

# **MEETING OF THE PARLIAMENT**

Thursday 17 September 2009

Session 3

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## Scottish Parliament

Thursday 17 September 2009

[THE PRESIDING OFFICER *opened the meeting at 09:15*]

### Diageo

**The Presiding Officer (Alex Fergusson):**

Good morning. The first item of business is a debate on motion S3M-4862, in the name of John Swinney, on Diageo. I point out right at the start that we have no spare time whatsoever available in the debate, so I ask members to stick strictly to their speaking times.

09:15

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** Diageo's restructuring announcement on 1 July set out the company's plans to shed 900 jobs in Kilmarnock and Port Dundas. It was immediately recognised that the impacts on those communities were potentially devastating, and that led to a united campaign across Scotland, across this Parliament and in the House of Commons to safeguard those vulnerable communities at risk. A task force of East Ayrshire Council and Glasgow City Council, the GMB and Unite trade unions, local elected politicians of all parties, Scottish Enterprise and the Government developed a workable proposal that we presented to Diageo. In my opinion, the task force was a successful partnership of interests, and I once again pay tribute to the sustained commitment of all the parties in developing an alternative proposal.

Like many others, I am profoundly disappointed that Diageo did not respond positively to the proposal. This morning's debate provides an important opportunity to reflect on the work of the task force and allows the Parliament to look forward. To date, we have been united in our efforts to address the effects of Diageo's announcement, and we owe it to the individuals and communities that will be affected to work to mitigate the impacts that the company's decision will have. In that respect, although I reserve my position on the arguments that will be deployed, the amendments that have been lodged by Mr Brownlee and Mr Brown assist in the articulation of a considered position by Parliament. At the conclusion of the debate, Mr Mather will reflect on the points that they will make.

Rightly, the Parliament has already considered the issue. On 2 September, I made a statement in which I set out the task force's work to develop the

alternative proposal. That day, we also had Willie Coffey's members' business debate, which focused on Kilmarnock's contribution to Diageo over generations and highlighted the devastating effects of the company's plans on the town. My statement also referred to the situation in Port Dundas and the implications for the workforce there. Those were useful events, and I welcomed the repeated statements of support from across the chamber for the discussions that I was to hold, on behalf of the task force, with the company the following day.

The task force developed credible proposals to safeguard employment that involved the development of a greenfield site in Kilmarnock and the maintenance of activity at Port Dundas. Copies of the proposition that was put to Diageo have been placed in the Scottish Parliament information centre for the information of members.

The document that was presented to Diageo was not designed to be the end of the story. It was part of the process of developing a plan that met the interests of all parties across Scotland. It was clear in the document that we were not seeking to interfere in the operation of a globally successful business. The task force's creation and response were recognition of the impact that the company's decision will have.

The proposal was developed in a way that reflected the fact that in order to take further action, we needed additional and specific information from Diageo. It was presented in a way that was designed to give the company ownership and to ensure that its business needs were met. The task force was clear about how we thought that the value gap between our proposal and Diageo's proposals could be reduced. Among the opportunities to reduce the value gap that were identified were the use of shared services, a reduction in redundancy payments, increased productivity and honest offers from the trade unions to change working practices. The trade unions have a long record of taking such an attitude and adopting such an approach at Diageo's centres of production.

Through those measures, we estimated that the value gap could be reduced significantly, to around £3 million to £4 million per annum. The gap was not completely closed, and we earnestly hoped that Diageo would be willing to recognise its corporate and historical responsibilities to Kilmarnock and Port Dundas, and to reach an equitable solution.

The proposal was developed through the combined efforts of the task force, which brought together not only the skills of the public sector, but business expertise and, particularly from the unions, a clear understanding of the operations of the whisky industry. Using that knowledge, the

task force suggested that continued activity by Diageo at Port Dundas was a viable option. That reflected the reality that the closure of Port Dundas was dependent on a number of Diageo investments coming together on time. We argued that a delay in the final decision would also allow Diageo to make an informed decision in the light of the current economic climate. For example, whisky export sales dipped significantly in the first quarter of 2009 but increased in the second quarter of the year.

The task force's proposal set out the possibility of a greenfield site being developed in Kilmarnock. That would never have safeguarded all the jobs at risk, but it would have maintained Diageo as a sizeable employer in Kilmarnock. As well as safeguarding direct employment at the plant, it would have contributed significantly to indirect employment in the community. Our response has always recognised that the impact of Diageo's proposals will be wider than the 900 direct job losses, devastating as they undoubtedly are.

**Robert Brown (Glasgow) (LD):** Before Mr Swinney leaves the market issue, does he accept that because whisky is a long-maturing product, the market now is in some ways related to the market in a year or two's time, which is when the whisky that is currently being produced will go out to consumers?

**John Swinney:** Mr Brown makes a fair point, which reiterates the fact that decisions must be taken on a long-term and sustainable basis. I do not think that any of us considers that the market problems that have prevailed for the past 12 months are in any way typical of the market environment that we are likely to experience for a prolonged period. In that context, companies must be extremely careful about the decisions that they make.

In the course of discussions with Diageo, I made it clear that the potential existed for the provision of public sector support, although any investment would have to meet the state aid rules and demonstrate public value. I reassure Parliament that Diageo was never, and never will be, offered a blank cheque. We wanted to discuss with the company opportunities for providing support that would reduce the final value gap, but only where that would lead to public benefits, such as safeguarding jobs in the vulnerable communities. Although investment is to be made in Fife, there will still be a net loss of Scottish jobs and an imbalance in economic activity across the country.

The task force's proposals were for discussion and development with the company, but Diageo took the view that they did not fit its business model. I speak on behalf of many people across Scotland—not just members of the task force—when I express our disappointment in the

company's response. Diageo indicated that its decision marked a point of closure in discussions with the Government about an alternative business plan.

Although I respect the requirement of Diageo management to make decisions that it believes are in the best interests of shareholders, I fundamentally believe that Diageo has not properly appreciated the impacts of the proposed job losses, which will not just affect the communities and individuals concerned but result in costs that the public sector will be expected to pick up. The EKOS consultancy estimated those costs to be in the range of £7 million to £14 million a year. Diageo has taken the view that its discussions with the Government about an alternative business plan are closed. We now have a duty to focus on some of the challenges that arise from that decision.

On Monday evening, I chaired a meeting of the task force to review progress and next steps. It was a useful meeting. Quite correctly, the trade unions are continuing to engage with Diageo to pursue the statutory rights of the workers who will be affected, and they will continue to develop further options. I have committed to providing all the necessary information that we hold that might be of help to them.

**John Park (Mid Scotland and Fife) (Lab):** Has the cabinet secretary had any dialogue with Diageo since last Wednesday's announcement about the formal consultation process that the trade unions are going through?

**John Swinney:** I have discussed a number of issues with Diageo, including that one. However, Diageo is dealing with the issue; it is not for the Government to be involved in direct discussions on such matters.

I raised with Diageo the wider issue of the regeneration of the communities and sites that will be affected. That fits into the wider obligation of the Government and the public sector to focus our work on supporting those who lose their jobs—sometimes whole families are affected—and regenerating the communities around Hill Street in Kilmarnock and in Port Dundas.

The task force agreed that East Ayrshire Council and Glasgow City Council would ensure that regeneration proposals are specific to local circumstances and opportunities. An assessment of regeneration options and retraining and skills needs will be undertaken as a priority. A representative of Skills Development Scotland was present at the task force meeting on Monday. That organisation will be responsible for putting in place the partnership action for continuing employment—PACE—teams, which will be

activated to ensure that every effort is taken to support the individuals affected.

Scottish Development International will be active in trying to secure inward investment into the Kilmarnock area to ensure that all business opportunities are properly supported. The Government and our enterprise agencies will be active partners in supporting the local authority-led teams to lead the process of regeneration and renewal in the communities. Job losses will not occur until next year, but every effort must be made to reduce the invidious uncertainty that individuals in the affected communities face.

The task force will continue to meet regularly to co-ordinate common issues. We know that the impacts in Kilmarnock and Port Dundas will be significant, and we recognise the valuable role that East Ayrshire Council and Glasgow City Council can play in ensuring that we make progress on the agenda to renew the affected areas.

A key issue for the task force with its on-going responsibility will be to manage engagement with Diageo. We must ensure Diageo's support for regeneration activities, and the Government will work with all its energy to ensure that that happens. However, Diageo must address the regeneration agenda in due recognition of its responsibilities to communities that have contributed to the company's development over many years. It must leave behind a positive legacy, meet its responsibilities to its employees, and ensure that the sites are restored and available for new use.

We have set an agenda for supporting the communities, using all the tools at our disposal. However, events over the past two months have shown that there is a wider set of issues around the whisky industry. The trade unions have highlighted their concern at the increasing use of Transfer of Undertakings (Protection of Employment) Regulations to transfer staff, such as those at Hurlford, between companies, and many have commented on the need to consider the level of value added that is retained in Scotland and the opportunities to maximise that.

The Economy, Energy and Tourism Committee is currently considering a proposal for an inquiry. I would value its consideration, particularly in respect of looking forward to a successful future for whisky in the country of its birth. The whisky industry is a major contributor to our economy and history. We want to work with it and others to enhance the enormous value that it brings to Scotland and to ensure that it makes a significant contribution to the future of the country.

In conclusion, I reiterate my gratitude to everyone who has been involved in the work to date. Diageo's response was unwelcome, but we

must move on, focus on supporting the individuals and communities that have been severely affected by the announcement and ensure that they are reassured by the support that the Government and our agencies can offer.

I move,

That the Parliament recognises the work of the Diageo Taskforce to safeguard jobs in the west of Scotland; notes with real disappointment that the taskforce and Diageo were unable to agree a way forward; recognises that support for the individuals and communities affected is a major priority; calls on the Scottish Government to support the trades unions in their efforts to ensure that an extension on the proposed closure of Port Dundas is fully considered, that the proposed new jobs in Leven are permanent and high quality in nature and the formal consultation process between Diageo and trades unions is extended to ensure that all necessary steps are taken to mitigate the closure of the Kilmarnock packaging plant, and supports the continued work of taskforce members to tackle the devastating impacts that the job losses will have on the affected communities.

09:28

**Derek Brownlee (South of Scotland) (Con):** I am particularly grateful for the extra details that the cabinet secretary has given about the Government's view on how things will proceed, and for his comments on the necessary regeneration of the affected areas and the retraining opportunities that will be provided. I am particularly heartened by his comments about Scottish Development International and the need to attract inward investment. I will develop those points at length later.

None of us—not even members who represent Fife, where new jobs will be created under Diageo's plans—would for a moment deny that there will be a real and serious impact on communities in Kilmarnock and Glasgow. We know that large-scale job losses can devastate communities at any time, but there is a greater impact on areas such as Kilmarnock, where jobs are concentrated and money from direct employment and indirect benefits will be taken away from the local economy. All parties that are represented in the chamber recognise the impact of the announcements on those communities. That was shown in the members' business debate led by Willie Coffey at the beginning of September and in the cross-party campaign prior to that.

Whether we like it or not, things have moved on. We have Diageo's response to the task force's proposals and know that, in the company's view at least, no workable alternative was proposed. We cannot reasonably expect companies to do whatever Governments tell them to do or to follow every suggestion that task forces or any other groups make, but we can reasonably ask that they consider all the options and listen to alternatives that may not have been considered. That is what

was asked of Diageo. It was always a strong possibility that, having given such consideration, the company would decide to press ahead with the original proposals. Indeed, it would be surprising if a company the size of Diageo had not considered all options before making an announcement.

**John Park:** Mr Brownlee makes a fair point. In the past, Diageo has been involved in pre-consultation with the trade unions, but that did not happen on this occasion. Does Mr Brownlee support such an approach? Should there be better engagement with the workforce before such decisions are taken?

**Derek Brownlee:** Ultimately, individual companies must make decisions, but we would all agree that it makes life a lot easier for everyone involved if the workforce, unions, companies and the Government all pull in the same direction. As a general principle, consultation makes things better, but, obviously, it may not be possible in some situations.

People do not expect that Governments will always be able to prevent job losses, but they expect Governments to do what they can to prevent them. Diageo provides another lesson—if we needed one—about the limits of what any Government can do.

We could use the debate to state our opinions on Diageo's decision—indeed, I am sure that some members will choose to do so—but a decision has been made and it seems virtually impossible to believe that whatever is said in Parliament today will cause a change of heart. Indeed, Diageo has said that the matter is closed. That is why the Conservative amendment looks to the future and focuses on what can be done not just to mitigate the impact of job losses in Kilmarnock and Port Dundas, but to turn the local economies around and build a sustainable and diversified range of employment opportunities. Our amendment looks at the broader need for the whole of Scotland to attract more investment in order to create and retain jobs in the years ahead. Simply attacking Diageo because of a decision that it has made will do nothing to bring new investment to Scotland or offer new hope to anyone who faces losing their livelihood as a result of that decision. We must look to the future. We must all—including those of us in opposition—be aware of the impact of our portrayal of Scotland as a place in which to do business on people who may be seeking to invest in it. We cannot allow anger at one decision to spill over into a broader perception that Scotland is a place where it is difficult to do business; if we do, we will lose many more jobs to our competitor nations.

The Government is right to set out in its economic strategy the ambition for Scotland to be the most attractive place in Europe to do business.

We should all aim for that. We must recognise that Scotland's attractiveness to global businesses depends on the combination of a number of factors. It is not about Scotland being the lowest-cost place to do business or about a race to the bottom in respect of wages, terms and conditions or anything else, although it is obvious that the costs of doing business here are important; rather, it is about ensuring that we have as skilled and productive a workforce as we can get, a transport infrastructure to overcome the disadvantages of geography, and a political system and a government—at all levels—that are aimed at encouraging investment.

Scotland is not alone in setting out its stall for new investment. Every country in the world is doing that. We have to compete globally, and there is no reason why we cannot do so. We cannot afford to set our face against that. Countries that compete globally will lay the foundations for future success; those that retreat into protectionism or parochialism will pay a heavy price in jobs and prosperity in the years to come.

Throughout Scotland, 75,000 people have lost their jobs in the past year. This debate is not about why that has happened. Most economists expect total job losses to continue to grow long after the economic recovery has taken hold. I will express that number differently. Even if no one else loses a job, for the past year we have had the equivalent of one Diageo announcement every other day. Based on what has happened in past recessions, the bad news will keep coming for some time.

The Conservatives accept that Diageo's plans will result in a disproportionate blow to the local economy, particularly in Kilmarnock, and that that may justify a greater level of support from the Government than the raw number of job losses alone suggests. However, that leads to fundamental questions about the role of Government and how much support communities can reasonably expect when they suffer job losses or when such losses are proposed, now or in future; and to a reasonable question about how effective such support might be.

A consistent approach is needed from Government in offering support to prevent and mitigate job losses. In some parts of Scotland, such as East Ayrshire, broader and longer economic decline has been masked to some extent by the presence of major employers. The Diageo decision would be a severe blow in any circumstances, but in the context of the particular situation in the local labour market, it is all the more serious. To put it bluntly, there was an economic problem in East Ayrshire before Diageo decided to pull out.

Statistics that were released yesterday by the Committee of Scottish Clearing Bankers show that



the number of new businesses that were created in East Ayrshire in the second quarter of 2009 was down by a third from the previous year. In Glasgow, the numbers are down by 30 per cent. Both those areas are experiencing a greater decline than Scotland as a whole, for which the figures are down by around a fifth, and Scotland itself has underperformed in new business creation in comparison with other countries. I think that all parties agree that we need to improve on that; indeed, increasing business start-ups is another Government target that I assume would have cross-party support.

We might be lucky with regard to the actions of SDI, and the Government might secure new inward investment from a major employer to replace the jobs that are lost.

**John Swinney:** Mr Brownlee's line of argument runs the risk of undervaluing the efforts by agencies and Government to identify economic opportunities and to land deals that result in greater employment. Will he clarify whether he is in any way questioning whether that is a purposeful role for the Government to undertake?

**Derek Brownlee:** I am not at all. My point is that the chances of our securing inward investment to replace those jobs in one fell swoop are probably less than the chances of our being able to replace the jobs through the creation of indigenous businesses and a larger number of smaller businesses. That is why the Government must, as well as seeking inward investment, focus on trying to grow new businesses in areas of Scotland such as East Ayrshire.

Diageo has indicated that it wants to play a part in the regeneration of Kilmarnock and the Government is right to engage with the company on that because there must be a major contribution to regenerate the local area. All parties have so far shown a great deal of energy in opposing Diageo's plans, but the responsible thing to do now is to show the same energy in attempting to ensure a future beyond Diageo for Kilmarnock and Port Dundas, and a future for Diageo in Fife and elsewhere. That should be the focus of all members in the chamber during the years ahead, and that is what the Government should concentrate on.

I move amendment S3M-4862.1, to insert at end:

"; calls on the Scottish Government to work together with the UK Government, local authorities and relevant agencies to encourage new job creation and new business start-ups in the affected communities and elsewhere in Scotland; recognises that Scotland must compete in a global market for the investment necessary to create and safeguard jobs, and calls on the Scottish Government to ensure that its actions are aimed at maximising such investment."

09:38

**Robert Brown (Glasgow) (LD):** I thank the cabinet secretary for his comments and for the context that he gave us in speaking to his motion this morning.

The Liberal Democrat amendment in my name makes the basic point—as my colleague Ross Finnie did in the members' debate recently and will no doubt do again today—that no man, and no company, is an island. Decisions by major players in the Scottish economy that result in major job losses and local economic damage are a matter of major public interest, and are rightly scrutinised closely by the public and viewed by most of us as needing to be based on a persuasive and principled case that takes some account of loyal employees and the interests of the communities that have hosted their businesses over so many years.

Following Diageo's decision to confirm the closures, the Liberal Democrat amendment raises some basic questions about the principles that underlie—and those that should underlie—the Scottish Government's approach to the matter. Derek Brownlee made a good point about the fact that Scotland must be an attractive place in which to do business, and there are some tensions with that in some of the propositions.

The campaign against the Diageo closures has united public opinion across Scotland and made—dare I say it—many unlikely allies. It has become a totemic campaign, partly because of the importance of whisky to Scotland and to Scotland's image and self-image, and partly because of the way in which a major global company of great importance to Scotland has interplayed with the Scottish Government.

I get the impression that the extent of the publicity and the adverse comment came as somewhat of a surprise to Diageo. However, since the crisis in the financial system, there has been something of a shift in the tectonic plates. Some of the shine has gone from globalism; there is no longer the same belief in the virtues of untrammelled markets; and global companies, in banking and in other sectors such as this, are much more in the spotlight and must be much more accountable to the public than before. All of that is right.

There may be some wriggle room on the edges that will help the workforces—delaying the closure of Port Dundas distillery, for example—but the stark reality, as the cabinet secretary mentioned, is that the original decision has, rightly or wrongly, been confirmed by Diageo. We must now focus primarily on the implications for the workforce, the local areas that are affected and the industry, and on how Government is best able to intervene.

It is worth noting, as the Government's motion does, that some of the lost jobs are offset by new jobs in Leven, although there is nonetheless a net loss to the economy. As a Glasgow MSP, however, I know that Diageo's decision to close Port Dundas distillery will have a devastating impact on the people in the area. We can continue to campaign for the company to delay the closure, but that will be only a temporary respite.

We now need real action from the Scottish and United Kingdom Governments, and, as has been mentioned, from the local councils—along with, I hope, a positive contribution by Diageo—to get the people who are soon to be unemployed back into quality work as soon as possible.

**Patricia Ferguson (Glasgow Maryhill) (Lab):** Does Mr Brown accept that the whole point of trying to get a stay of execution for Port Dundas is to allow and to help the workforce to move more easily into other employment or into training?

**Robert Brown:** I accept that that is a valid point. There are several levels of context in the situation, and the member chooses to put it in that particular way.

I have met the unions and the company. My small efforts achieved nothing to overturn the closures but neither, of course, did the larger efforts of the Scottish Government, which is a matter of huge regret to all members in the chamber. Some people have wondered about the future of the whisky industry as a whole, and whether there are deep-seated problems ahead for Scotland's most iconic product—although most of us will view that in the light of Diageo's profit levels of more than £2 billion.

I confess that I am troubled by a number of issues, such as the fact that an international company of major importance to Scotland thinks that it can walk away from its social and environmental responsibilities, and the approach that the company has taken to the proposals. I am troubled by the proposition that public money, whether it comes from the local authority or from central Government, should be offered to that global company simply to ensure a different configuration of plants and workforce, and I will return to that point later. I am also troubled by whether the Scottish Government is showing a consistent approach to job losses of different types and in different places.

I will discuss those issues in turn, beginning first with the question of responsibilities. On the one hand, Diageo and other big global players must make the commercial and management decisions that suit their business. That is not, as the Government and others accept, something for politicians or Governments to second guess.

**John Park:** Will the member give way?

**Robert Brown:** I need to make a little more progress, Mr Park.

We have neither the facts nor the expertise on the matter; and even Scottish Enterprise and professional consultants do not have those in full measure, although they can make an important contribution.

On the other hand, commercial decisions by some companies will, because of the size of the social, environmental or employment consequences, have large-scale effects on the public interest. In such cases, the effects on the local community or the public purse are such that Government, which represents the public interest, inevitably has a responsibility and an input and the company, as part of its corporate social responsibility—however that is defined—also has duties to the public interest. The cabinet secretary usefully laid down some markers for the approach that he and we expect Diageo to take in the days and months ahead. Over the years, Governments have acknowledged the duties on companies and have introduced legislation on notice periods for larger-scale redundancy. Somewhat imperfectly, Governments have also, through planning controls and other methods, imposed duties on cleaning up industrial contamination. Industry has acknowledged the existence of those larger duties, although not as much as it should have in relation to corporations that abandon particular locations.

Secondly, there are undoubtedly some issues with regard to the company's approach, which Mr Park touched on in his earlier intervention. There was no advance notice and no involvement of the workforce, the unions or central or local Government in the decision-making process, despite the fact that the involvement of those elements could have had a positive effect in contributing to the decision as well as in engaging in consultation after it was made.

I doubt whether there was ever a serious will to engage with alternative plans or to allow any consultation process to influence the outcome. Diageo had, in effect, two simple propositions: that the level of requirement and changing technology meant that they had three bottling facilities rather than two, which did for Kilmarnock, and that the company had identified an overcapacity in grain distilling, which sounded the death-knell for Port Dundas. Diageo did not accept that the BDO Stoy Hayward report offered, as the media described it, a real solution to either challenge.

On that, and on the Port Dundas distillery in particular, I simply reiterate the point that I made earlier in an intervention. Whisky is not a short-term commodity. I was brought up on a distillery in Aberdeenshire where my father had the highly unpopular job of being an exciseman or gauger; his job was to guard the Government's interests in

the revenue. As a matter of total irrelevance, I add that Robert Burns had that job for a period. The relevant point is that whisky matures over years before it is ready for sale. The market for whisky is a long-term market where long-term decisions have to be taken. As John Swinney said in his reply to my intervention, the important thing is not the current position of the market but what it will be in the months and years to come. The current market trends may not be the market trends in 10 or 15 years' time.

It seems passing strange that the distillery should survive the economic vicissitudes of the 19<sup>th</sup> century, the first world war, the slump, the great crash, the second world war—although I think it closed then—the three-day week and Mrs Thatcher, only to fall after nearly 200 years as a victim of the current pressures.

Thirdly, I turn to public money, which is a difficult area. In the event, Diageo said that it did not feel that it would be appropriate for such a highly profitable global company to take Government money. That would have been difficult to justify, given that the company had announced profits of more than £2 billion before that stage. However, the Scottish Government argued that, across the piece, the consequences of the closures would fall on the public purse and that, on balance, there was a case for spending money to avoid that.

Fourthly, on consistency, there is no doubt that the closure proposals have had a lot of Government attention but, as Derek Brownlee said, they do not represent the biggest net job losses. Job losses in the textile industry in the Borders, the much-maligned financial services industry and the construction industry have not received the same attention. The Scottish Government must give us some clarity on the principles that underlie its approach.

**John Swinney** *rose*—

**Robert Brown:** I am sorry, but I am in my final minute.

When is the use of Government money appropriate? John Swinney said something about that. When is a major, A1 engagement with a company appropriate? What is it realistic for Government to seek to achieve? What tools are available to Government to safeguard the public interest? Those things have to be looked at.

At the end of the day, we are manifestly not in the economic conditions of recent years. We need sharpened tools and new approaches to make a difference and sort out support for employees, and that will require the combined efforts of the Scottish and UK Governments as well as those of councils.

I move amendment S3M-4862.2, to insert after "Parliament":

"believes that major commercial decisions in Scotland should be made in the context of sustainable economic development; regrets that the proposals by Diageo to close Port Dundas Distillery in Glasgow and the Kilmarnock packaging plant abandoned long-standing workforces and plants while taking little responsibility for the consequent public costs of their decisions; urges the Scottish Government to ensure that government support of communities faced with major job losses is applied consistently across all communities in Scotland;"

09:47

**John Park (Mid Scotland and Fife) (Lab):** Over the past 18 months, we have witnessed closures and job losses that have affected every part of the country and every MSP. We can roll off names such as NCR, Freescale, Vesuvius and Vion. The thing that really concerns me—I raised it earlier—is the way in which the Diageo announcement was made and the lack of consultation with the workforce before the decision. That was a major mistake by Diageo. In the past, Diageo engaged with its workforce very well and took the workforce with it. They worked closely to meet some of the global challenges that have been mentioned this morning so that the company could be competitive not just in the UK but much more widely.

When we had the opportunity to question the Cabinet Secretary for Finance and Sustainable Growth on the matter a couple of weeks ago, which we all welcomed, I asked him about Diageo's approach. There has been a lot of concern and discomfort about it because the trade union movement previously held up the company as an example of how to do business. For me, it has been a summer of unnecessary uncertainty. We need to get that message out loud and clear from the Parliament this morning.

Some members might wonder why there is no Labour Party amendment to debate. I am happy to provide an explanation. Given the cross-party nature of the campaign, and after speaking to senior officials from Unite and the GMB, we were pleased to take up the Scottish Government's offer of a consensus motion. In our view, that approach reflects not only the cross-party nature of the campaign but, much more important, the wishes of the trade unions. I will come to the Liberal Democrat and Conservative amendments later, after I have highlighted our contribution to the Scottish Government's motion.

Our main focus is to ensure that the Scottish Government continues to support the trade unions and the task force in their efforts to maximise employment opportunities for Diageo workers across all its sites in Scotland. There are real concerns about the timescale for closure of the Port Dundas facility and what that means not just

for the individuals who work there but for capacity in the business. My colleague Patricia Ferguson will say more about that. That is why the motion seeks to ensure

“that an extension on the proposed closure of Port Dundas is fully considered”.

Concerns have also been raised about the nature of the proposed new jobs in Leven, which is a site that I know well. It is important that the new investment that goes into the Fife plant delivers high-quality employment for the people of Fife. In my view, that should involve permanent jobs, not temporary or agency work, and workers should be on the same conditions of employment as the existing workforce.

Although the work of the task force has been and will continue to be supported, it is important to recognise that it has been an unintended barrier to the trade unions in the formal consultation process. Due to circumstances, somewhat unfortunately, Unite and GMB shop stewards and officials are highly skilled in the area. Little over a week of the 90-day consultation period remains, and I am sure that members will agree that that places an unrealistic pressure on the negotiations that have to take place. I hope that Diageo will look sympathetically at the proposal for the period to be extended, particularly given the significant job losses that are proposed at Port Dundas and the devastating impact on the Kilmarnock area.

The Scottish Government's response is vital, particularly for Ayrshire. I have long argued in the Parliament for greater investment in redundancy support and skills, and those areas were addressed in this year's budget agreement on a Scotland-wide basis. What we have developing in Kilmarnock will require a robust response from all the agencies. My colleagues Irene Oldfather and Cathy Jamieson will say much more about that, and I am sure that they will have some constructive suggestions to make.

The Liberal Democrat amendment covers a number of key issues. The suggestion that we need similar responses from the Scottish Government to future job losses throughout the country is sensible and reasonable. However, in effect the amendment knocks out the words that we agreed initially with the trade unions and then with the Scottish Government. To support it would therefore put us in a difficult position.

**Robert Brown:** Our amendment does not seek to knock out anything. It inserts things into the motion. It does not delete any details.

**John Park:** It knocks out three of the main prongs that the trade unions highlighted as their strategy. We wanted to reflect those views. However, we will see where the debate goes later.

The Conservative amendment focuses on the creation of employment in the areas that will be affected by the proposed job losses. That approach has worked to a significant degree in the past and it is relevant to the Scottish Government's response.

However we look at it, there are lessons to be learned from the process. As Robert Brown said, it has brought together a number of unlikely allies. I recognise the role that the First Minister has played. In the past, we have called on the Scottish Government to take an active approach to minimising job losses. Having spoken to some of the shop stewards, I think that there was concern about an adversarial relationship between the First Minister's office and Diageo, and Paul Walsh in particular. That needs to be reflected upon.

I mentioned the importance of involving trade unions in such decisions and sharing information with them. I welcome the fact that the trade unions were involved in developing the alternative proposal, but after speaking to shop stewards from Unite yesterday, I am a little confused about when they were given sight of the alternative proposal. Was it before or after the company had seen it? It would be pretty useful if the cabinet secretary or the Minister for Enterprise, Energy and Tourism clarified that when they sum up.

**John Swinney** *rose—*

**John Park:** I am in my last minute.

I firmly believe that the workforce is Diageo's greatest asset. I have never doubted that, and my conversations and contact with shop stewards during the summer reinforced that view. Diageo has skilled and effective workers who care about their industry and their communities. One of them said to me yesterday that they have been given so many reasons why Port Dundas has to close that they wondered why it was open in the first place. The injection of that level of humour into the discussion shows that, although the situation is serious, the workers are looking to the future with some optimism. I am pleased that the Economy, Energy and Tourism Committee will look at the industry much more widely, and I hope that there will be trade union involvement in that inquiry.

Today, we need to send the workforce a message of full support and confirm that we will be by its side all the way through the process.

**The Presiding Officer:** We come now to speeches from back benchers. I repeat that we have absolutely no extra time available, so strict time limits will apply.

09:54

**Willie Coffey (Kilmarnock and Loudoun) (SNP):** I stand here again to speak in support of

the 700 Johnnie Walker workers in Kilmarnock and Hurlford who are demoralised, but not defeated.

The events since Diageo's announcement on 1 July, which was ratified on 9 September, that it intends to sever all links between Kilmarnock and Johnnie Walker have been a devastating blow to the town that gave birth to the famous striding man. It is little wonder that a mass campaign was mobilised to support the cause, to articulate an alternative and to persuade the company's leaders that a huge injustice was about to be done. Of course there has been anger, but we must not forget that people are simply trying their best to protect their livelihoods and an iconic product that they hold dear—a product that is so much a part of the town of Kilmarnock. Make no mistake: the Diageo proposal will rip the heart from a community that has served the company well in its short tenure in charge of Johnnie Walker. The loss of 700 jobs in the town will make it the worst unemployment black spot in Scotland and will carry serious social and economic consequences.

However, I will not give up the fight to persuade Diageo bosses that this is a huge mistake, unrivalled in the corporate world. That a successful and respected company reporting very healthy profits amidst a recession should cast aside all its 700 workers in the town that gave life to the famous Johnnie Walker red label is truly beyond belief.

That is why in my letter to the company's chief officer, Paul Walsh, I asked him to look beyond the figures, visit the Kilmarnock plant—for the first time, I understand—justify his case personally, listen to the workers and reassess the situation for himself. I can guarantee that he will be met with courtesy and respect from a workforce that has demonstrated with passion and, indeed, great dignity in the most depressing circumstances. Someone once said that a weak man has doubts before making a decision, whereas a strong man has them afterwards. I am convinced that if Mr Walsh comes to Kilmarnock to hear his workers talk passionately about Johnnie Walker he, too, will begin to doubt the wisdom of walking away and leaving us empty-handed. How else is he to measure such commitment, and what value might he attach to it?

Should we fail in our task, it is still vital that the chief officer personally demonstrates his company's commitment to honour its social responsibilities to the employees and the town and to help us begin a new journey without Johnnie Walker. The company must make a substantial commitment and leave a substantial legacy to help the community to build that new future. Surely, after 189 years of the community making such a contribution, we can expect the company to do

that. The local task force in East Ayrshire Council will certainly be working flat out to map out that new future.

The campaign in Kilmarnock was not based on a beauty contest between communities in Scotland. I have said before—and repeat this morning—that the case for closure fell apart when the £2.6 billion profits were announced. Surely we could all reasonably expect a secure future with a company that has reported such profits. If such massive downsizing is required in a time of plenty, God help the business in a time of poverty.

The task force proposal was—and still is—strong. Backed by the Scottish Government and East Ayrshire Council and supported by the workers and trade unions at Johnnie Walker, it offers a fully serviced greenfield site and whisky heritage centre with immediate access to the motorway network, a fully redeveloped site in the town and, crucially, the safe-keeping and continuation of the Johnnie Walker brand identity in Kilmarnock. That is a good deal and would not threaten the future of key investments being made elsewhere.

Last week, I had the pleasure of meeting Mrs Betty Heath, John Walker's great-granddaughter. For me, she epitomised the campaign and reinforced my belief that Diageo has got this badly wrong. She spoke with great emotion and passion about her family's connection with the town and the Johnnie Walker brand, and felt that the legacy had been entrusted to the company for safe-keeping. It was not to be discarded and simply thrown into the bin, and to say that she felt let down by the company is a monumental understatement.

What does the future hold for Scotch whisky, Scotland's most iconic industry? As the Cabinet Secretary for Finance and Sustainable Growth has said, I have asked the Parliament's Economy, Energy and Tourism Committee to examine current strategy and direction and to invite all stakeholders to make an input into such an inquiry. We owe it to ourselves and future generations to preserve and develop this fine industry.

