed discharge position in local authority areas where it is poor. We maintain that pressure on a constant basis and it occupies a huge amount of my attention as First Minister and that of the health secretary. Some areas are improving, but not nearly fast enough. If we have a situation in which, in one local authority area, it is possible for there to be only 9.3 members of the public in delayed discharge per 100,000, how is it justifiable for there to be 10 times that number in any other part of the country? That is why we need a national care service.

Russell Findlay: This really does sum up what is wrong with politics in Scotland. There are plans for a national care service that are costing a fortune but not caring for anyone, just like the ferries that do not carry passengers and prisons that free criminals early. This Government needs a reality check. It has become disconnected from the people that it is supposed to represent, like the thousands who are in need of care today. Surely it is basic common sense to ditch the SNP's national care service plan and just put the money directly into front-line care.

The First Minister: This Government is investing in our social care system and investing in the provision of care services throughout this country in a more significant way than is provided for by the financial allocations made to Scotland by the United Kingdom Government. Mr Findlay, of course, was a supporter of Liz Truss. We can—*[Interruption.]*

The Presiding Officer (Alison Johnstone): Carry on, First Minister. *[Interruption.]* Members!

The First Minister: The Conservatives obviously do not like being reminded that Mr Findlay—*[Interruption.]*

The Presiding Officer: We will hear the First Minister. Many members wish to put questions today. I would like us to continue.

The First Minister: The Conservatives obviously do not like hearing that Mr Findlay was a supporter of Liz Truss, whose economic and fiscal policies have undermined the public finances of Scotland. That is the reality that I point out to Mr Findlay.

This Government has taken the hard decisions to invest more in our public services and more in our health and social care services than would have been the case if we had followed the United Kingdom Government's budget allocations to Scotland—£1.5 billion more invested in our public services.

If Mr Findlay wants a lesson in reality, I will tell him that I will not follow the discredited and failed policies of the Conservative Party. We will make our choices here in Scotland to invest in our public services and to protect the people of our country.

Delayed Discharge

2. **Anas Sarwar (Glasgow) (Lab):** We have known for years that delayed discharge is exacerbating the crisis in our national health service. Delayed discharge is when someone is medically cleared to leave hospital but is unable to do so due to the lack of a care package. Almost a decade and countless health ministers ago, the SNP promised to eradicate this dangerous practice, but new figures show that, on average, 2,000 patients were needlessly stuck in hospital every day in August—the highest number on record. That is the equivalent of every bed in NHS Lothian or every bed in Ninewells, Raigmore, Wishaw and Inverclyde hospitals combined.

More than £1.3 billion has been lost to delayed discharge since the Scottish National Party promised in February 2005 to eradicate it. Why has the SNP Government spectacularly failed to tackle the crisis?

The First Minister (John Swinney): As Mr Sarwar will know, there has been a significant

increase in demand on our health and care services as a consequence of the Covid pandemic. That is the reality of what we are wrestling with.

In addressing that reality, the Government has delivered on our commitment in the programme for government to increase social care spending by 25 per cent over this session of Parliament—two years ahead of our original target. We have put in those extra resources because we were prepared to take the hard decision on tax in order to increase public investment and public expenditure.

I do not in any way diminish or dismiss the significance of the problem of delayed discharge. I have recounted and put on the record the disparity in the performance of health and social care partnerships around the country, which is a source of great concern to me.

The Government has invested in the system to ensure that we can support it and deliver on expectations. However, we face higher demand as a consequence of Covid.

Anas Sarwar: The First Minister fails to measure the outcomes of what is happening in our health and social care system. The Government has a track record of failure on outcomes, with devastating consequences. There are record levels of delayed discharge on its watch.

Scottish Labour has called for a national care service for more than a decade. When the Government finally agreed to support one, we welcomed that, but we also warned that it had to be more than a slogan. Half a decade later, the SNP's plans are in disarray. The fact is that its plans are for a national care service in name only, which will do nothing to fix the problem and will not fund a single extra care worker or improve services. That is why care unions, councils and national health service leaders are now withdrawing support and raising concerns.

The SNP's plans could now cost £2.2 billion. Surely, that money should be spent on care packages, additional workers, better pay and conditions and reducing delayed discharge.

The First Minister: That is precisely what the Government is doing. I have just put on the public record the fact that the Government has increased social care spending by 25 per cent—which was our target—and has delivered that early.

Members of the Parliament must accept that we have to operate within a budget that is agreed by this Parliament. Within the commitments that we have made, we have increased social care expenditure so that care workers are paid more, which they are, and so that more care workers are employed, as they are being, to make sure that we can deliver that care.

However, there is a challenge from rising demand, which is why the delayed discharge figure is so high, and we have variations in performance among the different areas of the country. Those are the realities that we are wrestling with.

Reducing public expenditure or not continuing to invest in that service will not help us. Mr Sarwar now represents the position of wanting to change what we have done on tax. He does not support the extra investment that we have generated from tax decisions; he supports a United Kingdom Government that is carrying on with austerity. We have to break out of the austerity cycle—we need investment. This Government is committed to that, but I do not think that Mr Sarwar is.

Anas Sarwar: The First Minister does not live in reality and does not accept that, on the Government's watch, outcomes are getting worse for people in Scotland. He can try to spin the facts and blame others all he wants, but the truth is that his plan is an absolute disaster. Workers do not want it, experts do not want it and warnings have been ignored for years. The Government's botched plans are just a power grab. They will waste money, will not improve care and will not address delayed discharge, which is a key factor in the NHS crisis.

We support a proper national care service, but no good idea ever survives the incompetence of the Government. Will the First Minister wake up to the reality in our NHS and care service, ditch the costly and unworkable National Care Service (Scotland) Bill, and bring forward a credible alternative plan to fix the crisis that the Government has created?

The First Minister: I am interested in all that Mr Sarwar has said today. Unless I misheard him, I do not think that he spoke at any stage about service users. They are the people who want a national care service, because they are deeply concerned by the issues that we are wrestling with.

The Government will engage constructively with all interested parties about the establishment of a national care service, because we want to improve outcomes for members of the public. We are committed to doing exactly that. We will engage constructively with the Labour Party, and anyone else, on their ideas for establishing such a service. However, members must be aware that when they come here to demand investment in our public services, they have to be prepared to support the means to make that happen. That does not happen if they oppose what we are doing on tax. Neither does it happen if members of Parliament say that there will be no austerity, as Mr Sarwar told me during the election campaign, but then deliver austerity when they are in power in the

United Kingdom Government. That does not add up. It will not meet the needs of patients in our country, and it will not deliver better outcomes for our people.

Middle East (Ceasefire)

3. Patrick Harvie (Glasgow) (Green): The world's failure to address Israel's impunity, to protect civilians or to prevent war crimes has made the escalation of violence in the middle east inevitable. Through devolved funding decisions, the Scottish Government has a role to play here. There have been far too many deaths: there were the brutal killings that occurred on 7 October 2023; genocide has been inflicted on the people of Gaza; we have seen the bombardment and invasion of Lebanon; and now the world faces the imminent threat of full-scale regional war. We need an immediate ceasefire in Gaza and de-escalation in the wider region. However, the Prime Minister continues to provide arms and political support to Israel regardless of the consequences.

Given that devolved funding decisions are involved, what is the First Minister's response to the crisis? Will he join the Scottish Greens in calling for de-escalation and for the United Kingdom Government to end its complicity in the war crimes that are being inflicted on Palestinians and others?

The First Minister (John Swinney): I share the deep concern that Patrick Harvie has expressed to Parliament about the situation in the middle east. The calls that my predecessor and I have made for a ceasefire in Gaza—which we have done for some considerable time, dating back to late October last year—have highlighted the danger of escalation of the conflict, which is exactly what is now happening. If there had been intervention to deliver a ceasefire a long time ago, we could have avoided being on the very dangerous course that we are now on.

I reiterate my call for there to be an immediate ceasefire and for all parties of good will to exercise their influence and responsibility to ensure that that is brought about and that there is de-escalation of the conflict in the middle east. All of this, of course, goes back to the atrocities that were committed by Hamas in early October 2023. All hostages should be returned, a ceasefire should be applied to resolve the issues, and a two-state solution should be developed to ensure that Palestinians can live in safety in their own sovereign, independent nation.

Mr Harvie raises with me issues of devolved responsibility. He and I had an exchange about that on 30 May 2024. This morning, I reread that exchange to satisfy myself that all steps that we can take within our legal responsibility are being

taken, to ensure that the concerns that Mr Harvie puts to me are properly pursued.

Patrick Harvie: There is a responsibility on all Governments to act in the face of so much violence and destruction, and I welcome the fact that the First Minister has repeated his calls for a ceasefire and de-escalation and for statehood for Palestine, and I hope that he continues to oppose the sale of arms to Israel.

However, the Greens have repeatedly raised the Scottish Government's track record in giving grants to the companies that are producing those weapons and are profiting from the killings. Tens of thousands of people have been killed, yet companies that are arming Israel have received hundreds of thousands of pounds from Scottish Enterprise. The First Minister has repeatedly defended that by saying that his Government does not fund the manufacture of munitions, but that is not the point. The Government is funding the companies that profit from those atrocities. Will the First Minister finally send a clear signal today by immediately banning those companies from receiving grants and support from the Scottish Government?

The First Minister: I understand why Patrick Harvie put that question to me, and I understand the basis and substance of his point.

What I said back on 30 May 2024 was:

"we have to have a legal basis for saying, for matters that are not related to the Israel-Gaza conflict, that we are not providing a grant."—[*Official Report*, 30 May 2024; c 18.]

That is the key legal test that the Government must satisfy. Whatever else is happening in the world, the Government has to act within the law, and, under my leadership, it will do so, because I believe fundamentally in the rule of law in all circumstances—it would help if many other people believed in the rule of law as well with regard to resolving some of these issues.

I do not in any way dismiss the points that Patrick Harvie put to me, but I simply say that I have to act within the law, and that, as I have assured him, I will explore once again whether there are any actions that we can take that will properly address our legal responsibilities and the moral and ethical issues that he fairly put to me this afternoon, and I will keep the matter under review.

The Presiding Officer (Alison Johnstone): Question 4 has been withdrawn.

Excessive Drinking

5. Brian Whittle (South Scotland) (Con): To ask the First Minister, in light of the recent reports of an increase in alcohol-related deaths in

Scotland, what steps the Scottish Government is taking to reduce excessive drinking. (S6F-03420)

The First Minister (John Swinney): The recent statistics are a stark reminder of the challenge that our nation faces in tackling alcohol harm. The increase in minimum unit pricing of alcohol to 65p per unit this week is an example of concrete action taken by this Government to prevent alcohol harm.

Research has estimated that our policy has saved hundreds of lives and has likely averted hundreds of alcohol-attributable hospital admissions, compared with what would have happened without minimum unit pricing in place.

To support people who are already drinking at hazardous and harmful levels, the Scottish Government provided a sustained record investment of £112 million to alcohol and drug partnerships this year.

Brian Whittle: Whether we agree with the effectiveness of minimum unit pricing or not, we will agree that it will certainly not be a silver bullet. Many people who are caught in excessive drinking or addiction are self-medicating to counter other traumas. If we are to effectively tackle the scourge of that addiction in Scotland, we need to not only recognise the right to recovery that is advocated by the Scottish Conservatives but work to prevent others from falling into addiction.

Does the First Minister recognise that community activities such as music and drama, and activities provided by youth clubs, sports clubs, the scouts, the guides and all the similar great organisations can also be positive alternative forms of self-medication? If he does, does he further recognise that reducing access to such activities in schools and the community, closing facilities and squeezing third sector funding makes preventing addiction that much more difficult?

The First Minister: There is a lot in Mr Whittle's question with which I agree. The opportunity to have a fulfilling life that does not require any resort to alcohol or drug dependency can often be delivered by participation in many of the organisations and activities that he mentions. I assure him that I strongly support the work of the third sector and many of the organisations that he talks about—I very much practise that in my parliamentary and ministerial activities.

The only note of discord that I would sound is that we have to find the money from somewhere. I keep coming back to the point that it is all very well for members of Parliament to come here and ask us to fund things and make other provision—which I think is totally valuable—but they must say where they would find the resources for that if they are not going to support us with regard to having the means to do so.

Mr Whittle's party was responsible for the chaos in our public finances with which we wrestle, and the Government is working our way through those challenges. I simply appeal to Mr Whittle to follow through on his commitment to encourage me to support those organisations and activities by supporting us in having the means to invest in them through the budget process.

Collette Stevenson (East Kilbride) (SNP): Does the First Minister agree that the minimum unit pricing of alcohol has already proven itself, given that analysis by Public Health Scotland and the University of Glasgow estimates that the policy

"has reduced alcohol deaths by 13.4 per cent and hospital admissions caused by alcohol by 4.1 per cent"?

Will he outline the actions that the Scottish Government has taken, in addition to innovative policies such as minimum unit pricing, to support people seeking treatment for alcohol-related issues?

The First Minister: I very much agree with Collette Stevenson that minimum unit pricing has been effective. Recent commentary in *The Lancet*—in a contribution by internationally renowned public health experts—stated:

"Policy makers can be confident that there are several hundred people ... who are alive today as a result of minimum unit pricing."

That is something that I think we should all welcome as showing the effectiveness of the policy. However, minimum unit pricing is not the only instrument of policy that we have. On alcohol treatment, the Government has made available £112 million to alcohol and drug partnerships, and we have made £100 million available—or will do so over the course of this parliamentary session—to increase access to residential rehabilitation. We will work with stakeholders to create a new national service specification, alongside guidance for alcohol treatment, to address these issues.

Carol Mochan (South Scotland) (Lab): The World Health Organization estimates that more than half of children in Scotland have tried alcohol before they turn 13. What progress is the Government making on the issue? Will the First Minister commit to pursuing policies, with some urgency, that deliver an alcohol-free childhood?

The First Minister: I agree fundamentally with the point that Carol Mochan put to me. The Government is of course pursuing a number of measures under consultation in relation to alcohol marketing, so as to achieve the objective that she understandably put to me. I reassure her that it is part of the Government's programme to put in place measures that avoid children having exposure to alcohol in their childhood and enable us to achieve more positive outcomes for young people.

Educational Attainment

6. Pam Duncan-Glancy (Glasgow) (Lab): To ask the First Minister what the Scottish Government's position is regarding whether teachers are essential to raising educational attainment and closing the poverty-related attainment gap. (S6F-03413)

The First Minister (John Swinney): Scotland's teachers are vital to driving improvements in our schools, raising attainment and closing the poverty-related attainment gap. That is the reason why we are providing local authorities with £145.5 million in this year's budget to protect teacher numbers and why the Cabinet Secretary for Education and Skills and I are committed to working with our local authority partners to ensure the best possible education for every child in Scotland.

Pam Duncan-Glancy: The First Minister will know that not a single local authority has agreed to receive that funding. The First Minister says that he believes that teachers are essential, and his education secretary says that she cannot raise attainment with fewer teachers, yet 450 of them in Glasgow have begun to lose their jobs. As the First Minister himself just said, those jobs are essential. Teachers are working 11 hours extra unpaid every week, on average, and new teachers cannot get jobs on the present Government's watch.

Enough is surely enough, and Parliament therefore voted for my motion for the Government to intervene, save jobs and produce a proper plan. Once again, however, the Government has ignored the will of the Parliament. I therefore ask the First Minister today: when will teachers have the stability that they deserve?

The First Minister: The teaching profession is fundamental to our education system in Scotland. I saw that first hand when I was education secretary, and I reiterate what I have put on the record today, which is that teachers play a critical role in the achievement of the Government's objectives on education. It is for that reason that we are making available the resources to protect teacher numbers. Pam Duncan-Glancy has said to me that local authorities have not yet agreed to accept that money. A way of stabilising the teaching profession would be for local authorities to agree to accept the money that the Government has put on the table. That would be the simplest way to take things forward. I think that it would help local authority financing to have certainty from the Government about investment in the teaching profession, which has always been our priority.

I am very pleased that we have reached a situation in which the teaching profession has

accepted the pay offer that has been made through the Scottish Negotiating Committee for Teachers. That provides further stability for the teaching profession, and it means that teachers in Scotland continue to be the best paid in the United Kingdom.

Emma Harper (South Scotland) (SNP): Time and again, Labour members come to the chamber to demand more spending, while at the same time standing behind Keir Starmer's and Rachel Reeves's austerity agenda. Does the First Minister agree that it is vital that the United Kingdom budget commits to investment rather than austerity and that it is for all parties to join the Scottish National Party in making that case to the UK Government?

The Presiding Officer: I am not entirely clear that that question relates to the substantive question on the paper. Therefore, I will call Liam Kerr.

Liam Kerr (North East Scotland) (Con): Instability with teaching jobs extends to supply teacher posts. Recent figures from the Scottish teachers for permanence campaign suggest that 80 per cent of supply teachers have had little or no supply work this year and, in some councils, more than 60 per cent of those teachers have had less than a month's work. Taken with Pam Duncan-Glancy's statistics, that paints a picture of job insecurity, negative impact on pupil experience, financial uncertainty and little encouragement for those who are seeking to join the profession. Can the First Minister provide the Parliament with a published strategy to address the teacher recruitment and retention crisis, or is his Government making it up as it goes along?

The First Minister: As Mr Kerr will know, teachers are employed by individual local authorities. *[Interruption.]* If we have got to the point that Conservative Party members groan when statements of fact are put on the record, the Conservative Party is in a pretty dismal position. *[Interruption.]*

The Presiding Officer: Let us hear one another.

The First Minister: Local authorities employ teachers, and the Government works with local authorities on workforce planning. All those factors are taken into account when admission levels for initial teacher education are set, which is a collaboration between the Government and local authorities. That is the point that I was going to make before the groaning started from Conservative members. Workforce planning is undertaken in Scotland to ensure that we have a sufficient supply of qualified teachers to contribute to the education profession. I will ask the education secretary to reflect on whether further

refinements are required in the light of Mr Kerr's question. We undertake workforce planning because it informs the admission to initial teacher education, which is critical to ensuring that we have all the skills that are necessary for our teaching profession in Scotland.

The Presiding Officer: We move to constituency and general supplementaries.

Scottish Government Land (Granton)

Ben Macpherson (Edinburgh Northern and Leith) (SNP): During recent weeks, a number of constituents have contacted me regarding concerning incidents that have taken place on Scottish Government-owned land in Granton. Most worryingly, a fire was started that damaged a substation and left local residents without an electricity supply for many hours. The land is designated for an exciting new development by the National Galleries of Scotland, which I hope will proceed soon. In the meantime, however, my constituents and I would be grateful if the First Minister and colleagues could quickly consider how the Scottish Government can take more action to secure the land to reduce risk, criminality and antisocial behaviour in the area.

The First Minister (John Swinney): I understand the concerns that Mr Macpherson raises on behalf of his constituents. I assure him that we will do all that we can to encourage the site to be secured. We will work closely with the City of Edinburgh Council and Police Scotland to identify solutions to the challenges that are faced in the Granton area. As Mr Macpherson knows, the project for National Galleries of Scotland is an important Government commitment. We look forward to taking the necessary steps to secure the site in advance of its development.

Dyslexia (Assessments)

Oliver Mundell (Dumfriesshire) (Con): As part of dyslexia awareness week, Dyslexia Scotland and the University of Glasgow yesterday published a hard-hitting research project report, "Towards a dyslexia-friendly Scotland?", which looks at the experience of 1,400 adults with dyslexia. The report highlights a number of areas of concern, including challenges in obtaining an adult assessment outwith formal education. A total of 80 per cent of participants said that the cost of getting an assessment was preventing them from having their dyslexia identified, and three quarters said that it was negatively impacting them in the workplace. Those concerns have been raised numerous times, with little progress being made. Will the First Minister therefore agree to meet Dyslexia Scotland and a cross-party group of MSPs to discuss the findings, and will he finally

agree that the Scottish Government should fund those important assessments for all adults?

The First Minister (John Swinney): I am familiar with the research that Mr Mundell puts to me, and I acknowledge the significance of the issue arising where dyslexia is not identified and, as a consequence, not supported. I am very happy to agree to meet Mr Mundell and Dyslexia Scotland; I have engaged with the organisation in the past, and I would welcome a continuation of that dialogue. There are obviously financial implications of meeting the costs of the assessments that Mr Mundell highlighted to me, but we will have those discussions and identify what further actions the Government can take to support the legitimate aspirations that Mr Mundell has outlined.

Death Certification

Jackie Baillie (Dumbarton) (Lab): The First Minister will be aware of the case of my constituent who died last week in an industrial accident in Southampton. His death will be subject to a coroner's inquest, which will be months away. An interim death certificate is issued by the coroner as a matter of course, but legislation that was passed in Scotland in 2015 allows only full death certificates to be accepted for burials and cremations in Scotland. That means that my constituent cannot be brought home for burial or cremation, which obviously compounds his family's distress.

I thank the Cabinet Secretary for Health and Social Care for his positive engagement on the issue. However, what can the First Minister himself do to resolve the matter urgently? Will he consider specifically whether Health Improvement Scotland, which provides a death certification review service, can act in this case?

The First Minister (John Swinney): I am familiar with the case—I sympathise very much with the family involved, and I understand that this circumstance will add to the distress that they are suffering.

Jackie Baillie received a reply on that question from the health secretary last night, and I assure her that we are in touch with the relevant authorities to try to find a way through the situation to resolve the issue. I do not have a solution as yet, but I assure her that we are actively working to try to ensure that that is the case, and to do so as swiftly as we possibly can.

Afghan Embassy (Closure)

Bob Doris (Glasgow Maryhill and Springburn) (SNP): On 27 September, the Afghan embassy in the United Kingdom closed, leaving the 280,000-strong Afghan diaspora in the

UK, including constituents of mine and families across Scotland, without consular services such as passport facilities, which enable travel.

For the avoidance of doubt, I note that the consular services were provided by a small and committed staff team who remained loyal to the now-toppled democratically elected Government of Afghanistan and who rejected the Taliban completely.

The closure of the embassy will have a detrimental impact on many families who have made their lives and homes in Scotland. Will the First Minister make direct representations to the UK Government to see how it might be able to support the reopening of the embassy and, with it, the restoration of consular services?

The First Minister (John Swinney): I appreciate the difficulty that Mr Doris puts to me, and I am happy to confirm that we will make representations to the United Kingdom Government on that basis to see what can be achieved. It is a deeply regrettable situation that the Afghan embassy faced closure following the dismissal of staff by the Taliban Government. Individuals should have access to representation by their Government, and they should be supported in ensuring that their needs are met. I give Mr Doris an assurance that we will make those representations to the United Kingdom Government to determine how those issues can be resolved.

As Mr Doris raised with me the issue of the Afghan population in Scotland, I make the point that their contribution to our country is deeply valued and that they are citizens who are welcome here. We want to do everything that we can to ensure that they can contribute to our society and can be well supported in so doing.

Police Officers (Pay)

Pam Gosal (West Scotland) (Con): This morning, police officers from across Scotland have been holding a silent demonstration in front of the Parliament, and many officers are currently in the public gallery. Years of brutal cuts from the Scottish Government have left hard-working police officers doing their jobs with one hand tied behind their back. As a consequence, police officer numbers are at their lowest since 2007. Will the First Minister recognise, therefore, that police officers feel undervalued and overworked, and will he commit to a fair pay deal in line with pay deals for other public sector workers?

The First Minister (John Swinney): I am happy to put it on the record that I value enormously the contribution that police officers make to our lives in Scotland. They are essential contributors to the safety of members of the public,

and they provide a pivotal and essential role that is highly valued by me, as First Minister, and by the Scottish Government.

Police pay is negotiated through two separate processes—the Police Negotiating Board for Scotland for police officers' pay, and the joint national consultative committee for police staff pay. Pay claims have now been submitted for both officers and staff and will be progressed through the relevant negotiating processes. That process will resolve the issues that Pam Gosal put to me.

Our police officers in Scotland have consistently been the best paid in the United Kingdom, at the minimum and the maximum of each rank. That recognises their hard work and the valuable contribution that they make daily, as well as our commitment to investing in policing.

With regard to police numbers, recruitment is under way, which is designed to boost police numbers. The statistics on that will be published in due course.

Princess Alexandra Eye Pavilion (Closure)

Sarah Boyack (Lothian) (Lab): To ask the First Minister, in the light of the disruption that will arise from the closure of the Princess Alexandra eye pavilion for the next six months, what financial support the Scottish Government has committed to providing to NHS Lothian, to ensure that no patient loses out now or in the future.

The First Minister (John Swinney): I understand the significance of the issue that Sarah Boyack puts to me. The Cabinet Secretary for Health and Social Care has been actively engaged on the issue, and there will be a briefing on it to members of Parliament tomorrow.

We are in discussion with NHS Lothian about the arrangements to ensure continuity of service to individuals who will be affected by the closure because of the structural issues that we have to confront. The health secretary will keep members of Parliament updated about the steps that are being taken to ensure that the concerns that Sarah Boyack puts to me are properly and fully addressed.

Schools (Behaviour)

Willie Rennie (North East Fife) (LD): Almost two thirds of teachers who were surveyed in Fife are considering leaving the profession, as a result of violence in schools. What can the First Minister say to those teachers to keep them teaching? What, precisely, has changed as a result of the recently published Government guidance on behaviour?

The First Minister (John Swinney): I understand the concerns of members of the

teaching profession, and those concerns are taken seriously by the Government. That is why we brought forward the proposals and mechanisms that were made available to the teaching profession at the start of the school year. The Cabinet Secretary for Education and Skills announced all those changes. There are now a greater range of responsibilities and opportunities for the teaching profession to exercise, to ensure that schools remain safe places for all, which they should be in all circumstances. The local authorities have been part of the process of formulating those proposals and, as the employers of teachers, they are available to support teachers in exercising the responsibilities that they need to exercise to keep schools safe.

Housing Emergency (Financial Transactions Funding)

Emma Roddick (Highlands and Islands) (SNP): It is vital that we continue to take action to tackle the housing emergency, and the £22 million investment this week into the charitable bond programme to increase investment in affordable homes will play an important role in that. Can the First Minister outline the impact of the UK Government's savage cut to the availability of the type of funding that is known as financial transactions on the Scottish Government's wider ability to invest in housing under the limited powers of devolution?

The First Minister (John Swinney): The specific point on financial transactions is very important for the affordable housing supply programme budget, because we experienced a 62 per cent cut to financial transactions by the previous United Kingdom Government. That financial mechanism was crucial in enabling the affordable housing programme to be sustained at the previous level, and it has largely accounted for the falls in available investment. We have made representations to the UK Government—I have raised the issue with the chancellor and the Deputy Prime Minister—to secure a change to that approach. We will get the answer to that point in the budget on 30 October.

I say to Emma Roddick that those investment streams are absolutely crucial in enabling us to sustain our investment in affordable housing, but the Government is also deploying innovation with other mechanisms that we have developed, such as charitable bonds and the work on negotiation around providing financial support to bring void properties back into use, which demonstrate some of the flexibility that we are putting in place to address the housing challenges that we face around Scotland.

A96 (Dualling)

Douglas Lumsden (North East Scotland) (Con): It is now more than three years since the Scottish National Party Government announced a review into the dualling of the A96. The review is nearly two years late and the Government's delaying tactic has cost taxpayers almost £6 million. On Friday, an air ambulance had to be called to yet another harrowing collision just outside Huntly. Will the First Minister stop playing political games with people's lives and tell us when the review will finally be published?

The First Minister (John Swinney): The Government has made clear our commitments in relation to the A96, including dualling the A96 between Inverness and Nairn and in relation to the Nairn bypass. A review is under way in relation to the remainder of the route. That will be concluded in due course, and Parliament will be advised of its implications.

The Government is committed to ensuring that we take measures to address road safety in all parts of the country. The transport secretary is focused on those measures and has put in place a range of practical steps to ensure that that is the case.

The Presiding Officer: That concludes First Minister's question time. There will be a short suspension to allow those leaving the chamber and the public gallery to do so.

12:46

Meeting suspended.

12:48

On resuming—

Ardrossan Harbour

The Deputy Presiding Officer (Liam McArthur): The next item of business is a members' business debate on motion S6M-12723, in the name of Katy Clark, on Ardrossan harbour. The debate will be concluded without any question being put.

Motion debated,

That the Parliament understands that it has been seven years since the Scottish Government decided to retain Ardrossan as the service's mainland port for the Arran service, citing connectivity, reliability, overall operational cost to the public purse and socio-economic considerations; further understands that it has been six years since Transport Scotland approved proposals to redevelop the harbour, which it understands includes major works necessary to run the MV Glen Sannox and MV Glen Rosa vessels from the port; understands that a refreshed business case to redevelop the harbour is yet to be finalised; considers that the daily Ardrossan-Brodick service is critical to the economic development of both Ardrossan and the Isle of Arran, and that this is the quickest, shortest route, with supporting infrastructure already in place, and notes the belief that the Scottish Government must provide a clear commitment that Ardrossan will be retained as the mainland port to serve Arran in the long term.

12:48

Katy Clark (West Scotland) (Lab): I am grateful to all the members who signed the motion to enable the debate to take place.

Ardrossan has been the main ferry port for services to Arran for 190 years, because the Ardrossan to Brodick route is the shortest, quickest and most convenient way to get to and from Arran for most people. Infrastructure has been built around the port at Ardrossan, including transport infrastructure such as railway links, and the town's economy is heavily dependent on the ferry route.

Eight years ago next month, MSPs and local councillors from various political parties joined members of the public and businesses to demonstrate fierce backing for retaining the Ardrossan to Brodick ferry route. The keep it A to B campaign was launched in response to the announcement by Humza Yousaf, then the Minister for Transport and the Islands, that there would be a wide-ranging feasibility study to examine the future of the Arran route, following a bid to remove the service from Ardrossan and give it to Troon. The study looked at the options under four broad pillars: connectivity, reliability, overall operational cost and socioeconomic considerations. After all the evidence was considered, the decision was taken to retain

Ardrossan as the main land port for the Arran ferry service, as that was clearly the best option.

Fast forward to now, eight years after the launch of the keep it A to B campaign, and local residents, businesses and groups in Arran and Ardrossan still do not have any certainty that their lifeline ferry service will continue from Ardrossan harbour, due to the disastrous failure to commence the work at Ardrossan.

The two new ferries, the MV Glen Sannox and the MV Glen Rosa, should have come into service in 2018 and 2019. Despite both ferries being delayed for more than five years, the harbour work has not started and there has been no tender process to ascertain costs. The Scottish Government decided to commission the Glen Sannox and the Glen Rosa with a design that required the reconfiguration and upgrading of Ardrossan harbour to enable the vessels to berth. It knew that the infrastructure in terms of ports and fuel was not in place. The commissioning decision meant that decisions had to be made about the future of the port. The port is owned by Peel Ports, and it was obvious to those with experience of that owner that there might be problems with coming to a decision that it would agree with. Now, despite the ferries being more than five years late, no work has started at Ardrossan.

The delay of the two ferries has already cost the local economy millions of pounds on the island of Arran, which is heavily dependent on tourism. In Ardrossan, which has some of the most beautiful beaches and views along our coast, we suffer from some of the worst deprivation in North Ayrshire, and moving the ferry service would surely tear the heart out of the town.

The Glen Sannox started berthing trials at Brodick this week, and I hope that a service from there will start later this year, but it will not be going to Ardrossan—it has been rerouted to Troon—and there is real concern that the ferry service will never come back to Ardrossan.

Last night, more than 340 people—residents, those in businesses and other supporters—met in the Ardrossan civic centre for the inaugural meeting to launch the save Ardrossan harbour campaign. Many more were unable to get into the room. It feels like groundhog day. Eight years on from the keep it A to B campaign and eight years on from the argument being won on Ardrossan, local people still cannot get a cast-iron commitment from the Scottish Government that the Arran ferry service will keep operating out of Ardrossan in the future.

It has also been six years since Transport Scotland approved proposals to redevelop Ardrossan harbour. Constituents rightly feel angry and frustrated. You could not make this up. We

have had enough time wasting and enough excuses. I have no doubt that the work would have been completed by now if the port had been brought into public ownership, which is why Labour has been calling for that to happen for a number of years. The future of Ardrossan as a ferry port, with integrated ScotRail train services, must be preserved. We must get that commitment from the Scottish Government.

Kenneth Gibson (Cunninghame North) (SNP): Will Katy Clark take an intervention?

Katy Clark: I am glad to take an intervention from the local member.

Kenneth Gibson: Since harbour privatisation in 1992, Labour has controlled North Ayrshire Council for 26 years and Westminster for 13 years. It was in control at the Scottish Parliament for eight years, and the member was the local MP for a decade. Why is the port still in private hands? Will the United Kingdom Labour Government set aside the Subsidy Control Act 2022 to enable investment to be made in Ardrossan harbour?

Katy Clark: As the member is well aware, this is a devolved matter. As he also knows, the Labour group in North Ayrshire Council asked for a number of years to be allowed to take the port into municipal ownership because of the horrific impact on the local economy of the delay to the redevelopment of Ardrossan harbour.

The lack of investment in Ardrossan harbour and in our ageing ferry fleet is a national emergency. It has been a national embarrassment for the Scottish Government, and it has been a disaster for businesses and residents in Ardrossan and on Arran.

My constituents in Ardrossan and Arran deserve an apology. They deserve a Scottish Government commitment to provide an adequate support package to cover the cost of the delays. They deserve a reliable ferry service on the fastest route—one that they can count on. Most of all, they deserve a cast-iron commitment from the Scottish Government that Ardrossan is the preferred route for the Arran service and a guarantee that the much-needed works to the harbour will get under way as soon as possible. I sincerely hope that the minister can give my constituents that commitment and guarantee today.

12:56

Kenneth Gibson (Cunninghame North) (SNP): I congratulate Ms Clark on securing this important debate on the Ardrossan harbour redevelopment project. Last night, in the Ardrossan civic centre, I was the only MSP to participate in a packed public meeting that was

called by the save Ardrossan harbour group, which is made up of local residents. They encapsulated the frustration and strength of feeling about the seemingly never-ending saga of the harbour's redevelopment. I was the 267th person to arrive and, soon after, the doors had to be closed, with many people left outside. Emotions ran high as local businesspeople spoke passionately about the harbour's vital importance to the town and North Ayrshire. Ardrossan harbour is not just a port that has served Arran for 190 years but a key pillar of the town's economy.

Prior to the pandemic, the Scottish Government's introduction of the road equivalent tariff and the huge increase in traffic that followed the massive reduction in fares, which are still barely half of what they were when the SNP came into office, meant that 850,000 passengers travelled to Brodick annually, supporting 165 jobs. In 2017, when redevelopment was first mooted, with Troon as a potential alternative port, the entire Ardrossan community, backed by parties across North Ayrshire Council, fought a magnificent and successful campaign to retain the ferry service permanently at Ardrossan.

Despite Scottish ministers' unwavering commitment to Ardrossan since then, the communities of Ardrossan and Arran have been left in the dark and starved of information, as redevelopment has been repeatedly delayed. I know how they feel. I acknowledge that there are some commercial confidentiality issues, but, at last night's meeting, the lack of transparency and communication was clearly a source of immense frustration for Ardrossan residents and Arranachs, who are reliant on ferry services and understandably feel beleaguered by the abysmal service that they endure.

Cast-iron commitments given by the Scottish Government, North Ayrshire Council and Peel Ports to the harbour project year after year have yet to result in shovels in the ground. The case for Ardrossan should not have to be restated, but it must be. Ardrossan is the shortest route in time and distance, which enables more sailings to be carried out daily. It is the only port with adequate public transport links to the ferry. Essential national health service and care workers are among the many people who commute daily to Arran. Ardrossan is by far the most economic option. In 2017, Peter Brett Associates calculated that switching the service to affluent Troon would cost CalMac 4.9 times more over 30 years than it would to keep the service at Ardrossan—the figure was £118.1 million for Troon compared with £24.1 million for Ardrossan. Since then, inflation has widened that gap.

Given Ardrossan's deep-rooted deprivation, there is an indisputable socioeconomic case for

retaining the service there. Stranraer provides a stark and worrying glimpse of life without the ferry service for Ardrossan. In November 2011, the Northern Ireland ferry service was relocated from Stranraer to Cairnryan. Stranraer's economy contracted by a staggering 26 per cent the following year, with annual contractions of 3 per cent since.

Why, seven years on, has work still to commence at Ardrossan? I do not believe that it is for lack of trying by North Ayrshire Council or Scottish ministers. The Scottish Government has invested more than £142 million in port and harbour infrastructure across 26 Clyde and Hebrides ferry ports since 2012, including £20 million in Brodick, which was redeveloped six years ago. A tender, which is likely to come in at £8 million to £10 million for a new Cumbrae slip, is being progressed, so why not Ardrossan? The key difference is that the Tories privatised Ardrossan harbour in 1992. [*Interruption.*]

I will happily take an intervention from Mr Greene if he wishes to explain what benefits privatisation has brought to Ardrossan, or if he wants to apologise for the selling off of that strategic asset.

Jamie Greene (West Scotland) (Con): It was not me—I am up next.

Kenneth Gibson: If Ms Clark wants to make an intervention, I am happy to take it.

Katy Clark: It was, indeed, me who was asking for an intervention.

Does Kenneth Gibson agree that the port should have been brought into municipal ownership, because, as he said, there has been considerable investment in ports? Does he agree that Peel Ports seems to be the problem at Ardrossan? That seems to be accepted by everybody in the chamber. We need that port in public ownership, and it would have been better if that had happened some time ago to enable progress to have been made.

Kenneth Gibson: As I mentioned, the Labour Party had plenty of opportunities to bring the port into public ownership. Of course, the local authority, when it was under Labour control, also promised to take into public ownership local banks, bus services and energy services, but it did none of those things. If members speak to the Scottish Parliament information centre, it will tell them that it is dubious whether bringing the port into public ownership can be achieved under devolution. However, if Katy Clark's UK Government so wished, it could ensure that the port went back into public ownership.

Peel Ports' lack of investment in its own asset has held Ardrossan hostage while causing

operational difficulties and a decline in ferry resilience and reliability. The Irish berth, essential in easterly winds, was neglected until its sudden closure, while the Arran berth has had fenders fall into the Clyde. Despite receiving £15.48 million in harbour dues in the decade since 2013, Peel has failed to maintain and upgrade its harbour or engage with the local community. Of course, if the harbour is not redeveloped, Peel will lose its revenue stream.

Ardrossan harbour is now at a critical juncture. With the MV Glen Sannox being handed over in the coming weeks, the endless delays and uncertainty must end. We know that the UK Government has cut available capital funding by 20 per cent, that the Subsidy Control Act 2022 limits the room for manoeuvre and that renationalisation is extremely difficult under devolution. Nevertheless, it is time to bring this long-delayed business case to light and lay out a clear and transparent plan, with timescales for action. The people of Ardrossan and Arran deserve nothing less.

13:01

Jamie Greene (West Scotland) (Con): I assure Mr Gibson that I will address the issues that he raised in his speech—and I thank him for his speech. There has already been a lot to agree on in what has been said, and I am sure that there will be more of that to come.

I will be honest—I am not going to mince my words today, because people are angry. That palpable sense of anger has been building up over the years. It is not just me who is angry; it is our constituents on the entire west coast of Scotland, who have been let down. They are Katy Clark's constituents, my constituents and Kenneth Gibson's constituents. It is our islanders who are most angry. They are angry because we are still debating the delivery of ferries and the quality of our local ports.

I am angry that we always have to use Opposition time to bring up these issues in the absence of any Government debates. I hope that the Government will reflect on that. I am also angry that, seven months after the closure of the Irish berth at Ardrossan, an impasse leaves us no closer to any resolution on that part of the port.