Thanking all those who walked with us in Kilmarnock on 26 July can never be enough. The politicians who chose to join us, the unions, the local football club and the churches all stood up and were counted. The workers and people of Kilmarnock remain determined and cannot accept the loss of our famous son, Johnnie Walker. He is in our hearts and our blood, and we will fight to keep him.

No less a person than Abraham Lincoln said that the possibility of failure should not stop us supporting a cause that we believe to be just. The

workers at Johnnie Walker in Kilmarnock and Hurlford will embrace such noble sentiments. They can expect my full support.

10:00

**Patricia Ferguson (Glasgow Maryhill) (Lab):**

Today Port Dundas is best known for its distillery and bottling plant. However, in 1811, when the first distillery opened, the whisky industry was only part of a vibrant industrial scene. Port Dundas was built at the end of the 18<sup>th</sup> century as a terminus of the Forth and Clyde canal, and until the Clyde was deepened in the mid-19<sup>th</sup> century it was Glasgow's premier port. In 1825 alone, almost 100,000 tonnes of goods were brought into the city via Port Dundas and passengers were regularly transported along the canal from Port Dundas to far-distant locations such as Edinburgh.

It is clear, therefore, that when Daniel McFarlane established his distillery at Port Dundas in 1811, it was already an important industrial port for Glasgow. Over the years, ownership of the distillery and the cooperage has changed many times and the buildings have been rebuilt, most notably in 1903 after a major fire, and renovated on several occasions to bring them up to date and make them fit for purpose.

So when a new gas compressor was delivered to the distillery in June, it seemed that the process of upgrading was continuing in the present day. It also seemed to give truth to what the workforce was told last year, which was that there was still demand for the spirit that they produced. In fact, demand was increasing.

As a result, the shock of the workers at the announcement of 1 July was very real. After all, they had been co-operating with Diageo and had negotiated a series of changes to their conditions to help to keep the company profitable. Given that it was not revealed to anyone in advance and indeed was made after the Parliament had adjourned for the summer recess, the announcement, which led to the mothballing of the gas compressor, really took the workers by surprise.

We have rehearsed in the chamber the reasons why we believe Diageo to be wrong and why we believe that the closure of the Port Dundas and Kilmarnock plants should not go ahead. Indeed, Mr Swinney outlined those very reasons this morning. I want to concentrate on one particular issue that affects Port Dundas.

We know that the demand for whisky is increasing; that markets such as India and China have huge potential for the sale of all spirit-based alcohol; and that Cameronbridge will not come on stream for another two years. What we do not know is why Diageo has rejected out of hand the

sensible suggestion made first by the trade unions and then by the task force that Port Dundas should be given a stay of execution until Cameronbridge is up and running. If the company is correct in its prediction that it needs about 175 million litres of spirit a year, the closure of Port Dundas at this time will leave it 30 million litres short until Cameronbridge opens. Of course, Port Dundas produces 40 million litres of spirit a year. If the Indian and Chinese markets develop as predicted, with India alone potentially looking for an additional six million cases of whisky per annum, Diageo might find itself unable to take advantage of that growth in the years ahead.

Given the loyalty and commitment shown by the Port Dundas workforce over many years, the least that Diageo could have done was listen to the reasonable, valid arguments that were being made by the very people who have made the company the world leader that it is. When I met management officials in July to be told very clearly that Diageo would close Port Dundas—no ifs, no buts—I must admit that I was very surprised, given that the consultation period had just begun.

I was therefore delighted when, a couple of weeks later, I heard senior officials from the company say clearly in an interview on the BBC that they were open to suggestions and that they would consider alternatives. However, given their reaction to the task force report, it appears that, when they spoke on the BBC, they were simply saying what they thought the television audience wanted to hear.

As members have said, if Diageo presses ahead with the closure, it is important that the Scottish Government continues to work with the trade unions. I was pleased to hear Mr Swinney's remarks on that in his opening speech. It is also important that Mr Swinney tells us what the Scottish Government will do to ensure that Diageo meets its obligations to the workers and their communities. Diageo must not be allowed to shirk those obligations.

**John Swinney:** I reassure Patricia Ferguson that I intend to take seriously Diageo's obligation to contribute to regeneration at Port Dundas and Kilmarnock. She rightly marshals the argument that the company has an obligation given the many years of commitment from the workforce. The Government wants to hold it to that.

**Patricia Ferguson:** I am grateful to the cabinet secretary for that intervention. I hope that Diageo takes the issue as seriously as he does.

I say to Derek Brownlee that the closures have a real cost. There is a cost to the local communities and to everyone who is involved at Diageo. There is also the onward cost to the Scottish Government and the two local authorities that are

involved, as they try to find alternative employment opportunities in the areas. I hope that that will be taken seriously and I hope that Mr Brownlee and his colleagues will consider that, too.

**Derek Brownlee:** Will the member take an intervention?

**The Deputy Presiding Officer (Alasdair Morgan):** The member is concluding.

**Patricia Ferguson:** Questions must be asked about Diageo's commitment to Fife. It would be appalling if full-time posts with reasonable salaries were replaced by low-paid jobs on temporary or even day-to-day contracts. I hope that that will be taken seriously, too.

Throughout the campaign, the workers have shown determination and dignity, which does them great credit. It has been an honour to support them thus far and, like Willie Coffey, I will continue to do so. Willie Coffey was right to talk about the history of Johnnie Walker. It is a proud history, as the histories of Kilmarnock and Port Dundas show.

**The Deputy Presiding Officer:** I am sorry, but the member must wind up.

**Patricia Ferguson:** It is right that the Parliament has the opportunity to show its opposition to Diageo's plans and I hope that we will do that at 5 o'clock today. However, is it not a shame that a company that is as big and successful as Diageo should be content to be remembered for ending the whisky industry in Kilmarnock and Port Dundas?

**The Deputy Presiding Officer:** I indulged the member because of her constituency interest, but we do not have enough time for everybody to get their speaking allocation. If everyone overruns, even by quarter of a minute, the final speaker will get virtually no time at all. Members must stick rigidly to the time limits.

10:07

**Bob Doris (Glasgow) (SNP):** Diageo's proposals for closures and job losses in Glasgow and Kilmarnock have thrown up many challenges for all those who have done all that they can to save a future for workers in our communities. The issue has also thrown up a huge challenge for people elsewhere. That is certainly the case in Fife, where there is a real prospect of an increase in Diageo's workforce as a result of the closure of the Port Dundas and Kilmarnock sites. That has placed workers, unions, communities and politicians in Fife in an invidious position. No one wanted to be seen as promoting jobs in one community at the expense of misery in another. I am pleased that that has not happened. Of course, it is only natural for people in Fife to welcome the job creation and expansion in their

area, but the workers, unions, communities and politicians there have seen the bigger picture. We have not been pitched against one another in our struggle for jobs; rather, we have remained united across party-political lines and across regions.

We must all remember that, although we are discussing proposals that affect communities in Glasgow and Kilmarnock today, it could be other members' communities tomorrow. I need not look very far to illustrate that. For instance, job losses are pending in Livingston. I wish Angela Constance MSP and the workers who face unemployment as a result of the Bausch & Lomb closure my best in attempting to protect jobs. We must remain united and ensure that we support jobs in our communities wherever and whenever they are threatened, whether that is in Glasgow, Kilmarnock, Livingston or Fife.

Much has been said about the efforts to save the Diageo jobs. Although the occasional comment might have been out of step with the united efforts, by and large, people in the task force and beyond have remained united and solidarity has been shown. I pay tribute to all those involved. I note that there is no Labour amendment, and I very much welcome the joint approach from Scotland's two main parties to dealing with job losses. It is absolutely vital that the Scottish National Party, our party of Government in Scotland, and Labour, our main Opposition party, stay united in our efforts to support Diageo workers and to mitigate the effects of the looming job losses. Dealing with those job losses is not about politicians; rather, it is about the workers, the unions and the communities around Port Dundas and Kilmarnock, who need our continued help and assistance. I am encouraged that the motion speaks about supporting the continued work of the task force, as that is vital.

I strongly welcome the fact that the trade unions are actively attempting to extend the life of the Port Dundas site beyond the closure date that Diageo proposes. I urge Diageo to review its proposed closure date and to give real consideration to the possibility that Cameronbridge will not be fully up and running by that time. I ask Diageo once more to review the risk of centralising much of its white and dark spirit distillation in one location, with a view to buying any shortfalls on the open market. A market upturn in sales or an unforeseen problem with the centralised distillation facility could leave Diageo seriously exposed in meeting spirit demand. Even at this late stage, an extended lifespan for Port Dundas might be not only socially responsible in relation to the Glasgow workforce, but prudent for Diageo in business terms. I welcome the Scottish Government's continued support for the unions in their efforts to press Diageo on that.

I pay massive tribute to the workers and unions, who, for example, showed a willingness to demonstrate wage constraint way before the prospect of closure was on the horizon. Workers and unions were already responding to challenging times, because they were realistic about the need for change, but also committed to Diageo. John Swinney has outlined how the task force closed the value gap between Diageo's plans for closure and the task force's alternatives. I have said before in the Parliament that Diageo must get the balance right between maximising its profits and meeting its social responsibilities. If that balance is not struck, we have unfettered capitalism, which benefits no community in Scotland or anywhere in the world. I believe that Diageo has got the balance wrong with the closure, but it must now ensure that it meets its social responsibilities by assisting with regeneration in the affected areas. I pledge to do all that I can to assist in Port Dundas. The site has a prime location, just north of Glasgow city centre and set above the M8 motorway. Whatever the future for the site, whether commercial, residential or mixed use, we must ensure that jobs are created for the local community and that the community is consulted on the plans.

I reiterate my strong belief that the unions still have an incredibly good case for extending the life of the Port Dundas distillery. Diageo has nothing to lose and everything to gain by doing that. As other members have said, the longer the site remains open and workers are employed there, the greater the opportunity for the task force and the Scottish Government to reskill workers and diversify employment in the area. I pay tribute once more to all who are involved in the campaign. I have been proud to be part of it and I will continue to help the communities and workers in my constituency who have lost out.

10:13

**Marilyn Livingstone (Kirkcaldy) (Lab):** Our thoughts are with the workforce at the Diageo sites in Kilmarnock and Port Dundas in Glasgow and their families. We support a robust strategy from the Government to help those who face redundancy. In Kilmarnock, the local MP, Des Browne, is calling for a recovery plan for the area. I hope that the Government will make available appropriate resources to support such a plan. I was pleased to hear the cabinet secretary's commitment on that this morning. It is important for Diageo's reputation that it commits to supporting regeneration activities in the communities that it is leaving behind. As other members have said, it is also important that members and others stay united when there is a threat to any community in Scotland.

Given the scale of the proposed job losses, it would have been in order for Diageo to alert the Scottish Government to its plans in advance of its announcements.

As an MSP who is concerned about employment throughout Scotland, I commend the trade unions Unite and the GMB on their determination and commitment to intensify their campaign to save jobs throughout Diageo's Scottish operations. Unite has called for a detailed financial audit of Diageo's trading performance to justify cuts. Scottish Labour is working closely with the trade unions to get agreement from Diageo to grant the Port Dundas plant a year's stay of execution, which surely makes sense to all parties.

Both trade unions are angry that Diageo announced the closure of the Kilmarnock and Port Dundas sites before the end of the 90-day statutory consultation process. As a Fife MSP, I urge Diageo to comply with the trade unions' demands for an extension to the consultation and I support them as they continue to fight for every possible alternative approach to the closure. The company was wrong to announce the job losses without engaging in proper consultation with the trade unions.

Although those job losses have implications for workers at the Leven site, the £86 million investment to expand the Leven package is the latest in a series of investments by Diageo to expand the Cameronbridge distillery in Fife. Cameronbridge has received £40 million of investment over the past two years, and last year it was announced that the company will create a bioenergy facility to ensure that Cameronbridge meets the highest environmental standards. Production of that green energy plan has built on the momentum for clean energy and supports Scotland's ambitious climate change targets. The investment will also support 100 local construction jobs over the next three years, which the whole Parliament will welcome.

Fife has shared the pain through its experience of the reduction in its whisky industry, of which there are many examples. Even with the new investment, there will be fewer jobs in the whisky industry than there have been over the past 10, 15 and 20 years. As a member of the Economy, Energy and Tourism Committee, I look forward to discussing the future of that important industry.

The Diageo investment is a boost for the people of Levenmouth. Levenmouth, which has a population of 38,000, has the highest rates of unemployment and numbers of people claiming benefits in Fife. It has been called the sick man of Fife. More children in Levenmouth live in single-parent families and receive free school meals than elsewhere in the region, and Levenmouth has the highest mortality rate and lowest life expectancy in



Fife. Fewer people in Levenmouth own their home or a car than elsewhere in the region. The prospect of employment in the town will have a significant impact on the community's health and wellbeing. The cabinet secretary claimed that the work of the Diageo task force safeguards, and will continue to safeguard, economically fragile and at-risk communities. That is very important for all the communities that we have mentioned this morning—the point cannot be overstated.

Levenmouth has struggled economically since the closure of its mines, and employment is key to improving the lives of people in the area. Not only is there an opportunity to restore a higher level of employment to one of the most economically depressed areas of Fife, but there is a promise of job security for those already employed by the area's last significant employer. Central Fife has the third-lowest average wage of any constituency in Scotland, and if the Diageo investment can restore some financial security, it will be welcome.

As my colleague Patricia Ferguson and others have said, it is important that the company dispels the rumours that nearly half the prospective jobs in Leven will be temporary or short-term contracts, which will provide no security for workers and no compensation when their contracts are terminated. I call on Diageo to confirm that the new jobs will be high quality, full time and permanent. That will guarantee the local community's confidence and allow the company to make the most of the investment. I also call on Diageo to work with the trade unions at the Leven plant to ensure confidence in the future.

To support the new employment opportunities at Diageo, the priority must now be to improve housing and transport connections to the Levenmouth, which suffers from poor road and rail connections. I ask the Scottish Government to support local campaigns to upgrade the Redhouse roundabout. The interchange is vital to Levenmouth and the wider Fife community. I urge the Government to reconsider the upgrade submission, support the additional 400 jobs in Levenmouth and what I hope will be continued regeneration, and help people in Levenmouth to break down the barriers in the cycle of deprivation.

10:20

**Ted Brocklebank (Mid Scotland and Fife) (Con):** There was no dancing in the streets of Leven last week when the news came through that Diageo's plans to locate 400 jobs in the area were to go ahead. As we have heard, that part of Fife knows all about job losses caused by industrial restructuring. Levenmouth saw hundreds of jobs go when the pits closed and more recently when the oilfield platform fabrication yard at Methil came to the end of its business life.

Diageo's local workforce at the Cameronbridge distillery and the Banbeath bottling plant were, of course, pleased that the company showed confidence in their skills and loyalty, but all were aware that their good fortune meant 900 jobs going at Kilmarnock and Port Dundas in Glasgow, with the heartbreaking consequences for the families involved. All recognised how devastating that blow must have been. I pay tribute to those members in the chamber who have represented so passionately their constituents in their communities, in this debate and elsewhere.

I am encouraged that Diageo has said that it is willing to work with the Government to mitigate and minimise the impact and to help to regenerate the communities involved. There will be social consequences of Diageo's decision, and the company must react to its social responsibilities. Although I appreciate how difficult it is for families to uproot, I understand that Diageo is determined to prioritise applications from workers who are willing to move from the west to the expanded Banbeath plant at Leven. The local authority, Fife Council, is fully aware of the likely housing needs in that respect.

Ross Finnie gave an eloquent speech in Willie Coffey's recent members' business debate in which he talked about loyalty and companies' responsibility towards their employees. I agreed with much of what he said, but as a trained accountant, Ross Finnie will also recognise that in the ferocious world of global competition, no company can continue to embed inefficiencies in its operation. Ross Finnie stressed that the important word is "sustainable". It is interesting that Diageo used exactly the same word in responding to the task force's alternative proposals. It was important that the task force was set up and that its alternative vision for the Kilmarnock and Port Dundas operations was presented to Diageo. The proposals were considered, including the offer of a greenfield site at Kilmarnock, but Diageo decided that the alternative proposals were simply not economically sustainable—there is that word again.

Diageo has social responsibilities towards its workforce, which include a responsibility to its remaining 4,000 employees in Scotland, who comprise two out of every five people who are directly employed in the Scotch whisky industry.

Diageo is the world's premium drinks business, trading in more than 180 countries worldwide. Although whisky is important, it is only one of the drinks that the company produces—its other products include vodka, gin and rum, as well as beers and wines and ready-to-drink beverages, many of which are distilled and bottled at the Cameronbridge and Leven facilities in Fife.

It cannot be said that Diageo has starved its Scottish operation of funds. More than £500 million has been invested over the past five years, including, as we have heard, £86 million in its distilling and packing businesses in Fife, which are scheduled for a further £100 million investment. The company has made it clear that it sees its highly motivated Levenmouth workforce as a major asset, and in turn the workforce regards Diageo as an excellent local employer.

The company cannot be accused of ducking its responsibilities when it comes to sustaining a viable business and large numbers of jobs in Scotland as a whole, especially in the teeth of a global recession. As Diageo has stressed, it has never sought public funding for its proposals and believes instead that public moneys should be directed to the economies of Kilmarnock and Glasgow, although I accept fully that that will be scant consolation to those who are due to lose their jobs in the west. I urge the Government to renew its efforts, along with the local authorities and other stakeholders including Diageo, to pick up the pieces and help to regenerate the communities of Kilmarnock and Port Dundas as quickly as possible.

However, had the task force proposals been accepted, there would have been a real risk of placing the future of the company's white spirit business at Levenmouth and jobs elsewhere in Scotland in jeopardy.

**Willie Coffey:** Will the member give way?

**Ted Brocklebank:** I am sorry; I am on my final paragraph.

The company rejected the proposals and claimed that they did not provide a sustainable business model that would be good for Diageo or Scotland. On the facts as we have them, it is difficult to disagree with that assessment.

10:24

**Tricia Marwick (Central Fife) (SNP):** I start by expressing my sympathy for the workforce at Kilmarnock, who now face the possibility of redundancy or transferring to Leven. I am aware that a statutory consultation is on-going between the company and the unions, which has yet to run its course

It is ironic that the one area that will benefit from the news of the closure of the Johnnie Walker plant in Kilmarnock is my constituency of Central Fife, because it is the one area that understands the devastating blow of the closure of that plant. In the village of Markinch, where I live, we understand only too well what it means to lose an iconic brand. In 1983, when the Distillers Company Ltd closed the Haig bottling plant in

Markinch, 340 people were made redundant and 220 workers were transferred to Leven.

Last year, many members travelled by train to Markinch for the Glenrothes by-election. They cannot have failed to notice the red brick buildings beside the station, which used to house Haig's. Indeed, the Liberals and the Conservatives had their campaign headquarters in the old Haig's building.

Markinch is a village of fewer than 3,000 people. Haig's had been on the site in Markinch for more than 100 years. Nearly every household in the village had at least one person who worked there. When the Haig brand moved from its home in Markinch, we, too, knew the real effects—economic and emotional—of an iconic brand being moved from its home.

Around the same time that Distillers closed Haig's, it also removed 11 of its malt whisky distilleries in Scotland. The MP for the area, Willie Hamilton, and Harry Ewing MP, who spent most of his life in Leven—and who sadly died last year—managed to secure an adjournment debate in the House of Commons on 4 March 1983. I urge members to read the *Hansard* report of that debate, because, like me, they will be amazed to see that the arguments that were used against Distillers are identical to those that have been used in the Kilmarnock campaign against Diageo today. Those arguments are about the lack of consultation and social responsibility and the company walking away from an iconic brand.

The rationalisation of the whisky industry in Scotland did not begin with Diageo; it has been going on for a long time. I know that the task force and the local MSP Willie Coffey and Des Browne have worked hard and will continue to do so to ensure that a climate is created that will attract new employment to Kilmarnock. I recognise the huge challenge that that presents, but I am sure that those involved will not stint in their efforts to overcome this blow to the communities.

I welcomed the original decision and the final decision by Diageo to invest £100 million in Leven. As has been said, Levenmouth is an area of high and long-term unemployment; it has never recovered from the pits being shut down. However, I have great hopes for the energy park in Methil. Diageo is undoubtedly Levenmouth's largest employer. It has already invested heavily over the years in Leven and Cameronbridge. The whole of the UK white spirit industry, including Gordon's gin, as well as grain whisky is produced at Cameronbridge.

Haig's took over the Cameronbridge distillery in 1822, but there had been a distillery on the site for a number of years. Cameronbridge was the first distillery in the world to produce grain whisky.

I was delighted when Diageo announced that it intended to build a £65 million bioenergy plant at the distillery. It is a matter of pride to me that the oldest grain distillery in the world is now at the forefront of renewable technology. The new bioenergy plant will generate nearly all the steam and electricity needed to operate Cameronbridge. It will result in 56,000 tonnes of CO<sub>2</sub> being removed from the air, which is the equivalent of removing 44,000 cars from the streets of Scotland. More important, it will result in a huge saving in energy costs. That investment has enabled Leven and Cameronbridge to compete world wide.

I know that I did not make myself popular when I argued that the investment that Diageo had earmarked for Leven had to continue. It was my view then, and it is my view now, that if the investment does not go into Leven, the long-term future of Leven will be put at risk. I do not regret what I did.

It is imperative that Future Skills Scotland and others work with the people of Kilmarnock to provide training and reskilling. However, it is a fact that the new jobs in Leven present a once-in-a-generation opportunity for the area. As others have said, it is an area of high unemployment, with people living on benefits, and has the third-lowest average wage of any constituency in Scotland.

I ask the cabinet secretary, once it is clear—

**The Deputy Presiding Officer:** I am sorry, but the member's time is up.

10:31

**Duncan McNeil (Greenock and Inverclyde) (Lab):** I worked in the shipbuilding industry during its difficult decline, was made redundant and served a period of unemployment. I now represent a community that is well aware of the consequences of losing a major employer, or a number of major employers, and knows all the pain of being overdependent on large employers in shipbuilding, engineering, electronics and, now, the service industry.

I also worked for a number of years as a trade union organiser in the whisky industry. That was a decade or more ago now, when we were dealing with the problems of overcapacity and overproduction. At that time, we had great bragging rights about who got the best wages—Chivas, Johnnie Walker, Hiram Walker or Cutty Sark at Drumchapel. We believed that we were in an internal market, but of course we were not; we were competing with those companies' bottling plants in the Philippines and elsewhere in the world.

When Diageo took over, it won the argument and the J&B plant in Dumbarton in which I

organised closed down with a loss of about 400 jobs. Given my experience, I have every sympathy with the people in Kilmarnock, because I know at first hand the challenges that they face individually and as a community.

Over the years, if I have learned anything it is that change is inevitable. Whether we live in an independent Scotland or a Scotland that is part of the UK, under any Government change is inevitable. We as politicians have to recognise—as I did as a trade union official and as an individual in the past—that our role is not necessarily to prevent change but to manage and facilitate it over a period of time to ensure that the least damage possible is done to workers and their communities.

I do not blame MSPs and MPs for fighting their corner for their constituents. Willie Coffey has done well, as have Des Browne and others. They are elected to articulate the anger and frustration that their communities feel. I do not blame the First Minister for being angry with Diageo for its poor communication. I do not blame them, because I have been there and done that. However, I am concerned about the damage that might have been done to the relationship with one of Scotland's most significant employers. That needs to be addressed. I am concerned about the message that is sent to other employers, which might be dissuaded from engaging with the Government and its agencies on what they need to do to change to equip them for the future, as a result of the negativity surrounding the Diageo decision. After all, we all recognise that it is not a popularity contest. It is not a competition to see who cares most about the workers who are affected. Those people deserve better than that. Honesty is hard, and there will be no cheers at the end of this process for doing the right thing. The very least that the workers deserve now is honesty.

For the past few months, we have all collectively tried to hold the waters back, but, in the end, the reality defeated the rhetoric. Now we have to face facts and learn lessons from that experience. That means being honest about what a Government—any Government—can achieve and what we can deliver politically. We need a clear and consistent approach that we can apply anywhere, every time a company or a sector faces challenges, no matter whether it is big or small, urban or rural. We need to establish confidence in that approach, with a clear policy that encourages companies to come to us early, not at the point of crisis, after a decision has been made. We need to understand and respect the needs of companies to grow, survive and be competitive, as well as to meet their social responsibilities. Instead of becoming sidetracked with what we cannot deliver for people who are losing their jobs, we need a process that

is committed to what we can deliver. That means adequately funding and resourcing partnership action for continuing employment and supporting people, not to save people's jobs but to get them their next one.

I apologise to the minister for mentioning this again, but at HEROTsc—a contact centre in Greenock that shed more than 150 jobs earlier this year—I was concerned about the level of support that was provided to the employees who lost their jobs. It is not clear whether additional resources were assigned to that situation or whether the intervention was successful. With the prospect of significant change facing 700 workers at T-Mobile, I repeat my call to the Government to engage with the call centre industry before it is, once again, too late.

Despite my reservations, I believe that the PACE approach is a good one. However, we will get out of it only what we put into it. It must be not only a response mechanism but a delivery mechanism. Employers, businesses and communities need reassurance that there will be support, that similar or better jobs will be provided, and that communities will be protected from the impact of difficult decisions. How we reacted in the past few weeks was how we reacted 20 years ago to mass unemployment.

10:37

**Ross Finnie (West of Scotland) (LD):** Along with other members, I marched in Kilmarnock in 1983 with shop steward Duncan McNeil against the closure of our local shipyard, which resulted in the loss of 7,500 jobs.

Much of the debate has, quite properly, been devoted to highlighting the immediacy of the problem facing Kilmarnock and Glasgow, and the very real difficulties in Levenmouth. I want to spend the few minutes that are available to me reflecting on the kind of economic debate of which we in Scotland should be a part. The Liberal Democrats make no apology for raising the issue of sustainable economic development. I will come to what that means in the context of the recent decision.

Sustainable development is not a new concept. Indeed, it would be interesting if large international firms looked up the definition that is most commonly accepted, which is in the 1987 Brundtland report. The report defines sustainable development as

“development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

That concept is not new to the Liberal Democrats. The 17<sup>th</sup> century Liberal philosopher Locke wrote extensively on the responsibility of politicians to

act as trustees for their communities, and on their need, as trustees, to hand on that community in the state in which they inherited it.

The aftermath of the Diageo decision, combined with the current economic recession, makes it timely for us in Scotland and in the Parliament to ask what kind of economic development we wish to promote. In the same way, we ought to be debating the kind of financial institutions and regulatory framework that we wish to support and promote.

I stress that the Liberal Democrat amendment is not an attack on Diageo per se; the point is simply that Diageo's economic model is typical of many international companies that pay scant regard to the imperative to embrace the principles of sustainable economic development. As Ted Brocklebank ably pointed out, many companies use the word “sustainable” selectively, without regard to its meaning. Sustainable economic development does not embed inefficiency. It does not prevent companies from making necessary changes. It does not stop technological progress and—regrettably, but inevitably—it does not stop redundancies taking place. However, it requires companies to view their economic progress as being inextricably linked with the attendant social and environmental costs. Taking that approach would effect a sea change in the way in which we approach the current situation.

Diageo and its like see those issues as something apart—someone else's problem. “We want to dump two plants and two workforces and move on. So what?”

**Nigel Don (North East Scotland) (SNP):** The approach that the member has just laid out is not the way in which a company is expected to operate if it is worried about its balance sheet. Does the member accept that such an approach would require a fundamental change to our accounting principles?

**Ross Finnie:** I am just coming to that. I am trying to inject into the debate a sense that we need to have such a rethink, because the problem could keep occurring. Derek Brownlee made a number of valid points about having to deal with today on its own terms. Nigel Don is right—unless we change how we measure progress, we will have problems. The Diageo response is redolent of the type of thinking that has resulted in the current rate of consumption, which means that we require three planets, when I think that everyone in the chamber knows that we have only one.

I have no difficulty in accepting that the Kilmarnock plant is not as efficient as it might be, but the decision on how to make it efficient could have been based on a sustainable model. To go back to Ted Brocklebank's point, in Diageo's

assessment, the plant is not—in its words—sustainable. However, as was intimated by Nigel Don, the accountants and those who measured the company's plan took no account of the social and environmental costs. Inevitably, they came to a totally different conclusion. I understand that those members who represent the most-affected constituencies do not immediately wish to engage in a long-term debate, but I hope that the Liberal Democrats' contribution today sets out that there is a need for a fundamental rethink. As other members have stated, this kind of problem recurs, and unless there is a fundamental change in our thinking, there will be no change. I commend the Liberal Democrat amendment.

10:43

**Rob Gibson (Highlands and Islands) (SNP):** Among his remarks, the cabinet secretary urged us to learn from the Johnnie Walker decision and to look to the future. We must consider that the decision has arisen from Diageo following a consolidation agenda.

In 2007, Diageo announced the investment of hundreds of millions of pounds in a huge new malt distillery at Roseisle on Speyside and in the development of Cameronbridge and Shieldhall, but that was before the world recession. At a time of flattened demand, there is a difference between the sales progress of white and brown spirits. As Wendy Alexander said in the Economy, Energy and Tourism Committee:

"The issue then was the loss of brown spirits to white spirits—demand was growing much more quickly for vodka than for whisky".—[*Official Report, Economy, Energy and Tourism Committee*, 9 September 2009; c 2340.]

We have to ask ourselves what Diageo's priorities are. In August, it stated that net sales had increase by 15 per cent. Smirnoff sales were up 17 per cent, Captain Morgan sales were up 29 per cent and Johnnie Walker sales were up 4 per cent. The debate must take into account the effects of Diageo's priorities on the company's thinking and on people throughout Scotland.

A farmer who lives close to me, Hector Munro of Foulis, said in a recent letter that there are

"large surpluses of malting barley in both UK and Europe plus World grain stocks"

are

"generally higher than they have been at any time in the past decade ... Faced with this scenario and with no regional protection for Scottish malting barley, the vital ingredient of that iconic-branded product, Scotch Whisky",

which he grows, his business is in doubt. We need to take account of the way in which Diageo's demand for products affects people such as our barley farmers.

Diageo has a range of distilleries, including 15 small distilleries in Speyside. In volume terms, they do not add up to the production of its main competitors—Glenfiddich or the Macallan—hence the idea of developing Roseisle. Will we see a consolidation of malt whisky distilling if world demand for brown spirits continues to move more slowly than demand for white spirits?

As a Scottish distiller, Diageo needs to show sustained loyalty to the complete process of whisky distilling in Scotland. As Wendy Alexander also said at committee:

"The right analogy is with French wine production, and the real issue, which the GMB raised, is whether bottling in Scotland is compelled. Because of the influence of some of the large players in the industry, the Scotch Whisky Association does not support bottling in Scotland, which is astonishing ... The big strategic decision on whisky is whether there is a move to insisting on its being distilled and bottled here. It is interesting that the trade body for Scotch whisky does not favour that position."—[*Official Report, Economy, Energy and Tourism Committee*, 9 September 2009; c 2341.]

This is the danger in which we find ourselves.

Can we in the Highlands and Islands expect to see consolidation in malt distilling, as has happened with grain distilling? When Guinness took over DCL, it said that it would not cut the number of distilleries. However, the question of cutting the number of distilleries in regions of Scotland and consolidating production has not been removed.

With mega-distilleries replacing the diverse regional nature of our iconic whisky industry, Diageo has to be asked what positive legacy it will leave for Scotland. Is what is good for the Diageo business model also good for Scotland? What level of value will be retained in Scotland? As a previous speaker said, that must be maximised.

I am concerned when Diageo makes statements such as:

"The company has created a flavour map to categorise whisky by taste rather than region in an attempt to demystify the drink and attract new customers."

Scotland wishes to retain the regional nature of whisky production and bottling. We do not wish to be left with a bad taste in the mouth from Diageo's business decisions.

10:47

**Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** Walking to the Parliament this morning, I found myself confronted by a huge billboard advert, the message of which was that we should all walk to work. I found it ironic that that admirable Scottish Government campaign is supported by Diageo. The message will bring little comfort to the Diageo workers who are losing their

jobs. They may find that they not only have no work to walk to but no option other than to walk. Those people may not be able to afford to use their cars any more.

I was, like so many other members, enormously disappointed to hear Diageo's decision on the future of the Johnnie Walker plant. The *Kilmarnock Standard* summed up that disappointment in a front-page article in which it described the decision as a

"knife in the heart of Kilmarnock".

It is hard to describe the mood in the town. As Willie Coffey knows well, the people from throughout the community who worked so hard on the campaign to save the plant are now looking for a lead on how to move forward. I thank the trade union Unite, of which I am a member, and the other trade unions for their campaigning efforts in joining together with the wider community in opposition to the plans. The issue has united the town. As we go forward, I am sure that people will unite again to try to secure a positive future for Kilmarnock.

John Park spoke about the negotiations and the approach that was taken. I do not want to attribute blame or criticism: too many people have worked too hard for politicians to start throwing mud at one another. There are situations in which rousing speeches and hard-man tactics get results—as a trade unionist, I know that—but there are other times when negotiation, patience, quiet diplomacy and hard work are required. In that regard, I praise the local MP, Des Browne, Willie Coffey as the local MSP, and the cabinet secretary for the roles that they played in attempting to secure a positive outcome.

A similar effort will now be required to minimise the blow to Kilmarnock and the wider Ayrshire economy. Over the past 20 to 30 years, the community has had to endure a huge amount of change. The scars of that change can still be seen. Anyone who was, as I was, born and brought up in Kilmarnock knows the impact that the loss of all the major industries has had on the town and the wider Ayrshire area—we are talking of communities that are still trying to rebuild following pit closures. There is a need for urgent action to ensure that that part of Ayrshire does not again see unemployment statistics such as were common only 15 years ago.

Des Browne is calling for a Kilmarnock recovery plan, the aim of which would be to avoid the town's becoming an unemployment black spot. I believe, given the industrial decline that Ayrshire has had to endure over recent years, that such a package is both necessary and appropriate. I ask that the plan be set in the context of tackling the wider industrial decline, particularly in the former

coalfield areas, which are still suffering from pit closures and so forth. On 11 February 2009—following the Vesuvius UK closure—Jim Mather, the Minister for Enterprise, Energy and Tourism, told Des Browne that he would chair a pan-Ayrshire economic meeting. In his summing up, I ask the minister to explain what is happening on that proposal and how it is being taken forward. People in the area feel that if Scottish Government ministers were prepared to fund Diageo to stay in Kilmarnock, they should now ensure that that cash is put into helping the workforce and the local economy, including the small businesses that will be affected by the closure.

In the 3 September debate on Diageo, I said much about the company's actions; my view has not changed one bit. I believe that its handling of the situation has been a disgrace from beginning to end. It has callously disregarded a loyal workforce and community. The success of the Johnnie Walker brand was achieved on the back of the hard work and commitment of that workforce. There is a danger is that the Diageo brand has been tarnished.

I welcome the plans to hold a committee inquiry. My constituency includes other whisky interests—firms that are ensuring that they invest in and support local jobs. We should look at ways of supporting those firms in the future.

We have heard much about the need for Diageo to look to its social responsibility. As I suggested at the start of my speech, Diageo may put its name to worthy billboard advertising campaigns, but that is not enough. The sustainability of communities requires investment, including in their people. I was pleased to hear the cabinet secretary say that he wants to ensure that Diageo is held to what it says about its social responsibility. Do we have any more detail on what Diageo plans to do?

We have to move on, but in doing so we must not move away from supporting the people who are affected by the closure. As we rightly debate the subject, including the wider economic issues, workers in Kilmarnock and Port Dundas are worried about how they will pay their mortgages and bills when the closure comes. We must do everything we can to support the trade unions in their fight for the best deal for those workers.

10:53

**Margaret Mitchell (Central Scotland) (Con):** In 1820, using the proceeds of the sale of his family farm, Johnnie Walker—recently orphaned and aged 14—sets up a shop dealing in groceries, wines and spirits in Sandbed Street near Kilmarnock Cross. He begins to blend whisky on the premises and, over the coming years, the

business concentrates increasingly on the sale of wines and whisky.

Fast forward to 2009, and we find that Johnnie Walker whisky is still in Kilmarnock, that it has become the number 1 Scotch whisky and that it has been a major employer of generations of local families. It is therefore not surprising that the closure announcement came as a hammer blow to the workers, support businesses and the community as a whole.

The empathy that is felt in the town and beyond for those who are affected by the announcement was graphically illustrated by the public rally on 26 July, which I was pleased to join, and in which 20,000 people took to the streets in an effort to raise awareness of the issue and to keep Johnnie Walker in Kilmarnock. After the rally, everyone collectively held their breath and hoped against hope that the task force's alternative proposal, which the Cabinet Secretary for Finance and Sustainable Growth put to the company, would include a new aspect that Diageo had not covered and which might result in a reversal of the decision. Sadly, that was not the case and the closure decision was confirmed. The news has been received almost with a sense of inevitability and quiet resignation by the workforce, which recognises that although historic links are important, so are hard economic facts.

Diageo has set out the facts clearly. First, the restructuring proposal that involves the closure of both the Kilmarnock and Port Dundas sites is being implemented to secure the long-term sustainability of the company and to underpin the success of its operation in Scotland and the jobs of 4,000 Diageo workers here. Secondly, the company has 38 packaging lines and needs only 28, which can be manned on two sites. Thirdly, the alternative proposal of the task force and the Scottish Government merely embedded the inefficiencies in packaging.

Significantly, during discussions that I had with at least one rival drinks company, it was confirmed that the Diageo bottling and packaging costs, and therefore that aspect of its operation in Scotland, are not competitive. As a result, Diageo made it crystal clear that it could remain in Scotland with a successful operation only if it had a cost-effective manufacturing base, through the proposal to create new jobs at the Leven plant and to close Kilmarnock and Port Dundas.

It is worth taking stock at this point. Clearly, shock at the announcement of the closures and disappointment at the realisation that the Kilmarnock and Port Dundas jobs could not be saved have triggered some raw emotion. That is entirely understandable in the circumstances, but some of the language and comments from politicians and others about Diageo have been

intemperate, ill advised and, ultimately, counterproductive. There has been much talk and not a little political muscle flexing, with various parties—including, I am sorry to say, the First Minister—stating that Diageo would not be allowed to walk away from Kilmarnock. In fairness to the company, I understand that it was acutely aware before its decision was taken of the horrific impact that its decision would have on the local economy. For that reason, its focus was on doing everything in its power to support efforts to mitigate the economic impact of the losses.

**David Whitton (Strathkelvin and Bearsden (Lab):** If the company was so concerned about the impact of its decision on Kilmarnock, why did it not tell the workforce in advance?

**Margaret Mitchell:** I am coming to that very point. Although the company understood that the decision would be challenged and that other proposals would be put forward, in its mind every base had been covered and the period of uncertainty was merely adding to the stress and agony of the job losses and detracting from its efforts to find alternative solutions. For that reason, Diageo ensured that Johnnie Walker workers did not hear the news of the job losses on radio or television, but first hand from the Diageo management.

Criticism of the company for not discussing the closure proposal with the First Minister or the Cabinet Secretary for Finance and Sustainable Growth fails to take account of the fact that Diageo is an international company that competes on a global scale and which must take unpalatable decisions to keep that status. In other words, the company is not looking for a handout from the Government or turning to politicians for solutions. Phrases such as “throwing the workers on the scrapheap” and the cabinet secretary's statement that he still does not

“believe that Diageo appreciate the social consequences of their financial decision in turning their backs on 200 years of history in Port Dundas and Kilmarnock”

are unfair and unjustified. More important, they do absolutely nothing to help the workers and other businesses affected by the job losses. Furthermore, such rhetoric will do nothing to encourage other global companies to consider locating in Scotland.

It is now time for everyone to pull together and to work with Diageo. I am encouraged by the cabinet secretary's regeneration proposals. We are proud to have Diageo as a major employer in Scotland. We now need everyone to pull together in an effort to use the company and the expertise of other key players to devise an innovative and practical strategy to replace the jobs that have been lost and to attract new businesses and companies to Kilmarnock and Port Dundas. Quite

simply, these loyal and skilled workers deserve nothing less.

10:59

**Kenneth Gibson (Cunninghame North) (SNP):**

I express my sadness, disappointment and anger at the forthcoming closures of the Diageo Port Dundas and Kilmarnock bottling plants. The closure of the latter will undoubtedly have a negative impact on many of my constituents and on Ayrshire as a whole.

As every sensible person knows—many members have reiterated the point today—the closures are outwith the control of the Scottish Government. Diageo is a private company that has made a decision based purely on corporate gain. The Scottish Government may criticise such a decision, attempt to persuade Diageo that the plants should remain open and even produce alternative proposals, through the hard work of the task force and all those across the party divides who contributed to it, but there is nothing to stop Diageo moving any of its operations elsewhere.

As Willie Coffey said, last year Diageo raked in more than £2 billion of profit during the worst recession in decades. As we have heard, such profits are due in no small part to one of its biggest-selling brands—Johnnie Walker—which is continuing to grow, and to the workforce that is dedicated to making it. However, Diageo is demanding even more.

I have been disappointed by the speeches of some Conservative members, who have repeated the myth that the Kilmarnock plant is not cost effective or efficient. If the plant is not efficient, that can only be the fault of the company for failing to invest some of the huge profits that it has made over many years in continuing to stay ahead of the game. Given that Johnnie Walker is the world's best-selling whisky, I fail to see how the argument that the plant is inefficient and that Diageo must be competitive can be sustained.

The jobs in Fife are welcome, but they offer little solace to the people of Ayrshire and Glasgow who are directly affected by the closures. Jobs losses will not be limited to direct employment: jobs in ancillary industries and in the wider economy, from retail to transport and recreation, will all be adversely affected. Three quarters of the job losses will be indirect, because every person who is directly employed in the whisky industry supports at least three other jobs.

**Gavin Brown (Lothians) (Con):** I agree with much of what Kenneth Gibson has said. Given his criticism of the Conservatives, does he accept that even the task force report said that the Kilmarnock plant is inefficient? That is why it suggested that a new plant be built on a greenfield site, which

would still have necessitated some job losses in Kilmarnock.

**Kenneth Gibson:** The important point is that the bulk of the employment would have remained in Kilmarnock. I pay tribute to the task force for its hard work. It presented ideas that would have turned around the situation, to the ultimate advantage of both the company and the workforce.

I agree fully with the many members who have said that Diageo must mitigate the closures' impact on the workforce. In contrast to Derek Brownlee or Iain McMillan of the Confederation of British Industry, I do not believe that a Scottish workforce fighting for its jobs discourages inward investment. A nation with a bit of smeddum is likely to be more dynamic and productive than one that meekly accepts whatever comes its way. I agree with Robert Brown that the likelihood of changing the minds of Paul Walsh and company may always have been small, but it was important that everyone did what they could to engage with the company. Unfortunately, as John Park highlighted, even from the beginning the company did not keep its workforce fully informed of its proposals, which is to be deeply regretted.

For many years, Ayrshire has suffered economic decline relative to the wider Scottish economy. We have heard about pits in Fife, but pits in Ayrshire have also closed and much of the county's manufacturing has been lost in recent decades. To make Ayrshire more attractive to employers and to stimulate economic growth, we need to invest more in its infrastructure and skills. The Johnnie Walker closure will reverberate around the entire county. I am therefore pleased that the cabinet secretary will press Diageo to honour its obligations to the workforce.

In his eulogy to Diageo, Ted Brocklebank did not mention its lack of real consultation of the workers concerning its intentions, which shows the lack of a moral dimension to the company's approach. I hope that it will learn from that. Ross Finnie again made a significant contribution, as he did in the members' business debate on the subject. Corporate greed, rather than competition, appears to have been Diageo's priority. Such decisions make it difficult for companies' supply chains and others to know where they are from year to year, as was highlighted by Rob Gibson. One might also argue that the company abandoning its Kilmarnock heritage could adversely impact on its profits, given the support from around the globe for the campaign against the closure.

On 14 January last year the Minister for Enterprise, Energy and Tourism, Jim Mather, held an economic summit in North Ayrshire, which I helped to organise. I am sure, as Cathy Jamieson has said, that another summit—this time, a pan-



Ayrshire summit—is needed to examine how we can take the Ayrshire economy forward following the sad news.

11:05

**Irene Oldfather (Cunninghame South) (Lab):**

By this point in the debate, many significant and important points have already been made by colleagues across the chamber. The clear point that I feel is worth repeating on behalf of the workers is that Diageo cannot be allowed to walk away from its responsibilities: Diageo owes the people of Kilmarnock and Ayrshire and the workers at Port Dundas a debt and a concerted effort must be made by everyone to restore confidence to those areas.

My constituency, which borders Willie Coffey's, has one of the highest unemployment rates in Scotland, which will be exacerbated by the Diageo job losses. Figures indicate that about 70 to 80 members of the workforce live in Cunninghame South.

As others do, I have deep concerns about the wider implications. Clearly, supplier industries will need to consider carefully how they can sustain employment in the absence of Diageo. Ardagh Glass Ltd in Irvine is one of Diageo's major suppliers, so I ask the minister to consider carefully what measures might be taken to ensure that the knock-on effect on suppliers in my constituency is carefully kept under review, with support being provided where necessary. I wonder where the minister is at the moment, to take on board that point.

I will say a few words about future interventions, initiatives and Government action. We all recognise that there is no quick fix and that the affected communities will need long-term support. The Kilmarnock recovery plan is a very good start and is to be supported. I also support the idea of a further Ayrshire summit, which I hope will encourage stimulus to be extended to fragile communities throughout Ayrshire.

In my area, the Irvine Bay Regeneration Company is well placed as a vehicle for creating new business infrastructure to attract investment and create much-needed employment opportunities in Ayrshire—North Ayrshire, in particular. The Government and Scottish Enterprise have roles to play in assisting that work. Opportunities could arise from proposals to provide new modern office and business space at Annickbank in Irvine. Riverside business park also needs to be revamped, rejuvenated and made fit for purpose. I know that the minister has been in the area, so I hope that he recognised that need. I also hope that he will recognise that such

proposals need to be not just supported but financed.

Business infrastructure will be affected and influenced by transport infrastructure. I therefore again draw to the minister's attention a letter from the chief executive of North Ayrshire Council, which states:

"The A737 is recognised by the Council, its partners and importantly the business community as the single most important piece of investment required to improve confidence in the economy of North Ayrshire."

I ask the Scottish Executive to make a commitment to ensure that the resources are made available to undertake that work, thereby sending a very clear message to the people of North Ayrshire that the Scottish Executive has confidence in the local economy.

I wish to raise with the minister the issue of the European globalisation adjustment fund, whereby €500 million is set aside each year to assist workers in Europe where a clear link can be made between job losses and the effects of globalisation. Workers across Europe can benefit, and have benefited, from the fund. Thanks to robust lobbying by the European socialist group, including me, the qualifying threshold was recently reduced by the European Commission from 1,000 job losses to 500. I am certain that we have sufficient creative civil servants and politicians who could examine the criteria and assist in preparing a case. The money may be used for retraining, job searching and temporary income supplements to assist older and disadvantaged workers in particular to remain in, or to return to, the labour market. I urge the minister to explore whether and how Diageo workers might benefit from the fund.

Actions can be taken by Government and other agencies to encourage and support local economic development in the face of the tragedy. The extenuating circumstances demand action that is appropriate to the scale of the challenge that we in Ayrshire now face. The Diageo workers and unemployed people in Ayrshire expect and deserve no less.

11:10

**Iain Smith (North East Fife) (LD):** This has been an interesting, important and largely constructive debate on a very sad piece of news about the jobs in Kilmarnock. I in no way condone the actions of Diageo, nor how it has handled the restructuring of its business. At the same time, I do not feel that any of us are in a position to condemn the company's final decision, which has ultimately been based on all the facts that it has to hand.

I fully understand the very strong feelings of members such as Willie Coffey, Patricia Ferguson and Robert Brown about the impact that the

decision will have on their constituents, particularly where plants are being closed. It is absolutely right that those members fight for the jobs in their areas, and it is absolutely right that East Ayrshire Council, Glasgow City Council and the trade unions also fight to save jobs. I hope that they will recognise that those of us with constituents who work at Cameronbridge or in Leven must act to protect their interests, too. That is not just about potential new jobs; it is also about safeguarding existing jobs, as Tricia Marwick mentioned. In that respect, I have some concerns about the Government's handling of the issue, which I will return to in relation to some of the speeches that have been made.

Members have made some very valuable contributions. Willie Coffey strongly feels the concerns of the 700 workers at Kilmarnock—many of whom are from his constituency—whose jobs are under threat. I slightly disagree with him that the case for closure fell apart with the £2.5 billion profit that Diageo announced. Diageo is a major international company with a turnover of about £10 billion. Thinking of the old Scots phrase, "Many a meikle maks a muckle," it is not possible for a business to make a £2.5 billion profit without looking for efficiencies. If Diageo has identified inefficiencies and overcapacity, it will soon lose profitability if it does not address those issues. I am not saying that Diageo got the right answer, but it had to address those issues.

Willie Coffey and others mentioned the Economy, Energy and Tourism Committee's position on a possible inquiry into the whisky industry. I can clarify that we have not yet taken any decision to hold an inquiry into the whisky industry, but we have commissioned research from the Scottish Parliament information centre on an overview of the industry and the economic impacts of what has happened. We will consider legal issues, including those concerning bottling. We hope to identify further issues regarding the overseas market, trade barriers, an overview of the UK and worldwide spirits markets, trends in the industry and the impact of the Diageo and Whyte & Mackay announcements. Once we have received a report from SPICe, we will make a decision on whether to go on to hold an inquiry.

Patricia Ferguson drew attention to the possibility that the replacement jobs in Fife might not be full-time permanent posts. That is an issue that I am sure all Fife members will be paying close attention to. I am sure that Fife Council and others will, during their discussions with Diageo, be highlighting the need for the posts to be permanent.

Bob Doris highlighted the invidious situation for workers and politicians, in which jobs in one area are being created at the cost of those in another

area. He made another interesting point that must be addressed: could centralisation of spirit production at Cameronbridge leave Diageo dangerously exposed should something go wrong at that plant?

Marilyn Livingstone raised issues around unemployment rates in Fife and mentioned that Levenmouth has one of the highest rates in the country, which has been the case for many years. It is known as the sick man of Fife. She spoke about the importance not just of creating new jobs in Levenmouth but of protecting existing ones. That is very important to us. She also mentioned the Redhouse roundabout. The Government should also consider actively supporting the Levenmouth rail-line proposal, rather than just saying it, because the line could have a significant impact on job security in the area.

Tricia Marwick talked about the long-term future of jobs at Leven, which could have been put at risk. That is a big concern that I have about the Government's handling of the situation. Although the Government rightly considered the economic impact on Kilmarnock, East Ayrshire and Port Dundas in its study, it forgot to consider the economic impact on Fife. The Government's role is to look at Scotland as a whole. It should have taken a more even-handed approach and ensured that, as part of its analysis, consideration was given not just to the economic benefits that would be gained if jobs came to Fife but to the impact on the long-term future of the Levenmouth plant and the Cameronbridge distillery should investment not come to Fife. Such issues were not addressed. They should have been.

Duncan McNeil made a valuable contribution to the debate. He expressed concern about the damage that might have been done to relationships not just with Diageo, but with other companies. The First Minister's participation in the protest march, for example, which I think was inappropriate, might discourage companies from engaging with the Government, Scottish Enterprise and other agencies at an early stage. It is absolutely appropriate for MSPs who represent constituencies to get involved, but the role of Government ministers is to engage constructively with trade unions and companies, and not to take part in public demonstrations, which might damage opportunities for proper engagement. The Government should look carefully at its role in that regard. It is not about political posturing; it is about being statesmanlike and doing what is right for Scotland. The Government got it wrong on that occasion.

We heard a great speech from Ross Finnie. It was nice to hear Locke mentioned in a parliamentary debate, and I thank Ross Finnie for that.

There is much more to say, but I am running out of time. It is important that we learn lessons from the exercise. We must consider how the Government engages with companies on job losses and ensure that we get the best deal for Scotland at all times.

11:16

**Gavin Brown (Lothians) (Con):** I think that all members would have preferred this debate not to have been necessary. Members of all parties have expressed disappointment about Diageo's eventual decision and about the inability of the task force, which put in a lot of work, to reach an agreement with the company about a way forward.

The overriding emotion must be disappointment, in particular about the 900 jobs that will be lost in Port Dundas and Kilmarnock. The net loss of jobs will be smaller, but that does not take anything away from the fact that 900 families will be directly affected. Given the concentration of those jobs in relatively small geographical areas, there will be an effect on communities, on people who supply local businesses and on local shops. Even if local shops do not have direct links with Diageo, the company's employees will spend their money there. The net effect will be wide. There is also more than a tinge of sadness at the end of a 190-year link between Kilmarnock and Johnnie Walker. Willie Coffey made that point well.

I praise the work of the task force. I do not agree with everything that the Government did, but I think that the task force took a constructive and positive stance. There was a partnership approach, which involved all political parties. I got the impression that, around the table, sleeves were rolled up, numbers were crunched and an attempt was made to come up with a solution that the company might not have thought of. The task force was ultimately unsuccessful, and the company has said clearly that it considers the matter closed and that it is getting on with the consultation and taking matters forward. That is disappointing but, as Derek Brownlee said, we must deal with the reality on the ground.

What are the next steps? First, we need to see the UK Government and Scottish Government working together hand in hand, along with local councils and agencies, to ensure that we do whatever we can do for the communities that are directly affected. The cabinet secretary made positive comments about the role of SDI, Skills Development Scotland's seat at the table, the work of PACE and the on-going work of Scottish Enterprise to consider what it can do. Much of what he said in that regard was welcome.

Can we take action to reskill or upskill people who face redundancy? Can there be economic

regeneration in the communities that are directly affected, so that a hammer blow—as Margaret Mitchell described it—in the short term does not lead to long-term decline. Tricia Marwick made a good point about what happened in Markinch after 1983; in 25 years' time we do not want Kilmarnock still to be dealing with the trouble that will be caused by the plant's closure next year or the year after.

It sounds like the Government will be doing what it should be doing in the short term, but I stress strongly to Mr Swinney and Mr Mather that the whisky industry should be considered in the long term. The number 1 issue that the industry has raised with me is its fear of minimum pricing. I raised the issue in the members' business debate on Diageo two weeks ago, and I make no apology for doing so again. The minimum pricing policy, which was announced in the Government's programme, has been considered purely through the prism of health; its economic impact on the whisky industry has not been considered in great detail.

Mr Mather will be well aware that, at the recent Scottish Council for Development and Industry conference, the industry and in particular the Scotch Whisky Association made it absolutely clear what it thinks of the proposal. I read in *The Herald* yesterday that the SWA predicts that minimum pricing could reduce the value of the industry by £600 million. That would represent a 20 per cent cut in the industry—[*Interruption.*] If Mr Swinney wants to challenge that and give me his analysis of the impact, I will be happy to take an intervention.

**John Swinney:** I am delighted to intervene. Mr Brown must recognise that the whisky industry produces a premium product and that minimum pricing is unlikely to affect any whisky production in Scotland. That undermines the analysis that he has presented to the Parliament.

**The Deputy Presiding Officer (Trish Godman):** Mr Brown, be careful. The motion does not mention price fixing or anything like that; it is about Diageo. Can we stick to that?

**Gavin Brown:** May I answer the point that the cabinet secretary made?

**The Deputy Presiding Officer:** Briefly. You are short of time.

**Gavin Brown:** Thank you. As Mr Swinney knows, exports account for 90 per cent of the whisky industry. It is the export industry that the SWA is worried about.

The Government has said many good things about what it will do in the short term, when the effect on communities will be devastating. We

must all pull together to see what we can do in the medium and long term.

11:22

**David Whitton (Strathkelvin and Bearsden) (Lab):** I am pleased to sum up on behalf of Labour. I will speak in support of Mr Swinney's motion—I am glad that he is here to hear me say that, because that might be the only time in the lifetime of the Parliament that he hears those words from me.

I welcome the comments of Bob Doris—another first—about Labour not lodging an amendment. We made that decision because it is important to maintain cross-party support for the campaign. We listened carefully to what the Tories and the Liberals said, and in particular to Mr Finnie's eloquent speech about what is meant by sustainable economic development. We will reflect on the amendments before we vote at decision time.

When I spoke in the members' business debate on the matter, I focused on the Port Dundas distillery, which faces closure. Many of the people who face redundancy are from my constituency, Strathkelvin and Bearsden.

As I was preparing for today's debate, I read a briefing note that the Scotch Whisky Association provided on 2 September. Like the briefing that we had from Diageo, in which the company attempted to justify its position, the SWA briefing made interesting reading. Diageo is a member of the SWA, so I assume that it agrees with the sentiments that the trade body expressed. The SWA said that the Scotch whisky industry is proving to be resilient in the current economic global trading conditions:

"It was a difficult start to the year ... However, by April-May 2009, it would appear that shipments were back in line with those achieved during a strong April-May 2008 ... Scotch whisky is a long-term business and distillers are optimistic about future prospects."

Diageo was optimistic too, two years ago, when it told its workers that it would need 175 million litres of whisky per year to meet predicted demand, as Patricia Ferguson said. We are now told that the situation has changed, but market opportunities still remain. The SWA identifies opportunities in the BRIC countries—Brazil, Russia, India and China—particularly India. Those new markets are especially keen on malt whiskies, and a regulation is being introduced that will require that all single malt whisky be bottled in Scotland.

That is more or less the situation just now, as Rob Gibson mentioned, but the Scotch whisky industry strangely does not support such a regulation for blends, as there is an historical trade

in bulk blends being shipped overseas. Diageo has a big interest in bulk blend exports. Shipping in bulk means less need for bottling, which can be done at market source by the end user. I hope that, when the Economy, Energy and Tourism Committee considers whether to carry out an inquiry, it will examine that part of the industry carefully.

**Tricia Marwick:** Is David Whitton aware that only 5 per cent of Diageo blends are shipped abroad to be bottled, compared with 12 per cent of blended whisky from the rest of the Scotch whisky industry being bottled abroad?

**David Whitton:** That is an important contribution to the debate.

We have heard a lot of numbers this morning. Diageo recently reported its annual profit of £2.4 billion. Its chief executive, Mr Walsh, was paid £3.5 million for making what he called the tough decisions about the company's future, but he is only one part of the worldwide team—4,000 of whom are based in Scotland and make a big contribution to those profits.

According to the Scotch Whisky Association:

"Scotch Whisky distillers are acutely aware of the contribution they make to, and the role they play in, communities across Scotland."

That is particularly relevant in Kilmarnock, the home of Johnnie Walker, as Mr Coffey testified. Last week, the First Minister spoke of Diageo's social responsibility to Kilmarnock—something on which Mr Finnie and others have commented today. My Labour colleague Des Browne, the MP for the town, has called for a Kilmarnock recovery plan to prevent the town from becoming an unemployment black spot, and I welcome the cabinet secretary's indication of the investment that the Scottish National Party Government is willing to make in Kilmarnock and Glasgow to stave off the worst effects of the job losses. I hope that the money that was perhaps earmarked for Diageo to build a new bottling hall is now ring fenced for such a purpose but, more important, we need to know what efforts are being made to ensure that the company pays for some of that recovery plan.

Many members have spoken of the debt that Diageo owes to its workers. It must not be allowed simply to walk away having salved its conscience with redundancy payments. It is true that Diageo is investing elsewhere, but it must come clean about the new jobs in Fife. Are they permanent or casual, full time or part time? Are they with Diageo or an agency? How many will be offered to workers in Kilmarnock and Glasgow, giving them a chance to transfer?

My latest information is that, so far, Diageo has not sat down with the unions to discuss

redundancy terms, but it has told the unions that it will cut back production at Cameronbridge to 50 million litres from 65 million litres, taking a further 17 million litres from its jointly owned North British distillery here in Edinburgh, which also has the capacity to produce a further 60 million litres.

As I mentioned, the SWA says that there are market opportunities in the BRIC countries. In addition, the recession is beginning to show signs of ending. The new biomass plant that Mrs Marwick mentioned will power the Fife distillery, but it is not ready yet and will not be for some time. A prudent and profitable company should be securing supply, which could be done by giving Port Dundas a two-year stay of execution. Who knows what the market will look like in 2012? Certainly not Diageo, which thought that it would be producing 175 million litres by now. The firm tells us that it spends £500 million each year on promoting the brands that it makes in Scotland. Is it not confident that such a large sum will lead to increased sales for whisky?

In today's edition of *The Herald*, there is an interesting letter from a Mr Christopher Jones, a retired Diageo account manager. He runs through the history of the company, which was created by takeover and consolidation, and says that, with hindsight—always an exact science—the inevitability of the decision to close the Johnnie Walker plant in Kilmarnock and the distillery at Port Dundas should have been obvious from Diageo's track record. I beg to differ.

Mr Jones describes the loss of 900 jobs as "collateral damage" in a business that is restructuring and that, if his former employers are guilty of anything, it is a lack of transparency at the outset. That much I certainly agree with. It is a matter of deep regret that a company that is rooted in Scotland was unable to share its thoughts with the Government and its workforce before the shock announcement was made. On this point, I disagree with Mrs Mitchell: multinational companies fare best when they collaborate closely with Governments and their workers.

Diageo has made its decision. Despite the cross-party campaign's best efforts, the company has rejected the alternative business plan and intends to press ahead with closures in Kilmarnock and Port Dundas. What happens next is up to Mr Salmond and Mr Swinney. We welcome Mr Swinney's comments on the involvement of the PACE team and SDI, but how much will the Government invest in the affected communities? I hope that Mr Mather can tell us. What will the Government do to get Diageo to carry out its commitment to support regeneration in the communities that it leaves behind? Will it continue to press for a stay of execution for Port Dundas

until the biomass plant in Leven is ready? We—and, more important, the employees of Diageo—need answers to those questions.

11:31

**The Minister for Enterprise, Energy and Tourism (Jim Mather):** The debate has been worth while, constructive and largely consensual. It has identified a number of areas of agreement across the Parliament and highlighted the traditional consensus that businesses have a responsibility to their staff. It has also highlighted the growing cohesion in Scotland and the recognition that public sector approaches to protect the interests of specific communities are appropriate. The episode has also shown the best of the Parliament in our ability to put political differences to one side to fight to support individuals and communities whose livelihoods and futures are at risk. I am proud to be associated with that concerted approach.

There has also been unanimous sharing of deep disappointment with Diageo's decision not to engage in the further development of the task force's alternative proposal. The task force's efforts have been widely recognised as constructive and credible. It produced a consistent and united campaign, raised the profile of that campaign across the globe and marshalled a proposal that should have moved Diageo. Unfortunately, the company has not been moved.

The task force identified ways in which the value gap between Diageo's proposal and alternatives could be reduced. Collectively, it set out opportunities for cost savings through shared services, increased business resilience and alternative working practices that were offered by the unions. It was confident that, with Diageo's support and involvement, further reductions in the value gap could have been made.

The task force's proposal also highlighted the consequences of Diageo's plans. Diageo is the single biggest employer in the affected areas and, in addition to 900 direct job losses, there will also be wider impacts within local communities. As the cabinet secretary said, we truly doubt that the company fully understands the significance and impact of its decisions on individuals, their families and the wider communities.

Corporate responsibility is not just about maintaining jobs. That is not always possible, but engagement with the Government to consider alternative proposals before plans are announced is important, not only because there have been instances of early engagement that have enabled us to safeguard jobs but because it allows support to be provided to mitigate the uncertainties for the individuals who are affected. If one lesson comes

out of the episode, it is about the benefits of early engagement. Not only is early engagement in the corporate interest, it is the mature and reasonable step that workers and wider communities expect. Thus, it is also in the indirect interest of businesses and their shareholders.

Diageo's decision not to implement the task force's proposal is extremely disappointing. As the Government, we must work towards developing arrangements to support those who will lose their jobs and livelihoods. Diageo has said that, as far as it is concerned, the issue is closed. However, that is not the case for the unions, which, through statutory arrangements, still have the opportunity to advance the case. We wish them well in that, and the task force organisations have offered them every support.

The Scottish Government will do everything in its powers to support the development of the unions' case, which will build on the task force's work and will doubtless reinforce our belief that there were opportunities to develop its proposal further in conjunction with Diageo. However, as the Government, we must now develop plans to deal with job losses and community impacts. We must give individuals who are likely to be affected certainty that their interests will be looked after.

East Ayrshire Council and Glasgow City Council will lead the response at the local level. The task force will continue to meet to pursue matters of common interest—in particular, holding Diageo to its responsibilities. The Scottish Government and its enterprise agencies will be active partners in all of that, guided by the recognition that, because of their local knowledge and understanding of inherent and obtainable opportunities, the local authorities are best placed to lead.

We are all in no doubt that Diageo must leave behind an acceptable legacy. We will work with Diageo and other partners, through the task force, to ensure that that happens.

That was the fundamental message that we got in members' speeches today. John Swinney set the scene, establishing the pride in the process that had been gone through, the disappointment and, now, the need to move forward to develop both the whisky industry and the communities that have been affected. John Park expressed his surprise at Diageo's actions, given its previous track record with the unions. I visited the Alloa cooperage just last year and saw it as an enlightened workplace. There has, therefore, been surprise and disappointment.

I was also surprised to hear that Robert Brown feels that there has been a lack of consistency on the part of the Government. We have a track record, throughout the recession, in dealing with Vestas, Barclaycard, the Schering-Plough

situation, the Rosyth to Zeebrugge ferry and HEROTsc in Larbert. I must show Duncan McNeil the letter that we have received from the managing director of HEROTsc in Larbert—I give that commitment.

Talking of commitments, what Patricia Ferguson got from John Swinney was an absolute commitment that we will work hard to ensure that Diageo plays its full part. I draw on lots of influences—the Danes and Norwegians are also working on corporate social responsibility—and the issue that we must get across to corporate Scotland and the wider corporates is that shareholder value is fine but corporates must go beyond that to endure and grow. If they are to endure and grow, they must adapt, innovate and continually execute better. If they want to do that, they must do two key things: they must align with what their customers need and they must get down among the people who are doing the work at the coalface to find out how the business can move forward. I encourage that approach in the future.

I got a sense of that from Duncan McNeil when he talked about the need for us to manage and facilitate change. That is very much what the Government has been doing in its proactive engagement with the sectors throughout its time in office.

Cathy Jamieson and Kenny Gibson can be sure that I will be keen to take up the cudgels for a wider summit in Ayrshire. The task force's primary focus is properly on the Diageo issue at present, but members will know that I have been running sessions in North Ayrshire, East Ayrshire and South Ayrshire—down in Girvan—this summer. I am keen to pull together more and more.

I acknowledge Ross Finnie's repeated call for a better way to approach sustainable economic development. That sits well in Scotland, where a lot of people of a similar mindset are working together. I advise him to contact the Strathclyde Institute for Operations Management, which is leading the way and offering guidance on that. We can get a better way forward if we act on the consensus that we have seen in the chamber today.

I was concerned to hear Iain Smith say that he feels that Fife is out of the loop. Fife Council was engaged in discussions with BDO Stoy Hayward, and the potential economic benefits to Fife were included in the ECOS report. The task force took very much a Scotland-wide approach, and the cabinet secretary kept Fife Council updated on a regular basis.

In conclusion, I pay tribute to the collective and co-ordinated work of the task force and individual members, which will feed into Ross Finnie's

aspiration. Although Diageo has rejected the task force's proposal, we still believe that it was a sound opportunity for further interaction and the development of mutually beneficial strategies and that Diageo was wrong to dismiss that opportunity.