When I brought the issue up last week in the chamber—I was probably standing just about where I am now—the Cabinet Secretary for Transport wanted to stress her sense of "deep frustration". What an understatement. I can assure members and people in the gallery that no one in the SNP Government is anywhere near as frustrated as the islanders and ferry users themselves. They deserve much more than

apologies; they deserve to be treated as every other Scot would be in such a circumstance.

I cannot believe that it has been seven years since the Scottish Government said that it would retain Ardrossan as the main Arran port. The original campaign—the keep it A to B campaign to save Ardrossan harbour—was a genuine cross-party effort by the trade union movement, all the political parties, local businesses and local campaigners and activists, all fighting against the move of the service to Troon, which was a very real threat. Eight years on, it is still not just a real threat but a real possibility.

The campaign made complete sense, because, in Ardrossan, people can step off the Arran ferry and straight on to a ScotRail train to go up to Glasgow, or they can be on the motorway to the central belt in just minutes.

I apologise to the organisers of last night's meeting that I was not able to make it due to attending two cross-party group meetings. However, there should have been no need for such a meeting. I remember attending the original 2016 meeting; it was held in the same building, which was packed out to the rafters with people with the same concerns that I am sure were elicited last night.

Back in 2017, I asked the then Minister for Transport and the Islands, Humza Yousaf, who went on to greater and bigger things, what would happen in relation to the Glen Sannox and its ability to berth at Ardrossan port. We were reassured that every stakeholder was pulling out all the stops to get that right.

On 11 April 2018, Mr Yousaf said the following:

“The Scottish Government is committed to ensuring that the Arran ferry service is fit for the future. These plans will help bring greater resilience and reliability to the link.”

Today, that assurance about “resilience and reliability” is risible, given the vessel breakdowns and repairs, the closure of the Irish berth, the annual overhauls and the late delivery of the Glen Sannox, which, I have just heard, has now been further delayed due to problems with the sea trials. I am sure that members will have more to say about that in the future. We are now relying on a vessel that is approaching the end of its life and another one that has been leased at eye-watering costs, to the extent that a new ferry could probably have been bought for the same price.

There is a comparison that I make when I talk to people about the issue. If a town with a similar population in the centre of Scotland—a town such as Cumbernauld, say—had suddenly had its road or rail access disconnected due to infrastructure failings, those problems would have been remedied in months or weeks, if not days. However, eight years on, Arran, because it is an

island, is being forced simply to put up and shut up.

We know the cost of that to Arran's economy. It is estimated that up to £13,000 is lost to the local economy every time a ferry is cancelled. We need to multiply that by thousands, given the number of cancellations. Members can do the math on that.

I do not want to get into the blame game of whether the current situation is the fault of CalMac, Peel Ports or North Ayrshire Council. All the stakeholders involved have not sat around the table. In addition, of course, the Government cannot simply remove itself from responsibility because it made the promise in the first place. That promise made is a promise broken.

I close with a warning. There is a genuine concern that the current move to Troon, albeit temporary, might become a permanent feature of the Arran route and the ferry will be lost from Ardrossan for ever, which will have a devastating impact on the economy of North Ayrshire. If that happens, the people of North Ayrshire will never forgive this Government.

The Deputy Presiding Officer: I call Paul Sweeney, who will be the final speaker in the open debate.

13:07

Paul Sweeney (Glasgow) (Lab): I congratulate my colleague Ms Clark on lodging her members' business motion, which I was happy to support. She adequately and comprehensively outlined the situation at Ardrossan, which, as other colleagues across the chamber have hinted at, is a symptom of a broader issue on the west coast of Scotland, in particular.

Scotland is unique among European countries in that our major ports have, in effect, been privatised—that has been the case for more than 30 years. The Clyde Port Authority, which was originally established through the merger in 1966 of the Clyde Navigation Trust, the Greenock Harbour Trust and the Clyde Lighthouses Trust, was managed as a trust port—in effect, a form of local authority—whereby it was democratically managed and democratically accountable until it was privatised under a statutory instrument of Parliament in 1992, the Clyde Port Authority Scheme 1991 Confirmation Order 1992. That happened with no real debate and no real public scrutiny; it was done in a very surreptitious manner. The order transferred the ownership of the entire port infrastructure and all the harbour authority responsibilities to a subsidiary of the Clyde Port Authority, Clydeport Ltd, which was in turn subject to a management buy-out in 1992. It was floated on the London Stock Exchange in December 1994 as Clydeport plc. In 2003,

Clydeport was acquired by the private company Peel Ports, which remains its owner.

The difficulty with that is the scale of the company's ownership. Clydeport is the largest port authority by geographic area in the UK—it covers 450 square miles of marine inshore land. It operates major infrastructure that the west coast economy depends on, including Greenock ocean terminal, the King George V dock in Glasgow, the Hunterston terminal, Ardrossan harbour, Greenock cruise terminal and Inchgreen dry dock, among other assets. Therefore, it is critical not just for the operation of lifeline ferry services, but for the entire economic development of the west of Scotland. A parliamentary debate on the subject has been lacking for some time.

In Scotland, we have a unique system, whereby we have three models of port ownership. We have private ports, of which Clydeport is one example, trust ports and local authority ports. The big problem with the privatised system of ports is that, while other countries are able to plan and invest in new port capacity in a coherent manner, so that they can, for example, align ferry procurement with port infrastructure development, in Scotland the state has, basically, abandoned its regulatory role. That means that private port owners are given port regulatory functions that should be state functions. In the UK, privatised ports have, in effect, been allowed to regulate themselves, which they have done, inevitably, in their own interests. That has been the case in the Clyde, the Forth and the Tay.

Jamie Greene: I agree that we should have a full and proper debate with more time to look at port infrastructure in Scotland, and there is probably quite a lot to agree on in some of Mr Sweeney's other points. However, my concern is that even if all our ports were nationally owned and operated and none was held in private ownership, the current state of the public finances would still mean that lack of funds to invest in port infrastructure would leave us exactly where we are at the moment, if not in a worse place. Therefore, I do not see that as the magic solution to the problem.

Paul Sweeney: The member makes an interesting point. It is important to recognise that we should not make the perfect the enemy of the good: we are where we are and must chart a coherent way forward. I would say that we can achieve better equilibrium in Scotland through improved regulation.

There are two key pieces of extant regulation. The Harbours Act 1964 gives Scottish ministers the power to reconstitute harbour authorities through a harbour revision order or, in extreme circumstances, a harbour closure order. The Marine Navigation Act 2013 allows Scottish

ministers to remove a harbour authority's pilotage duties.

Those legislative tools are available for further discussion, but I urge the minister to consider something that would be analogous to the approach that we have taken in recent years to bus regulation. We saw the privatisation of buses in the 1980s but are now using the Transport (Scotland) Act 2019 to improve regulation. That is not necessarily about nationalising bus companies; it is about having equilibrium through franchising or some form of oversight.

The new Clyde mission and the Glasgow city region deal might give us a mechanism to establish better oversight and governance of Clydeport. I am sure that Peel Ports would be happy to co-operate with that, given that it might help to cohere investment and to attract pension funds or others to invest in the development of the Clyde's infrastructure. We have seen a rush of investment in ports on the east coast because of the ScotWind programme, but there has been a dearth of investment on the west coast. There have been recent improvements at the Greenock ocean terminal and hints of possible investment at Hunterston and Inchgreen, but Ardrossan is an investment desert, which has been a disaster for the local community and the wider Clyde economy.

I urge the minister to consider a deeper dive into the opportunity to improve regulation of the west coast ports because it is not only about improving services to local communities but about growing the entire national economy. With 450 square miles effectively part of a private fiefdom, we must look at improving that jurisdiction.

The Deputy Presiding Officer: I invite the minister, Jim Fairlie, to respond to the debate.

13:12

The Minister for Agriculture and Connectivity (Jim Fairlie): I congratulate Katy Clark on securing the debate, which raises the important issue of progress on the Ardrossan harbour redevelopment project. The cabinet secretary would like to have been here to talk about this important issue but is in London meeting meeting UK ministers—which we should accept as being a good thing.

Before I respond to the motion, I take the opportunity, as others have done, to acknowledge that the service to Arran has been subject to significant disruption due to the outage of the MV Caledonian Isles this year. Jamie Greene said that the Government does not know the frustration of the locals. I assure the member that I have spoken to locals on Arran and absolutely get it. I have run a business and absolutely get his point about what

happens when something that is out of your control causes you major issues.

The cabinet secretary engaged directly with CalMac on that matter to understand what mitigation was being put in place and updated Parliament on that in response to Jamie Greene's topical question last week. Replacement parts have been ordered and CalMac anticipates that repairs will take up to 10 days following receipt of those parts, noting that the Isle of Arran is now in dry dock, which was pre-scheduled and, regrettably, could not be changed.

Although the charter of the MV Alfred and continued operation of the secondary route has partly mitigated the impact, the Scottish ministers are keen to ensure that the community gets the capacity and level of service that it requires. We thank CalMac and the community for the expedient work to ensure that Arran services continue with the redeployed MV Hebridean Isles.

That change has affected capacity on the Islay route, which will be supported by both the MV Finlaggan and the Lord of the Isles. Unfortunately, that has impacted on the Lochboisdale service, but CalMac has acted quickly to ensure additional services from today, by using the MV Isle of Mull to operate a combined service to Lochboisdale.

I thank the affected communities for their input as CalMac utilises its route prioritisation matrix to consider the available options. Despite people's obvious frustrations, I hope that members recognise the efforts to support Arran's services while the MV Caley Isles is repaired, and I hope that it will return to service very soon.

Katy Clark: I hope that the minister is going to come on to the issue that we are debating today, which is Ardrossan harbour. We are in a position where Ardrossan harbour is going to lose its ferry service completely. I hope that the minister will have time to respond fully to the issues that have been raised about that.

Jim Fairlie: Clearly, Katy Clark has not seen my papers, but that is exactly what I am about to come on to.

I acknowledge the call in the motion for a commitment to Ardrossan. As ministers, we have already given a prior commitment to retain the Ardrossan harbour following the initial 2017 exercise. However, as the Cabinet Secretary for Transport has previously highlighted, that must be underpinned by a robust business case, budget availability and commitment from the other funding partners.

I think that it will be helpful if I outline some of the key changes to the project across the timeline. Work commenced with the creation of the ministerial task force to oversee the works in 2016,

and that remains on-going. We fully accept that it has taken longer than we hoped.

Kenneth Gibson: The Cabinet Secretary for Transport said that a statement would be made on the business case "very shortly". That was 30 days ago, but we still do not have a date for when that statement will be made. The minister talked about the partners. What people are concerned about, including my constituents and those of other speakers in the debate, is that we are all being kept in the dark. What are the issues? What are the bottlenecks? What is the Scottish Government doing to resolve them? When is this going to be resolved?

Jim Fairlie: I thank Kenny Gibson for that intervention. If he allows me to make progress, I will, I hope, give him some answers to some of the questions that he has asked.

In 2017, Scottish ministers made a commitment that Ardrossan would remain the long-term port for the Arran service, but further work was required to finalise the project. The design and planning stage progressed following receipt of a commercial case from the partners Peel Ports Group and North Ayrshire Council, with the design of the berth orientation being confirmed in April 2019. The berth realignment was a substantial change to the original design and, although it was agreed by all partners, it meant that significant additional funding was required from the Scottish Government to facilitate the development.

As members are aware, the original proposal was to be fully funded by North Ayrshire Council and Peel Ports, although Caledonian Maritime Assets Ltd would fund some elements around the passenger access system and the liquefied natural gas tank.

The project also requires legal agreement to underpin the investment by partners and ensure that the arrangements for future use of the port are robust and reflect the operations at other ports across the network. The funding contribution from the Scottish Government also needs to align with the requirements and the intervention rate restrictions under the UK Subsidy Control Act 2022. Discussions on those elements are progressing, but further work is required to finalise them. Ministers expect all partners to continue those discussions in parallel with completion of the business case.

The project partners worked collaboratively to progress the project to the tender procurement stage. However, in August 2023, Scottish ministers made the difficult decision to postpone the procurement and undertake a business case and cost exercise review.

Kenneth Gibson: Will the minister take an intervention?

Jim Fairlie: I ask the member to let me make some progress.

That decision was not taken lightly, but the process of finalising the tender design and documents had highlighted inherent financial and project risks that remain a challenge for the main funding partners. On top of those concerns, the global escalation of construction costs compounded matters, resulting in the Scottish Government's contribution doubling since the initial estimate. There is still uncertainty with regard to construction risks and cost that needs to be addressed.

As the ferry service will not operate from Ardrossan during the construction period, Scottish ministers invested in Troon to provide a temporary facility, which has had other benefits in supporting the service during recent disruption and ensuring that the port can be used as an alternative port in the longer term as it could offer more frequent services than the current Gourrock alternative.

Transport Scotland has led on co-ordination of the business case review and cost exercise and it has continued to work closely with the project partners to progress that. However, it has proved to be a challenging process. Given the scale and importance of the investment, it is essential that we get the business case right. Additional work to support the case includes a socioeconomic assessment and a structural assessment of the stability and integrity of the port infrastructure to support the LNG tank. More recently, a valuation of the terminal building has been commissioned. All that work will help to finalise the position on the financial packages from each of the main funding partners.

Given the changes to the original commercial case and the project cost, the complexity of the project cannot be overestimated. I reiterate the message that the business case is substantially complete and that Transport Scotland is working with funding partners to finalise it as quickly as is practicable. A meeting of the task force will be convened soon, after the business case and the cost exercise review have been submitted to ministers for a decision.

Kenneth Gibson: Will you clarify that the issue that is holding the whole thing up is the funding partners—Peel Ports, North Ayrshire Council and the Scottish Government—agreeing how much each should pay and agreeing the total cost of the project, which Turner & Townsend estimated last August at £92 million?

Jim Fairlie: All that I can say at this point is that a number of factors need to be agreed, but I repeat that a meeting of the task force will be convened soon, after the business case and the

cost exercise review have been submitted to ministers for a decision.

I note the calls from some people for a change of ownership of the port, as though that can be made to happen overnight. Although I understand the community's frustrations, the reality is different and the process is complex. It is important that we work through the current business case to ensure that the case for development is fully considered. The funding requirements, affordability and subsidy control issues all need to be addressed.

I stress that the cabinet secretary is absolutely determined to bring the work to a conclusion as quickly as she possibly can. I hope that my remarks have helped to provide an indication of the active and complex work that is under way to ensure that ministers have all the information that is needed to finalise this important decision. I reiterate that a strong and robust business case is required and that confirmation of the wider funding packages is essential in the process.

Katy Clark: Will the minister give way?

Jim Fairlie: I have taken three interventions already, so I will push on.

We fully understand the importance of the matter to ensuring the most resilient ferry service to and from Arran, and I give to the people and businesses in and around Ardrossan and on Arran my assurance of the Government's absolute commitment to finding a solution that works and progressing it as soon as we possibly can. We will update Parliament and the communities as soon as that is the case.

13:21

Meeting suspended.

14:30

On resuming—

Portfolio Question Time

Social Justice

Adult Disability Payment

1. **Paul O’Kane (West Scotland) (Lab):** To ask the Scottish Government what action it is taking to bring down processing times for the adult disability payment, in light of the most recent high level statistics from Social Security Scotland indicating a reversal in the previous reduction to processing times. (S6O-03797)

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Social Security Scotland has made a range of improvements, which have significantly improved processing times, with decisions now being made more than 30 per cent faster than at this time last year. Social Security Scotland is also getting decisions right first time; only 11.7 per cent of decisions result in a request for a redetermination.

The agency’s workforce is managed flexibly to meet all client demand. Along with supporting new applicants, the agency supports 200,000 people who have now had their award transferred from the Department for Work and Pensions. Recent statistics highlighted the fact that more than 40,000 comprehensive reviews were carried out between April and July.

Processing times for new applications will be balanced against the need to support all clients, and will continue to be monitored to ensure that everyone is treated with dignity, fairness and respect.

Paul O’Kane: Members from across parties welcomed the long-overdue fall in ADP processing times earlier this year. However, it is concerning that that trend is reversing. The latest statistics show that median waits have risen by almost 24 per cent since April and are now back at more than three months. That is markedly above the original pledge for decisions to be made within eight to ten weeks—before the target was removed from the Government’s website.

Given the on-going review of recruitment at Social Security Scotland, which we have discussed before, what further assurances can the cabinet secretary give to Scotland’s disabled community that the Government is getting on top of that reversal and ensuring that waiting times across all the payments that are administered by Social Security Scotland will fall?

Shirley-Anne Somerville: Paul O’Kane is right to point to the fact that he asked me previously

about the assurances that are required on recruitment levels and the Scottish Government’s recruitment freeze. I am pleased to restate my reassurance that the recruitment freeze in no way affects those who directly deliver benefit decisions for disabled clients or anyone else. The workforce is flexible and is managed flexibly, as I said in my original answer. It is important that we have that flexible workforce in the agency in order to ensure that we deliver for all clients. I assure Paul O’Kane that the agency continues to make improvements to the system, to deliver good processing times for both ADP and other benefits.

The Deputy Presiding Officer (Annabelle Ewing): For question 2, I call David Torrance, who joins us online. *[Interruption.]* I am advised that Mr Torrance needs to uncover his camera.

Winter Heating Payment

2. **David Torrance (Kirkcaldy) (SNP):** To ask the Scottish Government whether it will provide an update on the implications of the United Kingdom Government’s decision to reduce the winter fuel payment for the delivery of the winter heating payment in Scotland. (S6O-03798)

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): The United Kingdom Government’s decision to restrict eligibility for winter fuel payments was taken without consultation or discussion with the Scottish Government and has had a devastating consequence for our planned launch of pension age winter heating payment, reducing the fund that is available for that devolved payment by around £150 million.

As a result, we have had to take the difficult decision to mirror in our pension age winter heating payment the UK Government’s approach. However, this Government remains committed to continuing to press the UK Government to reverse its damaging decision, and we will keep under review every opportunity for making eligibility improvements.

David Torrance: Figures from the Scottish Parliament information centre show that, in my Kirkcaldy constituency alone, as many as 13,700 pensioners could be affected by the UK Government cut. Will the cabinet secretary outline what additional heating support low-income Scottish households can expect to receive this winter compared with the rest of the UK, despite the renewed austerity of a Labour Government in Westminster?

Shirley-Anne Somerville: Mr Torrance is quite right to point to the other support that is available to people on low incomes, including pensioners on low incomes who receive eligible benefits. Unlike the UK Government’s cold weather payment, for

example, our winter heating payment guarantees a reliable annual payment of £58.75. That is available only in Scotland. More than 134,000 of the winter heating payments that were made last winter supported people aged 65 and over, through an investment of nearly £7.4 million. This year, we are also spending £134 million to mitigate the UK Government's policies through discretionary housing payments and the Scottish welfare fund.

I was disappointed by the proposition, made on Tuesday by a Scottish Conservative member, that we follow what the Department for Work and Pensions does on its cold weather payment, which would see us providing less money, rather than more, to pensioners across the country.

Miles Briggs (Lothian) (Con): A freedom of information request made by the Scottish edition of *The Daily Telegraph* has shown that the Scottish Government undertook no specific assessment of how many additional deaths would be caused by the decision to copy the Labour Party's plan to cut winter fuel payments. Will Scottish National Party Government ministers now undertake an emergency impact assessment? Can the cabinet secretary confirm whether ministers have considered deferring the block grant adjustment on the winter fuel payment this year so that they could make the payment to pensioners across Scotland?

Shirley-Anne Somerville: If Mr Briggs will forgive me, I will limit my response to the first part of his question. He will be aware that the issue is the subject of live legal proceedings, so I will limit my remarks to saying that impact assessments were published at the same time as the regulations were laid in Parliament. I ask Mr Briggs to forgive me for not going into further detail on that. He will be aware of the support that we continue to provide to households across the country, including pensioners. That is a very important part of our work.

Paul O'Kane (West Scotland) (Lab): I asked this question on Tuesday, but I do not think that I got an answer on the additional supports that the Government offers. Why did the cabinet secretary take the decision to cut the fuel insecurity fund, which supports people, including pensioners? Why is the cold winter payment set at a standard rate in Scotland? Why has the funding for energy efficiency standards repeatedly been cut? Why has the Government failed to pass on consequential from the household support fund? Why is that the case?