Our priority now is to put plans and arrangements in place to support the individuals and communities that are affected. Those people must be supported in rebuilding their futures. In that context, I welcome what Irene Oldfather said about the new qualifying threshold for the European globalisation adjustment fund. We will certainly look into that, as such assistance will be a priority and a major element in the delivery of support to the communities. We will also continue to engage with the whisky industry proactively on how best to enhance its contribution to Scotland's sustainable economic growth and to the further premiumisation of whisky globally.

I commend to Parliament the motion in John Swinney's name.

## Question Time

### SCOTTISH EXECUTIVE

#### General Questions

11:40

#### **Scottish Commission for the Regulation of Care and National Health Service Staff**

**1. Irene Oldfather (Cunninghame South) (Lab):** To ask the Scottish Executive what importance it places on valuing care commission and NHS staff. (S3O-7882)

**The Minister for Public Health and Sport (Shona Robison):** The Scottish Government values all staff. NHS Scotland is committed to improving continuously the fair and effective management of staff through, for example, staff governance, which is placed on an equal footing with clinical and financial governance. As the Minister for Public Health and Sport, I meet representatives from the care commission regularly and we are satisfied that the care commission has appropriately skilled and qualified staff to carry out its range of regulatory responsibilities.

**Irene Oldfather:** Does the minister agree that, in reforming and improving public services, it is right to protect workers' employment and pension rights? I raise with her a matter that was brought to my attention by care commission employees. In issuing contracts to the staff of the new health care environment inspectorate, NHS Quality Improvement Scotland will not recognise previous NHS or care commission employment as continuous, thereby seriously disadvantaging staff in relation to conditions of service relevant to future redundancy. Will she agree to look into the matter to ensure that valued and experienced staff are not discouraged from transferring their experience within and between services that are vital to the elderly and to patient care?

**Shona Robison:** I am sure that Irene Oldfather is aware that, under agenda for change terms and conditions, NHS employers have the discretion to take into account any periods of employment with employers outside the NHS when those are judged to be relevant to NHS employment. Nevertheless, I hear what she is saying and acknowledge her concerns. I am happy to look into the matter further, as she has requested.

**Christina McKelvie (Central Scotland) (SNP):** Bringing together groups of staff from different agencies who are employed under different terms and conditions is always a complex and sensitive matter. However, the minister will agree that that

should not be a barrier to the integration of public services in order to drive effectiveness and improvement. Can the minister reassure the staff who work in the organisations that will be affected by the Public Services Reform (Scotland) Bill not only that their statutory employment rights will be respected and adhered to at all times, but that the lessons that have been learned from previous cross-service integrations—such as the creation of community health and care partnerships—will be applied and that good practice will be followed?

**Shona Robison:** I reassure Christina McKelvie that we expect good practice to be followed. The example that she has cited is a good one. The matters that she raises, like those that Irene Oldfather raised, relate to agenda for change and I am happy to take them up with the care commission.

#### **NHS Greater Glasgow and Clyde (Meetings)**

**2. Paul Martin (Glasgow Springburn) (Lab):** To ask the Scottish Executive when it last met representatives of NHS Greater Glasgow and Clyde and what issues were discussed. (S3O-7871)

**The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon):** I last met the chair of NHS Greater Glasgow and Clyde on 31 August at one of my regular meetings with all national health service board chairs. We discussed a wide range of issues. I also visited the Glasgow royal infirmary on Tuesday to discuss patient safety. I will chair the board's annual review on 19 October, at which the discussion will cover the board's performance against Scottish Government targets and local service priorities. Scottish Government officials also meet board representatives regularly to discuss matters of current interest.

**Paul Martin:** Will the minister join me in recognising the hard work of the Women's Royal Voluntary Service facility at Stobhill hospital? Does she agree that the new hospital at Stobhill should include a facility that will enable the WRVS volunteers to continue their hard work?

**Nicola Sturgeon:** I readily and enthusiastically join Paul Martin in praising the work of the WRVS not just at Stobhill hospital, but in hospital sites throughout Scotland, where the volunteers contribute a great deal. I have said previously, in response to a question from Duncan McNeil, that volunteers in the NHS do a wonderful job and deserve recognition and respect from us all.

I assume that Paul Martin's question alludes to the Aroma cafe concept that is being piloted at various sites in Glasgow—the royal infirmary, the Southern general hospital and the new Stobhill and Victoria hospitals. That pilot will undergo a full

evaluation by health facilities Scotland in October, the findings of which will inform boards' future decisions. For that reason, I am unable to say anything about future provision at the moment. Nonetheless, I am sure that Paul Martin's comments will be heard loudly and clearly in the evaluation process.

#### **Houses in Multiple Occupation (Licensing)**

**3. Sandra White (Glasgow) (SNP):** To ask the Scottish Government what measures contained in the draft housing (Scotland) bill are intended to reform the situation surrounding the licensing of houses in multiple occupation. (S3O-7847)

**The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon):** The draft housing (Scotland) bill, on which consultation has taken place, deals only with social housing issues. However, we are consulting on a number of proposals relating to private housing that might be included in the bill when it is introduced. Two of those relate to HMOs. The first is a proposal to amend the definition of a licensable HMO to deal with the problem of landlords avoiding licensing by claiming that tenants—particularly migrant workers—have a main residence elsewhere. The second proposes that, in cases where an HMO requires planning permission, a licence should not be granted unless the requisite planning permission has been obtained.

**Sandra White:** I thank the cabinet secretary for that detailed reply. I am pleased that consideration is being given to how we deal with the planning and migrant workers situations.

The cabinet secretary is aware of the large number of HMOs in Hillhead in the west end of Glasgow. Many people in the area are concerned about the lack of enforcement and inadequate fines for landlords who do not comply with the legislation. Will she take on board their concerns and consider whether they might be dealt with through the housing bill? After all, we need to get rid of such unscrupulous landlords, so we need more enforcement and larger fines.

**Nicola Sturgeon:** I acknowledge the premise of Sandra White's question regarding the large number of HMOs in parts of Glasgow, in particular the west end. Of course, not all those HMOs are run by unscrupulous landlords; many of them provide decent accommodation for, for example, the student population. However, Sandra White has raised some important points about HMOs. I can assure her that those points, which she and others continue to make, will be taken on board by the Government in order that we can deal with the minority of unscrupulous landlords who undermine the reputation of the others.



**Pauline McNeill (Glasgow Kelvin) (Lab):** I commend the Scottish Government for including in the housing bill consultation an additional question on whether planning permission should be required before an HMO licence is granted. As the cabinet secretary referred to, in parts of my constituency such as Hillhead and elsewhere, communities are breaking down because the concentration of HMOs is so high.

I have been advised that the Government is considering a transition period in addition to the three years that we have already been waiting for the implementation of the Housing (Scotland) Act 2006. Will the cabinet secretary accept a plea from me today that the legislation should be brought into force without delay? When is the legislation likely to be able to be used by authorities such as Glasgow City Council? For the record, I have had a meeting with the council, whose position is that the legislation should be available now without any further delay.

**Nicola Sturgeon:** I acknowledge Pauline McNeill's interest in the issue. She is right to point out that the 2006 act could deliver significant improvements, particularly in the enforcement powers of local authorities. As she is aware, implementation of the provisions was postponed to allow other changes to the private rented sector, in particular the changes to landlord registration, to become more established and to allow local authorities to develop their expertise under the existing HMO licensing system. We want to discuss with stakeholders how to commence the provisions, including the use of ministers' powers under the 2006 act. We have had initial discussions with local authorities on the options for implementation and we will take those forward in the very near future. I will ensure that Pauline McNeill's comments are fully fed into that process.

### **A83 (Closure)**

**4. Jamie McGrigor (Highlands and Islands) (Con):** To ask the Scottish Executive whether it will provide an update on the consequences of the closure of the A83 at the Rest and Be Thankful. (S3O-7791)

**The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson):** Following the recent landslide, considerable effort was made quickly to remove more than 1,000 tonnes of debris from the A83 and to clear the blocked culvert and ditches, so that the road could be reopened to traffic at the earliest opportunity. The road was reopened on 10 September, two days after the initial closure.

**Jamie McGrigor:** Does the minister recognise the anger and concern in my region that, less than two years after the previous landslide, the key artery into Argyll and Bute was again closed at

exactly the same place? Does he understand the fear of people waiting at that traffic light below that mountain, where they are potentially in the path of a landslide? What specific action will the Scottish Government take to prevent future closures and tackle the long-term problem of potential landslides? Other European countries seem perfectly able to deal with that problem.

**Stewart Stevenson:** As the member is aware, the actions that were taken following the 2007 landslip were largely what led to the early closure of the road in advance of the recent slip, thus protecting public safety. I am very satisfied with the way that that happened and the readiness of Transport Scotland and its partners to respond quickly to clearing the road.

We intend that, in 2010, we will have in place a permanent solution to the problem at that part of the hill. The improvement scheme will involve building a new culvert under the road, strengthening the embankment below the road and installing new drainage above and below the road. We are conscious of the need to inspect the further landslip to ensure that our plans take account of the effect of that. We plan that construction will start in spring 2010.

### **Prisons (Drugs)**

**5. Nigel Don (North East Scotland) (SNP):** To ask the Scottish Government what steps are being taken to tackle drugs in Scotland's prisons. (S3O-7825)

**The Minister for Community Safety (Fergus Ewing):** The Scottish Prison Service is committed to reducing the harm that is caused by substance misuse. Security measures are in place to reduce the supply of illegal drugs into prisons. Treatment, care and support to prisoners recovering from drug use are provided through services that are broadly equivalent to those that are available in the community.

**Nigel Don:** Our prisons have historically faced drug use problems, so Craiginches prison in Aberdeen will be no different from most. What plans are there to implement the lessons learned from the work that is being done in Saughton prison? What progress is being made on the introduction of mobile tracing machines for detecting drugs?

**Fergus Ewing:** The mobile tracing machines that were purchased by the SPS have been deployed in Edinburgh prison and Shotts prison, but they are a national resource. They are being used with considerable success. I praise prison officers throughout the prison estate for the excellent work that they carry out in that field.

At Craiginches prison in Aberdeen to which the member referred, there have been 45 drugs

seizures between April and August this year, 400 cell searches and 15 area searches. A thorough and effective approach is taken towards security measures in prisons by our prison officers. I commend them for their efforts.

### **Housing (Communal Repairs)**

**6. Ms Wendy Alexander (Paisley North) (Lab):** To ask the Scottish Executive whether its forthcoming housing bill will tackle public concern that factors continue to rely on responsible tenants to meet the full costs of communal repairs and are not effectively pursuing owners who are unwilling to contribute. (S3O-7849)

**The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon):** We are working with the industry, consumer organisations and others to establish a property managers accreditation scheme that will raise standards and financial transparency. We are also consulting on including powers in the forthcoming housing bill so that local authorities can choose to intervene where owners are unwilling to pay for essential maintenance.

**Ms Alexander:** As the cabinet secretary knows, there is widespread concern that continuing to rely on a voluntary scheme will mean, by definition, that disreputable factors will not be compelled to participate. Will the housing bill propose measures to tackle unacceptable practices by factors?

**Nicola Sturgeon:** First, I hope that we will be able to achieve a degree of cross-party consensus on the issue. I have a great deal of sympathy with the intent behind Patricia Ferguson's bill proposal, which I commend her for introducing. I hope that we can work together to devise a system that is a vast improvement on the current one.

As Wendy Alexander will be aware, the Office of Fair Trading carried out a market study of property managers in Scotland that concluded that self-regulation, if successful, is the most effective way of building lasting improvements and encouraging higher standards. However, we would want to evaluate fully the effectiveness of such a scheme. We will continue to make it clear to stakeholders that if practices do not improve, we will consider using stronger measures. I hope that that is an issue on which the Parliament can work together.

The housing bill may include the specific provision to which I alluded in my first answer. At the moment, when works justify local authority intervention, the authority can decide to replace the missing shares of owners who are unable to pay for maintenance work. We are consulting on extending that to allow authorities to provide the missing shares of owners who are unwilling to pay. If that proposal goes ahead, it may improve the situation in certain circumstances.

**Patricia Ferguson (Glasgow Maryhill) (Lab):** The minister is aware that there has been a voluntary scheme of factor registration in Scotland for many years and that it has singularly failed to make any difference whatsoever to the practices of some factors, who operate in a highly disreputable way and cause a great deal of hardship and concern to many in our society. Will she take what might be the final opportunity in the current session to legislate? If she will not, I will.

**Nicola Sturgeon:** I repeat that I strongly hope that although we may have different views on the best way to achieve the objective, we agree on the objective. As that is not always the case in Parliament, we should take advantage of the situation and try to work together. I agree with Patricia Ferguson that the current system is inadequate—that is why we are taking action to improve it. The work on the accreditation scheme is about developing core standards so that we improve those standards and provide greater transparency around them. I repeat that the view of the OFT is that that kind of system is preferable, if it can be made to work.

I am more than happy to make an open offer to Patricia Ferguson to continue to work with her, so that across the Parliament, we can achieve a change in the system that will be of benefit to residents across Scotland.

### **Air Ambulance Cover (Orkney)**

**7. Liam McArthur (Orkney) (LD):** To ask the Scottish Executive whether it will support the provision of a Kirkwall-based aircraft providing air ambulance cover as well as interisland transport for other health services. (S3O-7809)

**The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon):** Both NHS Orkney and the Scottish Ambulance Service have confirmed that they would be very happy to be involved in discussions with relevant partners in Orkney about the proposal. For the interests of the health service to be met, it would be important to ensure that patients would be transferred in a community aircraft only when it would be clinically safe and appropriate for that to happen.

**Liam McArthur:** I thank the cabinet secretary for her comments, which echo those of the chief executive of the SAS, Pauline Howie, when she visited Orkney last month.

In that context, will the cabinet secretary urge the SAS, along with NHS Orkney, to consider trialling a Kirkwall-based aircraft as back-up for the Inverness helicopter? Does she agree that that would help inform decisions about the next air ambulance service contract, which is due to start in 2013? Does she accept that the benefits of such

a trial are likely to be felt not just in Orkney, but by patients across the vast region that the Inverness helicopter is expected to cover?

**Nicola Sturgeon:** Liam McArthur rightly refers to the procurement exercise for the air ambulance contract that got under way just recently, which will allow the service in Orkney and across the rest of Scotland to be looked at. MSPs and others will have an opportunity to raise concerns and to contribute to that process, and I urge Liam McArthur to do so.

I have already said that both NHS Orkney and the SAS are happy to be involved in discussions on the proposal that Liam McArthur mentioned. By necessity, that must involve other partners as well. I note that it is extremely positive that NHS Orkney is working closely with the SAS to ensure that the air ambulance service is meeting the needs of people in Orkney. I commend both boards for their commitment to joint working and encourage them to build on it.

#### **Offshore Europe 2011 (Transport Infrastructure)**

**8. Lewis Macdonald (Aberdeen Central) (Lab):** To ask the Scottish Executive what additional transport infrastructure will be in place before the next offshore Europe oil and gas conference and exhibition in 2011. (S30-7874)

**The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson):** The Scottish Government is investing and will continue to invest across the transport network in Scotland. That includes investments in Aberdeenshire, such as the one that resulted in the recent revision of the rail timetable, which is delivering faster journeys between Aberdeen and Edinburgh.

I congratulate all who were involved in this year's offshore Europe conference on a highly successful event and look forward to welcoming the conference back to Scotland in 2011 and for many years to come.

**Lewis Macdonald:** Does the minister share my concern that the next offshore Europe conference has been cut short because Aberdeen's transport infrastructure will not be able to cope? If he shares that concern, will he publish a development timetable to guarantee completion of the Aberdeen western peripheral route in time for, if not the next offshore Europe conference, at least the one after that?

**Stewart Stevenson:** The member knows that we received the reporter's report on 30 June. There were more than 9,000 objections to the AWPR. It is necessary that we examine that report rigorously, otherwise we will be open to legal challenge and delays that would accrue from that.

However, we are absolutely committed to making the fastest possible progress on the matter.

**The Presiding Officer (Alex Fergusson):** I know that members will wish to join me in welcoming to the gallery the Speaker of the House of Commons, the right hon John Bercow MP. [*Applause.*]

Following First Minister's question time last week, I had a constructive meeting with party leaders at which we all agreed that the ability of back benchers to participate in First Minister's question time is an extremely important part of our proceedings. I am grateful to the party leaders for their co-operation on those matters. [*Interruption.*] It is anticipated co-operation.

## First Minister's Question Time

12:03

### Engagements

**1. Iain Gray (East Lothian) (Lab):** To ask the First Minister what engagements he has planned for the rest of the day. (S3F-1870)

**The First Minister (Alex Salmond):** Later today, I will have meetings to take forward the Government's programme for Scotland.

**Iain Gray:** The First Minister's budget for next year will rise by £600 million. He chose, for good reasons, to spend some of that budget this year. We all know that he is now trying to claim that there has been a cut. If there is a cut, it is a cut that he has made in his own budget. Is it not time that he took some responsibility for his own decisions and dropped the dodgy accounting for his own purposes?

**The First Minister:** If the acceleration of capital investment is dodgy accounting, that dodgy accounting emanated from the Treasury at Westminster, which gave permission for it. Today is the day for a reality check for Iain Gray. The Cabinet Secretary for Finance and Sustainable Growth has said that next year, for the first time since devolution, the budget for the Scottish Parliament and Government will decline in real terms. Sooner rather than later, Iain Gray will have to face up to that fact and work out the Westminster Treasury's responsibility for it.

**Iain Gray:** The First Minister can spin the numbers in any way that he wants to, but the people of Scotland know that he raided next year's budget and is now blaming someone else. *[Interruption.]*

**The Presiding Officer (Alex Ferguson):** Order.

**Iain Gray:** The people of Scotland know that our economy benefited from £37 billion to save our banks, that our budget has been protected from a 10 per cent drop in tax receipts and that the budget is going up, but they also know that we have to tighten our belts. Does the First Minister agree that the first things to go should be programmes that are just not working?

**The First Minister:** Iain Gray's tighten-the-belt moment is similar to the cut moment for Gordon Brown at the Trades Union Congress. It is disgraceful that Gordon Brown did not inform Iain Gray before he made his declaration at the TUC that cuts are now on the Labour agenda, and it is appalling that the Westminster Treasury did not inform Andy Kerr, in order to make him look less ridiculous, that it planned cuts of 9 per cent over

the next five years. Last week, I saw him shaking his head when I mentioned exactly that figure.

**Iain Gray:** What I heard Gordon Brown say was that programmes that are not working will have to be cut. *[Interruption.]*

**The Presiding Officer:** Order.

**Iain Gray:** Everything has to be looked at. What about the Scottish Futures Trust? Two and a half years and £23 million on, the Scottish Futures Trust has not built a single school or hospital. Today, its chief executive told us that it will be a few years before it is properly up and running. That is about as not working as you can get. Will the First Minister cut the Scottish Futures Trust now to protect front-line services?

**The First Minister:** No; I agree with Iain Gray's first admission: that the Trident programme and weapons of mass destruction should be cut. I think that everyone in Scotland would favour an institution that will build schools throughout the country in a cost-effective manner before weapons of mass destruction from the Labour Party.

**Iain Gray:** There is always somebody else to blame. It is always somebody else's responsibility, and always somebody else's programme that needs to be cut. What is the First Minister's real priority? Is it public services, or his own pet projects? Is it running Scotland, or running a campaign for separation? The national conversation is not working, and support for independence is plummeting, so we should cut that conversation now. I would rather have one more teacher, nurse or apprentice than one more minute of the national conversation. Teachers, nurses and apprentices are our, and Scotland's, priorities. What about the First Minister's priorities?

**The First Minister:** It is not a question of one more nurse—there are now more than 2,000 more people working at the front line of the health service in Scotland. If Iain Gray had not, when he saw the public sector employment figures yesterday, tried to tell people that there were fewer social workers when it is the Labour council in Glasgow that is privatising home helps, he would have realised that there has been a surge in national health service employment in Scotland under this Government.

Yes, politics is the language of priorities. We do not believe that accelerating investment is raiding a budget; we believe that it is supporting 5,000 jobs in Scotland. Yes, we have put the national health service and the school building programme before Trident missiles and weapons of mass destruction—whether Iain Gray supports them or not.

### Secretary of State for Scotland (Meetings)

#### 2. Annabel Goldie (West of Scotland) (Con):

To ask the First Minister when he will next meet the Secretary of State for Scotland. (S3F-1871)

**The First Minister (Alex Salmond):** I met the Secretary of State for Scotland yesterday.

**Annabel Goldie:** Yesterday's shocking unemployment figures show the human cost of Labour's recession, and we know that Labour cuts are on the way. In April, Labour's national insurance hike will increase tax for ordinary workers right across Britain, so the last thing that Scotland needs is a Scottish National Party tax rise on top of Labour's tax rise. Will the First Minister confirm that continuing to freeze council tax is at the top of his budget priorities?

**The First Minister:** The Cabinet Secretary for Finance and Sustainable Growth said on Sunday that he was confident that, for the third year in succession, we could have a council tax freeze in Scotland, which will give vital help to hard-pressed families at a time of recession. I suspect that that is one of the reasons why the retail sales figures in Scotland look so positive at present. Freezing the council tax is right, because it is fair to restrict the imposition of an unfair tax. I say to Annabel Goldie that although I still believe that it would be better to find a fair system of taxation, even freezing the council tax is better than the gigantic increases that took place under the Conservative and Labour Governments.

**Annabel Goldie:** Time and again, Alex Salmond has spurned Conservative proposals to free up public money for the most pressing public need. He can no longer dodge and weave. Does he regret keeping Scottish Water under state control, which costs the taxpayer nearly £200 million every year, and abolishing the graduate endowment, which is nearly £20 million every year? How can he justify stripping £40 million every year from our vital health budget so that he and I can get free prescriptions? That is a saving of a quarter of a billion pounds every year that he has rejected. Will he think again?

**The First Minister:** To have a health service that is free at the point of need is an aspiration and a policy that this Government is proud of. Restoring free education in Scotland does not just accord with a Scottish tradition; it is a policy that this Government is proud of.

On the question of Labour cuts, I am trying to reconcile Murdo Fraser's declaration in a debate in Parliament in June that

"Labour cuts are coming"

—we now know that he was correct—and that those cuts

"are far worse than any cuts the Tory party would impose"—[*Official Report*, 11 June 2009; c 18308.]

with what is emanating from the Tory Opposition in Westminster, which seems to be, "Cut first, and cut most."

### Cabinet (Meetings)

**3. Tavish Scott (Shetland) (LD):** To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S3F-1872)

**The First Minister (Alex Salmond):** The next meeting of the Cabinet will discuss issues of importance to the people of Scotland

**Tavish Scott:** Mr Salmond froze the council tax in his Government's first budget to take the sting out of a difficult issue and give time to introduce a local income tax. Local income tax has been dumped by the Scottish National Party, so the justification for a central Government imposed tax regime on local government surely no longer exists.

In evidence to the Local Government and Communities Committee, Dundee City Council stated that a freeze in the council tax "may not be sustainable" and that the pressures that it creates put at risk support for children, homelessness services and business advice. Highland Council and Aberdeenshire Council are saying similar things, as are Falkirk Council and South Ayrshire Council. Does the First Minister agree with those councils that today's budget should give them the money to allow them to make the choice and decide whether to freeze the council tax or protect the services that they were elected to deliver?

**The First Minister:** I remember two things. I remember Tavish Scott, or his party at least, telling us that the council tax could not be frozen in Scotland. The council tax has been frozen in Scotland. On the subject of councils responding to the tight financial environment, I suspect that all the councils that Tavish Scott mentions, and every other public service and authority in Scotland, will be grateful that we did not take his advice and chop £800 million off the Scottish budget by reducing income tax.

**Tavish Scott:** Of course, that was nothing to do with the question that I asked. [*Interruption.*]

**The Presiding Officer:** Order.

**Tavish Scott:** Dundee City Council is an SNP council and it is worried about what the First Minister's policy will do to its services. I do not know why he will not listen to that. For local people, the issue is whether their local council can keep care homes open, provide specialist help to vulnerable children and keep teachers at work. Those are front-line services on which people rely. Why, then, does the First Minister want to make

decisions about them in Bute house? Why will local councillors and local people not get to make them? Is the First Minister not simply nationalising the policy and localising the blame?

**The First Minister:** I would have thought that the incentive that the finance secretary has provided over the past two years to freeze the council tax, which has been taken up by every single local authority in Scotland, has been a substantial success. If Tavish Scott is truly concerned about the £70 million that will go to local authorities to allow them to freeze the council tax in the continuing recession, why on earth is he not concerned about the £800 million that he wanted to cut from public services in Scotland? Tavish Scott said that that has nothing to do with his first question. I would have thought that proposing, as he did, a cut of 10 times the £70 million incentive is exactly the question. I know that it has been six months or so since Tavish Scott proposed that policy, and I know that six months is a difficult gap for the Liberals to bridge, but it is very relevant to the question.

**The Presiding Officer:** I have a number of requests for constituency questions.

**Angela Constance (Livingston) (SNP):** The First Minister will be well aware of Bausch & Lomb's announcement of the closure of its Livingston site and the transfer of all production to Ireland. Will he guarantee that the Scottish Government will continue vigorously to explore all options with a view to saving jobs in Livingston? Does he agree that there has been an injustice to the 500-strong workforce, who have been crucial to the success, efficiency and productivity of Bausch & Lomb in Livingston?

**The First Minister:** Yes, I agree with that. We are all hugely disappointed that Bausch & Lomb reached the decision that it did, particularly as it is clearly no reflection on the skilled and valued workforce in Livingston. We have made every effort to offer alternatives. We have explored every option in relation to future use of the site and support for the workforce that has been affected by Bausch & Lomb's decision. I have met the company's chief executive officer twice and Scottish Development International sent a team to Rochester with two alternative proposals that would have allowed the Livingston site to continue in production.

The company has indicated its willingness to discuss research and development possibilities, and that has been actively followed up by SDI, as indeed will every other option that comes forward as an alternative to closure. All of that will be part of the obligation that we have to assist both the workforce individually and the community in general, who are bearing the brunt of the closure decision.

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** Does the First Minister share my concern at plans by the international company that produces Chambers reference books to close its Scottish office in my constituency with the loss of all jobs? Will he do everything he can to support the staff of this most historic and iconic of Scottish publishers and to question the stated reasons for this unnecessary closure?

**The First Minister:** Yes. I am concerned about the point raised by the constituency member and I will ensure that the Minister for Enterprise, Energy and Tourism and the Cabinet Secretary for Finance and Sustainable Growth discuss it with him and the company concerned.

**Alasdair Allan (Western Isles) (SNP):** Will the First Minister join me in congratulating the community on Uist on its successful campaign to maintain jobs at the Hebrides range? *[Interruption.]*

**The Presiding Officer:** Order.

**Alasdair Allan:** The people have done so in the face of proposals by the Ministry of Defence's contractor that would have been logistically impractical and would have had devastating consequences for the islands. Does the First Minister share my regret that the community was put through the trauma of the whole episode in the first place?

**The First Minister:** It is of enormous credit to the community of the Uists and the dedication and hard work of the Hebrides range task force that they have been able to give the United Kingdom Government pause for thought over what was a short-sighted proposal for the range. *[Interruption.]* I say to the whole chamber that when a constituency member talks about jobs in his constituency he is entitled to be listened to and answered with respect. I congratulate all who worked tirelessly over recent weeks to make a robust and persuasive case to the MOD and to reject the damaging proposals. The Government looks forward to continuing to work with the Hebrides range task force as it takes forward proposals to develop the range's potential.

**Michael McMahon (Hamilton North and Bellshill) (Lab):** Is the First Minister aware that my constituency has suffered one of the highest rates of increase in unemployment in Scotland and that the scale of the problem was exemplified last week when almost 6,000 job application forms were issued to people hoping to obtain one of the 400 jobs that will be created when Tesco opens its new store in Bellshill? Is the First Minister also aware that the number of clients seeking careers advice at the Bellshill careers service has doubled in the past year? If so, does he agree that Skills Development Scotland's decision last week to

close the service is madness? Is he as concerned as I am that SDS has chosen to abandon one of the hardest hit areas in Scotland to save the £100 a week that it costs to rent the office of the local Mosshill Credit Union? Will he join me in calling on SDS to reverse this ludicrous decision, or does he agree with the organisation that the unemployed workers and young people of Bellshill and Viewpark are not worth £100 of his Government's money?

**The First Minister:** That is not the view of Skills Development Scotland. No community in Scotland will be left without support for skills development; indeed, the skills action plan is achieving significant support and success the length and breadth of the country. Recently, we have undertaken a joint initiative with Jobcentre Plus to advertise skills training throughout the country.

I am hugely aware of the seriousness of unemployment in many areas of Scotland. The significance of yesterday's figures was not, as some said, that the increase was half that of levels elsewhere in the UK, but that thousands more people were out of work in Scotland. As a result, I think that, right now, it is rather important for the Parliament to press unitedly for the acceleration of capital investment into next year and allow the 5,000 jobs that the funding can support to continue in our economy. Although there are indications of recovery throughout the country, that recovery is, at best, fragile, which is why the Parliament needs to press unitedly not just on the skills action plan but in maintaining vital employment through that vital capital investment.

### University Tuition Fees

#### 4. Jamie Hepburn (Central Scotland) (SNP):

To ask the First Minister what consideration the Scottish Government has made of the call by Stewart Sutherland for the reintroduction of university tuition fees. (S3F-1879)

**The First Minister (Alex Salmond):** Lord Sutherland is entitled to his views, but we disagree that Scotland should reintroduce the tuition fees that were so recently abolished by this Government and Parliament. We have always made it clear that we believe access to higher education should be based on the ability to learn, not the ability to pay, and up to 50,000 students and graduates have benefited from the abolition of the fees. We are investing a higher proportion of our budget and spending in Scotland's universities than the previous Administration did, with the figure up from 3.73 to 3.79 per cent.

**Jamie Hepburn:** Does the First Minister share the concern that has been expressed by the rector of the University of Edinburgh, Iain Macwhirter, that some are attempting to paint Scotland's system of free education as a dangerous

anachronism? Does he agree with Mr Macwhirter that the introduction of uncapped fees for tuition would turn our great egalitarian seats of learning into anachronistic bastions of privilege?

**The First Minister:** I agree with the rector of the University of Edinburgh. We should remember that Scotland's universities rank in the top echelons of the world, not just on teaching and access to education but on research. For example, on research papers relative to gross domestic product, with 1 per cent of citations, we are ranked second, just behind Switzerland and ahead of the United States. I do not see any dangerous anachronism in that performance by universities.

I noticed that, a week ago, the new president of Universities UK, Professor Steve Smith, who was speaking at the body's annual conference in Edinburgh last Thursday, said on the issue of tuition fees:

"The issue is ... irrelevant in Scotland. It's not something we are thinking about. Because the funding level is roughly comparable (with England's) it seems to me there is no issue."

The vast majority of people in Scotland, based on an informed opinion, support the principle of free education and will not wish it to be reversed.

#### Murdo Fraser (Mid Scotland and Fife) (Con):

The First Minister will surely know that, just as there is no such thing as a free lunch, there is no such thing as free education. Somebody has to pay and, in the case of universities, it is the taxpayer. Scottish universities are concerned that they will fall behind better-funded counterparts down south. Surely the way in which to address those concerns is to set up an independently chaired review of higher education funding, as we have called for. What is the First Minister afraid of?

**The First Minister:** There is a bit of replay about Murdo Fraser. Analysis has taken place and meetings have been held between the universities and the Cabinet Secretary for Education and Lifelong Learning. In balancing the views on the issue and comparing the opinions of Murdo Fraser, deputy leader of the Conservative party in Scotland, and Professor Steve Smith, president of Universities UK, I am sure that Murdo Fraser will forgive me if I take Steve Smith's opinion, as expressed in Edinburgh last week, as having slightly more authority on the funding position of our universities than even that of Murdo Fraser.

#### Claire Baker (Mid Scotland and Fife) (Lab):

Does the First Minister recognise that, in all the debates on student and university funding, there are huge concerns about the levels of support that students receive while they study? Will he consider seriously the proposal from the Opposition parties to make maximum use of the £30 million that is allocated for student support?

**The First Minister:** We are working carefully on how we can enhance student support in Scotland. To return to the original question, I am sure that the member will acknowledge that reimposing tuition fees throughout Scotland would not and could not be the right way to proceed. We are working to enhance student support where we can within the budgets that we have. However, the principle of free education should be welcomed and supported throughout the country. I see Lord George Foulkes shaking his head—I must say that Lord George's support for tuition fees is one reason why he is not rector of the University of Edinburgh and Iain Macwhirter is.

### Class Sizes

**5. Ken Macintosh (Eastwood) (Lab):** To ask the First Minister whether the Scottish Government remains committed to achieving the Scottish National Party manifesto pledge of a maximum class size of 18 for primaries 1 to 3 within the current parliamentary session. (S3F-1876)

**The First Minister (Alex Salmond):** As stated in our concordat with local government, we will continue to work with the Convention of Scottish Local Authorities to deliver our class size commitment. We are making significant progress. Across all schools, we have a record low pupil teacher ratio of 13.1; in primary schools, we have the lowest ever average class size at 23.2; the percentage of pupils in P1 to P3 classes of 18 or under is increasing; and the percentage of pupils in P1 to P3 in large classes over 25 reduced by 15 per cent in the past year.

**Ken Macintosh:** Does the First Minister agree that it is wrong to leave parents and local authorities to battle it out in the courts over parental choice, placing requests and class sizes? Does he believe that legislation is needed to set a new limit of 25 and that that would help him to achieve his class size targets?

**The First Minister:** The matter is under active consideration. As the member well knows, we have had representations from, among others, Councillor Alan Lafferty of East Renfrewshire Council. Councillor Lafferty wrote:

"As discussed at our previous meeting, it would be helpful for this Council if legislation were amended with respect to class sizes .... Whilst this will not allow us to reach the target of 18 in our most popular schools, it would at least allow us to work towards the target."

The Cabinet Secretary for Education and Lifelong Learning considers such representations carefully.

**Margaret Smith (Edinburgh West) (LD):** The public sector employment statistics that came out yesterday highlighted the scandalous drop of 1,000 in teacher numbers. How does the First

Minister explain that drop and how will it affect his Government's class size pledge? With his education secretary burying her head in the sand and blaming councils, will the First Minister admit finally that his class size policy is failing because it is not backed up legislatively or financially by the Scottish Government?

**The First Minister:** Local authorities have record funding for their purposes under the concordat—[*Interruption.*]

**The Presiding Officer:** Order.

**The First Minister:** Even in the tightest of financial climates, the percentage of funding going to local authorities will increase when compared with that under the previous Labour and Liberal Administration. I will not go back through all the statistics that I have just recited to Ken Macintosh for Margaret Smith's benefit to indicate that we are making progress towards the target. It is the case, of course, that it is local councils that make decisions to employ teachers in Scotland. I regret the drop in teacher numbers, as recorded by the teacher surveys. I also note that a quarter of that drop occurred in one single council area: Glasgow.

### Budget 2010-11 (Public Sector Jobs)

**6. Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** To ask the First Minister whether the Scottish Government intends to halt the growth in public sector jobs as part of its 2010-11 budget. (S3F-1890)

**The First Minister (Alex Salmond):** Since May 2007, we have reduced the number of public bodies in Scotland from 199 to 162 and increased the number of staff working in front-line services. There are now more general practitioners, dentists, nurses, consultants and midwives and far more police than there were in 2007, and our pupil teacher ratio is at an historic low for the second year running. I would like to know which of those vital front-line jobs Jeremy Purvis would like us to cut.

**The Presiding Officer:** The questions are to the First Minister.

**Jeremy Purvis:** The figures to which the First Minister referred are in the so-called slimming-down section of the official figures that were published yesterday. It shows that the number of people working in quangos under his direct control has gone up by 2,040 since he took office. Does the First Minister regret that too?

Although councils are reducing the number of teachers, central Government in Scotland has increased by 800 the number of civil servants over the same period. Does the First Minister regret that too? Will the budget halt the growth in numbers of core civil servants and quango staff, or



will the trend of growth continue under his Administration?

**The First Minister:** What I regret is Jeremy Purvis's total inability to read the statistics publication notice, particularly where it explains that the number of core staff in the Scottish Government has declined. The increase in staff to which he referred in his press release yesterday has been caused by central Government taking in staff from Communities Scotland, the Scottish Agricultural Science Agency, the Scottish Building Standards Agency, Fisheries Research Services, the Scottish Fisheries Protection Agency and, of particular interest, the Mental Health Tribunal for Scotland. The number of core staff in the Scottish Government has declined.

Although I accept that Jeremy Purvis's error is not as dramatic as Iain Gray's error about the privatisation of social work staff by Glasgow City Council, if he is going to look at a statistical bulletin, it is best that he looks at its detail and does not release his press statement before he understands the figures.

**Margo MacDonald (Lothians) (Ind):** Will the First Minister give me an assurance, as regards possible cuts to the personnel employed in local government, that he will have nothing more to do with artificially set class sizes that do not carry over from one authority to another or from one subject to another? On top of that, will he be guided by the principle of first working out the worth of the work that is done by people who may well have to have their jobs curtailed by having shorter hours, for example?

**The First Minister:** I do not think that having lower class sizes is an unreasonable objective to be set by the Government, nor do councils throughout Scotland. That is why in the concordat, the councils agreed to work towards lower class sizes and to make progress on a year-to-year basis.

I know that Margo MacDonald is a long-standing opponent of the utility and worth of lower class sizes, but we believe that there is substantial international evidence that, particularly in the early years of primary, lower class sizes can be extremely effective in enhancing a child's ability to learn. I am proud of the fact that we are trying to reduce class sizes in Scotland. I will defend that policy and I believe that, as the concordat indicates, councils throughout the country are very positive about the policy, too.

12:30

*Meeting suspended until 14:15.*

14:15

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

#### Europe, External Affairs and Culture

**The Deputy Presiding Officer (Alasdair Morgan):** Good afternoon. Before we start, I would like to say how disappointed I am by the number of members who have not lodged questions after being successful in the ballot. That is obviously highly inconsiderate to other members, who have been deprived of the chance to ask a question. I hope that the party business managers will take back to their troops the message that this kind of thing really cannot be tolerated.

Question 1 has not been lodged.

#### National Trust for Scotland (Bannockburn)

**2. Murdo Fraser (Mid Scotland and Fife) (Con):** To ask the Scottish Executive what discussions it has had with the National Trust for Scotland regarding the future of the Bannockburn heritage centre. (S3O-7800)

**The Minister for Culture, External Affairs and the Constitution (Michael Russell):** It is broadly recognised by the National Trust for Scotland and by others that the visitor facilities at Bannockburn are in need of significant improvement. In 2008-09, the Government provided a grant of £150,000 to improve the educational facilities. That was spent mainly on a new educational video, which was launched recently. In 2009-10, a further £180,000 was made available to provide grants to school parties to visit Culloden, Bannockburn and, in due course, the Burns museum.

The year 2014 will be the 700<sup>th</sup> anniversary of the battle. I have asked my officials at Historic Scotland to work in partnership with the National Trust to develop appropriate proposals for improving visitor facilities in time for the anniversary and to explore how more synergy between Bannockburn and Stirling castle, which is in the care of Historic Scotland on behalf of Scottish ministers, can be achieved. Discussions between the two organisations about the nature and scope of such a project have commenced but are at a very early stage.

**Murdo Fraser:** I am grateful to the minister for his response, which has largely pre-empted my supplementary question. I had been going to ask him whether he accepted that the Bannockburn centre requires upgrading, particularly when it is compared with the excellent centre that has been

created at Culloden. Given that it will be the 700<sup>th</sup> anniversary of the battle in five years' time, now would be an appropriate time to consider launching a public appeal for funds.

I am also grateful to the minister for his commitment. Will the Scottish Government work with the NTS to establish whether an upgrade of the Bannockburn centre can be brought about so that we can all celebrate and commemorate the 700<sup>th</sup> anniversary appropriately, without, of course, straying into the field of narrow nationalism?

**Michael Russell:** I was willing to welcome Murdo Fraser's words until he got to that last sentence. I was going to welcome his change of heart. At the weekend, he took extraordinary offence at the sight of children with wooden swords, presumably because he thought that they were threatening my friend Mr Brown, who was in the photograph as well, and denounced the whole concept of people visiting Bannockburn. Indeed, I thought that his idea of celebrating the 700<sup>th</sup> anniversary might be to build on the site or to put a wall around it.

The reality is that, like many sites in Scotland, Bannockburn is an enormously important site. Essentially, it is the cradle of the modern Scottish nation. In those circumstances, it is entirely appropriate for us to find ways to celebrate it. Improving the facilities is the first part of that. Now that Mr Fraser stands behind the project, nothing will be able to get in its way.

**Rob Gibson (Highlands and Islands) (SNP):** I always wondered whether the story of Bannockburn was told in schools in England, but that is for another day.

Given the overruns in delivery by the National Trust for Scotland, what timescales will be required to plan and deliver the upgrades at Culloden and the Burns centre? Will a similar timescale be needed to deliver a top-class redevelopment of the Bannockburn centre?

**Michael Russell:** The member asks an extremely pertinent question. The timescale for the Culloden project was longer than would be possible for Bannockburn, but we are talking about a more modest project, which I anticipate will involve redevelopment rather than a complete rebuild.

We are at an early stage. We have more modest expectations, although we expect a development of the highest quality. We have time, but in the scheme of building attractions, five years is not a long time, so we will have to concentrate hard.

### Lighthouse (Glasgow)

**3. Des McNulty (Clydebank and Milngavie) (Lab):** To ask the Scottish Executive what

discussions are taking place with Glasgow City Council and the architecture and design professions regarding the future of the Lighthouse in Glasgow. (S3O-7879)

**The Minister for Culture, External Affairs and the Constitution (Michael Russell):** As the member knows, because he asked a similar question last week and is a former member of the board of the Lighthouse, the future of the Lighthouse Trust as a company is now unfortunately in the hands of the administrators.

My officials have commenced discussions with the administrators and Glasgow City Council to explore options for the Lighthouse, including its use as a national architecture centre, to build on the good work that has been done there. Wider discussions with the architecture and design professions will follow if we can find acceptable and financially viable proposals; I think that we can.

**Des McNulty:** As well as being a former member of the board of the Lighthouse, I was chair of the 1999 festival of architecture and design, which saw the creation of the Lighthouse as a centre for architecture and design in a splendid Charles Rennie Mackintosh building that was formerly occupied by *The Herald*.

It is important to the city of Glasgow, its cultural heritage, its cultural attractions and the quality of the building that that building be put to good use. I would like the building to continue to be used—at least in part—as an architecture and design centre. It might also be possible for people to be given an opportunity to see some of the design artefacts that Glasgow City Council has in its possession but which are not currently viewable by the public on a regular basis, such as the Rennie Mackintosh tea rooms.

Is there an opportunity for the Government to work with Glasgow City Council and others to make something stronger and better out of the unfortunate collapse of the Lighthouse Trust?

**Michael Russell:** Those are positive and sensible suggestions. I cannot commit myself to saying precisely what will take place. However, there is no doubt that this Government has been supportive of the type of work that was undertaken by the Lighthouse, and the potential exists to develop that work. For example, some of the things that were planned for the Lighthouse, such as the Gaudi exhibition in October, will go ahead within the existing space, which is very positive.

We can and should look at new potential for the building and project work that is based in the building. I am grateful to Mr McNulty for the way in which he asked his question and the positive approach that he is taking. That is the way in

which we in this chamber should approach this matter.

I regret that, in August, the former chair of the Lighthouse, Janice Kirkpatrick, wrote a letter in which she said that the problem was not the Lighthouse but the Government, and that the political regime does not value architecture, design and the creative industries. That led to a rather strange spat in the newspapers, which included me and the former minister with responsibility for culture, Allan Wilson, swapping quotations from Ruskin. That was not a helpful way to solve the problem. The helpful way is to accept that expenditure has increased substantially over the past few years.

The issue is what happens next, which will depend on good ideas, such as those that have been raised by Mr McNulty, and a willingness to provide resource—which is there at present—to ensure that good things can happen within that space. We are committed to that. How we do that is now business that we have to work through with Glasgow City Council and the administrators.

#### **Scottish History and Culture (Libraries)**

**4. Bill Wilson (West of Scotland) (SNP):** To ask the Scottish Government whether it considers that, to make an intelligent choice about our future as a nation, we should be knowledgeable about our history and culture and, if so, that libraries should play an important role in this. (S3O-7848)

**The Minister for Culture, External Affairs and the Constitution (Michael Russell):** Yes.

**Bill Wilson:** I like that answer and thank the minister for his brief reply. Will he encourage libraries to use a portion of their acquisition budgets to ensure that they carry a substantial selection of the many excellent works of poetry, fiction and non-fiction in English, Scots and Gaelic by Scottish authors?

**Michael Russell:** I am always in favour of supporting Scottish authors, being one myself. The more resource that is used by Scottish libraries to purchase work from Scottish publishers and work that is written by people who write and work in Scotland—which is a slight difference in emphasis, but I am sure that the member will take it—the happier I will be.

One of the jobs that is being undertaken by the literature task force, which is ably chaired by Rosemary Goring, is to consider support for Scottish writing and publishing. The purchasing power of libraries is an important part of that resource. I am fully in favour of the member's suggestion.

**Ted Brocklebank (Mid Scotland and Fife) (Con):** I agree about the importance of libraries

and the need to support Scottish writers and publishers. However, on our being more knowledgeable about our history and culture, does the minister accept that the Government that he represents often seems overobsessed with the shared history that we have with our nearest neighbour, England, often at the expense of the distinguished history that Scotland has in relation to the rest of the world?

**Michael Russell:** I am tempted to say simply no, just to be consistent with my earlier answer. However, given that I have a moment or two in which to answer the question, I will do so more fully.

I do not think that what Mr Brocklebank says is true at all. I think that he is looking extremely narrowly at what this Government says and does. In actuality, we have a broad view of how Scotland should be presented and interpreted by children in schools and by a wider audience in Scotland.

We need to ensure that, in our publishing industry and the promotion of our national culture, we are also conscious of the international dimension.

Mr Brocklebank will be aware that the Public Services Reform (Scotland) Bill, which is before the Education, Lifelong Learning and Culture Committee, includes a definition of the purposes of creative Scotland, on which I worked hard with my officials and which sets the organisation firmly in the context of national and international culture. I use the analogy that we are all rooted in the cultures of our country—I use the word “cultures” deliberately, because there are many of them—and that is the place in which we stand. However, if we raise our eyes, we see the whole world, and that also influences us.

I do not think that, in raising my eyes, I simply see south of the border, as pleasant as that prospect may be. I see the whole world, and I think that everyone else does too.

**The Deputy Presiding Officer:** Question 5 has not been lodged.

#### **Cultural Events (Carbon Emissions)**

**6. Sarah Boyack (Edinburgh Central) (Lab):** To ask the Scottish Executive what discussions the Minister for Culture, External Affairs and the Constitution has had with the organisers of major cultural events regarding the need to reduce carbon emissions in organising such events. (S3O-7853)

**The Minister for Culture, External Affairs and the Constitution (Michael Russell):** I was very much struck during this year's Edinburgh festivals by the number of conversations that I had with others—festival directors, members of festival staff

and those on the boards of festivals—on the specific issue of how the festivals would focus and adapt in a time of climate change.

The Climate Change (Scotland) Act 2009 places duties on public bodies—including those that are responsible for organising major cultural events—that relate to climate change. The City of Edinburgh Council's sustainable development unit, for example, is working with the Edinburgh festivals to minimise their impact on the environment.

There is an enormous opportunity, as I am sure the member accepts, for the festivals to be exemplars of good practice and to ensure that they are moving forward their response to climate change. I am very impressed with the management of festivals in Edinburgh in particular, as well as more widely throughout Scotland, and I know that all festivals will focus on the issue.

**Sarah Boyack:** I thank the minister for his reply, and I agree that there is a huge opportunity. I ask him to consider that the Scottish Government is well placed to lead on the issue, partly through funding, which he has talked about previously, and partly through the leadership that potentially arises from the Climate Change (Scotland) Act 2009. Will he consider producing best-practice guidance to help those organisations raise their game and do the easy things, such as looking at energy-efficient buildings, ticketing initiatives to promote public transport access and ways to reduce waste?

The minister will be aware that organisations such as the fringe in Edinburgh and some of the other festivals are beginning to focus on what they can do. Will he consider pulling together guidelines and formal discussions to bring together the best work that local authorities, arts and music organisations, community groups and public transport bodies are doing? That will mean that we will get the best ideas and experience and put them to good use, and it will ensure that people do not have to reinvent the wheel every time a festival is organised.

**Michael Russell:** Fortunately, that is already happening in Edinburgh, and the experience in the city can apply elsewhere.

There is a Festivals Edinburgh environmental working group on which all the festivals are represented, and there is an Edinburgh festivals environmental policy. As the member will know, the policy commits the festivals to complying with the requirements of environmental legislation and codes of practice; assessing the environmental impact of current and likely future operations; seeking continuously to improve environmental performance; reducing impacts from pollution, emissions and waste; encouraging more sustainable forms of transport; ensuring that they

sustainably manage procurement and the use of all resources, energy and water; and ensuring that they raise awareness, encourage participation and train employees. The policy also gives the festivals a responsibility to expect similar environmental standards from all their suppliers and contractors; and—crucially—it places a duty on them to assist performers and festival-goers to participate in the festivals in an environmentally sensitive way.

All those things are in place in Edinburgh. The challenge now is to take that good practice and spread it more widely throughout Scotland. I am very keen to find ways to do so. I take the member's point, on which I will ask my officials to bring forward proposals.

**The Deputy Presiding Officer:** Questions 7 and 8 have not been lodged; question 9 has had to be withdrawn for urgent family reasons; and question 10 has been withdrawn.

## Education and Lifelong Learning

### School Meals

**1. Elaine Murray (Dumfries) (Lab):** To ask the Scottish Executive whether it is concerned about the uptake of school meals. (S3O-7881)

**The Minister for Children and Early Years (Adam Ingram):** No. Despite the introduction of strict nutritional requirements for school meals, uptake of school meals has dropped only slightly, from 45 per cent in 2008 to 44 per cent in 2009.

Of those pupils registered for free school lunches, 82.2 per cent took a free school lunch in 2009, which is down by just 0.5 per cent from the previous year.

**Elaine Murray:** I thank the minister for his answer, which demonstrates how statistics can say different things. The minister might be aware that the percentage of secondary school pupils in Dumfries and Galloway who take school meals fell from 63 per cent in 2000 to 31 per cent in 2008. Officers in the council's catering service are concerned that full compliance with the Scottish Government's nutritional standards, which were introduced to secondary schools in August, will have a significant adverse impact on uptake and income.

Given that most secondary schools are within walking distance of alternative food outlets, does the minister agree that instructions, for example, to keep condiments such as salad dressings out of sight of pupils so that they have to be requested are somewhat draconian and will deter rather than encourage the uptake of healthy school meals?

**Adam Ingram:** Uptake of school meals has consistently been in decline since 2003, as Elaine Murray pointed out. It is therefore unfair to lay the

blame for a decrease in uptake in the past year solely on the introduction of the nutritional requirements. However, I am confident that the extension of eligibility for free school lunches will have a positive impact on uptake, as will the advent of the curriculum for excellence, under which more children and young people will learn about the importance of healthy eating.

### Probationary Teachers

**2. Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** To ask the Scottish Executive what action it is taking to ensure that teachers who have successfully completed their probationary year are able to secure teaching posts in Scottish schools. (S3O-7866)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** The employment of teachers is a matter for local authorities. The Scottish Government is providing local government with a record level of funding—£23 billion—for the period 2008 to 2010. We are taking forward the 12 recommendations of the teacher employment working group, which reported last October, and we have also taken steps to rebalance teacher supply and demand by reducing by 500 places the proposed intake for initial teacher education courses this year.

**Cathy Jamieson:** I am slightly disappointed by that answer. What would the cabinet secretary say to the constituent who wrote to me? They told me that, having successfully completed their probationary year in East Ayrshire, they were unable to secure a full-time post and applied to do supply work, but have now been told by South Ayrshire Council that they will not be included on the council's supply list even though they applied for that in time.

Does the cabinet secretary agree that it is a shocking waste of talent to have people who have been through teacher training colleges and completed their probationary years in such situations? They should be in the classroom, not on the dole.

**Fiona Hyslop:** Not all teachers will be able to achieve employment status from day one of the school year. On East Ayrshire Council in particular, the information that was given to ministers during our visit there during the summer is that, in 2009-10, the council is making available resources to return primary teacher numbers to 2007 levels—that is, another 24 full-time equivalents—in order to reduce class sizes. On top of that, it has a teacher refresh programme to create 66 vacancies above natural turnover.

The issue of South Ayrshire Council's supply lists is a matter for the council. I would expect it and other local authorities to agree and comply

with the recommendations of the teacher employment working group. In establishing that group, we moved swiftly to pull together the relevant groups such as the unions, the Convention of Scottish Local Authorities and local authorities to ensure that we improve the system that we inherited and better match supply and demand.

### City of Edinburgh Council (Education)

**3. Gavin Brown (Lothians) (Con):** To ask the Scottish Executive what recent discussions it has had with the City of Edinburgh Council regarding education. (S3O-7790)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** I last met the City of Edinburgh Council on 26 May 2009 as part of a series of meetings with all local authorities to discuss matters relating to education. My officials regularly have discussions with local authorities on a range of issues that are relevant to my portfolio.

**Gavin Brown:** The Scottish National Party and Liberal Democrat council wants to close four primary schools. What impact would that have on the cabinet secretary's class size targets?

**Fiona Hyslop:** The City of Edinburgh Council, like all the other councils in Scotland, is part and parcel of our new relationship with local government as evidenced by the concordat with the Convention of Scottish Local Authorities. Within that, there is a drive throughout the country to reduce class sizes. As the First Minister said earlier today, class sizes are at record lows.

School closures are quite clearly a matter for the City of Edinburgh Council, and I point out that the chamber recently supported and voted for the principles of the Schools (Consultation) (Scotland) Bill, which seeks to ensure that local authorities retain the power to close schools. I also believe that, from 1997 to 2007, there was a 19 per cent fall in the school rolls in Edinburgh. How that situation is managed is up to the council.

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** I point out to the cabinet secretary that rolls will increase by 20 per cent in the next 10 years.

Is the cabinet secretary concerned that her SNP colleagues in the City of Edinburgh Council administration are openly disregarding her pledge to have class sizes of 18 in primaries 1 to 3 in their proposals for school reorganisation, which will include Fort primary school and Royston primary school in my constituency? Does she agree that the only way of making those poor proposals semi-plausible is to have P1 to P3 classes of more than 30 pupils? Will she take the matter up with her colleagues in the council administration?

**Fiona Hyslop:** I appreciate that Gavin Brown, Malcolm Chisholm and, I am sure, other members want to express their views about what should happen to schools in their constituency. However, I hope that Mr Chisholm will reflect on the fact that because of my relationship with local government I cannot interfere with individual school closures and most certainly not in the proposals that have been set out. The points that have been raised can be—and, indeed, are being—well made by parents and others who are either pursuing reductions in class sizes or defending their local schools. However, as I say, I cannot take up individual cases. The alternative would be to centralise education and put it completely under the Government's control. If we respect the local authorities' ability to take such decisions, we must give them the space and the time to do so. Given the responsibility that has been put on the City of Edinburgh Council, it should be making efforts to reduce class sizes. As I understand it, it wants to concentrate on areas of deprivation where, as we know, having smaller class sizes gives schools the space and time to raise standards of literacy and numeracy in those who will benefit most.

**Rhona Brankin (Midlothian) (Lab):** Given the concern that the City of Edinburgh Council has voiced about whether reductions in class sizes can be afforded, will the cabinet secretary legislate to reduce class sizes to 18 in P1 to P3—yes or no?

**Fiona Hyslop:** We have agreed with local government that it will make year-on-year progress to reduce class sizes and, as councils have acknowledged, we have provided funding to maintain teacher numbers at 2007 levels. During this time of recession, the numbers of retiring teachers quite clearly do not match the numbers of teachers who are coming through the teacher training system. That is why, in response to Cathy Jamieson, I made it clear that we have taken steps to reduce the numbers coming through teacher training colleges.

On the question whether we will legislate, I point out to Rhona Brankin that, at First Minister's question time, the First Minister said that we are actively considering legislation—it might take the form of regulations or even primary legislation. In any case, we are also considering measures to ensure that we defend the previous Administration's aim of reducing class sizes to 25, which, I should point out, was neither legislated for nor achieved.

### Individual Education Budgets

**4. Jamie Hepburn (Central Scotland) (SNP):** To ask the Scottish Government what consideration it has given to proposals to give parents control over their children's individual

education budgets from local education authorities. (S3O-7832)

**The Minister for Schools and Skills (Keith Brown):** As existing funding systems already ensure that funding follows pupils and as many placing requests are granted, there is no need for vouchers, which would add only an unnecessary layer of bureaucracy. Driving up standards is a key priority for this Government and we are in the process of implementing curriculum for excellence, the biggest reform of education in Scotland for a generation.

**Jamie Hepburn:** Does the minister share my concern that the proposals would increase polarisation in our school system and does he agree that there is no place for Tory-inspired market fundamentalism in the education of Scotland's children?

**Keith Brown:** Under the current law, there is choice in the system. Although I believe that that is extremely important, I do not agree that having an internal market would benefit the education system. I should also point out that more than 95 per cent of children attend their local school out of choice, and there is no evidence that parents want the voucher system that has been suggested. Interestingly, if in the very unlikely event that a system along the lines of the Swedish model were to be progressed, the current system in independent schools would mean that they would have to dramatically reduce their own income. I am not sure that that part of the proposal has been thought through.

The member is right to say that such a move would lead to polarisation and make it extremely difficult to manage schools. I was visiting a West Lothian school on the very night that the proposal hit the media and I was told that it would drive a wedge into communities and make it difficult to sustain the link between local schools and communities. I do not believe that the system is good and think it extremely unlikely that it will ever come to pass.

**Elizabeth Smith (Mid Scotland and Fife) (Con):** Does the minister reject the fundamental evidence from Sweden that pupil attainment has gone up by a considerable amount simply because parents have a great deal of choice over where their children are educated?

**Keith Brown:** The Swedish have a right to the system that they think best suits them. Of course, in Sweden, the system has its critics, who think that it leads to further inequality. We are content that the way in which we will drive up standards and make our schools more attractive is through the implementation of the curriculum for excellence, which will improve teaching and learning in our schools. That is our system. It has

the broad support of teachers and the education community, and we intend to continue to support it.

### Modern Apprenticeships

**5. John Park (Mid Scotland and Fife) (Lab):** To ask the Scottish Executive what progress it has made on delivering 7,800 extra modern apprenticeships. (S3O-7883)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** Skills Development Scotland has issued contracts covering the additional places and, as a result, the additional apprenticeship opportunities are now available.

**John Park:** I want to mention the important role of training groups in apprenticeship training. I wrote to the cabinet secretary earlier this year regarding the Angus Training Group, which would normally be training 60 or 70 apprentices at this time of year, but which has taken on only 10 because of a lack of employer engagement. Another such organisation is EDETA—the Edinburgh and District Employers Training Association. Such organisations play a valuable role in bringing employers together and they provide capacity for future apprenticeship training. Will the cabinet secretary arrange for officials, either from her department or from Skills Development Scotland, to meet those training groups, of which there are seven in Scotland?

**Fiona Hyslop:** The strength of the modern apprenticeship scheme in Scotland is that it has employed status, which means that, although we provide funding and resources to support the skills and training aspects of the apprenticeships, the employers must offer jobs. At present, that is challenging, particularly in some sectors. The member is right to identify that many organisations and training providers face challenges and that they need to retain capacity for when the engineering, manufacturing and other markets pick up. I am happy to agree to the member's request to have officials meet those organisations. I hope that he has received a reply to the well-made points in the letter that he sent me.

### Further Education (Child Care)

**6. Mary Scanlon (Highlands and Islands) (Con):** To ask the Scottish Executive whether it is satisfied with the provision and cost of child care for students in further education. (S3O-7796)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** Yes. Eligible students who are undertaking courses of further education can apply to their institution's further education child care funds for assistance with the costs of child care with registered providers. The

funds are additional to fee waivers and any bursary support. Each student can apply for up to £3,500. The funds are administered on a discretionary basis by the institutions, as they are best placed to assess and discuss personal and local needs. The Scottish Further and Higher Education Funding Council investment in further education bursaries, child care and discretionary funding was increased by £2.7 million in the academic year 2008-09 to £69.9 million, which was an increase of 3.8 per cent. In the academic year 2009-10, the figure has risen to a record £79 million, which represents a further 9.3 per cent increase.

**Mary Scanlon:** I thank the minister for explaining the postcode lottery for students who receive child care support. The Scottish Conservatives responded to the Government's consultation on student support stating that more resources should be allocated to child care. What is she doing to respond to that submission? What is she doing to tackle the fact that further education colleges take a range of approaches to funding child care, which results in some students paying all the fees up front all year and hoping and praying that they might get some money refunded, whereas other colleges accept full financial responsibility for child care at the start of term?

**Fiona Hyslop:** Colleges were supportive of the Government's swift moves to address some of the pressures in year. I point out to Mary Scanlon that Inverness College did not request any additional allocation of funding to support child care during the past year, although many other colleges did so and had allocations provided. However, she makes a good point about stability and planning for people in further education, particularly older women with children. The issue of independent students with caring responsibilities is a key one to address. Following our consultation response and when preparing our proposals to Parliament, I will be able to discuss with all parties in the chamber what child care support we might want to provide in future. Mary Scanlon's view and all representations made to us as part of the consultation will be taken on board and considered as part of our response.

**Claire Baker (Mid Scotland and Fife) (Lab):** Will the cabinet secretary outline the new monitoring and surveillance measures that the Government will introduce to ensure that in future we do not see a repeat of last year, when child care funds were exhausted at numerous institutions throughout the country? Does she agree that there is increasing demand for a fundamental look at how child care funds for students are distributed so that student parents can be confident that they will receive the right financial support and provision?

**Fiona Hyslop:** As the member might be aware, there are pros and cons to having a decentralised or centralised system of support for child care. As we have seen at Motherwell College, quite frequently a localised response can provide a better service for many parents. The member's implied question is, how do we prevent the situation that arose during this year from recurring? The issue is whether we responded quickly during the year when we needed to. The former acting chief executive of the Association of Scotland's Colleges said at the time:

"The sector and the SFC worked together to identify resource requirements and re-allocated funds to address those needs ... This entire process was concluded in a 3 week period—a superb example of how in Scotland we can achieve so much when we pull together."

The member says that we need a responsive system and that monitoring must be acute—the monitoring was indeed acute. As the Association of Scotland's Colleges' response indicated, we managed to respond within three weeks and £10 million of additional resource was put into the system to support child care. That is an example of where the Scottish Government can and did respond to support the child care needs of students throughout Scotland this year.

**The Deputy Presiding Officer:** Question 7 has been withdrawn.

### Secondary School Buildings (Aberdeenshire)

**8. Alex Johnstone (North East Scotland) (Con):** To ask the Scottish Executive what plans it has to provide a mechanism to facilitate the funding of replacement buildings for the secondary schools at Laurencekirk and Kemnay in the Aberdeenshire Council area. (S3O-7794)

**The Minister for Schools and Skills (Keith Brown):** As Alex Johnstone will know, the Cabinet Secretary for Education and Lifelong Learning announced in June £800 million of additional capital support for a £1.25 billion new school building programme, which follows on from the current £2 billion of school investment already being supported by the Government. The cabinet secretary made it clear in Parliament in June that the Scottish Futures Trust will have a central role in co-ordinating, facilitating and managing the new programme, working alongside the Convention of Scottish Local Authorities and local authorities. We are now engaging with COSLA, councils and the Scottish Futures Trust to identify the first tranche of secondary schools to benefit, taking into account the distribution of needs across Scotland; the best available information about schools' condition and unsuitability to deliver the curriculum for excellence; additionality; and authorities' plans, priorities and readiness to proceed.

**Alex Johnstone:** Is the minister aware that the distribution of needs in Aberdeenshire alone is now such that demands for the construction of new secondary schools will overwhelm any resource that is likely to be allocated from the funds that he mentioned? Is he further aware that his Government's ideological opposition to public-private partnerships will ensure that many children in the Aberdeenshire Council area will not have the school facilities that they expect or require for their secondary education? Will he and his Government reconsider their ideological opposition and deliver the opportunity for local authorities to provide the buildings that they wish to?

**Keith Brown:** The current condition of schools in Aberdeenshire has been the firm responsibility of the council over many years and is a result of how it has gone about making capital investment in its school estate. It is true to say that the additional moneys that have to be found every year to service the debt inherited from previous private finance initiatives and PPP projects constrains our ability to find new investment for schools. Despite that Aberdeenshire, like every other council, will look to benefit from the new tranche of available funding. It will be considered by COSLA, the Scottish Futures Trust and the cabinet secretary, who will make her announcements in due course. At that time, we will consider how we can best bring the worst schools—they are unevenly distributed throughout Scotland—out of their current situation so that they are more suited to teaching the curriculum for excellence.

It is certainly the case that debt inherited from PPP projects is one of the major constraints that we face.

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** I would not like the minister to go away with the wrong impression that only two schools in my constituency need to be replaced, as Alex Johnstone suggested. He forgot about his old school, Mackie academy at Stonehaven, as well as Alford, Inverurie and Ellon academies. Six academies throughout Aberdeenshire need to be completely replaced, four of which are on my patch. Will the minister tell either Alex Johnstone or me whether any of the six schools are likely to access funds from the Scottish Futures Trust as part of the tranche that he mentioned?

**Keith Brown:** I am surprised that, after eight years of nirvana under the two previous Governments, we have a situation in Aberdeenshire as bad as that which Mike Rumbles describes. I cannot say what the outcome of the process that I described will be. I repeat that decisions will be made taking into account the distribution of needs nationally; the



best available information about schools' condition; the core facts in school estate management plans and other intelligence; the best information on schools' unsuitability to deliver; and additionality. Schools that are not already part of a funded programme will be prioritised. Of course, we will also have regard to authorities' own priorities in this process.

**Ken Macintosh (Eastwood) (Lab):** Is the minister aware of comments from the chief executive of the Scottish Futures Trust in *The Scotsman* today, in which he said that it will be a few years before the trust is fully up and running? Will any brick be laid in any secondary school in Scotland before the next election?

**Keith Brown:** We already have a substantial building programme. [*Interruption.*]

**The Deputy Presiding Officer:** Order.

**Keith Brown:** I think that we expect to have proceeded with more than 300 schools, which exceeds the number of schools that were commissioned under the previous two Administrations, which is a very good basis on which to start.

The Scottish Futures Trust will allow us to bring new efficiencies to the programme. We have a part to play in ensuring that moneys are allocated according to the priorities that I have just mentioned. At that stage, it will be for schools and authorities to take things forward as quickly as possible.

### Bologna Process

**9. Christopher Harvie (Mid Scotland and Fife) (SNP):** To ask the Scottish Executive whether there are plans to offer a social or community year along European lines to young people between school and higher education, in order to enhance social responsibility and illustrate career possibilities, and to offer educational credits for the first year in higher education in accordance with the provisions of the Bologna process. (S30-7831)

**The Minister for Schools and Skills (Keith Brown):** At present, the Scottish Government has no plans to introduce a social or community year to young people between school and higher education. However, we are closely engaged with the Bologna process and will ensure that any educational developments are consistent with the principles underpinning the emerging European higher education area.