Shirley-Anne Somerville: There was a lot in that question, so my remarks will relate to one aspect. I alluded to the standard rate, to which Mr O'Kane referred, in my original remarks. If he is also suggesting that we should revert to the DWP

scheme, that means that he wants us to pay less money each year and to disinvest from our social security fund. I am sure that that is not what he wants us to do, but that is what would happen if we were to revert to that scheme, which his party's UK Government is now continuing.

I am aware of the Labour Party's suggestion that any consequential in the forthcoming budget could be used to support other pensioners. I cannot base a budget on a wing, a prayer and a promise when, quite frankly, only a matter of weeks before the decision was taken to take £150 million out of the Scottish Government budget, I sat in a meeting with the Secretary of State for Work and Pensions and no signal—no remote hint—was forthcoming that a change was about to happen. Let us see what comes out from the UK Government in the budget, then the Scottish Government will be able to make decisions on its own budget based on knowledge rather than on a promise.

The Deputy Presiding Officer: On question 3, the member is unavailable due to committee business, which, as members will recall, was approved by the Parliament.

Social Security Policies

4. Marie McNair (Clydebank and Milngavie) (SNP): To ask the Scottish Government how its social security policies are mitigating any impact in Scotland of the United Kingdom Government's so-called bedroom tax and benefit cap. (S6O-03800)

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): This year, we are making more than £90 million available to local authorities to spend on discretionary housing payments to mitigate United Kingdom Government policies, including the bedroom tax and the benefit cap. The benefit cap hits families hardest, and the Scottish Government's funding helps to support around 3,400 families with more than 11,000 children. Our bedroom tax mitigation policy helps more than 94,000 households with more than 20,000 children. We are further supporting families by investing £457 million in the Scottish child payment this year. However, its impacts are greatly reduced by the UK Government's welfare policies, including the inadequacy of the universal credit system.

Marie McNair: Those policies are part of a United Kingdom regime that is a significant drain on the Scottish budget. That regime still includes the two-child policy and its abhorrent rape clause, and has now cut the winter fuel payment to pensioners. Does the cabinet secretary agree that the continuation of those repugnant policies shows that only with the full devolution of social security policy will real change be achieved and the culture

of stigma and cruelty that is caused by the UK welfare system be brought to an end?

Shirley-Anne Somerville: The member is quite right to point to the stigma and cruelty that were felt by people during the Department for Work and Pensions years, particularly with regard to disability payments. I heard that once again directly from people yesterday, when I visited the Royal National Institute of Blind People.

It is critically important that the Scottish Government does what it can to mitigate the worst excesses of the UK Government's policies, which were Tory policies and are now, unfortunately, continuing under the Labour Party. That mitigation has cost £1.2 billion during the 14 years that those Governments have been in power.

In a debate yesterday, I gave Mr Sarwar the opportunity to agree with me that the bedroom tax should be scrapped. It was disappointing to see, once again, that he did not take the opportunity to engage in cross-party and collegiate work on that issue.

Social Security Payments (Fife)

5. Roz McCall (Mid Scotland and Fife) (Con): To ask the Scottish Government how payments made by Social Security Scotland are incentivising people in Fife back into work. (S6O-03801)

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Social security is an essential collective investment in the people of Scotland, which any of us could need at any time in our lives. Employment-related benefits such as universal credit are reserved to the United Kingdom Government, and we oppose the widespread use of sanctions, as overwhelming evidence shows clearly that they do not work to support people into stable employment.

In 2020, we launched the job start payment to support young people from low-income backgrounds to enter employment. Up to the end of March 2024, we paid almost £135,000 to people in Fife.

Roz McCall: I fundamentally believe that creating jobs and getting more people back into the workplace is the best way to tackle poverty, and I thank the cabinet secretary for highlighting job start. However, the employment rate in Fife has remained static for long periods, with almost a quarter of working-age people currently unemployed, which shows that that initiative is clearly having no impact in Fife. Therefore, will the cabinet secretary outline how the Scottish Government plans to invest in job creation in Fife, so that thousands of people who are currently out of work have the opportunity to get back into paid employment? How will the social security system adapt to ensure that work is always paid?

Shirley-Anne Somerville: Roz McCall raises an interesting point that relates very much to the issue of the powers that we have, which was raised in a previous question.

The job start payment is delivered under further powers under the Employment and Training Act 1973. Those powers had to be agreed by the UK and Scottish Parliaments under section 63 of the Scotland Act 1998. Any changes to eligibility, even minor, would require legislative change, which would need the agreement of both Governments. It is therefore a pity that we again have one hand tied behind our back. If only we had the responsibility for all the powers up here, rather than just a bit, we could do more, as Roz McCall suggests.

Leavers Fund

6. Finlay Carson (Galloway and West Dumfries) (Con): To ask the Scottish Government what its proposed timeline and target date are for the establishment of a leavers fund to support victims of domestic abuse to leave abusive relationships. (S6O-03802)

The Minister for Equalities (Kaukab Stewart): I confirm that the Scottish Government received the final evaluation of the fund to leave pilot from Scottish Women's Aid in August 2024. That will inform a wider assessment of the pilot, which will consider how it delivered against its objectives, how it improved housing outcomes for women and/or prevented their homelessness and what lessons were learned during it.

The assessment stage is near completion, and we will then be in a position to set out the next steps.

Finlay Carson: The number of domestic abuse incidents across Scotland remains high, with nearly 62,000 incidents recorded in 2022-23, according to Police Scotland statistics. That equates to almost 170 incidents of domestic abuse per day. In the case of Dumfries and Galloway, there has been a reported 50 per cent increase in calls to local support services. Statistics show that around 23 per cent of women who become homeless do so as a direct result of violence or abusive behaviour.

I welcome the cabinet secretary's explanation of why we do not have the so-called fund to leave, but I encourage the minister to bring that forward as soon as possible.

Kaukab Stewart: I thank Finlay Carson for highlighting the plight of women who are facing such atrocious circumstances in the face of domestic violence. Our delivering equally safe fund is providing £7 million this year to local women's aid groups to support services for women and children. We have introduced

provisions in the Housing (Scotland) Bill that, if passed, will put a duty on social landlords to develop and implement a domestic abuse policy outlining how they will support their tenants who are at risk of homelessness, including by protecting the rights of women to stay safe in their own homes. We will work closely with the housing and violence against women and girls sectors to develop statutory guidance to accompany that duty.

As I referred to in my previous answer, as soon as the assessment stage is completed, I will be in a better position to update Finlay Carson and everyone else.

Maggie Chapman (North East Scotland) (Green): Can the minister say what we can learn, and apply here in Scotland, from the Domestic Abuse (Safe Leave) Act (Northern Ireland) 2022, which was introduced by the then Green MLA Rachel Woods, and which created an entitlement to 10 days of paid leave

“for victims of domestic abuse; and for connected purposes”?

Kaukab Stewart: I thank Maggie Chapman for raising a very interesting point. Obviously, I will need further time to consider that, and I would welcome the two of us getting together to have further discussions on the matter.

Social Security Spending

7. Sue Webber (Lothian) (Con): To ask the Scottish Government how it plans to continue delivering social security provisions, in light of reports that total spending on devolved social security in 2024-25 is expected to be around £1.1 billion higher than the funding received from the United Kingdom Government through the block grant adjustment. (S6O-03803)

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Despite fixed budgets and limited powers, we have transformed social security provision in Scotland, establishing a radically different system based on dignity, fairness and respect. We have introduced 14 benefits, and I am proud that we are committing a record £6.1 billion this year for benefits expenditure. That is almost £1.1 billion more than the UK Government gives to the Scottish Government for social security, demonstrating our national mission to eradicate child poverty and our commitment to help low-income families with their living costs, support older people and enable disabled people to live full and independent lives.

Sue Webber: The Scottish Fiscal Commission predicts that, as things stand, social security spending will increase to £8 billion in 2028-29. Alarming, current figures show that Scotland's

unemployment rate is rising, with more than 120,000 people having never worked.

Does the cabinet secretary agree that, when times are tough fiscally, it would be better, and advantageous, to invest in education and employment opportunities, which would not only support people back into paid work, where they can apply and develop their skills, but boost Scotland's economy?

The Deputy Presiding Officer: I recognise the slight widening out of the original question, but I am sure that the cabinet secretary can respond to the member on the theme of the original question.

Shirley-Anne Somerville: I would be delighted to, as I am genuinely astounded by the line of questioning. What Sue Webber is actually suggesting that we do is take money away from poor children and their families, from disabled people or from carers. That is where our benefits go. They go to low-income people, disabled people and carers.

Sue Webber might also want to have a word with her colleagues sitting in the row in front of her—Roz McCall and Jeremy Balfour—who, in an amendment to the Social Security (Amendment) (Scotland) Bill at stage 2, added £6 million to a policy. That was one of many amendments lodged by Conservative colleagues. I suggest that if Sue Webber wants to have a genuine discussion about how to support disabled people, carers and those on a low income, a good starting point would be for her to have a discussion with her own parliamentary group about whether she wants to support those people.

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): Recent research by the Trussell Trust found that 48 per cent of people who receive universal credit ran out of food in the past month across the UK. Does the cabinet secretary agree that, faced with an inadequate UK welfare system, which has been devastated by the Tories—and now by Labour—the Scottish Government's £1 billion spend above UK Government funding on social security is an absolutely vital investment in our people and our society?

Shirley-Anne Somerville: Audrey Nicoll rightly points out that social security expenditure is an investment in our people and it is a human right. We have had a discussion in the chamber before about the level of expenditure on, for example, the Scottish child payment. I believe that Mr Rennie has previously made the point that the Government should not be proud of the fact that the Scottish child payment is in existence. I am not proud that it has to be there, but I am proud that the Government stepped up to support low-income people. The UK Government may not do so, but

the Scottish Government will continue to support those who need us most.

The Deputy Presiding Officer: Thank you, cabinet secretary. I advise members that question 8 has been withdrawn.

That concludes portfolio questions on social justice. There will be a brief pause before we move to the next item of business to allow the front-bench members to change.

Just Transition (Grangemouth Area and North-east and Moray)

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a debate on motion S6M-14689, in the name of Claire Baker, on behalf of the Economy and Fair Work Committee, on the just transition inquiry for Grangemouth and the north-east and Moray. I invite members who wish to speak in the debate to press their request-to-speak button.

14:51

Claire Baker (Mid Scotland and Fife) (Lab): I welcome the opportunity to open the debate on behalf of the Economy and Fair Work Committee. I highlight the committee's two just transition reports, focusing on the Grangemouth area, and on Moray and the north-east of Scotland. I thank all those who contributed their views, the witnesses who gave evidence and the community groups and representatives who met us. I also thank the Just Transition Commission. Its briefings during the inquiries were invaluable and its publications support members' on-going understanding and scrutiny.

We know that economic transformation is needed to support industry to reduce emissions, phase out polluting sectors, transition to greener jobs and meet net zero targets. We want the process of transformation to create opportunities for new skilled jobs, innovation and investment, but the process also presents risks for workers and communities that rely on emissions-heavy industries and sectors.

The definition of a just transition is important if we are to be able to recognise that it has been achieved. The committee heard a number of interpretations of a just transition, and we advised that, in providing a definition, the Scottish Government should establish

"clear and measurable targets for success."

The just transition lab in Aberdeen has created a set of indicators, including not only traditional measures but social and community impact measures of a just transition.

In both inquiries, we heard about the crucial importance of communities not being left behind as the industrial transition takes place. In both inquiries, the affected communities called for improved transport links, quality housing and investment in their towns. The communities recognised the impact of changing industry and what that could mean for them. There was clear desire not to repeat the mistakes of the past. Coherent plans must be drawn up in collaboration

with communities, and there must be resources to support that.

Although two reports are up for debate, recent announcements from Grangemouth have accelerated its need for a just transition. Our first report was on the Grangemouth industrial cluster. We concluded our report hardly weeks before Petroineos announced the closure of the oil refinery in 2025.

One of the remaining large industrial sites offering significant employment, the Grangemouth refinery has been one of Scotland's largest manufacturing sites, employing almost 2,000 people. Petroineos has said that its activities in Grangemouth account for around 4 per cent of Scottish gross domestic product. However, that is not sustainable. Parliament has signed up to ambitious targets to reduce emissions. The industrial site at Grangemouth accounts for around a third of total emissions from companies in Scotland, and Friends of the Earth Scotland states that it is responsible for 9 per cent of Scotland's overall emissions.

The committee published its report in June last year. At that time, recognising the inevitability of change at Grangemouth, the committee reiterated the importance of the Scottish Government setting out a clear vision in a just transition plan. In its response to the committee's report, the Scottish Government referred to its 2022-23 programme for government, stating that it sets out

"a clear mandate to deliver a Just Transition Plan for the Grangemouth Industrial Cluster",

and that that commitment is reiterated in its 2023-24 programme for government. The committee is therefore disappointed that the plan is still awaited.

The Scottish Government has committed to bringing forward the plan by the end of this year. However, while we have been waiting for that plan, a transition that looks pretty unjust is happening before our eyes. The committee did not anticipate, so soon after its inquiry, the announcement by Petroineos that the refinery would cease operation with the loss of hundreds of jobs. Although it is recognised that, if we are to achieve a shift to a low-carbon economy, Grangemouth in its current form has a shortened life expectancy, the sudden announcement of the refinery's closure was a shock.

During the committee's inquiry, Petroineos declined to give evidence to us, despite a number of invitations and a visit to the site. During our work, the committee was not made aware of the company's plans for the refinery to close in the timescale that it has laid out.

I acknowledge that, following the announcement last November, Petroineos accepted an invitation

to attend the committee, and attended in December. At that time, there were hopes, certainly among politicians and workers, that operations could continue beyond next year to allow more time for a green alternative to be established at the site. However, last month, it was announced that the refinery will close next summer, with the loss of 400 jobs, and, undoubtedly, with many more job losses in the wider supply chain. Converting the site to an import terminal will safeguard some of the workforce but with significantly fewer jobs than currently exist.

Against that backdrop, it is even more important to highlight the committee's work and to emphasise how crucial it is that the Scottish Government has a meaningful just transition plan for the Grangemouth area. Recent remarks by the Just Transition Commission are sobering. In July, it said:

"the current path will not deliver. The limitations of collective efforts to date are nowhere more clearly in evidence than at Grangemouth, which presents an acute challenge for applying a just transition approach, given the central role of a privately owned company and foreign state-owned enterprise".

There has to be greater direction and leadership in the bodies that have been established to support the transition locally. There has been confusion over the role of the Grangemouth future industry board. Although the board now has broader membership and is ministerially led both by the Scottish and UK Governments, one of its key roles is to implement plans that are still being prepared. Change is under way but plans risk being out of date before they are published.

Following last month's confirmation that the refinery will cease operations next year, the committee acknowledges and welcomes the announcement from both Governments of a support package that is focused on local investment and employment support. However, there is an urgent need for a long-term plan. The Scottish Government's advisory body, the Just Transition Commission, has emphasised the need for effort to be

"adequately resourced and approached as an urgent priority of national importance".

The Economy and Fair Work Committee echoes that call.

In addition, delays in bringing forward Scottish Government strategies, such as the energy strategy and the just transition plan, regional just transition plans and the climate change update plan, have been frustrating. Delays have an economic impact on business, investor confidence and community action.

Following the committee's work on Grangemouth, we turned our focus to a just transition for the north-east and Moray, and in particular to the Scottish Government's just transition fund. The north-east is home to Scotland's oil and gas production, generating significant economic activity and energy supply, and the sector supports 65,000 jobs in the region. I thank Aberdeen City Council, the Aberdeen arts centre and the Port of Aberdeen for hosting the committee, and I thank all the community activists and members who took the time to share their views.

In 2021, the Scottish Government established a 10-year, £500 million just transition fund specifically for the north-east and Moray. The Scottish Government has no other region-specific fund, either for the Grangemouth area or for any other area, and we wished to scrutinise the effectiveness of that fund.

The stated aim of the fund was to identify

"key projects, through co-design with those impacted by the transition to Net Zero, to accelerate the development of a transformed and decarbonised economy in the North East and Moray."

During our inquiry, we heard concerns about the future of the fund. A total of £12 million was allocated to the fund during the current financial year, in comparison with £50 million last year. We recognise the Government's stated commitment to the fund, but there are questions over the fund's sustainability, given its current reliance on financial transactions.

There were also concerns about the type of funding and how accessible the fund is, especially to not-for-profit and community organisations. The use of financial transactions presents restrictions and constraints for many applicants. The committee supported calls for the Scottish Government to look further at the possibility of multiyear funding to allow for longer-term planning and certainty. It also supported calls for a mix of sustained revenue and capital funding, with sufficient revenue funding to support capacity building in communities to access the fund.

Skills featured in both inquiries, and the committee reiterates its concerns about the 24 per cent cut in the employability budget—concerns that were echoed by the Fair Work Convention at committee yesterday. The suspension of the flexible workforce development fund and the decrease in apprenticeships are also concerning.

The committee recognises the need for greater focus on developing and reskilling our current and future workforce for the transition, and calls on Government to provide greater focus and direction in that area, and for there to be greater coherence across Government to that end.

Both inquiries were concluded before the United Kingdom general election, and we now have a new Westminster Government. In those inquiries, and in the other work of the committee, we have recognised the scale of investment that is required and the need to leverage finance.

We await the impact of GB energy, and I urge the Scottish Government to work co-operatively with the UK Government on the significant challenges that we face in achieving a just transition. I recognise that the cabinet secretary shares that view.

I look forward to the rest of the debate. On behalf of the Economy and Fair Work Committee, I move,

That the Parliament notes the conclusions and recommendations contained in the Economy and Fair Work Committee's 4th Report, 2023 (Session 6), *Inquiry into a Just Transition to net zero for the Grangemouth area* (SP Paper 405), and its 4th Report, 2024, (Session 6), *Inquiry into a Just Transition for the North East and Moray* (SP Paper 556).

The Deputy Presiding Officer: I call Alasdair Allan to speak on behalf of the Scottish Government for a generous eight minutes.

15:00

The Acting Minister for Climate Action (Alasdair Allan): The Scottish Government welcomes the Economy and Fair Work Committee's recent inquiries into a just transition for Grangemouth and for the north-east and Moray. I extend my sincere thanks to members and staff of the committee, as well as to all those who provided evidence to both inquiries.

As we are about to embark on a discussion that will, in part, concern Grangemouth, it would be remiss not to start by addressing the on-going situation there, following the recent announcement that the Grangemouth refinery intends to cease operations in quarter 2 of 2025, as Claire Baker referred to. That is clearly concerning for the workforce and the wider community, and I echo the First Minister and the acting Cabinet Secretary for Net Zero and Energy in paying tribute to the refinery workforce, which has been critical in maintaining Scotland's fuel security over many decades.

We are working tirelessly, alongside the UK Government, to do all that we can to support those who have been impacted by the recent announcement. That is why we announced a tailored support package, which included £20 million in additional joint funding from the Scottish and UK Governments—supplementing the Falkirk and Grangemouth growth deal—as well as immediate tailored career support that will help affected workers, and the £1.5 million joint funded

project willow study, which will take forward credible options for low-carbon industry at the refinery site.

Stephen Kerr (Central Scotland) (Con): Can the minister explain a little more about the £20 million—the £10 million from each of the Governments? Originally, the growth deal was described as the Falkirk growth deal. Ministers have been quoted as saying that the £20 million—£10 million from each Government—is to include Grangemouth, but was Grangemouth not always included? What is the additional £20 million specifically earmarked to do?

Alasdair Allan: The name recognises the fact that Grangemouth, as a community, was always included in the deal. As I understand it, that has been the purpose of the funding throughout. I say that because Grangemouth is a critical area for Scotland's economy, and it is my firm belief that that will continue long into the future.