**Christopher Harvie:** In the upcoming years, Westminster budget cuts, the economic downturn and the composition of Scottish society will increase demand for community work volunteers. Is the Scottish Government prepared to consider a programme that would address that increased

need for community work while giving young people an opportunity to contribute to Scottish society and their own education at the same time? A variety of community programmes are running in other European countries, such as Switzerland, Austria, Germany and Italy, and they might provide impulses, through exchange programmes, for a Scottish scheme.

**Keith Brown:** The Scottish Government is committed to supporting young people to achieve their potential through recognised awards for volunteering. Youth achievement awards and awards scheme development and accreditation network certificates are both levelled against the Scottish credit and qualifications framework, and the Duke of Edinburgh's Award scheme is also well recognised. The Government supports Youth Scotland in its work to develop and promote those awards in Scotland in line with national outcome 4, the curriculum for excellence and the four capacities.

Through supporting organisations such as Youth Scotland, Volunteer Development Scotland and the Duke of Edinburgh's Award, the Scottish Government is committed to building capacity in the voluntary youth sector to enable all Scotland's young people to take advantage of the opportunities available to them.

Given the member's interest, it is worth mentioning that at a recent conference on the Bologna process, Scotland was the only one of the 46 countries to achieve full marks in all the action lines under the Bologna process. That shows some of the progress that we are making.

**Murdo Fraser (Mid Scotland and Fife) (Con):** I have some sympathy with the view expressed by Professor Harvie about encouraging volunteering. In light of that, will the Scottish Government reconsider its decision to cut funding for Project Scotland, a very valuable programme that encouraged lots of young people to engage in exactly the sort of activities to which Professor Harvie referred?

**Keith Brown:** That decision was made some time ago. We are content with the distribution of resources to the projects and initiatives that are currently taking place. We have no intention of revisiting the decision.

**The Deputy Presiding Officer:** I suspend the meeting until 5 to 3.

14:54

*Meeting suspended.*

14:55

*On resuming—*

## Budget 2010-11

**The Deputy Presiding Officer (Alasdair Morgan):** The next item of business is a statement by John Swinney on the budget. The cabinet secretary will take questions at the end of his statement, so there should be no interventions or interruptions.

14:55

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** I present to Parliament today, for consultation and debate over the coming months, the Scottish Government's draft budget for 2010-11.

The budget document sets out a package of spending proposals that are designed to build on the achievements that this Government has delivered in the past two years, and to set the course for further achievement.

Our spending plans continue to be shaped by the Government's purpose of delivering sustainable economic growth, by our framework of national outcomes and by our commitment to first-class public services in Scotland. Our plans also contribute to the advancement of greater equality, so we will, for the first time, provide an equality statement on the budget.

I am pleased to say that today we are also for the first time publishing a carbon assessment of the draft budget, which provides an understanding of the carbon impact of Government expenditure.

Our spending plans are, of course, framed by the current economic climate. At a time when many businesses and families are facing the challenges that are brought by recession, it is imperative that the Government respond effectively and decisively to support them.

I present the draft budget to Parliament against the backdrop of a significant squeeze on public expenditure. The Scottish Government's departmental expenditure limit—the money over which we have direct control—will reduce in real terms by 0.9 per cent, compared with this year. That is the first real-terms cut in the Scottish budget since devolution and it is happening for two reasons. First, we have taken decisions—supported across Parliament—to accelerate capital expenditure in order to counter the effects of recession. That step has helped to boost the economy, but the Treasury requirement to repay that resource at a critical point at the start of economic recovery poses a threat to that recovery.

Secondly, the Scottish Government has had to consider the impact of the Chancellor of the Exchequer's decision to reduce the budgets that are available to Whitehall departments, which imposes upon us a consequential reduction of £392 million in the planned resource budget. His decision to reduce the Department of Health capital baseline brings a further reduction of £129 million in the Scottish Government's planned capital budget, which will be offset by some minor consequentials. That leaves a reduction of about £500 million.

Those pressures in 2010-11 will be the first of a sequence of pressures—that are well known—on the public finances. A range of forecasters also predict significant real-terms cuts to the Scottish budget of up to 8.5 per cent between this year and the end of 2013-14. Reductions of that size would bring substantial challenges, so our decisions in this budget must take account of the medium-term outlook.

We believe that there is a compelling case for the chancellor to assist economic recovery by further accelerating capital budgets into 2010-11 in order to support thousands of jobs across Scotland in these tough economic times. Without further acceleration of capital expenditure, we will see steep falls in the resources that are available for housing, transport and other infrastructure activities that are essential to the safeguarding of jobs and to recovery. Indeed, the housing organisations in Scotland have commended the Scottish Government for its actions in accelerating housing investment and have made a plea for further such actions. I encourage people in Scotland who share the Government's view—that further investment is required—to make the case to the chancellor before the pre-budget report in November, in order to ensure that we can act in that way. I make the point that we cannot, because we operate within a fixed budget, without the consent of the chancellor stretch that budget to meet the essential investment objectives that we all share and wish to see delivered.

We have also had to consider in the budget a range of additional pressures that have arisen: for example, the unitary charge payments in respect of public-private partnership schools projects for which contracts were signed some years ago, but for which funding was not allocated at the time; increased teacher pension costs; and increased costs of police and fire pensions due to valuation decisions and court rulings.

In the light of the different financial climate that we face, we have had—as a responsible Government—to face difficult choices about where to reduce planned spending next year. We will meet this challenge while continuing to work with our partners to achieve our priorities.

I will now explain the specific approach that we are taking to capital spending. The chancellor has cut the Department of Health capital baseline, the result of which is a cut in our capital budget of £129 million. I believe that it would not serve the interests of the people of Scotland to pass to the NHS in Scotland the chancellor's cut in the Department of Health baseline, so the Scottish Government has decided not to do that. We will therefore be drawing down all of our unspent end-year flexibility balances that are held by Her Majesty's Treasury, which will enable us to ensure that the health budget bears no part of the £129 million reduction. That said, we can draw down end-year flexibility only for one year. The Government must act now to ensure that the capital budget is sustainable in the years to come, so to do that, we have reluctantly decided to cancel the Glasgow airport rail link project.

**Members:** Shame.

**The Deputy Presiding Officer:** Order.

**Bill Butler (Glasgow Anniesland) (Lab):** Absolute shame. [*Interruption.*] It is no laughing matter.

**The Deputy Presiding Officer:** Order, Mr Butler.

**John Swinney:** The project will incur capital costs for several years. The Government has been concerned by the rise in the costs associated with the project. Those increases are due to significantly higher estimates of the costs of relocating existing infrastructure, as compared with figures that were shared with Parliament at the time of the legislation. However, we will continue to support the capacity and signalling improvements on the rail line between Glasgow and Paisley, which will improve services to the travelling public in the area. I announce today that we will financially support other measures to improve public transport in Glasgow and the west of Scotland as part of the fastlink initiative that addresses connections to the new Southern general hospital and the Commonwealth games site—[*Applause.*]

**The Deputy Presiding Officer:** Order.

**John Swinney:** This Government continues to attach the highest priority to that. Increased resources have been allocated to continue the preparation for a Forth replacement crossing. Other elements of the Government's capital programme will continue as planned.

The United Kingdom Government's cuts have also put pressure on our resource budgets. In dealing with that, I have been determined to act in a way that protects jobs, supports families and communities and retains investment in skills, innovation and our industries of the future. That is

why this budget delivers increased resources for all core portfolios, focusing first on front-line services and the economy. However, the reduced total budget that is available to the Scottish Government means that each portfolio has also been asked to bear down on its resource budget in ways that do not impact on Government priorities and our front-line services.

There are three additional actions that we will take. First, our core Scottish Government administration budget will be cut by £14 million in 2010-11. We accept that, while asking others to save money, we should be prepared to rein back our internal spending. Secondly, we are asking local government to take its pro-rata share of the chancellor's cuts. Scottish local authorities have indicated that they are prepared to manage within these reduced spending totals and to approach the resultant challenges—which will be significant—in a spirit of partnership. We welcome the local government approach of placing the welfare of service users in Scotland at the heart of the agenda.

Thirdly, additional resource savings will be found by reducing spending on a number of projects and programmes that have been selected in order to minimise impact on our immediate priorities. They include £20 million set aside next year to prepare for the introduction of a local income tax, real-terms cuts in administration and running costs across our other budgets, and a 54 per cent reduction in our strategic communications budget, formerly called the advertising and marketing budget.

Our approach has been to protect the programmes that matter most to the people of Scotland: spending on front-line public services, such as schools and hospitals; our economic recovery plan, including support for skills development and hard-pressed businesses; and programmes that help to protect households at a time of economic hardship.

We are therefore maintaining investment in our economic recovery plan. We will invest in the new technologies and industries of the future. We will continue with the small business bonus scheme. We will invest £842.9 million in the rail network in Scotland to encourage greater use of our public transport systems and we will provide free bus travel to more than 1 million people. We will deliver further support to the renewable energy industry to take forward the exciting agenda of developing new power sources across the sector.

We are delivering sustained investment in Scotland's health service, prioritising front-line services and maintaining the fight against hospital-acquired infection. We are ensuring that Scotland is well prepared to respond to the flu pandemic, as well as maintaining the delivery of major public

health programmes, including on alcohol misuse. We will continue to reduce prescription charges towards their complete abolition in 2011. *[Applause.]*

**The Deputy Presiding Officer:** Order. No interruptions, please.

**John Swinney:** We are supporting investment in the further and higher education sectors and are protecting the essential investment in skills that will enable us to emerge from economic difficulties. The implementation of the curriculum for excellence will be supported by significant resources, and the development of the early years framework will help to ensure that every child in Scotland has the best possible start in life.

Capital investment will be delivered to modernise the prisons estate. We will support drug treatment services to assist individuals to recover from addiction. We are taking forward our £1.25 billion school building programme, which will see young Scots in communities across Scotland benefit from the best possible learning environment.

Our partnership with local government means that we will work together to deliver all the commitments that were made in the concordat that was signed in November 2007, including on increasing police numbers. Already, together with local government and the police, we have exceeded our commitment to place 1,000 extra officers on the streets of Scotland. We are acting to put more money in people's pockets, with resources being made available again to freeze the council tax.

We will spend more than £350 million on affordable housing projects, although we recognise that we could do more with the benefit of acceleration in capital expenditure, for which we have pressed the United Kingdom Government. We are maintaining our support for rural communities and will invest to support our zero-waste strategy, while continuing to work with others to protect and enhance our natural environment.

Our approach also ensures that money is available to meet commitments that were given in previous budgets, such as additional investment in modern apprenticeships, the on-going development of the home insulation programme and the Edinburgh capital city supplement. We will continue to prioritise spending on action to combat climate change across a range of Government programmes, and specifically through the climate challenge fund, which is assisting community action to reduce emissions.

I know that Parliament will welcome the fact that, within the tight constraints within which we must operate, the Government recognises Scotland's

international responsibilities and the wider global impact of the recession. The Scottish Government will therefore increase the budget for international development from £6 million to £9 million next year.

The lower than planned budget uplift for 2010-11 and the new spending climate for Scotland require that all parts of the public sector reassess how best we can deliver the services that the public expect and deserve. We believe that that challenge can be met successfully. We will work with public bodies, leaders and staff to ensure that we address the task of making these externally-imposed savings with the minimum impact on service users and the people of Scotland.

I commend to Parliament the draft budget that we are publishing today, which is designed to deliver maximum benefits to the people of Scotland at a time of unprecedented economic and financial challenges, and to minimise the impact on front-line services and Scotland's economy of the reductions that have been imposed on us. I present the draft budget in a true spirit of consultation, because the financial challenges that we face—next year and beyond—are challenges for both the Scottish Government and the Parliament. I accept that we must work with other parties in Parliament to secure a budget next spring that commands the support of Parliament. We have made clear our willingness to engage constructively with other parties to secure that agreement. I reiterate that we will do so.

The Government has a strong record of investing in front-line services and promoting economic recovery. We acknowledge that we are working within a difficult financial climate to achieve those aims, but we pledge to do everything in our power to deliver for the people of Scotland. *[Applause.]*

**The Deputy Presiding Officer:** Order.

The cabinet secretary will now take questions on the issues raised in his statement, for which we will allow about 30 minutes. If members wish to ask a question—I stress, ask a question—they should press their request-to-speak buttons.

**Andy Kerr (East Kilbride) (Lab):** We on this side of the chamber wanted a budget for jobs, for the economy and, of course, for the protection of front-line services. We have not got that.

Although the UK Government has supported our banks to the tune of £37 billion and our economy to the tune of £2 billion, thereby protecting us from a 10 per cent drop in revenues, what do we have in the Scottish Government's budget? How does the cabinet secretary marry his pledge for economic growth with the cancellation of the Glasgow airport rail link? That is the second airport rail link the Government has cancelled.

Was that discussed with the Council of Economic Advisers? Does the Government understand the impact of the decision and the fact that more than 1,000 jobs are now at stake? Has the growth of the economy of the west of Scotland been taken into consideration in the budget?

All that comes in the context of a budget that has grown by £600 million—a growth in cash terms and in real terms. We heard a lot about cuts in Mr Swinney's statement, so I ask him to address this question. Is it not the case that, even if the United Kingdom efficiency savings are taken into account, the Scottish Government's budget continues to grow? Is it not therefore perverse for Mr Swinney to argue that the budget has been cut by Westminster? The budget that was given by Westminster for 2010-11 went up by £600 million.

Any cut to the budget was carried out by Mr Swinney himself. If any cut has occurred, it is Mr Swinney's prints that are on the knife. Like a latter-day Sweeney Todd, the demon barber of Fleet Street, he has been caught in the act, standing over the body. What is that body? It is the Glasgow airport rail link and the jobs and economic impact that it would have brought; it is the housing and community regeneration budget, which has been slashed. Even enterprise and tourism have been cut. We have not heard a word about the national conversation or the Scottish Futures Trust, however. Is it not about time that the cabinet secretary got his priorities in line with those of the people of Scotland?

**John Swinney:** I think people want to see their Parliament discussing serious issues that affect the lives and livelihoods of members of the public. People observing that contribution from Mr Kerr will think that he kicked the ball well and truly over the bar.

Mr Kerr should remind himself—he should know this, from his previous life as Minister for Finance and Public Services—that all budgets must be sustainable in the medium term. He did not in that rant produce a scintilla of evidence that in any way refutes the difficulty that I face for 2011-12, when £129 million will be removed from my capital budget. That is why I have to—

**Jackie Baillie (Dumbarton) (Lab):** But with EYF—

**John Swinney:** Jackie Baillie mutters about EYF. This is the point about 2010-11: budgets go on, and financial commitments for capital projects go on into 2011-12. In the budget for 2011-12, we will have to find £129 million of capital programme savings, which is why—reluctantly and regretfully—I have had to take the decision to cancel the Glasgow airport rail link.

Many arguments can be deployed about the financial position that we now find ourselves in, but

the reason why we are unable to put more money into housing expenditure in 2010-11 is that we responded to the clarion call that was made in Parliament to accelerate capital expenditure on affordable housing.

Let me quote from the gentleman sitting beside Mr Kerr. On 3 September 2009, Mr Iain Gray said:

“Accelerating capital investment this year was a good thing, of course—we suggested it.”—[*Official Report*, 3 September 2009; c 19214.]

Now, he complains about the consequences. Mr Gray and Mr Kerr should weigh in behind the Administration in demanding to accelerate capital expenditure, in order to ensure that we do not cut budgets in the face of early signs of economic recovery. The right thing to do, just as the Prime Minister said, is to invest at this stage when the economy is fragile, in order to strengthen economic recovery.

**Derek Brownlee (South of Scotland) (Con):**

The Conservatives welcome the decisions to protect the business rates cuts that we secured in previous budgets, to maintain the council tax freeze and to recruit the additional police officers whose recruitment we secured in the first budget of this parliamentary session. Reducing the First Minister's advertising budget by half is a start, too.

The Glasgow airport rail link is another casualty of Labour's cuts. It will not be the last, given the mess that the public finances are in. Given that almost every forecaster expects further reductions in spending, and given that the First Minister rejected every suggestion that Annabel Goldie made at First Minister's question time today, will the cabinet secretary say where he will make further cuts if the public finances require him to do so?

**John Swinney:** I hope that that was not a hint about the financial strategy of an incoming Conservative Government.

I have a duty to set a sustainable budget for 2010-11, so that is precisely what I have done. I do not deny that there are difficulties, but we cannot have a situation in which the Government faces a real-terms reduction in our budget of 0.9 per cent, or £268 million, without there being consequences.

I assure Mr Brownlee that what the Government has put together, which we will consult on and discuss in Parliament and with communities throughout Scotland, is a budget that addresses the difficulties and challenges that we face and which will do exactly what I said it will do—which is to prioritise front-line services and support economic recovery.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** I thank the cabinet secretary for the advance sight of his statement.

Will the cabinet secretary explain the new presentation of budget information this year? Table 1 shows a comparison of actual departmental expenditure limit with original DEL, which includes the accelerated capital that was brought forward this year. No Government budget has presented information in that way to Parliament in the past. Stripping out the accelerated capital figure shows that there was a revenue increase of £400 million this year.

Does the cabinet secretary recall his comments to the Finance Committee at its meeting in Ayr last November? He said:

“The Government hopes and believes that by accelerating affordable housing investment, for example, we can try to stem some of the losses in the construction sector. By 2010-11, there may be some recovery in private sector activity that allows construction activity to fill some of those gaps in the programme.”—[*Official Report, Finance Committee*, 10 November 2008; c 792.]

The cabinet secretary was perfectly clear on the matter last November. Was his judgment as wrong as that of the Treasury on the need further to accelerate capital?

Why has the Government not changed its approach to free school meals, prescription charges, the Scottish Futures Trust, the funding of Scottish Water and Government capital investment as a whole? The budget does not address key needs or make the changes that will be needed in the coming year. It beggars belief that funding for the Scottish Futures Trust—a funding body that funds nothing and advisory body that has no one to advise—is being doubled under this Government.

**John Swinney:** We were the first Administration in the UK to accelerate capital investment. We did not wait for the Treasury to tell us to do so; we did it in summer 2008, in recognition of the difficulties that there would be in the construction sector.

My comments to the Finance Committee in Ayr on expectations of economic recovery stand accurate. The private housing market will make some contribution in 2010-11, but I do not think that anyone believes—no economic analysis suggests it—that 2010-11 will be a buoyant year for the economy. This is the time to ensure that we have a further tranche of accelerated capital expenditure, in order to continue that work to recovery.

Mr Purvis asked why there has been no change on free school meals, prescription charges and the Scottish Futures Trust. The Government has made its choices and has set them out in the budget. It is a draft budget for consultation and

discussion with others. If Mr Purvis has different views about some of the choices that we should make—I know he has—the Government will engage in discussion about those choices.

When one examines the Treasury's expectations of future capital expenditure—a projected capital expenditure fall of 20.7 per cent in 2011-12, followed by a fall of 13 per cent in 2012-13, followed by a fall of 17.4 per cent in 2013-14—it becomes ever clearer how important it is that we secure the best possible value for the public purse from the Scottish Futures Trust's work. That is what we will look to the Scottish Futures Trust to deliver.

**The Deputy Presiding Officer (Trish Godman):** I have 17 back benchers whom I really would like to call, so I ask for no preamble; please ask a question. The minister should take care with his answers.

**Joe FitzPatrick (Dundee West) (SNP):** I particularly welcome the cabinet secretary's confirmation that measures that help families and businesses to get through the recession, such as the small business bonus scheme and funding the council tax, will continue in the budget. Will he comment on the evidence that Dundee City Council's director of finance gave to the Local Government and Communities Committee? When commenting on previous council tax freezes, he said:

“Not having the freeze would have caused council tax increases of not 3 per cent per annum ... but approximately 5 per cent per annum.”—[*Official Report, Local Government and Communities Committee*, 9 September 2009; c 2284.]

**John Swinney:** When many families and individuals are facing reduced working hours, salary freezes or having to take salary cuts, this is not the time for us to increase significantly the council tax. There would have to be a significant increase in the council tax to provide the resources that would not be available to councils from Government support. In protecting household income at a time when we all recognise that it is fragile, the council tax freeze performs a significant element of what the people of Scotland expect from the Government.

**Jackie Baillie:** Why has the housing and regeneration budget been slashed from £701 million to £448 million—a reduction of £253 million—when communities are crying out for that help? Does the cabinet secretary agree that his Government slashed the affordable housing budget by a third—a home-grown decision that he cannot blame on Westminster—at the same time as cutting the housing association grant and telling housing associations to front fund development themselves without knowing where the money would come from? Has he said by his actions that

neither he nor his Government care about housing and our communities?

**The Deputy Presiding Officer:** I said no preamble: it seems to me that a preamble can be before or after a question. Members should ask one question only, please. I want to get in as many members as I possibly can and I want to be fair.

**John Swinney:** Jackie Baillie obviously does not understand the concept of capital acceleration. If we bring forward expenditure from one financial year into two previous financial years, which results in us building a record number of houses—record numbers of starts and completions in affordable housing—and record investment of £1.5 billion over the comprehensive spending review period, that demonstrates that the Government is committed to investment in affordable housing. If Jackie Baillie wants to support our pitch to the United Kingdom to give us a further tranche of accelerated capital expenditure, I will willingly welcome her endorsement of our cause.

**Kenneth Gibson (Cunninghame North) (SNP):** Does the cabinet secretary agree with Colin Borland of the Federation of Small Businesses? Referring to the small business bonus scheme, he said to the Finance Committee:

“Recent FSB research shows that, for one in eight recipients, the scheme made the difference over the past 12 months between sinking and swimming. That is significant, particularly if it were to be extrapolated across the whole economy.”—[*Official Report, Finance Committee*, 5 May 2009; c 1180.]

**The Deputy Presiding Officer:** Mr Gibson—ask a question, please.

**Kenneth Gibson:** Will the cabinet secretary confirm that it is vital to continue the scheme, and how much extra will he have to find next year to fund Angry Kerr’s extortionate private finance initiative schemes?

**John Swinney:** Mr Gibson mentioned the small business bonus scheme. In my visits to many small communities, towns and cities around Scotland, I have been struck by the fact that the small business bonus scheme has been of real assistance to many companies in surviving difficult times. The small business community represents the enormous majority of the business community in Scotland.

Mr Gibson also asked what additional resource I have to find to support PFI schemes between this financial year and next year. It is of the order of £100 million in additional commitments in this financial year.

**David Whitton (Strathkelvin and Bearsden) (Lab):** The current budget continues the policy of zero council tax increases, as we have heard, despite the pleas of councils in Aberdeenshire,

Dundee, Highland and South Ayrshire, which say that the position is not sustainable. Can the cabinet secretary tell us what percentage share of what he describes as the chancellor’s cuts local government is being asked to take? How can he say that he is defending front-line services when there are 1,000 teachers on the dole?

**John Swinney:** As a consequence of our discussions with local government, local authorities have taken their percentage share of the chancellor’s cuts, and they have done so in the spirit of partnership that exists between the Scottish Government and Scottish local authorities. We look forward to working with local government to address what I accept will be a challenging financial environment in the period to come. Local government is getting the support that the Government promised it would get, and we are backing that up with the resources that are necessary to deliver on our commitments.

**Alison McInnes (North East Scotland) (LD):** The cabinet secretary says that local authorities have said that they are prepared to manage the reductions. Is it not the case that he asked them to make the cuts—indeed, greater cuts? Had they really any choice? Will he publish the minutes of all the secret meetings with the Convention of Scottish Local Authorities in order to demonstrate just how willing they were? Is the Government prepared to listen to SNP councillors and give local government its autonomy back by allowing councils to decide for themselves whether rises in council tax are preferable to front-line service cuts?

**John Swinney:** As part of the discussions that I look forward to having across the parliamentary chamber, Alison McInnes is free—as are her colleagues among the Liberal Democrats—to advance the argument for not proceeding with a council tax freeze. I accept that that is a choice. It is up to individual political parties and independent MSPs to marshal the arguments that they wish to put in the course of the budget process. However, the Government believes that the decision to protect household income at a time when it is under real pressure is the right decision. That is why I have put the resources in place to ensure the delivery of a council tax freeze.

**Sandra White (Glasgow) (SNP):** A few weeks ago, I met representatives of BAA Ltd and the cost of the Glasgow airport rail link was discussed. Can the cabinet secretary tell me what the financial position is in relation to GARL? Can he also confirm how he sees fastlink meeting Glasgow’s transport needs, in particular those of the 2014 Commonwealth games and the Southern general hospital campus?

**John Swinney:** As I explained in my statement, the Government has become increasingly

concerned at the significant difference in the real costs that we face in carrying out some of the early work on the Glasgow airport rail link involving the relocation of existing infrastructure, which does not contribute to the infrastructure of the railway other than by clearing a site. The estimate that was given to Parliament at the time of the parliamentary proceedings was that the cost would be £8 million. We now estimate the cost to be £70 million, which shows the difference in cost. That in no way addresses the sustainability of the capital budget, which is a factor, bearing in mind the £129 million of reductions that we will face again in 2011-12. That is a foretaste of the reductions in capital investment.

I have, however, made it clear that the Government will support financially the fastlink development, which addresses the need for connections and journeys across the city of Glasgow. It will be of particular assistance in providing connections to the new Southern general hospital and to the Commonwealth games developments, to which the Government is giving a significant amount of support. I am certain that that will meet the aspiration of the people of Glasgow to have better transport connections within the city.

**Margaret Curran (Glasgow Baillieston) (Lab):** How can the cabinet secretary possibly justify a budget that is so hostile to Glasgow and the west of Scotland? How can he give us his explanation when he knows full well that his budget will cost 1,300 jobs in Glasgow and the west of Scotland? Can he explain this morning's reports that Aberdeen and Aberdeenshire will get special funding of £3 million? Can he put on the record this afternoon whether he has any intention at any time of introducing such funding? Given the special funding that Edinburgh got last year—

**The Deputy Presiding Officer:** Question, please.

**Margaret Curran:** Is it not time that the cabinet secretary was fair to Glasgow, our biggest city?

**John Swinney:** The Government has no intention of putting in place the additional resources that were speculated about in the newspapers this morning.

On the question of being fair to Glasgow, I point out to Margaret Curran that the Government is presiding over a project that her Administration failed to deliver: the completion of the M74, at a cost of £690 million. We are presiding over the upgrade of the M80 into Glasgow, at £330 million. We are completing the Airdrie to Bathgate rail link to give people better access to the city of Glasgow, at £350 million. For the Edinburgh to Glasgow rail improvement programmes, £1.1 billion is being provided. For the Southern general

hospital, there is £850 million. In addition, we have the Commonwealth games, housing and resources to NHS Greater Glasgow and Clyde. There is a pretty good deal for Glasgow from this Administration.

**Aileen Campbell (South of Scotland) (SNP):** Can the cabinet secretary confirm that the support for Scotland's students that was set out two years ago is part of this year's budget? Can he confirm that the investment that is needed to support students in training is a vital part of the economic programme?

**John Swinney:** I can confirm that that is part of the budget proposals. Obviously, there will be further discussions to develop the different proposals that will be undertaken in the budget.

**Tom McCabe (Hamilton South) (Lab):** The cabinet secretary said in his statement that he will work with public bodies to achieve a minimum impact on service users. What percentage reduction in core services does he define as a minimum impact?

**John Swinney:** The distinction that I tried to make in my statement is between some of the costs of the infrastructure of government and the costs of actually delivering services to individual members of the public. That is where I think—I acknowledge Mr McCabe's contribution to this debate from his previous experience in local government and as a minister—that there are opportunities for us to ensure that, in a tighter financial climate, we focus more and more resources on sustaining the services on which individuals depend. That will be at the heart of the message that ministers take to local authorities and health boards in encouraging the collaboration at local level of which we see increasing evidence across the country. That will be the approach that the Government takes to ensure that we deliver the maximum value for money for the public purse and the maximum impact from the provision of services that people require.

**Linda Fabiani (Central Scotland) (SNP):** Does the cabinet secretary agree that, rather than indulging in blatant scaremongering about the national health service and wallowing in negativity, members of the Labour group would better serve this nation by urging their Westminster colleagues to implement capital acceleration and powers for this Parliament to enable Scotland's Government, in partnership with Scotland's Parliament and civic society, to further protect jobs, support families and communities, and keep our investment in skills, innovation and industries of the future?

**John Swinney:** Obviously, the ability to borrow would provide the Administration with the opportunity to take forward commitments for significant items of capital expenditure over a



longer period of time. We would be able to do that in the normal way that any other Government—or, for that matter, any local authority in Scotland—is able to do.

We do not have those powers just now, but it is clearly an aspiration of this Government to have them. I hope that that aspiration is shared by all the parties in Parliament. After all, the Government supports the idea of having borrowing powers, and the three other parties were enthusiastic supporters of the Calman commission, which recommended such a proposition. I look forward to a new element of consensus emerging, so that we can acquire the necessary powers and responsibilities.

**Johann Lamont (Glasgow Pollok) (Lab):** When will the equalities statement be made available? Given the disproportionate impact of unemployment and economic disadvantage on Glasgow and the west of Scotland, what equality impact assessment has been done of the decision to strip communities in the west of Scotland of 1,300 jobs through the GARL decision? What equality impact assessment has been done of the effect that a council tax freeze will have on families who depend on the local delivery of front-line services?

**John Swinney:** I do not wish to repeat the list of job creation projects that I shared with Margaret Curran—I did not read out all of them—*[Interruption.]* Johann Lamont asked me about employment and the GARL project, and she is getting an answer on that point.

As far as support for Glasgow is concerned, I point out that Glasgow City Council receives the highest level of per capita support of any mainland local authority. I accept that Glasgow faces significant problems—that is why Glasgow City Council is at the top of the league for Government support.

The equalities statement will be published at the start of next week. I imagine that it will be the subject of scrutiny by the Equal Opportunities Committee, and if the committee wishes to discuss it with me, I will of course be happy to appear before it.

**Patrick Harvie (Glasgow) (Green):** Should I be surprised that I find myself holding in one hand a document that outlines yet another increase in the motorways and trunk roads budget and in the other a carbon assessment that does not even count the emissions arising from transport infrastructure? Am I really expected to believe that the carbon impact of the motorways and trunk roads budget is less than half that of the Scottish Public Pensions Agency?

**John Swinney:** The carbon assessment that the Government has developed is an initiative to

examine public expenditure and its relation to emissions. When it comes to carbon assessment, there are many measures of carbon impact, which are published by the Government on a host of occasions. If Mr Harvie has suggestions about how any of our analyses could be enhanced, I look forward to discussing them with him.

**Patricia Ferguson (Glasgow Maryhill) (Lab):** Over the past year, many communities across Scotland have benefited from town centre regeneration funding, and many hope to benefit when the next tranche is announced in October. I notice from the budget that the cabinet secretary does not intend to continue the funding into the next financial year. Will he reconsider his decision, given that such funding has the potential to be extremely beneficial to many communities in Glasgow that will struggle as a result of some of his other decisions?

**John Swinney:** When the town centre regeneration fund was announced during last year's budget process, it was explained that it was a one-year tranche of funding. If Patricia Ferguson and her colleagues wish to advance the argument that a further year of such funding should be provided, I will be happy to consider it, as it is a reasonable idea—indeed, I respectfully suggest that it is a great deal more reasonable than half the other stuff that Labour members have come up with today.

The city of Glasgow received £5 million in the first round of town centre regeneration funding. Mr Neil and the panel that considers such matters will look at the applications in due course. It is reasonable to consider an extension of the existing fund, but if we were to increase the resources that we allocate to it, we would have to take resources away from another part of the budget.

**Margo MacDonald (Lothians) (Ind):** Will the cabinet secretary's request for local authorities to take a pro rata share of the chancellor's cuts impact on the capital city supplement? I give notice now that if he does think that, I might not go for the standstill budget that I was looking for after I hear what Glasgow is to get.

**John Swinney:** Well, there we are: the usual fascinating contribution.

I say to Margo MacDonald that I made clear in my statement that the resources for the capital city supplement were part of the announcements on the various parts of the Government's programme that would be sustained in 2010-11. Therefore, there is no question of the situation that she expressed concern about coming to pass.

**Bill Butler:** Does the cabinet secretary not understand that ditching GARL is woefully short-sighted, as it scraps a project that is an essential

component of national economic development—one that would help to sustain recovery and which was unanimously agreed to by this Parliament? Will the cabinet secretary take it from me that Glasgow citizens will see his decision as a direct attack on the city, which will be unreservedly resisted by Labour and, I hope, others in this Parliament?

**John Swinney:** I hear what Bill Butler says, but I am the person sitting in this seat who has to ensure that we have a sustainable capital programme in the future. Not one member of the Labour Party has been able to answer the question of what we do in 2011-12, when there will be a fresh £129 million reduction in the capital budget. That is a given, going by the information that is available to us.

If Mr Butler has looked at the capital investment profile for the years to come—I apologise to Parliament for repeating this information, but it needs to be repeated—he will know that the Treasury projection shows a 13 per cent reduction in capital budgets in 2012-13 and a further 17.4 per cent reduction in 2013-14.

The Glasgow airport rail link would take a number of years to construct, and there would be capital expenditure over a number of years. I appreciate the strength of feeling, but choices have to be made. Every minister in the UK Government—which I remind my Labour colleagues is a Labour Government—is now going around talking about difficult choices that have to be made. This Government has faced up to those choices and will take the decisions forward.

**The Deputy Presiding Officer:** I call Des McNulty, to be followed by Charlie Gordon, and advise both members that they should ask extremely brief questions.

**Des McNulty (Clydebank and Milngavie) (Lab):** How much of the £87 million reduction in funding for major public transport projects in 2010-11 is attributable to the cancellation of GARL, and how much financial support will be provided to fastlink? Will fastlink go to Clydebank as well as the Southern general hospital and Glasgow airport?

**John Swinney:** We will engage in discussions with Glasgow City Council and Strathclyde partnership for transport about the development of fastlink. We think that it offers a strong connection across the city, which addresses the need to ensure that we have a connected environment, particularly because of the requirements of the Commonwealth games.

I appreciate the concern on the Labour benches about the Glasgow airport rail link. Forgive me, however, for taking issue with the fact that I am being lectured by the self-same people who

lectured me about the Edinburgh tram project—look at what that project has become.

**Charlie Gordon (Glasgow Cathcart) (Lab):** How much money, over all the years of phasing, will be saved by cancelling the Glasgow airport rail link? Exactly what proportion of that sum will be spent on other projects in Glasgow and the west of Scotland?

**John Swinney:** In one of my previous answers, I gave a list of the various projects that are currently being invested in to improve the transport infrastructure in and around the city of Glasgow. We will take forward the further investment in fastlink to assist in that process.

The latest estimate of the cost of the Glasgow airport rail link was £397.5 million. I point out that the other investments that the Government is making in transport infrastructure in and around the city of Glasgow look to me to be worth well over £2.5 billion. The Government is making a significant investment in capital projects in the city of Glasgow.

**The Deputy Presiding Officer:** I have no more time left for questions to the minister, even though I extended this session by six minutes. I apologise to those who were not called.

## Road Safety Framework

**The Deputy Presiding Officer (Trish Godman):** The next item of business is a debate on motion S3M-4861, in the name of Stewart Stevenson, on the Scottish road safety framework.

15:45

**The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson):** I am delighted to have the opportunity to open the parliamentary debate on Scotland's road safety framework to 2020. The framework was launched on 15 June this year, and it sets out our road safety vision of a steady reduction in the number of those who are killed or seriously injured, with the ultimate vision of a future in which no one is killed on Scotland's roads and the injury rate is much reduced. It is an ambitious vision, but it is in keeping with those countries in Europe that are leaders on road safety.

To support that vision, we have set the first-ever national Scottish road safety targets, which experts agree are needed to focus action and maintain the reduction of death and serious injury. We are asking our road safety partners to help us to achieve those targets through their own local and organisational contributions.

Scotland has made considerable progress in achieving—indeed, exceeding—the current Great Britain road casualty reduction targets, and I recognise the validity of the Labour amendment, which reflects the achievements of previous Administrations. However, the risk of death and injury is still unacceptably high, and more needs to be done, particularly with regard to children and young drivers, and rural roads, which the Liberal amendment addresses.

The new Scottish targets are challenging but reflect our focus on driving down fatalities as well as serious injury for all age groups, and specifically for children. We are, of course, only too aware that setting targets is relatively easy, and that actually achieving them will require enormous effort, co-operation and perseverance. There is a strong commitment to help to achieve the targets from our existing dedicated road safety partners, with whom we have excellent partnership working arrangements.

To help achieve the targets, we have set out a range of high-level commitments in our framework. We have made a start in turning some of our commitments into action with our road safety partners. A strategic Scottish road safety board will meet for the first time in October, with a further annual general meeting—which I shall chair—taking place in December. That group is representative of the key delivery partners and will

advise on how best to take forward the commitments in the framework.

We have committed to match fund the purchase of new roadside breath test equipment with police forces in Scotland by March 2010. That important new equipment will give additional data to help us to get a better profile of a drink driver and to help to inform enforcement, education and publicity for drink-drive campaigns. The amendments that are before us refer to that, and seek a reduction in the limit—a matter that we have consistently supported and which I am pleased to see is before the Parliament again today.

We have provided modest support to the Royal Society for the Prevention of Accidents to enable its production of a website for the Scottish occupational road safety alliance, which was launched on 10 September. It is intended to raise employers' awareness of the need to have a policy on the management of occupational road risk, because the professional driver, as well as the domestic driver, must be part of the solution.

A range of initiatives is under way to strengthen the safety of children who travel to school on school buses, including a proposed new school bus sign that has been designed by Aberdeenshire Council, which is also running a campaign to heighten awareness for drivers and schoolchildren around the pick-up and drop-off points for school buses. When the results of that work have been evaluated, we will share them with road safety partners in Scotland.

As yet, we have not seen much progress on the idea of banning the overtaking of school buses. I recognise that there are still some significant questions on that subject. However, we should continue to discuss the idea to ensure that we do not miss the opportunity to pursue something that is thought to deliver some benefits in other jurisdictions.

Route safety groups have been set up for each of the trunk road routes, with participation from relevant road safety partners such as local authorities, police forces, emergency services, safety camera partnerships and so on. Transport Scotland's pioneering patrol service, the trunk road incident support service, which aims to cut jams at some of Scotland's traffic hotspots, has been extended to tackle hold-ups en route to the Forth road bridge. Those are all examples of initiatives in which road safety partners are working together to help to deliver reductions in the number of deaths and serious injuries on Scotland's roads.

**Gavin Brown (Lothians) (Con):** It might be too early to say, but is there anything in the budget about which we have just heard that will have

either a positive or negative impact on the road safety framework?

**Stewart Stevenson:** The budget does, of course, support the objectives of the road safety framework. I note that the Conservative amendment calls for funding to be focused on black spots. We are prepared to accept the Conservative amendment and we expect members on the Conservative benches to engage appropriately to see what we can do on that subject.

The framework signals our willingness, where we have solid evidence to back up our proposals, to advocate more restrictive measures than exist in the rest of the United Kingdom. That does not mean that we are not joined up with the UK Government on road safety. We are working extremely well together. I had a warm and supportive letter from Paul Clark after our framework was published.

I accept all the amendments on behalf of the Government and hope that we will have a good debate. The framework sets out a shared commitment to educate and inform, to engineer, and to enforce traffic laws. We seek to encourage partnership working and evaluate what works and how best to invest in road safety, but it ain't just about the Government, the Parliament and partner organisations. It is the responsibility of every road user. I hope that the framework will galvanise all of us, as politicians of whatever party and as individuals, to go safe on Scotland's roads.

I move,

That the Parliament welcomes the publication on 15 June 2009 of Scotland's Road Safety Framework to 2020; notes the road safety vision for Scotland, which is in line with other leading road safety countries, and further notes the road safety targets, priorities and commitments and the support of the Convention of Scottish Local Authorities and the Association of Chief Police Officers in Scotland to tackle road casualty reductions in Scotland over the next decade.

15:53

**Des McNulty (Clydebank and Milngavie) (Lab):** Last Sunday, I took part in the pedal for Scotland bike ride from Glasgow to Edinburgh. It coincided with a report in a Sunday newspaper about an option to introduce a new road tax on cyclists, which is being consulted upon in the Scottish Government's draft cycling strategy. The Cabinet Secretary for Finance and Sustainable Growth and perhaps the Minister for Transport, Infrastructure and Climate Change must have wondered why they have been saddled with such an absurd suggestion. As my amendment makes clear, the Government needs to do much more to support cyclists and pedestrians, and especially those with impaired vision, whose concerns are

not given enough prominence in the road safety framework. Cyclists have certainly lost out on funding under the Government.

When I first skimmed through the framework, I felt that it was a motherhood-and-apple-pie document with little to disagree with. It represents the consensus of views about road safety of a number of agencies including the police, and its recommendations reflect the advice of an expert panel as well as the views of respondents to the consultation. When I read it again, however, I felt that, regrettably, the framework and the specific commitments that are listed in chapter 10 do not contain the radical new measures that the evidence in other parts of the document suggests need to be considered. I hope that we can beef up the document and our approach.

The framework shows that significant progress was made between 1997 and 2007 in reducing the number of deaths and serious injuries on our roads—conveniently, that is the period of the previous Labour and Lib Dem Administration. I am sure that the present Government will continue those policies.

I am pleased that so much progress has been made in reducing the number of deaths and serious injuries, but the statistics also indicate that the number of child deaths in Scotland is proportionately higher than that in England and Wales and that, in road accidents, pedestrians and cyclists are much more likely to be killed or seriously injured than car occupants. We need to do something about that.

Three months ago, we passed the Climate Change (Scotland) Bill. The minister will be held to account for his efforts to reduce emissions and tackle global warming, and I realise that he cannot be held accountable for the fact that, even in summer, the weather in Scotland can be a disincentive to commuting by bike instead of by car. However, if we are serious about meeting targets with regard to the proportion of journeys taken by bike, something needs to be done about the other barrier to cyclists: the risk of being involved in a traffic accident.

Other countries have moved much further than we have in creating segregated space for cyclists and pedestrians in major towns and cities. There is provision for cyclists on routes linking settlements as well as secure storage for cyclists at railway stations. South of the border, cities such as Bristol, York and Southampton and towns such as Darlington have shown how we can multiply the number of people who cycle, which, of course, would lead to health benefits and reduce congestion. Unfortunately, we in Scotland are a long way behind. We cannot blame the weather for that. We need to invest in cycling infrastructure and insist that road space is reallocated.

The minister might say that that is all a matter for local authorities and it is true that local authorities have a major responsibility in taking forward specific schemes. However, I feel that the document lacks a big idea. Its recommendations concentrate on providing information to drivers when we should be recasting our thoughts about road use and traffic management. We need a step change in our thinking not just about how we reduce the road safety figures, but about how we start to deliver our climate change commitments; indeed, we need the kind of radical change that has already taken place in Europe and other parts of the UK.

On rural road deaths, which are highlighted as a problem in the Liberal Democrat amendment, I agree that there is a need for targeted interventions to improve safety on Scotland's rural roads, where seven out of 10 fatal crashes and more than half of all serious injuries occur. There used to be a road safety fund that could be drawn on for modifications to junctions and bends but, regrettably, it is no longer available. Although the Government has made significant sums available for improving some junctions on the A9, it is not clear to me whether that is part of a road safety initiative or is connected with its aspirations to dual the road. Moreover, we need only think about the A82—something that many people in Argyll often do—to remember that the £16 million that was set aside for upgrading still remains unspent. We need to identify where such money should be used and put road safety improvements in place as quickly as possible, and it is a matter of regret that the Scottish Government is being unreasonably rigid in its insistence that the money set aside for the A82 can be spent only on schemes with very long engineering or planning lead times.

The minister has suggested one straightforward measure that could significantly reduce the unacceptable number of road deaths. According to the evidence, a properly enforced 50mph speed limit on all roads other than motorways and dual carriageways could have a dramatic effect on the number of people who are killed and seriously injured each year. The measure could be relatively easy to put in place throughout Scotland, could be cost effective and could also help to reduce emissions. Unfortunately, it does not appear in the document, and there is also scant mention of 20mph speed limits in residential areas, which have been shown to reduce accidents and to encourage children to play safely in the street. I am not saying that such a move would be an automatic panacea, but it is the kind of thing that we should be thinking about. We need to up our game and consider more radical approaches than are perhaps contained in the document.

We also need to think about how the road system is used and configured and how we ensure that all road users are given equal consideration. Our road system should not be designed on the presumption that motorists' interests are paramount. If we are to fulfil our climate change and health aspirations, cyclists and pedestrians should be prioritised alongside motorists.

I was going to say a wee bit about the visually impaired, but I have another opportunity to refer to that in my summing-up speech, so that will be fine for now.

I move amendment S3M-4861.1, to insert after "2020":

"; notes the significant reductions in the numbers of children and young people killed and seriously injured in the period 1997 to 2007; calls on the Scottish Government to prioritise making streets safer for cyclists and for vulnerable groups of pedestrians such as visually impaired and partially sighted people".

16:00

**Alex Johnstone (North East Scotland) (Con):**

In a short speech in a short debate, I will try to rush through my points. I join the minister and the previous speaker in commending the present and previous Governments for achieving a great deal in cutting the number of road deaths and injuries in Scotland. That is part of a consistent pattern that we must praise and continue. The targets in the framework document will move us in that direction.

In the limited time that is available, I will deal with some specifics. First, I have a specific concern about the number of accidents on rural roads. I commend the Liberal Democrats for mentioning that in their amendment. In the north-east of Scotland, we have a noticeable problem with young drivers being involved in accidents, sometimes fatal, on rural roads. It is difficult to target and prevent that problem. The problem must be dealt with through the education of young drivers because, no matter how heavily we police the existing law or any additional legislation that might be put in place, the problem remains that many of the accidents take place in out-of-the-way areas where it is impossible to pre-assess the opportunities.

A second issue, which has been starkly highlighted in the north-east of Scotland in recent years, is that of school buses. I have an open mind on that and I am willing to support Government action to introduce further legislation if necessary. However, that is with the proviso that legislation is not on its own capable of achieving our objectives. In many accidents, existing legislation was not being observed. Mistakes are made by drivers or, in some cases, by those crossing the road. It must be remembered that there is a degree of individual responsibility and

that, unfortunately, legislation will never solve the problem.

The Conservative amendment refers once again to something that has been in many a Conservative manifesto—our black spot funding proposals. The statement on the draft budget that we heard earlier made it clear that funding for any project, let alone transport projects, will be difficult to identify and achieve in the next few years. That is why my amendment highlights the need to spend any resource that is available, limited though it might be, in a way that saves lives on Scotland's roads. Even with very limited funding, there would still be no shortage of places in which it might be used to prevent accidents. Not least of those is the A90 at Laurencekirk where, last week, another fatal accident took place. Although the accident was not at the junction on which many of us have campaigned for years, it was nearby. The solution to the problem is proper investment that improves safety and achieves good results. That could be done with limited investment, but the opportunity has been missed.

Scotland is a big country that will always require its people to have access to roads and transport, especially in rural areas. As a consequence, we cannot legislate to prevent people from moving around, but we can educate them to do it more safely.

The Liberal Democrat amendment contains a proposal to reduce the permissible blood alcohol level. I will suspend judgment on that and will not support the proposal. I believe that the problem in Scotland is not with those who are under the 80mg limit; it is with those who are above that level. Consequently, I do not wish to burden our police force further, given that it appears to be winning the battle at present. As I said, I will suspend judgment on that proposal, but I look forward to discussing it at some time in the future.

I move amendment S3M-4861.2, to insert at end:

“; notes that ongoing investment in the road network is crucial to making our roads safer, and believes that road spending should be prioritised on the most dangerous black spots and those roads with the highest numbers of accidents and fatalities.”

16:04

**Alison McInnes (North East Scotland) (LD):** Improving road safety and reducing deaths and serious injuries on our roads has to be a priority of the first order for us. Three times as many people die on roads in Scotland as are killed in violent incidents. That loss of life is lamentable and the emotional, social and economic impact on families, communities, rescue services and health services is truly immense. I agree that the

Government is right to focus on reducing death and serious injury and to set challenging targets.

As members have said, the overall rate of accidents is coming down, with the number of road deaths in Britain below 3,000 in 2007, making our roads among the safest in the world. However, that success is overshadowed by the fact that young drivers are not getting any safer. Road crashes are the biggest killer of 15 to 24-year-olds in industrial countries. In 2006, the Organisation for Economic Co-operation and Development concluded:

“the high crash fatality and injury rates of young, male novice drivers represent a major public health issue.”

We would be railing against so many preventable deaths if they occurred in any other sphere of life.

Liberal Democrats advocate the successful Swedish vision zero approach to road safety. Although the Government makes reference to that approach in the framework, I am disappointed that it does not go as far as endorsing it. Stewart Stevenson admits that his vision of reduced deaths is “aspirational”. There is much to welcome in the framework, but it is heavily weighted in favour of gentle exhortation rather than strong leadership and, when it comes to road safety, we might find to our regret that that represents a step backwards. I admit that a matrix of organisations is involved in improving road safety and, like the Government, I acknowledge the individual's role. However, the very fact that so many organisations are involved means that strong leadership will be required from the Government if there is not to be a diffusion of effort.

The need to lower the drink-driving limit is well documented. Scotland requires much stricter limits on blood alcohol standards if we are to tackle effectively the persistent problem of drink driving, which is related to one in nine road deaths.

**Dave Thompson (Highlands and Islands) (SNP):** The member castigated the minister about the need for strong leadership. Given that the Liberal Democrats voted to reduce the limit last December, does she support the immediate transfer of the power from Westminster to this Parliament?

**Alison McInnes:** We looked for that result from the Calman commission and I think that it should happen.

Des McNulty focused on child and pedestrian safety and we will support his amendment. Despite the fall in numbers of child deaths and serious injuries, as we have heard, child deaths and the combined child killed or seriously injured casualties rate in Scotland in 2007 were higher per head of population than in England and Wales. Research has shown that children in the lowest

socioeconomic groups are over four times more likely to be killed as pedestrians than those in the highest socioeconomic group, which is unacceptable. In that context, the changes to funding for safer routes to school and the threats to the Sustrans budget must be reviewed to ensure a continued focus on those problems.

Perhaps the most disappointing aspect of the framework, however, is the lack of attention placed on the issue of rural roads. Only three pages of the 154-page strategy are dedicated to tackling road safety in non-built-up areas, yet those roads tragically account for 75 per cent of all accidents. We must tackle those shocking figures by introducing specific targeted measures to improve the safety record of Scotland's rural roads. It is not enough for ministers to simply say in the document that they will continue to support current schemes or consider further action.

Driver training and more driving practice before solo driving are really important. We let down our young people by not ensuring that they are equipped to deal with the demands of rural driving. Preparing our young people to be safer drivers must be a priority. The Executive's research on rural road safety, published last year, identified the lack of adequate driver training as one of the main failings. I ask the Government again to develop a new, improved pass-plus scheme to operate throughout Scotland, harnessing, if possible, sponsorship from insurance companies and targeting those most at risk—young male drivers—to ensure that they are properly equipped with the skills to drive on rural roads.

Some problems on rural trunk roads require engineering solutions. There has to be concern that, by the Government's admission, many of the road safety interventions that were listed under the strategic transport projects review will not see the light of day for a decade. My colleague Mike Rumbles will say more on that and we will support Mr Johnstone's amendment.

Reducing deaths and injuries on our roads will take a concerted effort from everyone, but it needs clear leadership from the Government.

I move amendment S3M-4861.3, to insert at end:

“; reiterates its support for a reduction in the drink-driving limit from 80 mg to 50 mg per 100 ml of blood; expresses deep concern at the disproportionately high incidence of fatalities and serious injuries on rural roads, and calls for greater emphasis on specific, targeted action to improve the safety of Scotland's rural roads.”

16:09

**Stuart McMillan (West of Scotland) (SNP):** I fully support Scotland's road safety framework to 2020—Scotland's first road safety framework—

and I am delighted that the Scottish Government is implementing an ambitious road casualty reduction target. We should all agree that any deaths on Scotland's roads are too many. The priority is to eradicate all fatalities on Scotland's roads, but we need to start somewhere, so the interim target of a 40 per cent reduction by 2020 is admirable—it is higher than the target in the rest of the UK.

Many of us will remember the Christmas campaigns to highlight road safety, and not just for drink drivers. However, road safety issues need to be tackled more regularly than just over the festive period. I have a high volume of correspondence from constituents in the West of Scotland highlighting their concerns about the speed of cars, infrastructure and the lack of adequate road signage, which shows that road safety is not a seasonal issue.

I have been looking closely at the issue of road safety in my constituency of the West of Scotland, with particular emphasis on the A78 running past Inverkip and Wemyss Bay. The minister is aware of that, as we have had a lot of correspondence about it. In early 2008, I was contacted by a number of constituents who were concerned about the section of road at Inverkip. Since that initial correspondence, I have undertaken a consultation on road safety, which I have highlighted to the minister and to the Parliament. Recently, I undertook another consultation, because Scottish Power is considering selling the Inverkip power station site for 780 new homes.

Both those consultations highlighted the strong local feeling on the issue of road safety and the need for vital improvements on the A78. I had an overwhelming 41 per cent response rate to my consultation on the A78, and I have received 721 responses to my current consultation on the Inverkip power station.

It is clear that the A78 will struggle to cope with even more vehicles using it at peak times.

In my current campaign to improve road safety on the A78, I have had numerous dealings with the Inverkip and Wemyss Bay community council. I also met Transport Scotland, along with Councillor Innes Nelson, which resulted in a safety review being undertaken by Transport Scotland and in planned upgrades to the Bankfoot roundabout at Inverkip. I thank Transport Scotland for commissioning the review; the papers arrived at my office this morning, so I am currently going through them.

I was happy that Transport Scotland took on board all the concerns that were highlighted to it and has taken steps to examine the concerns further. However, as residents in Wemyss Bay and Inverkip know, this is not the end of the matter; I

will continue to fight for road improvements to secure a safer future for pedestrians and motorists in the area.

It is vital to implement the recommendations of the road safety framework in seeking to influence young people's attitudes to road safety and increase awareness of the benefits of lower-speed driving in relation to health and road safety.

It is well known that one in five young drivers are likely to be involved in an accident within a year of passing their test. That needs to change, and with it the attitudes of all drivers, however experienced.

I have highlighted just a few of the commitments that are given in the framework, but having 90 pledges from the Scottish Government is a positive step to encourage people in our communities to do their bit to ensure that our roads are safer.

The framework will ultimately allow existing funding streams from the Scottish Government, Transport Scotland, local authorities, the police and many others to be used in a more cohesive fashion. By working together, all parties can play a part in reducing the horrific death toll on our roads.

16:13

**Cathy Peattie (Falkirk East) (Lab):** The good news is that years spent campaigning and improving safety features in vehicles have made a big difference to accident statistics. The number of people killed on Scottish roads has dropped steadily to a quarter of what it was 30 years ago. However, one avoidable accident is one accident too many. The bad news is that having 16,000 casualties means that we must continue to look at better ways to improve road safety.

It is perhaps no surprise that about half of all casualties are car passengers or drivers, with young males being the highest-risk group—we see that just by looking at the cost of insurance for young males. Better driving is important, and advanced driving courses such as the Institute of Advanced Motorists courses and pass plus can help.

About a quarter of casualties are pedestrians and almost as many are people travelling on two wheels—although that figure could be higher, because there is evidence that cycling accidents are underreported. Those groups are vulnerable in an accident. They include young people and old people, and their safety merits particular attention.

Children are forced to use busy roads when going to and from school. Although we are extremely grateful for the dedication of crossing patrols, the plight of children, the elderly, wheelchair users and those with prams is made worse by obstacles, not the least of which is

pavement parking. It is a recipe for an accident when vehicles park on the pavement and pedestrians are forced to use the road. Badly parked vehicles can also make it difficult to see oncoming traffic. More could be done to tackle those problems, perhaps by enforcing existing laws or by creating new byelaws. Failing that, we should consider what legislation we could introduce in the Parliament.

The same goes for bad driving—tailgating, undertaking and so on. People should know better, but those who do not should be dealt with and pulled up for it.

Instead of taxing cyclists, we should improve their lot. Accident rates for cyclists and motorcyclists are again rising. That may reflect an increase in the number of cyclists and motorcyclists but, as we want more people to get on their bikes, we should do what we can do to make the roads safe for them. Young cyclists could benefit from better training and all cyclists would benefit from more and better cycle paths and lanes, but what would benefit them most is more consideration from other road users.

When we consider road safety improvements, we should pay more attention to the views of those who are endangered by bad practices. We should not only give out fridge magnets and lecture children; we should consult schools and the young people who attend them when we formulate policy.

I agree with the suggestion in the framework that, as road users, we all have responsibility for road safety. We must ensure that people take responsibility for their parking. Motorists should realise the effect that bad parking has on children, young people and others who have to walk on the road. For those who do not take their responsibilities seriously, we need to have recourse to legal remedies.

Getting it right for all road users is about persuading people to travel safely and sustainably. We should encourage and protect those who use environmentally friendly modes of transport. This debate is very important, but it is only a start. It is not enough to debate these issues; we need action, in which we all have a role to play.

16:17

**Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I am sure that what I say will come as no surprise to my good friend Stewart Stevenson. I represent a constituency with a poor road safety record where, notwithstanding the improvements that have been made to the A9 between Helmsdale and the Ord of Caithness, there has historically been a fairly poor record of public investment in main roads.



I welcome the publication of the framework, which demonstrates a commitment to on-going improvements in road safety. However, the danger is that the framework will, like some in the past, attract good publicity in the short term but, once it has served its purpose, be forgotten in the future. I hope that that is not the case.

The framework notes the Scottish Government's commitment to

"Continue to invest in junction improvement schemes"

and to

"Rank the worst performing junctions on the trunk road network ... and prepare a programme to improve selected locations."

That news will be welcomed not only in my constituency but by everyone who is concerned about the many people who are killed every year on our roads. What would be even more welcome is some indication of when the necessary improvements might be made or at least when a list of improvements might be compiled.

As the minister knows from our conversations and meetings and from the questions that I have asked, in my constituency alone there have been campaigns about the Tomich junction near Invergordon and about the Cambusavie bends and Berriedale braes on the A9 on the way north through Sutherland. We wonder how many more accidents will have to occur before there is decisive action on those issues. It is self-evident that the longer we delay on the issues, the greater the risk of more accidents. *[Interruption.]*

I draw the Parliament's attention to the findings of the strategic transport projects review, which reported back to the Government in late 2008 outlining priority changes to our roads. Under the stated objective of reducing fatal and severe accident rates on our roads to the national average or lower, the review identified the corridor from Inverness to Wick and Thurso as a key concern. I am grateful for that but, despite the improvements that I have outlined at the Ord of Caithness, no more improvements have been made more recently.

The issue of improvements to the A9 is raised with me continually by constituents. I will quote from one, Mr John Banister, who runs Ackergill tower just outside Wick. He is a prominent spokesman for the area and he will be known to the minister as a result of his involvement with airport issues. He said that the A9 provides

"road access that is critical, not only for people but also for goods coming into Caithness. Local businesses rely on the A9. The alternative rail journey takes"—

as my good friend Rob Gibson often says—

"around 5 hours, and the result is a terrible jam of traffic on the A9 as people cannot stand the lengthy train journey".

The roads issue is crucial for the regeneration of the economy of the far north as Dounreay decommissions.

In its road safety framework to 2020, the Government notes its commitment to

"implement the Strategic Transport Projects Review including ... Road Safety Improvements in North and West of Scotland".

The Government continues to voice its commitment to improving roads—*[Interruption.]*

**The Presiding Officer (Alex Fergusson):** Mr Stone, will you please check that your mobile phone or BlackBerry is turned off? Something is interfering with the sound feed.

**Jamie Stone:** It is not me, Presiding Officer.

**The Presiding Officer:** Then it is somebody very close to you, Mr Stone.

**Jamie Stone:** Ah well. I could not possibly name them.

John Swinney voiced doubts that the improvements to the A9 north of Inverness would deliver

"a positive benefit to cost ratio".

In saying that, he seems to be writing off any future plan to dual the northernmost section of the A9. I may be unfair in saying that, yet what he said came just days after the publication of the strategic transport projects review, in which there is the strong recommendation that such change be made. We have a degree of indecision on the matter. We need to see commitment to improving roads to the north.

I will conclude, Presiding Officer, if I am not interrupted by a BlackBerry—*[Interruption.]*—which I have just been—*[Interruption.]*

**The Presiding Officer:** Order. I ask all members to check that their communication equipment is turned off. A member's telephone or BlackBerry is on, and it is interfering with the sound feed.

**Jamie Stone:** I ask Stewart Stevenson to say whether the Administration can assure the chamber that the recommendations in the publication will be taken seriously. I hope that the answer is yes, specifically in the case of the A9 in the far north. Regardless of where someone lives in Scotland, they have the equal right to drive safely.

16:21

**Dave Thompson (Highlands and Islands) (SNP):** My BlackBerry is definitely off, Presiding Officer. If the sound interference happens during my speech, it must be the fault of Mr Stone again.

The road safety framework is an important document. It contains the first ever Scottish casualty reduction target, for which the minister is to be commended. It is clear that the SNP Government is committed to improving road safety. That is witnessed by the fact that it has allocated £1 million a year until 2011 to implement the framework.

The framework contains 90 commitments, but I will focus on one: the commitment to work to reduce the effect of alcohol on road accidents through a reduction in the drink-driving limit and random breath testing. As members know, I have long campaigned to have the drink-driving limit reduced from 80mg to 50mg of alcohol per 100ml of blood. I support the Liberal Democrat amendment in that respect.

On 18 December last year, the Parliament voted overwhelmingly to support a lowering of the drink-driving limit. Given the outcome of the vote, I will not rehearse again the arguments in favour of such a reduction. The vote last year was 66 in favour of the reduction—a number that included the Liberal Democrats and five Labour members—with 49 abstentions and only one vote against. Clearly, a reduction in the drink-driving limit is the settled will of the Scottish Parliament. The Calman commission subsequently recommended that powers over the drink-driving limit be transferred to the Scottish Parliament. That is not such a radical move as it appears, given that the Northern Ireland Assembly not only has such a power but is involved actively in the debate on the issue.

During the debate last December, great play was made of the reduction in the limit being made across the UK. Some members said that we should await the outcome of a UK-wide review on the matter. Although I would be pleased to see the limit reduced across the UK, we still await action at UK level and meanwhile people are dying or being injured unnecessarily on our roads.

Given that a reduction in the drink-driving limit would save 65 lives a year across the UK, the prevarication of the UK Government has cost 50 people their lives since last December. Since I started my campaign, 130 lives have been lost and, shockingly, 780 lives have been lost since Labour came to power in 1997. How many more people have to die before Westminster sees sense on the issue?

In the absence of a commitment by the Westminster Government to reduce the drink-driving limit across the UK, I wrote to a number of organisations that support such a reduction to ask them whether they favour the power to reduce the limit being given to the Scottish Government. Although some, understandably, felt that it would be inappropriate for them to comment, others expressed the strong view that if the UK

Government was unwilling to act, Scotland should be given the chance to lead the way. They said that the power should be transferred to the Scottish Government. The British Medical Association, Scottish Health Action on Alcohol Problems and the Royal Society for the Prevention of Accidents all took that view.

There is now an unstoppable momentum behind transfer of power over the drink-driving limit. The Calman commission favours transfer of drink-driving powers to the Parliament. Influential bodies such as the BMA, SHAAP and ROSPA also back it. The Scottish Government has already drafted the necessary orders, and Westminster could implement the measure in a matter of weeks, if it wished. What is the problem? I plead with the Opposition parties, especially the Liberal Democrats, to stop playing politics with people's lives, to come on board now and to back the immediate transfer of drink-driving limit powers to the Parliament.

16:26

**Charlie Gordon (Glasgow Cathcart) (Lab):** In my experience, good road safety is the product of what I call four Es. The first is education. I can still recall word for word the so-called kerb drill that was in the front of my first school jotter, well over half a century ago. That means either that it was a very effective piece of road safety education or that I am nearly as much of a geek as Stewart Stevenson admits to being.

Another E is engineering. We can have signage, lines painted on the road or traffic calming. I am a strong supporter of the last of those, because traffic calming also assists enforcement. Frankly, if we put up a 20mph sign, the speed merchants can ignore it. However, if they do that on a road that has sleeping policemen, their head will go through the roof of their car and they will not do it again.

There is also human enforcement—the white-hatted traffic cops of Rikki Fulton fame and their motorbikes. Road safety should be the responsibility of all police officers. Although I see good work being done by community officers outside schools, my observation is that too many ordinary bobbies nowadays appear to leave the police station without their book of tickets for parking and traffic offences.

The fourth E, along with education, engineering and enforcement, is encouragement—by all of us. It is up to politicians to set an example and to lead the debate, as we are doing today. Some good practice on the part of employers is quoted in the rather worthy document that we are debating. All of us in the community have a responsibility for road safety.

Most of the trends are in an encouraging direction, but one or two modern trends should discourage complacency on our part. Cathy Peattie has already mentioned parking. A particular scourge in the past five years is that of people parking on corners—literally—and roundabouts rather than driving around to look for a space. People seem to take the view that, provided that there are no double yellow lines, they will take a chance and park. We may not be far away from a time when yellow lines painted on the road will indicate that parking is permitted and the absence of yellow lines that people should not park at all. The balance seems to have been tipped in the wrong direction.

Another modern scourge is a series of offences that come under the heading of distraction and are discussed in chapter 8 of the framework. I was particularly struck by a survey cited on page 88 that indicated that 90 per cent of drivers agree that it should be illegal to drive while using a hand-held mobile phone but 25 per cent admit to having done so. A bit of a disconnection in driver behaviour is developing in relation to this category of offence. Rightly, the document points out that, as we have seen in the past few days, sheriffs have new sentencing powers and people can be incarcerated for such offences under the heading of careless driving. The mandatory sanction is a £60 fine and three penalty points. I have just had an e-mail from a constituent who has returned from holiday in the Isle of Man. He says that the signs on the ferries and the roads make it clear that anyone who drives while using a mobile phone there faces an automatic £1,000 fine. Therefore, nobody does it. I leave that as food for thought for the minister.

16:30

**Maureen Watt (North East Scotland) (SNP):** I wish to highlight just how significant the publication of Scotland's first road safety framework is. This is the first time that Scotland-specific casualty reduction targets have been set. Although they are ambitious, they are wholly necessary if the progress that has been made in reducing casualty rates is to continue. It will be no easy task to halve the number of serious injuries and achieve a 40 per cent reduction in fatalities over the next decade, but I am confident that the Scottish Government will work hard to achieve those targets.

In the north-east, we know only too well the importance of making improvements to road safety, given how many families have suffered the tragedy of seeing a loved one injured or killed on our roads. As I have said before, I, like many others in the north-east, dread opening the local papers after the weekend, when there are nearly

always reports about fatalities or serious injuries. The pain that family and friends feel can never be reduced to a mere statistic. That fatalities are at their lowest level in Scotland for more than 50 years is of little comfort to them so, for their sake, more must continue to be done to make our roads safer and to prevent other families from experiencing that pain. Every death on Scotland's roads is one too many.

Although the north-east has seen more than its share of tragedy on the roads, we are also seeing innovations to improve road safety. As the minister mentioned, Aberdeenshire Council is trialling SeeMe technology in the Banchory area. SeeMe has proved successful in improving the safety of children boarding or getting off school buses in Sweden. Children are given a transponder that is placed in their school bags and which causes warning signs to flash when a child is near a bus stop, warning motorists to take more care. I am sure that all members share my hope that the pilot scheme proves to be a demonstrable success and can be used to help to protect children throughout Scotland in coming years.