It is worth underlining that there is a wider industrial cluster, as Stephen Kerr knows, beyond the refinery, which we must not lose sight of. There is a group of businesses that employ some 3,000 people.

Daniel Johnson (Edinburgh Southern) (Lab): When I was reading the committee's report, I was struck by how prescient it was about the action that was required. Given that the minister has just highlighted the wider cluster, I wonder whether he remarked on the committee's report in the same way. Are there any issues that are highlighted in the report that the Government now thinks need to be expedited?

Alasdair Allan: As I mentioned, the Scottish Government has long understood the criticality of the wider Grangemouth cluster. That is why we made a commitment to develop a just transition plan that set a clear strategic direction for the future of the whole site and recognised the need for that to change in the future. That is what project willow has been about.

Today, I will update Parliament on our decision to introduce a short delay to the development of the Grangemouth plan. It is important to separate all these things out. I have mentioned some of the direct, immediate interventions that the Scottish and UK Governments are making. With regard to the Grangemouth plan, that will allow us time to consider the recent refinery announcement and to incorporate critical evidence from the project willow study, to ensure alignment between those important pieces of work. That is distinct from, and in addition to, the more immediate work that we have just described. We will launch our consultation on the draft plan shortly, with a view to delivering the final plan in the spring of next year.

The Just Transition Commission has said that Grangemouth represents the first "litmus test" of a successful just transition in Scotland. Although the recent announcement is disappointing, I outline the Scottish Government's unwavering commitment to delivering it, and I trust that members will look forward to engaging with the draft plan in due course.

With its report, the Economy and Fair Work Committee has carried out an essential role in providing scrutiny of all those many efforts. I look forward to discussing the committee's recommendations and the Scottish Government's actions in more detail, and whether further steps might be necessary in the interest of working across Parliament on a topic in which we all have a shared interest.

We are certainly under no illusions about the scale of the challenge. As we know only too well from our industrial history, poorly managed rapid transformations cause long-term damage to our society. We are absolutely determined not to repeat those mistakes of the past.

Michelle Thomson (Falkirk East) (SNP): On the point about rapid transformations, does the minister have any thoughts about the recent *Daily Telegraph* article that reported that the anticipated volume of throughput reduction, which was set at 5 per cent, is now estimated to be 15 per cent per year, which figures have been confirmed by Ineos, meaning that the viability of the Forties pipeline will come undone much sooner—around 2030 rather than 2040 to 2050? In other words, surely we need to get our skates on even more.

Alasdair Allan: The measures that I have set out and the measures that I am announcing now indicate the importance and urgency that both Governments attach to intervention in this area. The Scottish Government has been able to set out its part in doing that.

I say all that because it is part of Scotland's world-leading approach to just transition. We must make sure that that is embedded in our climate change legislation and in our independent body that we have established to advise on and scrutinise our work. We are now setting out to co-develop just transition plans for our key sectors, sites and regions.

Stephen Kerr: Will the minister give way?

Alasdair Allan: I hope that the member will forgive me, but I have to make progress. Perhaps later on.

There are long-term plans to support long-term outcomes. We have started the journey and must continually refine and develop our approach.

This work sits alongside a wide range of related work, such as our green industrial strategy, which

was published last month, and substantial investments, including the just transition fund, offshore wind investment, the energy transition fund and Scotland's heat network fund.

On the north-east and Moray specifically, I have noted the committee's recommendations and make it clear that we remain committed to supporting just transition in the region through our fund. We are currently commissioning an independent evaluation of the fund's impact, but it has already provided hundreds of fully funded training courses and direct investment into 26 supply chain companies in the region, estimated to create more than 1,200 new green jobs in the process. That evaluation will help to inform how funding can be further developed to best serve the needs of the region's businesses, workers and communities.

We are also providing targeted support to the area through the £125 million Aberdeen city region deal and the £32.5 million Moray growth deal, as well as through the energy transition fund, thereby protecting existing jobs, skills and knowledge while supporting new job creation in the region and across Scotland. However, public funding alone cannot finance the region's transition, and it is critical that we work closely with the private sector to realise our ambitions. The just transition fund has already directly unlocked a minimum of £10 million of private sector investment, and the £25 million of funding that has been allocated to the Scottish National Investment Bank has helped to leverage around £40 million of additional spend.

It is clear from the committee's inquiries that both Grangemouth and the north-east are critical regions in Scotland's energy system and wider economy today. It follows that they should have a critical role to play in the transition to net zero. The Scottish Government is committed to fairly managing the significant structural changes that can be expected to take place, and to support the workers and communities who are critical to the journey that lies ahead.

15:10

Murdo Fraser (Mid Scotland and Fife) (Con): I echo the comments of the committee convener. I thank the committee clerks for their assistance, the Scottish Parliament information centre and all those who gave evidence to the committee in both inquiries on the just transition.

Like the convener, I think that we have to start by asking ourselves what a just transition is. We are seeing a shift from oil and gas towards net zero and more renewable sources of energy. In that process, we have to ensure that we protect our economy, protect jobs and protect communities. As has already been referenced by

the convener and, indeed, the minister, what we are seeing with the current situation in Grangemouth raises concern that workers and the community there are being let down. What we are not seeing there is anything that could be classed as a just transition.

I was not on the committee when it did its report on Grangemouth, but I read that report with interest and I have followed the events at Grangemouth that have been referred to already. I hope that no stone is being left unturned by the UK Government and the Scottish Government in looking at how jobs might be saved.

Ineos is key to that. It is a commercial company that is acting in its own strategic interest. It might well be that not closing that refinery could be in its commercial interest if it can persuade Governments to contribute funds to try to secure its future. It would be good to know from the Scottish Government what discussions it has had with Ineos about which serious commercial options it is actively exploring, including whether a sale of the refinery, rather than its closure, is a viable possibility.

I also want to talk more generally about the issues that are faced by Grangemouth and, in particular, the north-east of Scotland, which was the subject of the committee's second just transition report. I do not think that we should be assuming, at any point soon, the end of oil and gas. Oil and gas are still important, because we will be importing oil and gas for decades to come if we prematurely close down the North Sea. It does not make any sense from an environmental point of view to replace domestic production with imports.

Lorna Slater (Lothian) (Green): Will the member give way?

Murdo Fraser: I will after I make one more point.

Even when we stop using oil and gas as an energy source, we will still need it as the raw material for a petrochemical industry, because hydrocarbons are required as the basis of the manufacturing of everything that we use in modern life.

Lorna Slater: Does the member recognise that the oil and gas that is pulled out of the North Sea is sold on the international market? It is not reserved for domestic use. We already import oil and gas, because that is how international markets work. Shutting down oil production in the North Sea, in line with our climate targets—phasing that out—is necessary for us to reach our climate targets, and it will not affect how much oil and gas we import, because domestic production is not related to domestic use.

Murdo Fraser: I note that Lorna Slater did not refer to the point that I made about the petrochemical industry, which is still vitally important and will be for many years to come. If we shut down the North Sea oil and gas sector, we will have to import from elsewhere the raw material for that industry.

Stephen Kerr: Does Murdo Fraser agree that the likelihood of an imminent shutdown of the North Sea as a production base for oil and gas has been hastened by the reckless fantasies of Ed Miliband in the new Labour Government?

Murdo Fraser: Mr Kerr makes his point very well. I will return to the committee's report, because we took some evidence on that issue. Fergus Mutch, who was representing the Aberdeen and Grampian Chamber of Commerce, told us that decisions were being taken by Governments that were damaging the sector and that investment was being driven elsewhere following those decisions.

The energy profits levy is a good example of that. The Labour approach to that levy is to remove all allowances. According to Offshore Energies UK, that would reduce the value of the oil and gas sector by £13 billion by 2029, which puts about 35,000 jobs at risk. I say to Mr Johnson that that is not my estimate, but that of the industry itself.

The SNP is little better. Its presumption against new exploration in the North Sea will add to the industry's woes.

Craig Hoy (South Scotland) (Con): I thank Murdo Fraser for giving way. One element that has not been addressed today is the just transition that will be required in the Scottish nuclear industry, if the SNP continues to shut it down. We are already seeing Hunterston B and Torness power stations being decommissioned. Is it not the case that it will not be a just transition, given that what we are already seeing at Torness in East Lothian is an unjust exodus, because people with skills are going to work in the nuclear industry elsewhere? That is clearly a loss to the Scottish economy and the Scottish skills sector.

Murdo Fraser: Mr Hoy makes an excellent point. A friend and neighbour of mine in Perth who works in the nuclear industry is now based in Cumbria, because these jobs do not exist in Scotland. All we are doing is driving talent away. Scotland was once prized as one of the centres of excellence of the nuclear power industry, and that opportunity has been lost.

I will return to the committee's report after these interesting digressions. As Claire Baker said in her introduction, the committee highlighted as frustrating the delays in bringing forward Scottish Government strategies, such as the energy

strategy and just transition plan, the regional just transition plans and the climate change update. Those delays are having an economic impact on business, investor confidence and community action.

The committee also noted the lack of clarity with regard to the investment model that is required to achieve a just transition. The model references the leveraging of private capital but makes no assessment of what is realistic or whether that will be sufficient. The committee spent a lot of time looking at the just transition fund of £500 million over 10 years, which is to be administered by the Scottish National Investment Bank. That is very welcome. However, the committee was clear that clarity is needed about the fund's sustainability. In the first year of the just transition fund, £20 million was allocated and, in the second year, it was £50 million. However, in the coming year, that drops to just £12 million. We and the affected communities need to know that the money will be there.

The Acting Cabinet Secretary for Net Zero and Energy (Gillian Martin): Will the member take an intervention?

Murdo Fraser: I will give way if I have time, Deputy Presiding Officer.

The Deputy Presiding Officer: Yes. I call the cabinet secretary.

Gillian Martin: I was really just going to listen, but I have to say that it is very important, when we have longer-term funds such as this, that we carry out an assessment of how the funds have worked. That is a fair exercise to undertake at this critical juncture so that we get the most value for our money in the just transition fund.

Murdo Fraser: I absolutely agree with that. Of course it makes sense to assess whether the money is being properly spent. At the same time, the Scottish Government pledged that sum of money—£500 million over 10 years—and if the cabinet secretary is signalling that there has been a retreat from that pledge, that should concern us. She is shaking her head, so I will take another intervention if I have time.

Gillian Martin: Mr Fraser has maybe taken my intervention in slightly the wrong way. What I am saying is that, when you put funding in place, you must reflect on how it has been spent. When we look at how that money has been spent over the past two years, we will see where there has been most value for money, and that is the exercise that we are undertaking, because changes may be needed to how we deploy a long-term fund in order to get the best out of it.

Murdo Fraser: That is helpful clarity from the cabinet secretary. We look forward to hearing more from her in due course about exactly how

the just transition fund will be deployed, because that money is absolutely vital to ensuring that communities are not left behind.

If I still have some time, Presiding Officer—I see that you are nodding; thank you—I will touch on a couple of other issues in the report, one of which is planning. The committee concluded that planning constraints are one of the biggest barriers to attracting investment. SSE told us that current practice means that it takes 12 years to deliver an offshore wind farm. We will never achieve net zero or a just transition unless we start removing some of the barriers to planning and getting these developments delivered.

The committee also heard that cuts have resulted in a 20 per cent reduction in the numbers of local authority planning staff over a nine-year period. There is an urgent need for more capacity in planning departments if we are to get developments delivered.

The final point is on skills, which is a key component if we are to deliver a just transition. We need to ensure that the skills are there and that, in particular with apprentices and young people, there is a focus on science, technology, engineering and mathematics subjects.

We need more apprentices. Before the pandemic, there were 30,000 apprenticeship places in Scotland, but we are now down to 25,500. The Scottish Government has cut employability spend by 24 per cent. If this is going to work, we need a focus on the workforce and we need more apprenticeship places.

These are two very important reports. We need a just transition that is fair to all, but that will not happen without a proper focus. Above all, we should not be prematurely closing down our vital oil and gas sector. We should be providing employment within it for many decades to come.

The Deputy Presiding Officer: I advise members that, in fact, at the moment, we have some time in hand. Therefore, I can be generous.

15:20

Sarah Boyack (Lothian) (Lab): I thank the committee members and all those who were involved in contributing to the reports, because they could not have been more timely.

I acknowledge the importance of the UK and Scottish Governments working together. It has been good to hear in recent weeks that the acting Cabinet Secretary for Net Zero and Energy has been able to work with UK colleagues. It is good that both Ed Miliband and Michael Shanks have been involved and that the Governments have invested the additional £20 million on top of the £80 million in the Falkirk and Grangemouth deal.

It was also very good this morning to meet Brian Leishman, the MP for Alloa and Grangemouth, and talk to him about the work that he knows is needed now. There are opportunities, but we need action now to ensure that a just transition is delivered, because people's jobs are on the line. We have known for years that a robust plan was needed for the future of the oil refinery, the town, the community in Grangemouth and the other industries in the area. *[Interruption.]*

The committee report on the north-east and Moray could not have been more timely. The committee's recommendations were published—

Michelle Thomson: Will Sarah Boyack take an intervention?

Sarah Boyack: Yes. Sorry—I did not see the member earlier.

Michelle Thomson: Thank you very much. I probably was not loud enough.

Sarah Boyack mentioned Brian Leishman. Is she supportive of his call on Sir Keir Starmer to nationalise the refinery?

Sarah Boyack: What is critical is that Brian Leishman has been talking to the unions and is representing the area. He wants to make sure that the oil refinery does not go off a cliff edge next year, which is what is currently planned, and that is about getting the two Governments to work together and look at what the opportunities are.

With the north-east and Moray, there is an opportunity to be proactive. I totally disagree with Murdo Fraser on the points that he made.

Stephen Kerr: Will Sarah Boyack give way?

Sarah Boyack: No, thank you.

We will have oil and gas in the North Sea for decades, but we know that it is a declining resource, so it is about how we use that resource most effectively. It is about how we ensure that investments will still be there and that the companies there are still able to operate and, at the same time, transition to renewables.

We have not seen the investment that we really need. The fact that the ScotWind fund has been raided to fill the Scottish Government's budget hole means that we will not see investment in supply chains in the sector. That is a problem that the Scottish Government has created.

There have been long delays to the Scottish National Party's strategies, including the energy strategy in the just transition plan, the regional just transition plan and the climate change update. Those delays are having a negative economic impact because they create uncertainty and mean that investors do not have confidence in

businesses. They make communities more and more worried.

Stephen Kerr: Will Sarah Boyack give way on that point?

Sarah Boyack: No. I want to get on at the moment.

If Grangemouth was a litmus test, as suggested by the Just Transition Commission, one could argue that we have not seen success to date. We will be waiting until next March to see a draft plan, which is weeks before the refineries are due to be closed. We need faster action now.

Clarity on the just transition fund is an issue. The fund faced a 75 per cent cut in the previous budget, and organisations and businesses that rely on it are now uncertain about the fund's future, so it would be good to get more clarity on that in the winding-up speeches. The fund needs to have a clear strategy alignment. For example, if we are going to have an offshore skills passport, the just transition hub is vital. It was mentioned in the minister's speech, but we are waiting for action and to see things delivered on the ground.

Something that came across strongly in the report that we are debating today, and from what the Just Transition Commission has previously reported, is the need to move beyond just consulting communities. They really need action now. In her summing-up speech, perhaps the cabinet secretary could tell us not only how the Government will work with communities, but how it will involve them in the action that will be taken.

An issue that has been mentioned to me is the fact that we are going backwards on employability spend. As the reports say, we need to reverse the 24 per cent cut in employability spend. There are small businesses that cannot afford the cost of retraining because of the cost of courses and the time that would be missed from work. That is a real problem for them. Therefore, it is vital that help is provided on the ground for the workers and small businesses that want to participate in the transition and are ready to do so. They need support.

It is important that we look at how we could invest in communities now. There is great potential in Grangemouth in particular. We have an opportunity to invest in the community beyond the refinery, as Daniel Johnson said. The Grangemouth inquiry report mentions the flood prevention scheme, which has not been completed; in fact, it has not even been started. That scheme needs to be accelerated. There also needs to be investment in Falkirk Council—

Michelle Thomson: Will the member take another intervention?

Sarah Boyack: Briefly.

Michelle Thomson: I simply point out that initiatives such as the flood prevention scheme are being critically constrained by cuts in the Scottish Government's budget. There has been a 20 per cent reduction in capital. Can Sarah Boyack commit to an increase in capital so that those vital projects can go ahead?

Sarah Boyack: I am not the Chancellor of the Exchequer, as the member knows.

The point that I had been about to make was that, over the past decade, our local authorities have experienced massive cuts, and Falkirk Council is itself worried about the flood prevention plan.

Let us look at the skills hub and Forth Valley College. The committee and the Just Transition Commission have recommended that action be taken now. Homes and businesses in Falkirk need that investment. Young people who are currently at school could have jobs in local supply chains under the 10-year plan. Action needs to be taken now so that that is delivered.

I also want to thank the committee for highlighting the importance of getting women involved in jobs and training in the just transition and the renewables industry. That is key, but we need action now.

What the committee said about using public procurement is also important. That we should develop local supply chains seems like a no-brainer. That way, we will ensure that jobs and skills do not simply stay in Scotland but will be created in Scotland.

Therefore, there are opportunities, but there are also challenges—

Stephen Kerr: Will Sarah Boyack take an intervention?

Sarah Boyack: No, thank you.

It will take political will, investment and immediate action to make those opportunities a reality. The SNP has not gone far enough or used its powers sufficiently and, when they were in government, the Tories did not even begin to step up to the challenges in Grangemouth and the North Sea that are now faced by the communities, the workers and the businesses. Support is needed now. It is beginning to come, but we need more.

Scottish Labour is committed to working with the trade unions and industry to deliver a truly just transition for workers in Grangemouth, the north-east and Moray—

Stephen Kerr: Will Sarah Boyack take an intervention?

The Deputy Presiding Officer: The member is concluding.

Sarah Boyack: —and right across Scotland. The alternative option is continued failure, but the people of Scotland deserve more, and Scottish Labour will not let that happen.

15:28

Lorna Slater (Lothian) (Green): I thank my committee colleagues and the clerks for their work on reviewing both of the just transition plans.

The announcement on 12 September that the Grangemouth site will close next summer is a brutal blow for the community. As my colleague Gillian Mackay, who grew up 200 yards from the refinery, said on that day:

“All of us in the town know somebody who is employed directly or indirectly by the refinery. They’re the ones now suffering. A lot of people will be devastated, angry and extremely worried about what will happen next. I am too, I feel the same.

This is the opposite of the just transition that is needed for the site and for Grangemouth. We have known for a long time that change is needed. Lessons have not been learned from other closures like Longannet.

Successive Scottish and UK Governments should have taken action to provide a transition that put workers first. Grangemouth is now paying the price of that inaction.

The workers at the site are some of the most talented and skilled anywhere in our country. They deserve so much better than the appalling way they have been treated by INEOS.

We can’t allow local workers or their families to be left behind at the whim of a billionaire. If Jim Ratcliffe had any concern for the wellbeing of the community, he would be in Grangemouth today looking the workers directly in the eye.

It is urgent that the UK and Scottish governments work together to secure local jobs and a long-term future for the site and the community.”

Gillian Mackay’s comments highlight two fundamental points that give us the opportunity to start setting out what a just transition is and is not. So far, this is an example of what it is not. First, Scotland’s transition to a net zero economy will require some businesses to change or close and some industries to contract.

We all knew that the Grangemouth site would not be able to continue business as usual in a net zero world. Change was coming, but instead of acknowledging that and planning ahead for that, it was business as usual right up to the point when the site’s closure was announced. What should have been a staged transition towards a more sustainable way of working and what could have been an exciting future for the workers and community has, instead, ended with last month’s devastating announcement.

Alasdair Allan: I thank the member for giving way.

Lorna Slater asks what has been done to prepare Grangemouth for a new and greener future. Will she acknowledge that, through project willow and other efforts before that, the Scottish Government and others have sought to identify just such a future?

Lorna Slater: I appreciate that that work is now under way in a sort of last-minute panic, but we have known for decades that the climate crisis is coming. It is not a new thing. A just transition would not have put the people of Grangemouth into such a distressed state. We have known for a long while that it was not sustainable.

That brings me nicely to my second point about what a just transition is and is not. Allowing billionaire tax exiles to own our country’s key economic assets is a threat to our economy and communities, to the vital services that those assets provide and to the just transition.

Dr Ewan Gibbs, who is a senior lecturer in economic and social history at the University of Glasgow, has been undertaking research into Grangemouth as an instance of just transition governance, and has pointed out that the ownership pattern of Grangemouth is reasonably typical of the Scottish oil and gas sector. Petroineos is a partnership between a privately listed company and a foreign state-owned enterprise.

The 2023 parliamentary inquiry into the sustainability and just transition of the Grangemouth refinery expressed serious concerns regarding the lack of engagement by Ineos, stating that the company’s refusal to provide evidence was a missed opportunity to be transparent about its contributions to Scotland’s net zero targets. As Gillian Mackay has said:

“It has all the hallmarks of a business that having squeezed what it can out of its workforce knows it is running out of road and is looking to cut and run and to hell with the consequences.”

The Scottish Greens have long believed that public services should be owned by the public, and that the energy generation and production that are so fundamental to all our interests are no different.

I share the concerns of the parliamentary inquiry about just transition planning for Grangemouth and I support its recommendations. I have the same concerns about Scotland’s wider transition to net zero. We cannot pretend that the enormous changes to come in our journey to net zero will allow us to continue with business as usual. That was not true for Grangemouth and is not true elsewhere.

Change is coming. If we grasp the nettle by defining and planning for that change, we can also seize the opportunities and benefits of jobs, innovation and new technologies.

Daniel Johnson: Lorna Slater is absolutely right that we have difficult changes to navigate at a pace at which we have not moved before, but that will surely require continued use of petrochemicals and hydrocarbons. How does she view their medium-term role in our energy mix?

Lorna Slater: I am delighted that Daniel Johnson has asked me that question, because one of the frustrating things about this conversation is that many people say that the transition away from oil and gas should be demand-led, when demand for energy is, in fact, very much managed by Government policy and by things such as the aviation industry not paying tax on its jet fuel. That increases the demand for jet fuel, thereby manipulating the market in transportation to give advantage to aviation over trains and more sustainable energy.

The implementation of rules on house building and, for example, what landlords are required to do to insulate their properties will manipulate the demand for energy. It is not good enough to say that we must keep using oil and gas for as long as there is demand. What we need to do is to drive down demand as quickly as possible, which means implementing all the other policies to make sure that we move away from fossil fuels to keep global heating as close to 1.5°C as we can.

Brian Whittle (South Scotland) (Con): Will the member take an intervention?

The Deputy Presiding Officer: The member is bringing her remarks to a close.

Lorna Slater: It is very clear that we are about to exceed 1.5°C of global warming. That is not a safe threshold: it is a dangerous threshold for humanity.

I will wrap up, Presiding Officer. If we continue business as usual in the face of catastrophic climate change, we risk not only jobs but food production, catastrophic flooding and wildfires, loss of low-lying and coastal communities, global conflict and, ultimately, making large parts of planet earth uninhabitable. There are no jobs for anybody on a dead planet.

The Deputy Presiding Officer: Ms Slater, are you bringing your remarks to a close? Will you do so now, please?

Lorna Slater: Yes, certainly.

I urge the Scottish Government and the oil and gas industry in Scotland to take the situation of the closure of Grangemouth as a warning of what will happen more widely if just transition planning is

not undertaken properly and in line with the recommendations of the committee's inquiry.

15:36

Liam McArthur (Orkney Islands) (LD): As others have done, I start by thanking the Economy and Fair Work Committee and all those who were involved in producing the reports that we are debating, which give Parliament the chance to consider the issues around the just transition that we need not just in relation to Grangemouth and the north-east, but across the country. I have long argued that the just transition will look and feel different in different communities and different parts of the country. People will experience it differently depending on where they are, what they do and the aspirations that they have.

I welcome the approach that has been taken in relation to the two reports—an approach that is being repeated in the context of the northern isles, which are represented by me and my colleague Beatrice Wishart. I will turn to some of the islands-specific issues in due course, but first I will reflect on some of the committee's findings regarding the challenges that we face in achieving a just transition by 2045.

The focus on Moray and the north-east and Grangemouth is fitting because both those regions and communities have been at the forefront of Scotland's world-leading role in oil and gas for decades, so they have potentially the most to lose from any transition. Equally, one could argue that they have the most to contribute, and I think that that is the way in which we need to approach the process. How do we prepare, support and empower individuals, local businesses and communities through the transition to a renewables economy? As important is how we maximise the benefits for those individuals, businesses and communities.

In that sense, the committee is right to highlight the cuts of 75 per cent to the north-east and Moray just transition fund on top of the cuts to the employability budget, which will inevitably make more difficult the delivery of the training and skills development that we all agree will be essential. Twenty-one per cent of the UK workforce have skills for which demand will grow as we transition to net zero. An estimated 3 million jobs require reskilling to support that transition so, as the committee says, it is vital that barriers to upskilling and reskilling workers be removed. The concerns that Scottish Renewables has expressed about workers having to fund reskilling out of their own pockets should be taken very seriously, and the delays to the Government's renewables skills passport are counterproductive.

On a more positive note, I welcome the trade union proposals for skills hubs, which will further develop the ties between local colleges, industry partners and local authorities in areas such as Grangemouth and the north-east.

Gillian Martin: It is important, on a point of fact, to highlight that the skills passport is industry led. Offshore Energies UK and RenewableUK are collaborating on that, although the Government has funded part of it.

Liam McArthur: That is a helpful clarification. The delays to the delivery of that passport are clearly problematic and are holding up efforts to support the transition. The appetite among workers certainly exists, but that support will be needed.

The hub approach exists in Orkney. As an aside, I urge ministers to back the proposals from Heriot-Watt University for bursaries to support postgraduate courses in the islands, which, over recent years, have successfully helped to fill key roles in Orkney's vital renewables cluster.

The current financial situation is difficult, but if we are serious about a just transition, we need to be prepared to will the ends as well as the means. That is why the Government's handling of the ScotWind process and proceeds is so baffling. Having leased off seabed assets on the cheap, ministers have now plundered the revenues to plug gaps in other budgets. As GMB Scotland warned, £750 million that was earmarked for long-term climate investments has been squandered.

Michelle Thomson *rose*—

Liam McArthur: No, thank you.

We do not know the full extent of that but, clearly, it risks undermining Scotland's ability to deliver any sort of transition, let alone a just one.

In my Orkney constituency, that transition is already under way. As well as Orkney's being at the forefront of renewables development, strides are being made in reducing emissions in key sectors including housing and transport. However, those things need the Government and its agencies to step up and play their part, from helping to deliver key port and other infrastructure to supporting procurement of new ferries, the development of low-emissions aircraft, the roll-out of new housing, and provision of energy efficiency measures in existing housing stock.

All that requires partnership, shared endeavour and funding—three aspects that the Just Transition Commission has underscored. It also speaks to the need for co-design with the communities that are directly affected—which, again, the committee has rightly emphasised. On that, the Just Transition Commission's annual report has a salutary warning. It states:

“People at Grangemouth have become used to ‘warm words’ via extensive consultative processes and engagement from government, however this has yet to translate into a long-term plan that rebuilds broken trust and provides workers and residents in the town with a high level of assurance and security regarding the future of Grangemouth.”

We have heard some of that so far in the debate.

It is not good enough. Change requires trust, which can exist only when there is transparency and a shared understanding of actions and—which is important—timeframes. Scottish and UK ministers must collaborate, which Sarah Boyack rightly alluded to, but they must also be able to walk their talk.

Delays to the Government's updated energy strategy and just transition plan do not help, as Murdo Fraser and Claire Baker pointed out. Without clarity, people and businesses cannot make informed decisions about their futures; neither can investors about the investments that they wish to make.

It also leads to understandable frustration in places such as Grangemouth, where community leaders have talked of a historic unjust transition. Malcolm Bennie of Falkirk Council noted

“a tension between it being a place that is doing incredible commercially successful things and it having a community that is not benefiting”—[*Official Report, Economy and Fair Work Committee*, 8 March 2023; c 2.]

Despite hosting Scotland's largest industrial estate, which accounts for 4 per cent of gross domestic product, Grangemouth includes five areas that are among Scotland's most deprived 20 per cent. That cannot be right.

Meanwhile, Moray experiences some of the highest levels of fuel poverty, despite possessing an abundance of onshore and offshore wind and land for carbon sequestration. That complaint finds a faithful echo in the islands that I represent. In order for any transition to command the public support that is required to deliver changes that will, at times, be difficult, that sort of imbalance and unfairness must be addressed.

I will make one final point in relation to the delays and uncertainty that I referred to. Petroineos's announcement last month was undoubtedly a hammer blow, but it was hardly a surprise. I recognise and welcome the obvious collaboration between the UK and Scottish Governments. Claire Baker is right, however, to highlight concerns over the delays in coming forward with hard and fast decisions.

Meanwhile, when I recently met the joint chairs of the Just Transition Commission, the point was made that we cannot afford to wait until the announcement of a closure before acting to develop new roles that help us along the way to

meeting our climate change targets. The committee has provided some useful pointers for how we might avoid that in the future. However, although it is important that we continue to have debates such as this one, we must press ahead with far more focus on detailed action plans, investment and delivery.

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

15:44

Kevin Stewart (Aberdeen Central) (SNP): As the speakers before me did, I thank everybody who took part in the inquiries—in particular, the community activists who we met during the course of the north-east and Moray inquiry.

There has been some debate already on what we are speaking about when we talk of a just transition. Lots of folk have said, “What does it actually mean?” Greenpeace has given us a very simple answer:

“A ‘just transition’ means moving to a more sustainable economy in a way that’s fair to everyone—including people working in polluting industries.”

Even organisations such as Greenpeace recognise that workers and jobs must be at the heart of the issue. Without jobs, we will not have a robust economy or secure communities.

Daniel Johnson: Will the member take an intervention?

Kevin Stewart: If Mr Johnson will let me continue, I will let him in shortly.

This is not Scotland’s first transition. We have seen this show before; there were steelworkers in Motherwell and mineworkers in pit villages up and down Scotland who were part of unjust transitions. We cannot allow Westminster, which is now under Labour, to do to oil and gas workers what Westminster did to miners under Thatcher.

Daniel Johnson: I agree with much of what Kevin Stewart has just said. We might define what a just transition looks like, but the problem is that people do not see the practical pathways to that transition now. Does Mr Stewart agree that it will require all tiers of Government—UK, Scottish and local—to provide those practical pathways for people through that transition?

Kevin Stewart: I agree that there need to be practical pathways, and I will come on to those. I agree, too, that there needs to be a huge amount of co-operation as well as resourcing. Most importantly of all, everyone in the chamber, and everyone in the UK Government, needs to listen to the experts as we move forward. I turn to the words of such experts now.

Professor John Underhill, director for energy transition at the University of Aberdeen, says that we must avoid repeating the mistakes of the past, such as those that affected the miners and the steelworkers. That view is shared by Sharon Graham, the general secretary of Unite the union, who estimates that Westminster’s current plans for oil and gas will cost 30,000 jobs, while others estimate that that figure might be up to 100,000 jobs. We must ensure that we listen to the workers, the industry and the academics, who are united in what they are saying. The committee’s report, which is immense in some regards, says that we have listened. However, we need to continue to listen.

Just today, Wood Mackenzie published a report—one of many there have been of late—which says that the UK Government has created

“unparalleled sector uncertainty and consternation”

and argues for an equitable system before the impact on investment becomes irreversible. We need North Sea workers for the new jobs that we are creating. We cannot have a situation where people are chucked on the dole, as has happened in the past. We must ensure that the transition is the right one.

Liam McArthur: Will the member take an intervention?

Kevin Stewart: I will, in a minute.

We must remember that £400 billion has flowed from the North Sea to the Treasury during the oil years. It is time for some of that money to come back, to be invested in the just transition. We have already seen the Labour UK Government backtrack on its promised £28 billion-worth of green investment. That investment needs to be brought to the fore in the forthcoming budget.

Liam McArthur: Kevin Stewart has focused quite a bit on criticisms of the UK Government, which is entirely appropriate in some instances. Does he agree that the transition for those workers has been made markedly more difficult by the cuts that we have seen being made to the employability and skills budgets over recent years?

Kevin Stewart: I have to say that the cuts to the employability and skills budgets are grim, but the cuts to the Scottish budget from the UK are also grim, and we have to let the axe fall somewhere because the axe has been taken to us. I hope that Rachel Reeves, during the course of her budget considerations, will choose to end austerity and start investing, and that the Scottish Government gets a much bigger budget than previously.

Ms Reeves also needs to examine the situation with the energy profits levy and, in particular, the closure of investment allowances, which puts a lot of the transition and jobs at risk. We need

resources to ensure that just transition. I am pleased that the Scottish Government has come up with the just transition fund, but the UK Government needs to do likewise. Some £400 billion has flowed south to the Treasury. It is time for some of that money to return.

Michelle Thomson: Will the member take an intervention?

The Deputy Presiding Officer: The member will not, because he must conclude.

Kevin Stewart: I apologise to Michelle Thomson.

Some of that money needs to flow back so that we can create jobs, create a sustainable net zero future and ensure that we do not make the mistakes of the 1980s under the Tories.

The Deputy Presiding Officer: You must conclude.

Kevin Stewart: Labour must not make those same mistakes.

15:51

Stephen Kerr (Central Scotland) (Con): I, too, thank our colleagues on the Economy and Fair Work Committee for bringing this debate to the chamber and for the reports that they have produced and laid before Parliament. Given that I represent the people of Central Scotland in this Parliament, I hope that it will be understood that I will focus my remarks pretty exclusively on the situation in Grangemouth.

These are deeply worrying times, and I have to say that one of the central messages of the Just Transition Commission report, which has been mentioned a few times already, was that people in Grangemouth and the Falkirk area do not want more warm words.

There is no need to rehearse the economic impact of the closure of the refinery, but it is worth assessing briefly how we have arrived at this situation. The refinery is 100 years old—not every component is 100 years old, but it has been there for 100 years. Although large sums of money have been invested, the age and the scale of the refinery mean that it is no longer considered by its current owners to be commercially viable. Although that is tremendously disappointing, it is hardly a surprise, because the bulk of oil refining is now centred on large-scale refineries, mostly in Asia. It is not a surprise that the owners of the refinery have decided that it is more economically viable to take it out of production and replace it with an import terminal. However, I have grave concerns about all of that—I have grave concerns about our energy security and about losing the

capacity to refine oil in Britain. That is a slippery slope.

The global market is incredibly competitive for capital, and smaller refineries such as Grangemouth are losing out.

Daniel Johnson: I notice that Mr Kerr is just a few chairs away from Graham Simpson, who I know will agree with this point. Does Mr Kerr agree that the issue is about not just the loss of capacity but the loss of potential? We will need biorefineries, and Grangemouth would be an excellent location for such a facility, but we are going to have a gap. Once it closes, it will be much more difficult to establish such a biorefinery in Grangemouth. Is that not the real issue?

Stephen Kerr: I will come on to that in a moment, but I want to set out the context of these decisions first. The global context needs to be considered, but I also want to talk about the impact of our net zero strategy.

We have effectively passed laws in this jurisdiction to end the business of the refinery. We cannot pass laws that will, in effect, make it illegal to sell new petrol or diesel cars and vans and then feign shock and surprise when the businesses that exist to produce petrol and diesel shut down operations in our market space.

Alasdair Allan: Stephen Kerr will be aware that the company concerned has—indeed, as he has just set out—blamed its decision on the global situation and not on Scotland stopping selling vans that are powered by petrol. Just for the sake of accuracy, Mr Kerr might wish to reflect on what the company has actually said.

Stephen Kerr: That is a stretch by the minister, if I may say so.

It has not gone unnoticed by the sector that, in the past, the Scottish Greens have called for the closure of the Grangemouth refinery, yet now that they are getting their way, they come forward with all their expressions of concern for the workers and their families, and for the local economy. The fact is that the Bute house agreement created a hostile policy environment for the oil and gas sector as a whole. It is, therefore, quite difficult to sit and listen to Kevin Stewart and to stomach what is verging on hypocrisy, when he express his support for oil and gas, as the SNP now desperately reverses its previously spelled-out positions on oil and gas and its hostility towards them.

Kevin Stewart: Will the member give way?

Stephen Kerr: I will give way to the member, as I have mentioned him.

Kevin Stewart: I have not reversed my position in any way, shape or form.

Let us turn to Grangemouth, as it is extremely important that we find a sustainable future for Grangemouth. One of the things that has held back progress in changing the way of working at Grangemouth is the previous UK Government's inability—and that of the current one, too—to change regulations on hydrogen transportation and storage, for instance. Would Mr Kerr agree that that needs to move along quickly if we are to find a sustainable future for Grangemouth and other places?

Stephen Kerr: There are many moving parts to the situation at Grangemouth, and on that I will agree with Kevin Stewart. However, Kevin Stewart cannot pretend to be the friend of oil and gas when the SNP's position, as pronounced upon from the front benches, has been openly hostile, with a presumption against oil and gas licences.

Now we have a Labour Government, with Ed Miliband in charge of his fantasy energy policies, which are aimed at ending the existence of the North Sea oil and gas sector. No wonder Sarah Boyack was unprepared to take an intervention from me on that issue. Instead of listening—

Lorna Slater: Will the member take an intervention?

Stephen Kerr: I will not take any more interventions, because time is against us. I wish I could, but it is not possible.

The SNP is not listening to industry voices about the effect of its swingeing higher windfall tax, with less in the way of allowances—as has been spelled out. The SNP does not seem to realise that that will cripple the flow of global capital into anything related to the North Sea. It is a reckless nonsense of a policy. Sarah Boyack praised Brian Leishman, the MP for Alloa and Grangemouth, for listening to the unions, but perhaps Labour in government should start listening to the unions, because the unions are pretty clear about where things are heading.

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

Stephen Kerr: That is a great shame, as I have so much more to say, as usual—but there we go: that is the nature of debates in this place.

There is nothing simplistic about transition, and we should not lead people to believe that highly paid and highly skilled oil and gas sector jobs will disappear and will be replaced by new green jobs, as the track record on the creation of higher-paid green jobs is not very impressive.

The Presiding Officer: Thank you, Mr Kerr.

Stephen Kerr: Let us have no more warm words. Let us see some action.

The Presiding Officer: Thank you, Mr Kerr.

Stephen Kerr: Let us see some meat on the bones.

15:58

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): I, too, commend the Economy and Fair Work Committee for its just transition inquiry, which focuses on Grangemouth, the north-east and Moray. I put on record my support for a just transition. We are at a point of urgency in climate change.

I will focus my remarks on the north-east, but I very much acknowledge the evolving and distressing situation at Grangemouth. As we know, the north-east is home to Scotland's oil and gas production, which generates significant economic activity and energy supply. The sector hosts around 65,000 jobs in the north-east and Moray. In 2019, it had a gross value added of around £16 billion, or 9 per cent of Scottish GDP.

Oil and gas will continue to be a significant part of our energy mix. Like other members, I welcome the opportunity to probe a little bit more deeply around what exactly a just transition is, the challenges in delivery and the importance of having stakeholders round the table so that we can measure and evaluate progress, inform policy and reach net zero.

The committee's starting point was to assess the understanding of what is meant by "just transition". Common themes emerged in evidence, such as maximising economic benefit for people and businesses, creating green jobs and moving workers from oil and gas to renewables. That very much reflects an energy focus.

However, Professor Paul de Leeuw highlighted the importance of clarifying

"what the destination is and how we can help people on their journeys as they go through them."

He said that

"people have different starting points, and they need clarity."

He noted that good work has already been undertaken on the just transition planning framework, which includes some "nice bullet points". However, he felt that they were

"lovely statements, but it is not really clear what they mean for a person in the street".—[*Official Report, Economy and Fair Work Committee*, 15 November 2023; c 42.]

Referring to their "Measuring Just Transition" report, Dr Daria Shapovalova and Professor Tavis Potts from the just transition lab at the University of Aberdeen described a just transition as

"a fair distribution of burdens and benefits as society and the economy shifts to a sustainable low-carbon economy. It

calls for action on providing decent green jobs, building community wealth and embedding participation.”

In evidence to the committee, they pointed out that there have been

“two decades of definitions of just transition”

but that what was needed now was

“clarity in the planning process, in directions to local authorities, in investment and in the building of civil society and democratic processes”—[*Official Report, Economy and Fair Work Committee*, 29 November 2023; c 28.]

and an urgent speeding up of those processes.

It was evident from those and other views that were shared in evidence that, although the north-east is rightly positioning itself as a centre for energy transition, to date, the debate on just transition has derived from an industry context. Nowhere is that more evident than in my constituency, where a valued green space in a deprived area of Aberdeen has found itself inserted into Aberdeen City Council’s local development plan as an area that will support the energy transition. Locally, there is a strong feeling of dispossession, and that the development is being imposed on an already deprived community that feels left behind. However, an energy transition zone will be a crucial economic opportunity for diversification from fossil fuels. It has the potential to bring significant value for the workforce in Aberdeen and the north-east. That scenario is reflected in the committee’s report, which finds that evidence suggests that there is a feeling among some people of a disconnect between corporate interests and community wellbeing.

I turn briefly to jobs and skills, which is perhaps the most straightforward set of indicators for a just transition but, as others have said, it is utterly crucial to it. Key to securing a skilled workforce will be the acquisition of skills, and reskilling into low-carbon jobs. Historically, oil and gas jobs have been characterised by high levels of education and skills, and a transition to low-carbon jobs will require similarly high levels of education and skills. Evidence to the committee highlighted challenges right across the industry. The urgent need for skills mapping was highlighted by SSE, which spoke of the need for

“green energy training academies ... to make it easier for people to transition from high-carbon to low-carbon industries.”—[*Official Report, Economy and Fair Work Committee*, 15 November 2023; c 10.]

There is a welcome body of work on mapping skills shortages in STEM and engineering-related occupations. The committee report highlights SSE’s concerns about the urgent need for skills mapping. I note the OEUK’s report, “Energy Industry Skills Landscape Study”, which was published this week. It acknowledges the creation

of the Scottish Government’s plans for post-school education and skills reform, but highlights that it is a critical moment for the industry, Governments and stakeholders to work together to secure our skilled workforce of tomorrow. That point was articulated well by Professor de Leeuw, who spoke of the criticality of timing, and of getting people ready for the wind sector where and when they are needed. As other members have highlighted, that is crucial to the delivery of our green industrial strategy, just transition plan and other strategies. I share the committee’s concerns about the suspension of the flexible workforce fund, and I hope that there is scope for that to be reconsidered. Again, I thank the Economy and Fair Work Committee, and I look forward to its next transition inquiry.

16:04

Richard Leonard (Central Scotland) (Lab): I begin by reminding members of my voluntary register of interests, and I thank the committee for doing its job and inquiring into this most critical question of our times.

Let me state right at the very outset that I do not believe, on the evidence that we have seen so far, that the transition to net zero in the north-east and Moray and in Grangemouth is a just transition at all. In fact, the workers at Grangemouth are furious. They tell me that they feel betrayed, and no wonder. After the Petroineos announcement, the Cabinet Secretary for Net Zero and Energy took to the airwaves to say that the jobs transition that she wanted to see will have

“as little a gap as possible.”

A gap? If it is a just transition, there should be no gap. There should be full income protection, access to sustainable jobs, access to free education and training and new and substantial economic support for these impacted communities.

Then, when the cabinet secretary came to Parliament, she described the closure of the Grangemouth refinery as a “commercial decision”. That is a phrase that, I regret to say, I have heard Labour ministers use as well. Is closing down Scotland’s only oil refinery not a strategic decision affecting the nation’s energy resilience and security? Is it not a strategic decision of national economic importance? Would the conversion of the site from a major source of export earnings to a terminal for imports not be a matter of national economic interest? Does the minister not care about the impact on the balance of trade, and therefore on the balance of payments? Are these not manufacturing jobs? Are these not workers? Are they not worth more than that?

Last week, the 45-day redundancy consultation began. I remind everyone that the purpose of that consultation is to examine the alternatives to redundancy, and so to prevent closure. That is the purpose of it: to consider how redundancies can be reduced or avoided altogether. I hope that everyone will get behind the workforce, and will get behind Unite the union, which has explained, time and time again, that this refinery is not making a loss—it is making a profit—and which is demanding that the new Labour Government takes out a transitional stake to keep the refinery open.

Let me pay tribute to the new local Labour MP, Brian Leishman, who has been outstanding and outspoken, calling for both Governments to intervene, and for both to go further, up to and including nationalisation, to extend the life of the refinery.

Gillian Martin: At the risk of Richard Leonard twisting my words further in future debates, is he actually calling for the Scottish Government to take on the refinery wholesale, or is he also extending that challenge to the UK Government? Is that exactly what he is asking? At the moment, it looks like Richard Leonard is asking for the Scottish Government, despite the financial position that we are in, to step in and take on the refinery. Is that what he is actually asking?

Richard Leonard: Now the minister is twisting my words. What I said was that Unite was demanding that the new Labour Government takes out a transitional stake, but if Gillian Martin, on behalf of the Scottish Government, wants to volunteer to intervene in that process, I do not think that anybody would object.

This is a company that has, in the past, secured £19 million of public money from this Parliament, and has benefited from a £300 million underwriting by the UK Government. It is a company that is now seeking more money—seed capital—through the freeport initiative for land preparation at its Grangemouth site.

Here we have a corporation that is preparing to steal these workers' jobs with one hand while reaching out to grab public money with the other, so it is about time that we started using the leverage that we have. It is about time that we started standing up to PetroChina, Ineos and the other oil multinationals, and it is about time that we started holding to account the Jim Ratcliffes of this world.

Finally, the Grangemouth future industry board was set up four years ago, but what has it achieved? Where is the economic planning? What have the Scottish Government and the previous UK Government been doing for the last four years?

That is not all. While it is true that, in recent weeks, the Government has finally published its green industrial strategy, what about its energy strategy and just transition plan? Delayed. What about the regional just transition plans? Delayed. Its climate change update—delayed. Its sectoral just transition plans due out in the summer—delayed.

It is not just delays. At the very time when we need investment, we are witnessing big budget cuts: employability spending—cut; flexible workforce development fund—cut; college budgets—cut; Scottish Enterprise budget—cut; Highlands and Islands Enterprise budget—cut; and even the north-east and Moray just transition fund—cut.

As members of this Parliament, we are not onlookers; we are participants. The Grangemouth refinery is the first real litmus test of our commitment to a just transition. So, why should any worker—out on the North Sea or at Peterhead, Burntisland, Aberdeen, Sullom Voe, Mossmorran or any other site—have any confidence that there will be a just transition for them when, on this first test, they see so much delay and so little ambition?

We have got to get this right. It is the destiny of these workers that should be uppermost in our minds.

I say to the minister that there is no time. We need to confront this directly. We need an economics where people matter and we need to build an economy not in the interests of the billionaire tax exiles but in the interests of working people.

16:11

Gordon MacDonald (Edinburgh Pentlands) (SNP): I will concentrate on the report on the inquiry into a just transition for the Grangemouth area that the committee published in June last year.

Much has happened since our inquiry and the publication of the report, with Petroineos announcing the accelerated closure of the refinery at Grangemouth. Although we knew that that was going to happen in the long term, it is a blow first and foremost to the employees; undoubtedly, local communities and the local and national economy will feel the impact of the closure, too.

Grangemouth is an integrated refinery and petrochemical centre of excellence. In total, it directly employs almost 2,000 people and up to 7,000 contractors at peak times throughout the year. The site produces 65 per cent of Scotland's refined oil products, including diesel, petrol, kerosene and jet fuel. The latest figures indicate

that exports of petroleum and chemical products from the site account for 6 per cent of all Scottish exports to countries outside the UK.

We visited the Ineos site in March 2023, which allowed members of the committee to see the scale of the site and its impact on the surrounding communities. It also enabled us to observe the progress that is being made towards its net zero goals.

However, it should be noted that Petroineos declined the opportunity to provide evidence to the committee, which was disappointing, as that would have provided the company with a platform to put on record its contribution to Scotland's net zero target. The strategy on its website states:

“Net zero’ by 2045 at Grangemouth is a science-based commitment that means investment in reduction measures, changes in production processes, and efficiency upgrades.”

It continues:

“INEOS will be climate-neutral ... by 2045”.

At the time of our visit, 18 months ago, there was no indication of the refinery closing. What changed? Yes, there were problems with one of the hydrocrackers at Grangemouth, but it must have come as a body blow to the sector when Labour announced that it was ditching its plans to spend £28 billion to grow the green economy, especially as Keir Starmer had said only days before that it was desperately needed, and had insisted that his Government's commitment to the spending plan was unwavering and that it would deliver more than 50,000 jobs in Scotland. All that is gone, now.

Michelle Thomson: Will the member give way on that point?

Gordon MacDonald: Yes, I will.

Michelle Thomson: I appreciate the member giving way, because I have been trying to intervene on a number of members today, to point out and remind people that the scale of the required investment, as set out eloquently by the Scottish Fiscal Commission, was something that we did not consider at the point that we did the inquiry but which is utterly critical to understand. Arguably, Mr MacDonald is right about the £28 billion. However, it is not just £28 billion that is needed; many more billions of pounds than that are needed.

Gordon MacDonald: I agree with Michelle Thomson's point.

All that is gone, now. That led John McTernan, a former Labour adviser, to describe the decision to pull the £28 billion of investment as

“probably the most stupid decision the Labour Party has made.”

Let us also not forget Keir Starmer's statement that he would be in favour of raising the windfall tax on oil and gas and extending it to 2029. No wonder closure of the refinery became a consideration.

We know that steps are being taken to secure Grangemouth's future, and our inquiry considered how a just transition will be achieved in a way that benefits people, communities and businesses in the Grangemouth area.

The inquiry report recommendations sought both clarification and consideration from the Scottish Government in a number of areas—in particular, what a just transition for the Grangemouth area would look like and how all stakeholders, employees, businesses and, importantly, the local community would help to secure a just transition.

The Scottish Government's reply to the committee's inquiry was encouraging, with the then cabinet secretary providing a comprehensive response to the recommendations, including setting out what work was already under way, including details on the just transition plan for the Grangemouth industrial cluster, which had been announced in the Scottish Government's 2022-23 programme for government and again in the 2023-24 programme for government.

I have already alluded to the fact that, compared with where we were when the inquiry took place and the subsequent report on Grangemouth was published, we have moved on considerably. However, the groundwork that had already been put in place by the Scottish Government to address the commitment to reducing emissions and the decarbonisation of Grangemouth provides vital support at this crucial time.

The Scottish Government, in partnership with the UK Government, is working on the delivery of an investment plan to secure Grangemouth's industrial future and protect its skilled workforce, with a further £100 million joint investment package through the Falkirk and Grangemouth growth deal. The funding will provide support to the community and its workers, investing in local energy projects to create new opportunities for growth in the region.

It has been estimated that, over the next 30 years, the Falkirk and Grangemouth growth deal will deliver more than £628 million in economic benefit, with an employment impact of 1,660 net jobs across the Falkirk Council area.

The Scottish and UK Governments will provide tailored support to help affected workers in finding new employment. In addition, investment in the site's long-term future through the £1.5 million joint-funded project willow has identified a short list

of three options to begin building a new long-term industry at the refinery site—

The Presiding Officer: You must conclude, Mr MacDonald.

Gordon MacDonald: Those options are low-carbon hydrogen, clean electrofuels and sustainable aviation fuels.

We now need the transition at Grangemouth to be accelerated, and I welcome the Scottish Government's recently published green industrial strategy.

The Presiding Officer: We have used up any extra time that we had available. Graham Simpson is the final speaker in the open debate.

16:18

Graham Simpson (Central Scotland) (Con): I thank the committee for its sterling work on the two reports. I run the risk of giving myself a pat on the back, because I was on the committee when it did its inquiry into Grangemouth. Of course, it was a team effort—a team that was ably led by the convener, Claire Baker.

The report on the Grangemouth area, which was published more than a year ago, has now been overtaken by events. We did not know then that there was a risk that refining could come to an end at Grangemouth, and had we known then, our report would have been very different. The committee has subsequently done another excellent report on the north-east and Moray, but I will concentrate on Grangemouth, because it is part of the region that I represent.

The news that refining is to stop came out last year, but, as we know, the end date has now been brought forward. Four hundred jobs are at risk, and the futures of the town and the wider economy are at risk.

The committee's report is out of date, but it is important that we have this discussion today. It is more important, however, that we get concrete action from both Governments. To be fair, it is good to see them working together, and that has to continue.

I have to say to the minister, Alasdair Allan, that producing a draft plan for the future at more or less the time when the refinery is due to close is not really good enough. He needs to bring that forward. We need concrete action before the refinery closes.

Paul Sweeney (Glasgow) (Lab): There is a very powerful point to be made about the disaggregation of the finances of the refinery. It is very difficult to pick that apart, because Petroineos's assets in France are bound up with Grangemouth's assets.

Does the member agree that the key thing is the hydrocracker finances? Taking that offline has really hit the profitability of the refinery, but there is no visibility of what that gap is and how we could make that up with a counter investment proposal.

Graham Simpson: Yes, I agree with that.

We need to look to the future of the plant. When I was on the committee, I was banging on about sustainable aviation fuel before anyone else here was talking about it. The committee did not even know what I was talking about at the time. I thought then, and I think now, that we should produce SAF in Britain, including at Grangemouth.

Lorna Slater: Will the member take an intervention?

Graham Simpson: I would love to, but I have no extra time. If I am given extra time, I will take the intervention. It is up to the Presiding Officer.

The Presiding Officer: It is not a matter for the Presiding Officer. The Parliamentary Bureau has allocated time to the debate, Mr Simpson.

Graham Simpson: I am afraid that I cannot take the intervention. Others have had leeway.

I was annoyed that Grangemouth was not earmarked by the previous UK Government as one of the places where SAF should be made. I am pleased that the new UK Government is continuing with the SAF mandate policy of the previous Government. The mandate will start in 2025 at 2 per cent of total UK jet fuel demand, and that will increase in 2030 and in 2040. To that end, the committee called for

“a price support”

mechanism

“for SAF to accompany the mandate”,

because that

“may be required to incentivise private sector investment in UK and Scottish SAF production”.

We were ahead of our time.

The new Government says that the bill that it announced on 17 July to support SAF production will introduce a revenue certainty mechanism for SAF producers that are looking to invest in new plants in the UK. Scotland should be at the forefront of the decarbonisation of aviation, and Grangemouth should be at the centre of that.

When the committee took evidence in March 2023, Malcolm Bennie of Falkirk Council said:

“if I were to walk through Grangemouth town centre right now and ask people what ‘just transition’ means ... I do not know whether the term would resonate with everyone.”—
[*Official Report, Economy and Fair Work Committee*, 8 March 2023; c 2-3.]

He was right, but they know now what an “unjust transition” means. That is happening because we have sent out the wrong signals.

Labour and the SNP can take a good share of the blame for talking down the oil and gas sector. That has consequences, and in this case we can see them. I have to say that the Greens have been utterly hypocritical on the issue. They want to close down North Sea oil and gas, yet they cry crocodile tears when we announce that refining is going to close at Grangemouth. That is hypocrisy.

Both Governments have announced a bit of extra money for the area. That is good. Project willow will look at how Grangemouth can remain an energy hub. However, we have to wonder what the Grangemouth future industry board has been up to for four years if we need that project. The committee called for greater clarity about the role of the GFIB, which it said is

“operating more as a forum with limited output to date.”

I have not seen any output. However, the committee was right, and that needs to change.

Both Governments need to roll up their sleeves and accept that Grangemouth is an integral and vital part of the Scottish economy. We cannot afford for it to deteriorate. Governments must ensure that it has the bright future that I believe it can have.

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

16:24

Lorna Slater: Before I launch into my closing speech, I will use a minute or two to talk about biofuels, which have been raised by several members in the chamber. Unfortunately, I was unable to intervene on Mr Simpson to make this point.

Sustainable aviation fuel is based on biofuels, which means growing a plant that produces oil or another hydrocarbon that can then be converted into jet fuel. Yes, growing plants to do that is carbon neutral, but that is a change of land use, and any land that we use to grow biofuels is not being used to grow food or for nature restoration or for forestry and sustainable materials. Whether to use land to grow materials that will then just be burned is a choice that needs to be made about how we use land in the future. If we are worried about food security, especially as climate change progresses, how much land can be turned over to the growth of biofuels is an interesting question.

Daniel Johnson *rose*—

Lorna Slater: I am sorry, Mr Johnson, but I am going to continue with this point.

One of my concerns about the focus on so-called sustainable aviation fuels is that they remove the focus from potential alternative technologies to aviation that are already low carbon, such as trains for short distances.

If Mr Johnson is very quick, I will take the intervention.

Daniel Johnson: I am grateful to the member for giving way. She is right, but does she not also agree that biofuels will play at least some part and that the question is how much? She is right about the opportunity cost of that land use—I acknowledge that point.

Lorna Slater: Yes, absolutely, biofuels will play some part, because aviation will always need to be part of the mix, especially for island communities and emergencies. However, the idea that aviation can continue to grow as an industry fuelled by biofuels is not a realistic vision for the future of land use.

What has been highlighted by members across the chamber is that emissions-heavy industries cannot grow. They must change or they must be phased out. What would be really helpful for that process in Scotland and what we need very urgently is the energy strategy from the Scottish Government. I would like to ask the cabinet secretary directly when we will see the final published energy strategy. Is she able to answer that question now?

Gillian Martin: It was our aim to have published the energy strategy and just transition plan, but we were not able to do that ahead of the general election purdah period. However, it is imminent and in its final stages of going through the Cabinet.

Lorna Slater: I thank the cabinet secretary very much for that intervention. We need to know about that strategy because there is disagreement across the chamber about how long the phase-out of oil and gas is going to take, where it will be phased out, who will be affected and when that is going to happen. We need to know the timeline so that we can all plan for it, because a just transition is a planned transition. Without that energy strategy in front of us, we cannot even start to make the plan. That is the first step.

The next step, as so many people across the chamber have discussed, will be to speak with communities and workers. What do they want? How do we find that out? The answer is that we ask them. What do they see for their futures? What is their vision for themselves and their children? From some of the work that the committee has done on that, people give answers such as, “We’d like to see more public transport,” “We need more housing, so that we can take advantage of opportunities,” “We need more

investment,” and “We need improved skills training.”

The committee’s output and some of its recommendations provide us with an expansion of the definition of a just transition that Kevin Stewart shared with us, which was only a few words. The committee’s outputs provide a description of what a just transition is—a clear definition of what we are trying to achieve.

That description covers the following aspects: community and stakeholder engagement across people, workers and local businesses in order to understand how they are going to be affected and their vision for their community; clarity on governance, whether that is the Grangemouth future industry board or appropriate governance for whatever plan we are talking about; and local economic and infrastructure development, which is always important in a transition. With regard to that infrastructure development, people need fast internet, trains, buses and connections, housing and all the pieces of functional communities. They need those things regardless of whether we are undergoing a just transition but, as we know that we need the transition, that sort of investment is needed to create economic prosperity. The description also covers new technologies, Government funding and, of course, an understanding of how communities will benefit in the future. All the committee’s recommendations provide us with a lovely script for how a just transition can be implemented across Scotland.

Finally, I would like to set out a green vision for the future, where transportation is primarily buses, trains, wheels or people’s own two feet; where town centres are safe for children and, in fact, everybody to walk or cycle to school or elsewhere; where industries are responsible for their damage to the environment, for being nature positive and for restoring the environment around themselves; where business owners are responsible for and accountable to their workers and communities and are not billionaire tax exiles living elsewhere; where community spaces exist for people to connect and develop themselves and for art and creativity; where our energy is provided by wind, tidal and solar energy; where we can generate green hydrogen to store energy and use it in our heavy industry—

The Presiding Officer: I must ask you to conclude at that point, Ms Slater.

Lorna Slater: —and where homes and buildings are insulated and efficient. That is the green vision that we can build with a successful just transition.

16:31

Daniel Johnson (Edinburgh Southern) (Lab):

There has been a great deal of passion in the debate, and rightly so because, if you were one of the 400 workers whose job is at risk, you would feel pretty passionate. In fact, you would feel pretty angry and upset.

This has been a long time coming. Even if we look only at the excellent report that the committee produced, we see that it was produced in June 2023. It contains some really good recommendations, but were they all acted on?

It was not a surprise that this decision was made. Alarm bells should have been set ringing in 2004 when the site was originally sold by BP and, again, when there was the change of ownership in 2011. We should have at least been asking what the long-term future of Grangemouth was and what the plan was, which, ultimately, are the questions that the paper poses. The question that members have been asking is what a just transition means. Do people understand it and is it real? It is important that we get this right because, if we do not, there will not be just 300 or 400 angry people but thousands, if not millions, of angry people. If we get the energy transition wrong and it is an unjust transition, it will be counted in hundreds of thousands of jobs. I get that, and Richard Leonard’s contribution captured that anger and frustration.

Since the announcement, it has been good to see action being taken, and I really welcome Gillian Martin’s previous comments. We have seen ministers acting at pace, additional money being found, the joint funding of the £20 million and the acceleration of project willow. I appreciate Gillian Martin’s observation that that showed a marked difference and a change in pace compared with the previous Administration.

On a very personal note, one of the things that give me courage is that I believe that Gillian Martin cares about the transition. I think that she is passionate, because it shows. However, we must all do better, and I am slightly concerned by Alasdair Allan’s comment about the plan being delayed. If it is published merely weeks before the closure of the refinery, will it do any good? I say that in constructive terms, because we need to be clear about what actions it will set out.

On what the transition means, I agree with both Murdo Fraser and Lorna Slater, in some ways. The challenge of the debate is to join those two perspectives. Murdo Fraser is absolutely right: we cannot escape from the fact that hydrocarbons will be a part of our energy mix for decades to come. We must look at that seriously and ensure that that part of our energy mix is secure. However, Lorna Slater is also right: there will be difficult

decisions to make. Rather than looking at aviation, which accounts for less than 2 per cent of CO₂ emissions, we must look at the use of gas in domestic heating and how we heat other buildings, because that is non-trivial. That change will take years, if not decades, to deliver, so let us have a serious conversation about our reliance on hydrocarbons.

Stephen Kerr: Will Daniel Johnson give way?

Daniel Johnson: In a moment. I think that Mr Kerr might want to intervene after the point that I am about to make.

A number of questions have been asked about the UK Government's position—specifically, its position on the energy profits levy. Between 2016 and 2020, the price of oil was around \$30 a barrel; it is now \$76 a barrel. Last year, BP made profits of \$38 billion and Shell made profits of \$28 billion.

Kevin Stewart: Will Daniel Johnson give way?

Daniel Johnson: Let me anticipate Mr Stewart's point. Ten per cent of BP's profits were made in the UK. That is not all of BP's profits, but it is still a lot of money. Centrica's profits increased more than tenfold.

Kevin Stewart: Will Daniel Johnson give way?

Daniel Johnson: I will in a moment. Those profits continue to be made, which is why the previous UK Administration brought in the energy profits levy. Do we need to get those rates right? Yes, we do.

Some members have said that the capital allowances will be removed altogether. They will not. The level of capital allowances is under discussion—the year 1 allowances are under discussion and, most importantly, the post-2030 regime is under discussion. The level of those allowances will come forward, as I understand it, as part of the debate. UK Labour Government ministers understand the need to secure investment, because hydrocarbons will be part of the energy mix for decades to come.

I will give way to Mr Stewart.

Kevin Stewart: I thank Mr Johnson for giving way. He has talked about the global profits of energy companies, but the simple reality is that the profitability of the North Sea basin is reducing. The key element here is not the energy profits levy itself but the investment allowances. I ask Mr Johnson to use his communication with UK Government ministers, including Rachel Reeves, to get that right, or we will see investment and companies leaving the North Sea basin in their droves.

Daniel Johnson: I thank Mr Stewart for that filibuster. Perhaps he should have listened to my

point that 10 per cent of BP's profits were made from UK extractions. In Shell's case, the figure was 5 per cent. That is still a lot of money—we are talking about billions of dollars. What is more, I made exactly the point that Mr Stewart made—Labour ministers need to get that balance right. That is what they are doing right now.

Stephen Kerr: Will Daniel Johnson give way?

Daniel Johnson: I am happy to give way.

The Presiding Officer: No. Mr Johnson, you are in the final moments of your speech—in fact, you are at minus one second. I will allow you a sentence to conclude.

Daniel Johnson: We need to learn the lessons from Grangemouth, because there will be further changes as we go through the just transition. We need to make the interventions that are required on skills, investment and having a plan, otherwise we will see further tragedies in the future.

Thank you for your indulgence, Presiding Officer.

16:37

Brian Whittle (South Scotland) (Con): I thank my fellow committee members, all the committee clerks and the Scottish Parliament information centre for their work in developing the reports on what I think was very important inquiry. I also thank those who took part in the evidence sessions in Aberdeen and in Parliament. The wide range of opinions and experiences that we heard have, I believe, led to a very detailed piece of work that should help to inform the Scottish Government's approach to a just transition.

It has been a very interesting and, in the main, a very well-informed debate. Importantly, there has been consensus on the need to transition away from reliance on fossil fuels to the use of more sustainable, green forms of energy, and on the fact that the 2050 UK target and the 2045 Scottish target are universally accepted across the Parliament. Moreover, I think that the need for a transition was accepted in the committee meetings by all sectors.

However, the industry and the wider public want clarity from the Scottish Government—clarity of direction and clarity of investment. Business will adapt to a coherent long-term strategy. To me, that is the most important element of the reports, because, time and again, we heard the exact opposite—there is no clarity. It is not clear what level of funding the Scottish Government will commit, how it will be possible to access that funding or who will be eligible. We heard that continual delays in the production of Scottish Government strategies, such as the energy strategy, the just transition plan and the updated

climate change plan, have an economic impact on business, investor confidence and community action.

Furthermore, the committee noted that there was a lack of clarity on the investment that will be needed to achieve a just transition. That lack of a coherent strategy could not be more apparent than it is in the approach of demonising the oil and gas sector, which, incidentally, is a major investor in the renewable energy sector. That is investment that the Scottish Government could not possibly replace.

As my colleagues Murdo Fraser and Stephen Kerr highlighted, the Scottish Government is flip-flopping and trying desperately to play both sides and is failing miserably. The Labour Party is taking a disastrous approach to the oil and gas sector by wanting to increase the windfall tax from a whopping 75 per cent to 78 per cent, which will inevitably result in less capital investment.

Stephen Kerr: Does Brian Whittle agree that the Labour Government is precipitating an unjust transition by its reckless approach to North Sea oil and gas?

Brian Whittle: As OEUK stated, the reduction in capital investment could be as much as £12 billion. How on earth will the reckless approaches to the oil and gas sector by both the SNP and Labour engender confidence in a just transition? It is time that a little business acumen was introduced into the front benches, instead of endless empty targets and political point scoring.

Daniel Johnson: Will Brian Whittle acknowledge which party introduced the energy profits levy? Also, how on earth did oil companies survive when oil prices were \$30 a barrel just five years ago, if they are now \$75? Where does that fit with his idea of business acumen?

Brian Whittle: The problem is that Mr Johnson says that the oil and gas industries make massive profits, but 75 per cent of those profits end up in the Treasury's coffers. He must remember that. The oil and gas sector is also the biggest investor in the renewables industry, so the more we take from oil and gas sector profits the less they will have to invest in renewables. That money has to come from somewhere.

Everyone knows that we will require not just the oil and gas sector for decades to come, but the petrochemical industry in general. As Murdo Fraser said, this is not just about fuel, much as we will still require that. North Sea oil and gas are essential in the development of many products that we use daily and may not even notice. The national health service could not function without the petrochemical industry, which is involved in medicines, clothing, soap, fertiliser, rubber, paints and so on—products that are important in almost

all areas of modern society. The SNP and Labour do not seem to recognise the damage that their approach is doing to the Scottish economy.

We all know that we must transition away from oil and gas, but all that we have had from the SNP and Labour so far is virtue signalling that undermines the oil and gas sector before we are able to transition. Scotland's 2045 target is fine, but what is needed from the Scottish and UK Governments is a long-term commitment to targets based on a consistent framework that businesses, communities and education can rely on. We must understand the investment that will be needed from both the public purse and the private sector but that is, so far, unquantified.

As I have said here many times, we must also understand the skills required to make the transition and ensure that the educational environment is able to meet that requirement. If business and the workforce are to make the transition, they need something to transition to—if we create the economic opportunities, business will move to fill them. The Scottish Government should not be cutting spending on employability, an issue that was raised as an extreme concern in the committee's report. That is the exact opposite of the message that businesses need to hear. As Murdo Fraser said, we have also seen a reduction in apprenticeships.

We can all agree that Scotland has a huge opportunity in the renewable sector, but the transition will not happen just because we will it to. It will require more than targets and Government strategies. It will require consistency of approach and the alignment of all portfolios, from economy to education and energy to industry.

16:43

Alasdair Allan: This has been a constructive debate for the most part. I can think of only a couple of exceptions, but I will not be drawn further on that. I welcome the evident and shared commitment across the chamber to ensure a genuinely just transition for the people and communities at the two significant locations in Scotland's energy system in which the committee took such a helpful interest.

The energy transition is an opportunity for Scotland. Indeed, the transition to net zero is one of the greatest socioeconomic opportunities that we have seen for a generation. However, events such as the recent announcements at the Grangemouth refinery underline the importance of capturing those opportunities for the people of Scotland. A number of speakers in the debate highlighted the real lives and families that are involved in that just transition. The committee

reports that we have debated today are important contributions to that urgent national conversation.

At the same time as we support our oil and gas workers on that journey, we look to the future, and we will use all the powers that are at our disposal to make Scotland a great place to invest in green economic opportunities and to make sure that Scotland's people benefit from that investment.

I will pick up on a few of the issues that members raised in the debate. In response to Murdo Fraser's question about any potential sale of the refinery, I emphasise that that is a matter for its owners and not for the Scottish Government. To be clear, I cannot attempt to speak for the company on that.

On Claire Baker's point about whether a just transition fund in the north-east would be vulnerable to changes to financial transactions, I reassure her that there are no financial transactions in the fund's allocation for 2024-25.

Sarah Boyack spoke helpfully about the two Governments working together. I note that the cabinet secretary and I had what I felt was a very constructive meeting with Ed Miliband, and one of the first meetings—I think that it was the first meeting—between the new First Minister and the new Prime Minister touched substantially on the issue of Grangemouth.

A number of members mentioned the barriers to investment. I point out that the greatest of those is access to the grid. I hope that the two Governments, together, can make progress on that.

As I mentioned at the start of the debate, we published our green industrial strategy earlier this month, setting out how we plan to create the right conditions for private investment in sectors where Scotland has potential to compete in global markets. We are focusing on wind power, hydrogen, carbon capture and storage, and energy intensive industries, as well as our green professional and financial services.

Murdo Fraser made a point about planning constraints. The Scottish Government acknowledges some of the issues that he mentioned and we are seeking to address them through measures such as our planning hub, which seeks to support the planning system, particularly around hydrogen.

Sarah Boyack: I welcome the comment about the need for more resources in planning. We clearly need more local authority planners as well as the exchange of best practice. That has to be an urgent priority, because not enough people are becoming planners through education and planners are not being retained by local authorities.

Alasdair Allan: I acknowledge the need to support local authorities more generally on the issues that the member mentions about planning. I acknowledge the constraint that they could represent if we do not get that right in future.

We will use our public funding strategically to unlock growth where we know that we have an edge. That includes investing up to £500 million over five years to anchor our offshore wind supply chain in Scotland, acting as a catalyst for further private sector investment and supporting places across Scotland to benefit from our offshore renewables revolution.

On the subject of places, a number of speakers—particularly Liam McArthur and Graham Simpson—rightly highlighted the needs of the town of Grangemouth. The Scottish Government is certainly not overlooking that. To give a very small example, one of the things that we are doing is funding a community engagement officer to make sure that the town's views are heard loud and clear by the Grangemouth future industry board. On a larger scale, I make the point that the Grangemouth just transition plan is only one of many Government interventions. Perhaps that will reassure Mr Johnson, who made a point about its timing.

Our energy strategy and just transition plan will outline our ambition to more than double Scotland's renewable electricity capacity. It will show how we can deliver our clean energy pipeline while maximising environmental and economic benefits.

Audrey Nicoll spoke with some authority about the creation of new green jobs in the north-east and the need to increase awareness of those job opportunities. Certainly, as we drive progress in those ambitions, Scotland's vast pipeline of clean energy projects will play a crucial role in the wider UK energy transition. As I have said, we are committed to working with the UK Government to maximise opportunities for the people of Scotland from Great British energy's investments, alongside the existing work of the Scottish National Investment Bank. Making sure that Scotland plays that role in the future is important.

I see that you are looking for me to conclude, Presiding Officer. Achieving a just transition to net zero for Scotland will rely on our ability to realise our ambitions for Scotland's economy. As I have set out, we welcome the recommendations from the Economy and Fair Work Committee on how best to support the regions that are most affected by the transition. We will continue to work closely with our energy industry, the UK Government and partners more widely to further realise our enormous renewables potential and to ensure that the people of Scotland benefit from a transition that is truly just.

The Presiding Officer: I call Michelle Thomson to wind up, for up to eight minutes.

16:51

Michelle Thomson (Falkirk East) (SNP): Speaking on behalf of the committee will be an interesting departure for me. I am pleased that I got a chance to get my tuppence-worth in earlier, so I thank members who allowed me to intervene.

Obviously, there are two reports about which members have spoken, so it might be useful to reflect on themes that were delved into comprehensively by a number of speakers, and areas that perhaps surprised me a little in that they did not come up so much.

It goes without saying that many of our speakers spoke about what a just transition is. From the start—with Murdo Fraser referencing a vision—we, rightly, had a lot of references to community. The relationship with GFIB came up as well.

Given the key thematics in the report on Grangemouth, we did not really delve into the impact on small and medium-sized enterprise and wider supply chains there and in the wider area. I often quote people's references to Grangemouth as a "drive in, drive out" economy—a DIDO economy. That reflects the fact that the wealth is felt in Glasgow and Edinburgh because, often, people commute. Maybe we could consider that more.

The last things that we did not talk about so much, perhaps, were the Acorn carbon capture and storage project and the green freeports. We need to look at the matter in the round.

When it comes to the north-east, we had a lot of discussion about the detail and the specifics, but there was an element—a thematic—in that report about capacity building. I did not pick that up—I apologise if somebody mentioned it, but I did not hear reflections on how we would do that, although we had a lot of discussion about budget cuts and community and societal impact.

Claire Baker: The committee considered some of the areas that have been mentioned by Michelle Thomson. She was an original member who left for a bit then came back. We took evidence on capacity building for local communities, and on green ports.

Michelle Thomson: I thank Claire Baker for that. She is absolutely right. Perhaps I had not been clear; I was noting that, despite capacity building being clearly mentioned in the report on the north-east and Moray, it did not come up from our members today. Claire Baker is absolutely correct.

The last area that I did not hear much mention of was national outcomes. There is still a lot to discuss, therefore.

I will pick up on points that jumped out at me. To refer back to the convener, we have heard much comment about the refinery contributing 4 per cent of Scotland's GDP, but that has been fairly firmly rebutted by Mairi Spowage of the Fraser of Allander Institute, who noted that

"chemical AND petroleum production accounted for 1.1% of Scotland's economic output ... So the figure ... is likely to be much closer to ... 0.25%- 0.3%".

I note those figures merely for accuracy, because, in reality, we all agree that the impact of the loss of the refinery will be significant.

As regards the convener's opening remarks, I emphasise and put on the record my disappointment that Ineos declined to give evidence to the committee's inquiry. I think that Gordon MacDonald commented on that in his contribution. That was an unfortunate decision on the part of Ineos, because it then lost the opportunity to put the good work that it does on the public record.

Also in the context of matters that the convener mentioned in her opening remarks, I am glad that Alasdair Allan has cleared up the uncertainty over financial transactions.

Speaking of Alasdair Allan and his summing-up, I highlight one point that members sometimes forget as we conduct our debates. We are trying to ensure that Scotland is positioned to compete in global markets in areas where we have an ability to do so and where we can differentiate ourselves. He made that important clarification.

Murdo Fraser made an interesting throwaway comment when he queried what serious options for sale were being considered. I know that I brought up that aspect myself. We do not know the result yet, because any discussions by the relevant parties are private, but there might be other buyers in the marketplace. I simply reflect that we must always be mindful of such doors being open.

Stephen Kerr: I wonder whether the member might bring us up to speed on that. At First Minister's question time a few weeks ago she mentioned that she was aware of one potential buyer. Is that buyer still in the market? Is any negotiation still on-going?

Michelle Thomson: I made it clear at the time that I had signed a non-disclosure agreement. I have also put on the public record that, at that point, which was several weeks ago, the right people were talking to the right people. That is the only thing that I can confirm with authority. The honest answer is that, beyond that, I do not know.

I had better move on, because I know that I have only eight minutes in which to make my remarks. Lorna Slater's contribution included a useful summing-up and explainer of the implications of land use for biofuels. I certainly learned something from that.

Kevin Stewart always makes his point well, and this time it was about investment allowances.

I quoted from an article in *The Sunday Telegraph* on industry. Members might argue about that, but it is important to continue to make that point.

Stephen Kerr made an important point about energy security. We might take a view on that, but we need to be aware of it.

A theme that has cut all the way through the debate is the complexity of what we are trying to do. This is really difficult stuff. People are using the term "litmus test". However, we are not alone here in Scotland—this is a global challenge that many countries will face. Perhaps we sometimes forget that in the course of our debates.

Richard Leonard gave a characteristically spirited contribution, which I enjoyed as I always do, and Gordon MacDonald gave his usual calm reflections on matters. Graham Simpson put it on record that I was with him on the discussions on sustainable aviation fuel. We will continue to consider that aspect.

All in all, I have found it to be a most enjoyable debate, and I am glad that I got in my tuppence-worth through interventions. That is my summing up on behalf of the committee.

The Presiding Officer: I thank Ms Thomson for winding up the debate on behalf of the Economy and Fair Work Committee. The debate was on the just transition inquiry for Grangemouth and the north-east and Moray, and it involved members from across the Parliament and the committee. I think that it is fair to say that it was a very interesting one.

Members: Keep going!

Daniel Johnson: On a point of order, Presiding Officer. Am I correct in saying that the standing orders set out the exact time of decision time, which always provides a little bit of an awkward moment as we strive to ensure that we have decision time at the correct time? I would very much welcome your guidance on that matter.

The Presiding Officer: Thank you, Mr Johnson. You have raised an interesting point, and I will get back to you on it at a later date. However, at this point, it is time to move on to the next item of business.

Decision Time

17:00

The Presiding Officer (Alison Johnstone): There is one question to be put as a result of today's business. The question is, that motion S6M-14689, in the name of Claire Baker, on behalf of the Economy and Fair Work Committee, on the just transition inquiry for Grangemouth and the north-east and Moray, be agreed to.

Motion agreed to,

That the Parliament notes the conclusions and recommendations contained in the Economy and Fair Work Committee's 4th Report, 2023 (Session 6), *Inquiry into a Just Transition to net zero for the Grangemouth area* (SP Paper 405), and its 4th Report, 2024, (Session 6), *Inquiry into a Just Transition for the North East and Moray* (SP Paper 556).

Meeting closed at 17:00.

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