That the north-east was selected for the trials is testament to the tireless campaigning of people such as Ron Beaty, whose granddaughter was seriously injured after getting off a school bus, and the many other people who are involved in his campaign to make improvements to all aspects of school bus safety. I pay tribute to all their efforts and the changes that they have already achieved.

As the school bus safety group—and, no doubt, other campaigning organisations—has found, significant powers over Scotland's roads are still reserved to the UK Department for Transport. I sincerely hope that the UK Government will play its part in striving to do more to improve safety on our roads where the responsibility rests with it. Like others, I call for those powers to be devolved. Inaction that puts people at risk is surely inexcusable, and I hope that members of all parties will play their part in pushing the UK Government to take action in those areas where the Scottish Government identifies changes to reserved policy that could help to save lives on Scotland's roads.

I hope that the new Scottish road safety framework will give a new impetus to build on the casualty reductions that have already been achieved, and that improvements in Scotland's road network and road safety technologies will help to bring down the figures still further. Highlighting the fact that road safety is everyone's responsibility, as the framework does—and as Charlie Gordon did—is important and will, I hope, encourage a fully joined-up approach to safety on Scotland's roads.

I welcome the progress that has been made to date in reducing casualties on our roads by such significant numbers, and I am confident that everyone who is involved in road safety, from Government to individual road users, will play their part in making Scotland's roads even safer in the decade to come.

16:34

**Christopher Harvie (Mid Scotland and Fife) (SNP):** I join members in welcoming the Scottish Government's road safety framework, and I declare an interest: I am president of the Scottish Association for Public Transport and I have not knowingly driven a car for 32 years.

Although I distrust target setting—as Katherine Whitehorn memorably said during last year's Melrose festival, "If you hit anything, call it a target"—it is good to see that by 2007 Scotland had considerably exceeded the 2010 UK targets and it is good that we plan to do even better. If the UK Government will not move to reduce the blood alcohol limit for drivers from the current level to 50mg, we should be allowed to do so.

I want to link this debate with yesterday's debate on sport and physical activity, when we considered the country's weight problem. People who are overweight—that includes our friends and ourselves; I am 6kg heavier than I ought to be—live under a kind of indirect threat from traffic, because lifestyles have become overwhelmingly sedentary. We spend our lives safely in bed, in front of computer screens, at tables, eating, and in cars, going to or coming back from work, school, the supermarket and so on.

The international comparisons that can be derived from the statistics are not comforting, although they are explicable. In wonderful Copenhagen, 36 per cent of workers cycle to work every day, whereas in Edinburgh we have just registered an increase of an eighth, to 2 per cent.

It is not easy to walk in Scotland. We have to walk along or cross many roads that have heavy traffic and are heavily parked. Freuchie community council got in touch recently to say that folk in that Fife village, which is bisected by the A92, can be cut off for 20 minutes from their bus stop, shops, school or work.

In Edinburgh in the 1960s, I was that daredevil, a bike commuter—let's hear it for Scotland's greatest invention, the invention of Kirkpatrick Macmillan and John Dunlop. I did the trip from Morningside, and later from Stockbridge, to the university. Members should consider the volume of traffic and parked cars on such routes now—that is why our cycling statistics are so bad. Even when I walk from Old College, where I get off the Borders bus, to Holyrood, I have to cross two busy

roads in half a mile. The cobbles on Jeffrey Street are so badly laid that they look like a death trap—I do not know whether other members have observed that. That might be taken care of when a toddler or pensioner trips and is knocked over, which is—alas—the sort of incident that propels intervention.

My daughter, Alison, commutes by bike in London in traffic that looks and often is frightening. Last year, my friend Lisa Pontecorvo of the Open University, who was born in Glasgow and was a great expert on documentary film, was crushed to death by a heavy lorry while riding her bike in Islington.

My brother, Steve, is a lorry driver for Christian Salvesen and he keeps me informed about that scene. UK standards are pretty good, particularly in unionised firms such as Salvesen, although they are not perfect. However, two thirds of the overseas traffic that reaches Scotland by road comes in foreign heavy goods vehicles, of which a third have been recorded as being overloaded or badly maintained or having overworked drivers. Members can imagine the hazards in that regard.

Our orthodoxy has been to squeeze more traffic capacity on to our roads. Instead, we need to reduce car speed, provide broader pavements and give right of way to bus, cycle and pedestrian traffic. Cars are not the only issue. Ideas such as the concept project, which is mentioned in the framework, enable us to devise an overall solution to the problem in the context of allocation of loads.

It is not just about declarations and planning. We need an ethos that is not that of "Top Gear"—the "four wheels good, two legs boring" ethos. "Top Gear" might be "just fluff", as Jeremy Clarkson tells us; fluff is not a policy for transport or indeed for our survival.

16:39

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** Presiding Officer,

"every death and every serious injury on the roads is one too many. We need to maintain the huge effort made by many people in Scotland towards making our roads safer. Indeed, we need to take stock and see what more we can do."

Those are the words of the Minister for Transport, Infrastructure and Climate Change in the foreword to the road safety framework. In the body of the text on page 91, the framework states, with regard to the trunk road network, which is the minister's direct responsibility:

"A road's design has a major influence on its safety performance. The features of the roads themselves affect the likelihood and severity of accidents. Humans are fallible and, in recognising that road users will make mistakes, we

must acknowledge the need to design out or protect the features that result in death and serious injury.”

It is really good stuff. The document goes on to say that many road junctions are targeted specifically at road safety. A good example is the addition of seven new interchanges on the A90 between Perth and Forfar where junctions with poor accident histories have been replaced with grade-separated junctions—that is, flyovers.

The minister knows full well the level of accidents on the A90 at Laurencekirk, although he has repeatedly disputed the figures that Grampian Police has provided.

**Stewart Stevenson:** Will the member give way?

**Mike Rumbles:** I do not have time, I am afraid. The minister has six minutes in which to respond, and I hope that he will.

The minister knows full well the level of the community campaign led by Jill Campbell with its 8,000-signature petition, which is before the Parliament again in November. He also knows full well that the safety measures that a previous transport minister put in place in 2005 were never intended to be anything more than temporary.

The minister refused to meet Jill Campbell and me for some time, but we eventually secured a meeting with him in February this year. We were astonished at the complacency that he and his team displayed. He told us that he had other transport priorities but, when pressed, declined to say what they were in comparison with Laurencekirk. He felt that the injuries and accidents around the three junctions at Laurencekirk were at an okay level.

**Stewart Stevenson:** Will the member give way?

**Mike Rumbles:** I have told the minister already that I will not.

We warned him repeatedly that it was only a matter of time before we had more—

**Stewart Stevenson:** On a point of order, Presiding Officer. Is it correct for members to put in other members' mouths words that have not been said?

**The Presiding Officer:** You have an opportunity to respond when you wind up the debate, minister. I have a little flexibility if Mr Rumbles wants to take an intervention, but he does not have to.

**Mike Rumbles:** I repeat that the minister told us that he had other transport priorities but, when pressed, declined to say what they were in comparison with Laurencekirk. He felt that the injuries and accidents around the three junctions at Laurencekirk were at an okay level.

We warned the minister repeatedly that it was only a matter of time before we had more loss of

life at those junctions. Last week, we had that next fatality. My condolences go to the family of Mr Anderson, but I ask the minister to ensure that I do not have to stand up in the Parliament again and plead with him to do the right thing at Laurencekirk.

**Maureen Watt:** Will the member give way?

**Mike Rumbles:** I do not have time, unfortunately.

On behalf of the campaigners, I thank Frank McAveety, the convener of the Public Petitions Committee, who wrote to Jill Campbell and the campaigners after the tragic accident at Laurencekirk last week.

Seven junctions have been authorised on the road south of Laurencekirk by recent transport ministers. It is the only community of its size between Dundee and Aberdeen that does not have a grade-separated junction for access on to the A90. The Minister for Transport, Infrastructure and Climate Change must complete the work, authorise a grade-separated junction for Laurencekirk and close the other two junctions to crossing traffic.

I ask the minister again to put the good words that he uses in the foreword of his publication into effect for the community of the Mearns around Laurencekirk. The issue is, and has only ever been, about saving lives. It is too late for Mr Anderson and his family, but we should all make every effort to ensure that it is not too late for other families whose loved ones will die if Laurencekirk and the Mearns do not get their grade-separated junction.

16:44

**Gavin Brown (Lothians) (Con):** The road safety framework has much in it that is to be commended. It is clear that a lot of positive work was put into it by an expert panel, the Government, various respondents, various parties, the police, motoring organisations and a number of individuals and safety organisations.

The targets in the framework are challenging, although I take on board Alison McInnes's points about Sweden's target of zero road accident fatalities by 2020. We must watch to see whether Sweden is achieving things that we are not. Nevertheless, reductions of 40 and 50 per cent are challenging targets. On the analysis of a number of motoring organisations, it seems that the bulk of the easy wins in road safety are over. There may be some easy wins still out there, but the bulk of them, I think, are over.

Mike Rumbles is absolutely right to say that any death on Scotland's roads is a tragedy and is one death too many. Over the past 30 or 40 years,

under Governments of all different stripes, enormous progress has been made. In the late 1960s, there were almost 900 deaths a year on the roads in Scotland. The latest figures that I have seen suggest that there are now around 270 to 280 such deaths a year. Given the increase in traffic over that period, that is no mean feat for various Governments to have achieved. Nevertheless, I agree with anyone who says that there is no room for complacency.

My colleague, Alex Johnstone, touched on several measures for which the Scottish Conservatives have been pushing for some time. We had black spot funding in our previous manifesto, and we reiterate today that the targeting of problem roads must be a priority. Although the global figures have come down, there are certain roads and parts of the country where there has not been a decrease in the number of fatalities or where the decrease has taken place far more slowly than on other roads.

Some areas need to be worked on. In his statement, the minister picked up on what the Institute of Advanced Motorists, I think, had noted in drawing out specific Scottish problems or issues. It pointed to the high fatality rate per crash, which was higher than in the UK in general. It also felt that child safety should be a higher priority here, and it mentioned the issues of new drivers and rural roads, which many members have touched on in the debate.

It is worth dwelling on the point that Charlie Gordon made about technology—or distractions, as he described them. At the weekend, I read a study compiled by Heriot-Watt University that addressed various distractions. Mr Gordon rightly talked about mobile phones; the study looked at more recent developments such as satellite navigation devices. A number of crashes have happened while people have been changing the co-ordinates in their sat navs, and some have happened—although not so many—when people have been flicking about with iPods. The issue needs to be addressed each year, rather than every 10 years, as technology advances quickly and there will be things to distract drivers in five years' time that we cannot think about today.

Seat belts are not a new subject, but I was struck by a comment that the minister made in evidence to the Transport, Infrastructure and Climate Change Committee. He said that he thought—he added that caveat—that 50 per cent of in-car injuries and fatalities could be traced to the non-wearing of seat belts. He was not 100 per cent sure whether that figure was correct; nevertheless, if it is anywhere near correct, it highlights an area in which there might be an easy win or a slightly quicker win in comparison with other areas.

A parliamentary question was asked about the collection of data on road safety black spots, and the answer was that the information is not held centrally. The data on trunk roads are held centrally, but there are black spots all over Scotland that are not on trunk roads. I wonder whether there can be movement on that so that we can collect information on all black spots and hold it centrally.

16:48

**Des McNulty:** I have a degree of sympathy with the Conservative amendment: we need to invest in ensuring safety on the road network and we must identify where the worst problems occur, focusing on the number of accidents—particularly serious accidents involving fatalities. In that context, it is important that we have criteria that are set by professionals who can assess the situation and the problems. We should not have a process whereby people simply assert that their problem is somehow worse than anybody else's.

I do not know about the situation in Laurencekirk that has exercised Mr Rumbles, but anyone who has been involved over a period of time in dealing with roads budgets would, I hope, accept that there is a need to identify what must be done, what can be done and how that relates to other priorities. That process should operate in every context. For example, my constituency includes a short stretch of the A82 on which three fatalities have occurred within the past 15 months. I am working with the different road authorities to find a solution to the problem, or at least mitigation measures to reduce any future fatalities. However, the solution should come from professional judgment rather than from a decision made ultimately by me as a politician.

We need to identify the correct solutions rather than necessarily the solutions that local people might prefer. While bearing in mind the sympathy that we all naturally have for those who suffer from accidents, as well as for their families, we nonetheless need to ensure that decisions and allocations are made in a professional way.

One problem that I have with the wording—as opposed to the spirit—of the amendment in the name of Alex Johnstone is that it perhaps suggests that the roads budget should be distributed in a way that takes away from road maintenance as opposed to road projects. I would insert a wee caveat on that point because I think that many road accidents are actually a product of poor maintenance that results in potholes and unanticipated traffic problems. That issue is not about major schemes to straighten out bends in the road or to sort out junctions but about keeping the roads in a good state of repair. Again, how the different priorities should be taken forward should

be a matter for professional judgment. I hope that the minister will quite properly maintain that point.

The minister needs to drive the professionals forward by highlighting the range of concerns that exist. In my opening speech, I tried to do that by drawing attention to the problems that are experienced by cyclists, but I also want to highlight the concerns of those who represent the visually impaired. Such groups are really worried about the impact that the proposal for shared surfaces might have on the unsighted and the partially sighted, who would lack warning of approaching cars or even bicycles emerging unexpectedly. We need to think of all road users—current and potential users—in designing our streets and allocating resources to maintain them.

It seems to me that we need to consider not only historical traffic accidents but the opportunities that people have—or do not have—to use the roads because of their present configuration and design. I would like to see our roads being used in a different way. I would like more people to feel confident enough to walk or cycle and fewer people to feel that they need to rely on the car. If we can redesign our road network—not immediately but slowly—towards that objective, we will be moving in a positive direction not just on road safety but on tackling climate change.

We will not oppose the Liberal Democrat amendment, although I am not 100 per cent convinced that reducing the permitted blood alcohol level is the most important issue. Statistically, it is clear that reducing speed on trunk roads and other roads, including residential roads, would deliver more significant returns—

**The Presiding Officer:** I am afraid that I must hurry you.

**Des McNulty:** If the minister is to have a conversation with his colleagues in Westminster and elsewhere, I hope that he will have a broad-based conversation on all those issues.

This has been a useful debate. I look forward to participating in the vote at decision time, when I hope that we will agree to a sensible resolution.

16:54

**Stewart Stevenson:** This has been a useful debate. As I indicated at the outset, I am prepared to accept all three amendments—I could, of course, pick at some of their wording—because they all reflect the concern that is shared by all parties in the Parliament to ensure that we make our roads safer and that we make people's use of those roads safer.

Road safety is not an issue that we can build our way out of by forever improving our roads. Indeed, it is pretty clear that an increasing proportion of the

accidents on our roads are related to driver behaviour and that, increasingly, the engineering interventions that we make on our roads should be about protecting people—who are often confronted by unreasonable driver behaviour—from the consequences of other people's accidents by giving them roads that give them exits or soft options that minimise the effects of poor driving.

We have had some good speeches that have highlighted a number of important issues. Des McNulty talked about the visually impaired and the use of shared surfaces. Like him, I think that there are some important issues there. The idea of clearing a space and making it shared is a good one, if we can find ways of providing areas in which people who are visually impaired can be protected and of allowing people to recognise the different needs of others.

The concept of shared surfaces often relates to the reduction of speeds in urban areas. Charlie Gordon touched on that in what was, as ever, a thoughtful speech. He said that we should use measures that affect the way that people use our roads to improve safety. I have every sympathy with that approach. *[Interruption.]*

**The Presiding Officer:** Order. Members who have just come into the chamber are making far too much noise. Will they please respect the fact that a debate is being wound up?

**Stewart Stevenson:** Thank you, Presiding Officer.

Des McNulty also mentioned the need to work with Westminster—we do, of course. We have had a number of good ideas from Westminster, and it is clear that Westminster sees merit in what we have done, much of which is reflected in what it is doing. We are working on slightly different timescales, but we are certainly working to a shared objective.

Mention was made of the Swedish objective of zero road deaths, but it is worth making the point that, although important work is being done and good progress has been made in Sweden, there is not the same degree of cross-body working that exists in Scotland, which was introduced by the previous Administration and has been sustained by this one. Indeed, the Swedes are having to have a rethink, as the progress that they have made is not being sustained.

Alex Johnstone, among others, introduced the subject of rural road deaths. Those of us who represent areas in the north-east of Scotland have particular concerns about the relationship of that issue to young drivers. It is suggested that two thirds of accidents are caused by driver error. Inexperienced drivers in their first year of driving—members should note that I said “inexperienced”

rather than “young”, although it is inevitable that young drivers will be inexperienced—are as much as five or six times more likely to have an accident as other people are. We must have a special focus on them.

Alex Johnstone and Alison McInnes spoke about school buses, which is not just an issue of legislation. Technology can help, but we must educate and show true leadership. Alison McInnes said that we need targets—of course we do—and pointed, quite properly, to the fact that children from the lowest socioeconomic groups are at significantly higher risk.

The budget of Sustrans is being sustained, and we are working on driver training with the Driving Standards Agency at Westminster. It is clear that some roads need new investment, and I welcome the work that Stuart McMillan has been doing in his constituency to help identify where such investment is appropriate.

Like many members, Jamie Stone spoke about his constituency. He highlighted the fact that road junctions present particular challenges, which they do. Dave Thompson returned to the subject of drink-driving limits. I am glad that the Liberals reflected the position that we have taken in their amendment.

Charlie Gordon got the school jotter out of the back of his pants and talked about kerb drill. It is right that we need some flair and imagination of the kind that has meant that, even at his great age, the road safety education that he received at school is still at the forefront of his mind. We must keep doing such work.

**The Presiding Officer:** Order. I say again that there is far too much noise in this chamber.

**Stewart Stevenson:** We would all be astonished if anyone had risen to their feet today to oppose road safety and, of course, we have not been astonished.

We have had an excellent debate. Much more has been said than I can summarise in the six minutes that I have been kindly allowed. We will read the *Official Report* carefully and seek to respond accordingly. We will, of course, continue to work with partners.

I hope that we achieve unanimity when we vote.

## Decision Time

17:00

**The Presiding Officer (Alex Fergusson):** There are seven questions to be put as a result of today's business.

The first question is, that amendment S3M-4862.1, in the name of Derek Brownlee, which seeks to amend motion S3M-4862, in the name of John Swinney, on Diageo, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-4862.2, in the name of Robert Brown, which also seeks to amend motion S3M-4862, in the name of John Swinney, on Diageo, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that motion S3M-4862, in the name of John Swinney, on Diageo, as amended, be agreed to.

*Motion, as amended, agreed to.*

That the Parliament believes that major commercial decisions in Scotland should be made in the context of sustainable economic development; regrets that the proposals by Diageo to close Port Dundas Distillery in Glasgow and the Kilmarnock packaging plant abandoned long-standing workforces and plants while taking little responsibility for the consequent public costs of their decisions; urges the Scottish Government to ensure that government support of communities faced with major job losses is applied consistently across all communities in Scotland; recognises the work of the Diageo Taskforce to safeguard jobs in the west of Scotland; notes with real disappointment that the taskforce and Diageo were unable to agree a way forward; recognises that support for the individuals and communities affected is a major priority; calls on the Scottish Government to support the trades unions in their efforts to ensure that an extension on the proposed closure of Port Dundas is fully considered, that the proposed new jobs in Leven are permanent and high quality in nature and the formal consultation process between Diageo and trades unions is extended to ensure that all necessary steps are taken to mitigate the closure of the Kilmarnock packaging plant; supports the continued work of taskforce members to tackle the devastating impacts that the job losses will have on the affected communities; calls on the Scottish Government to work together with the UK Government, local authorities and relevant agencies to encourage new job creation and new business start-ups in the affected communities and elsewhere in Scotland; recognises that Scotland must compete in a global market for the investment necessary to create and safeguard jobs, and calls on the Scottish Government to ensure that its actions are aimed at maximising such investment.

**The Presiding Officer:** The next question is, that amendment S3M-4861.1, in the name of Des McNulty, which seeks to amend motion S3M-4861, in the name of Stewart Stevenson, on the Scottish road safety framework, be agreed to.



*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-4861.2, in the name of Alex Johnstone, which also seeks to amend motion S3M-4861, in the name of Stewart Stevenson, on the Scottish road safety framework, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**FOR**

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Allan, Alasdair (Western Isles) (SNP)  
 Brocklebank, Ted (Mid Scotland and Fife) (Con)  
 Brown, Gavin (Lothians) (Con)  
 Brown, Keith (Ochil) (SNP)  
 Brown, Robert (Glasgow) (LD)  
 Brownlee, Derek (South of Scotland) (Con)  
 Campbell, Aileen (South of Scotland) (SNP)  
 Carlaw, Jackson (West of Scotland) (Con)  
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)  
 Constance, Angela (Livingston) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Don, Nigel (North East Scotland) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Finnie, Ross (West of Scotland) (LD)  
 FitzPatrick, Joe (Dundee West) (SNP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Goldie, Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Christopher (Mid Scotland and Fife) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Central Scotland) (SNP)  
 Hume, Jim (South of Scotland) (LD)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kidd, Bill (Glasgow) (SNP)  
 Lamont, John (Roxburgh and Berwickshire) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)  
 Marwick, Tricia (Central Fife) (SNP)  
 Mather, Jim (Argyll and Bute) (SNP)  
 Maxwell, Stewart (West of Scotland) (SNP)  
 McArthur, Liam (Orkney) (LD)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McKee, Ian (Lothians) (SNP)  
 McKelvie, Christina (Central Scotland) (SNP)  
 McLaughlin, Anne (Glasgow) (SNP)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 McMillan, Stuart (West of Scotland) (SNP)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Neil, Alex (Central Scotland) (SNP)  
 O'Donnell, Hugh (Central Scotland) (LD)  
 Paterson, Gil (West of Scotland) (SNP)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Robison, Shona (Dundee East) (SNP)

Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Alex (Gordon) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elizabeth (Mid Scotland and Fife) (Con)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow Govan) (SNP)  
 Swinney, John (North Tayside) (SNP)  
 Thompson, Dave (Highlands and Islands) (SNP)  
 Tolson, Jim (Dunfermline West) (LD)  
 Watt, Maureen (North East Scotland) (SNP)  
 Welsh, Andrew (Angus) (SNP)  
 White, Sandra (Glasgow) (SNP)  
 Wilson, Bill (West of Scotland) (SNP)  
 Wilson, John (Central Scotland) (SNP)

**AGAINST**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Margaret (Glasgow Baillieston) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Foulkes, George (Lothians) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Kelly, James (Glasgow Rutherglen) (Lab)  
 Kerr, Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 MacDonald, Margo (Lothians) (Ind)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Murray, Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)

**The Deputy Presiding Officer:** The result of the division is: For 77, Against 39, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-4861.3, in the name of Alison McInnes, which also seeks to amend motion S3M-4861, in the name of Stewart

Stevenson, on the Scottish road safety framework, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**FOR**

Adam, Brian (Aberdeen North) (SNP)  
 Alexander, Ms Wendy (Paisley North) (Lab)  
 Allan, Alasdair (Western Isles) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Keith (Ochil) (SNP)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Campbell, Aileen (South of Scotland) (SNP)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)  
 Constance, Angela (Livingston) (SNP)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Curran, Margaret (Glasgow Baillieston) (Lab)  
 Don, Nigel (North East Scotland) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 FitzPatrick, Joe (Dundee West) (SNP)  
 Foulkes, George (Lothians) (Lab)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grahame, Christine (South of Scotland) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Christopher (Mid Scotland and Fife) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Central Scotland) (SNP)  
 Hume, Jim (South of Scotland) (LD)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Adam (South of Scotland) (SNP)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Kelly, James (Glasgow Rutherglen) (Lab)  
 Kerr, Andy (East Kilbride) (Lab)  
 Kidd, Bill (Glasgow) (SNP)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 Marwick, Tricia (Central Fife) (SNP)  
 Mather, Jim (Argyll and Bute) (SNP)  
 Maxwell, Stewart (West of Scotland) (SNP)  
 McArthur, Liam (Orkney) (LD)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McInnes, Alison (North East Scotland) (LD)  
 McKee, Ian (Lothians) (SNP)  
 McKelvie, Christina (Central Scotland) (SNP)  
 McLaughlin, Anne (Glasgow) (SNP)  
 McMillan, Stuart (West of Scotland) (SNP)

McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Elaine (Dumfries) (Lab)  
 Neil, Alex (Central Scotland) (SNP)  
 O'Donnell, Hugh (Central Scotland) (LD)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Paterson, Gil (West of Scotland) (SNP)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Robison, Shona (Dundee East) (SNP)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Alex (Gordon) (SNP)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Sturgeon, Nicola (Glasgow Govan) (SNP)  
 Swinney, John (North Tayside) (SNP)  
 Thompson, Dave (Highlands and Islands) (SNP)  
 Tolson, Jim (Dunfermline West) (LD)  
 Watt, Maureen (North East Scotland) (SNP)  
 Welsh, Andrew (Angus) (SNP)  
 White, Sandra (Glasgow) (SNP)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)  
 Wilson, Bill (West of Scotland) (SNP)  
 Wilson, John (Central Scotland) (SNP)

**AGAINST**

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Ted (Mid Scotland and Fife) (Con)  
 Brown, Gavin (Lothians) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Carlaw, Jackson (West of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West of Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, John (Roxburgh and Berwickshire) (Con)  
 MacDonald, Margo (Lothians) (Ind)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Elizabeth (Mid Scotland and Fife) (Con)

**The Deputy Presiding Officer:** The result of the division is: For 98, Against 18, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that motion S3M-4861, in the name of Stewart Stevenson, on the Scottish road safety framework, as amended, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**FOR**

Adam, Brian (Aberdeen North) (SNP)  
 Alexander, Ms Wendy (Paisley North) (Lab)  
 Allan, Alasdair (Western Isles) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Keith (Ochil) (SNP)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Campbell, Aileen (South of Scotland) (SNP)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)  
 Constance, Angela (Livingston) (SNP)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Curran, Margaret (Glasgow Baillieston) (Lab)  
 Don, Nigel (North East Scotland) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 FitzPatrick, Joe (Dundee West) (SNP)  
 Foulkes, George (Lothians) (Lab)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grahame, Christine (South of Scotland) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Christopher (Mid Scotland and Fife) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Central Scotland) (SNP)  
 Hume, Jim (South of Scotland) (LD)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Adam (South of Scotland) (SNP)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Kelly, James (Glasgow Rutherglen) (Lab)  
 Kerr, Andy (East Kilbride) (Lab)  
 Kidd, Bill (Glasgow) (SNP)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 MacDonald, Margo (Lothians) (Ind)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 Marwick, Tricia (Central Fife) (SNP)  
 Mather, Jim (Argyll and Bute) (SNP)  
 Maxwell, Stewart (West of Scotland) (SNP)  
 McArthur, Liam (Orkney) (LD)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McInnes, Alison (North East Scotland) (LD)  
 McKee, Ian (Lothians) (SNP)  
 McKelvie, Christina (Central Scotland) (SNP)  
 McLaughlin, Anne (Glasgow) (SNP)  
 McMillan, Stuart (West of Scotland) (SNP)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

Murray, Elaine (Dumfries) (Lab)  
 Neil, Alex (Central Scotland) (SNP)  
 O'Donnell, Hugh (Central Scotland) (LD)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Paterson, Gil (West of Scotland) (SNP)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Robison, Shona (Dundee East) (SNP)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Alex (Gordon) (SNP)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Sturgeon, Nicola (Glasgow Govan) (SNP)  
 Swinney, John (North Tayside) (SNP)  
 Thompson, Dave (Highlands and Islands) (SNP)  
 Tolson, Jim (Dunfermline West) (LD)  
 Watt, Maureen (North East Scotland) (SNP)  
 Welsh, Andrew (Angus) (SNP)  
 White, Sandra (Glasgow) (SNP)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)  
 Wilson, Bill (West of Scotland) (SNP)  
 Wilson, John (Central Scotland) (SNP)

**ABSTENTIONS**

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Ted (Mid Scotland and Fife) (Con)  
 Brown, Gavin (Lothians) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Carlaw, Jackson (West of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West of Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, John (Roxburgh and Berwickshire) (Con)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Elizabeth (Mid Scotland and Fife) (Con)

**The Presiding Officer:** The result of the division is: For 100, Against 0, Abstentions 16.

*Motion, as amended, agreed to,*

That the Parliament welcomes the publication on 15 June 2009 of Scotland's Road Safety Framework to 2020; notes the significant reductions in the numbers of children and young people killed and seriously injured in the period 1997 to 2007; calls on the Scottish Government to prioritise making streets safer for cyclists and for vulnerable groups of pedestrians such as visually impaired and partially sighted people; notes the road safety vision for Scotland, which is in line with other leading road safety countries, and further notes the road safety targets, priorities and commitments and the support of the Convention of Scottish Local Authorities and the Association of Chief Police Officers in Scotland to tackle road casualty reductions in Scotland over the next decade; notes that ongoing investment in the road network is crucial to making our roads safer; believes that road spending should be prioritised on the most dangerous black spots and those roads with the highest numbers of accidents and fatalities;

reiterates its support for a reduction in the drink-driving limit from 80 mg to 50 mg per 100 ml of blood; expresses deep concern at the disproportionately high incidence of fatalities and serious injuries on rural roads, and calls for greater emphasis on specific, targeted action to improve the safety of Scotland's rural roads.

## Living Wage

**The Deputy Presiding Officer (Trish Godman):** The final item of business is a members' business debate on motion S3M-4063, in the name of Frank McAveety, on supporting the living wage for Scotland.

*Motion debated,*

That the Parliament welcomes the launch of the Scottish Living Wage Employer Awards being held in Dalmarnock; regrets the fact that there are around 700,000 workers in Scotland, the majority of them women, earning less than the Scottish living wage of £7.00 per hour; is aware that low pay can lock people into poverty and can be damaging for individuals, families, businesses, communities and the wider economy, and recognises the importance of encouraging employers in the public, private and voluntary sectors to ensure that all low-paid workers are paid no less than the Scottish living wage of £7.00 per hour.

17:05

**Mr Frank McAveety (Glasgow Shettleston) (Lab):** I welcome all the members who have stayed behind this evening to hear my contribution and, perhaps, to make a contribution on the subject themselves. There is an emerging and continuing demand that we try to address the scourge of poverty, which not only reaches across Scotland and the United Kingdom, but exists on an international scale.

I want to record my appreciation of the work that Eddie Follan and the Poverty Alliance have done to encourage a debate on the living wage, and the role that the public sector trade unions, and Unison in particular, have played. I congratulate the Scottish Parliament's broadcasting unit on highlighting the debate as one that we should look out for this week, although that accolade was perhaps due to the importance of the subject matter rather than—I say with due modesty—my singular contribution.

The motion makes clear that far too many people in Scotland—women workers in particular—are paid well below £7 an hour, which is a reasonable estimate in present economic circumstances of what can be termed a living wage. I recognise that members from parties in all parts of the chamber have supported the motion, and I continue to encourage members from all parties—particularly the governing party—to support the motion in greater number.

We all know from our experiences in the constituencies that we represent throughout Scotland that there are pressures as a result of the economic recession, but we should recognise that this time of difficulty would be the wrong time to move away from any debate about trying to ensure that those who are on the very lowest

economic rung are not disadvantaged by the recession.

I was delighted to be part of the launch of the living wage employer awards, which took place in the Dalmarnock area in the east end of Glasgow, not least because my city council got the recognition that I think it deserves for being one of the major employers in Scotland that is leading the way in encouraging a living wage for its employees.

The awards took place within 100 yards of where the major developments for the 2014 games, which are a shared commitment between Glasgow City Council and the Scottish Government, will begin. Major building work will be undertaken there, on the indoor arena and various other sports facilities. Major developments that involve public and social housing as well as commercial housing are taking place; and there is the opportunity for a substantial care home to be built. There are also wider links around the M74, as well as the gateway project.

It is right and proper that Glasgow City Council received recognition, because recognition shows that public agencies can take the lead, in partnership with the private sector, which will build much of that infrastructure, to try to ensure that those who work on those developments will genuinely see the benefits for themselves and their families. It is a welcome development and it will make a real difference.

I recognise that much of tonight's debate will follow the lines of the debate that took place all those years ago—it seems a long time—on the introduction of a national minimum wage, but the evidence that we have already uncovered indicates that when employers, both public and private, engage in the process, there is a willingness to recognise the benefits that a living wage can bring.

Much of the experience in the very heated economy of London, with all its pressures, has demonstrated that private companies have taken on board the commitment to the living wage because it benefits them by helping them to retain their workforce and increase productivity and efficiency.

On the ethical framework, a debate has emerged in the past 10 years in particular about what work is for, who benefits from it, and how companies can demonstrate their value to their own workforce. Good employers in the private sector and in the public sector can benefit from the debate about the introduction of a living wage.

With regard to the example we set, I refer to my earlier comments about the role of the 2014 Commonwealth games. It will be good for people in my area to see areas of derelict land being

invested in and developed for the first time in living memory, but the real benefits will come only when people feel better, not just about themselves but about the opportunities that will arise. The benefit is about setting good new standards for the wider community that we all care about, so it strikes me that it is important to try to develop that.

The other important element of the living wage is simply that it represents a route out of poverty. There is no doubt that many of us were schooled in that debate in our younger days. I recognise that the minister who is to respond to the debate was schooled in the Ayrshire Labour movement; I know that he recognises that movement's values of ensuring that individuals are treated with dignity and respect.

We know that difficult times are ahead for us all. We will have more heated debates, on other occasions, about how we approach that, but the fundamental point is that we should ensure that folk are not left behind, particularly those on the lowest rung of our community. There is concern about the workplaces with the lowest wages, which are in the hotel and restaurant sector or the retail and wholesale sector. In an economic recession, those areas can be pressured. Almost three fifths of the workers in many of those areas are women. We must recognise the impact on them.

The living wage is supported not just by trade unions and community groups but by church organisations, which are important to the fabric of many of our communities. I remember being taught D H Lawrence's poem "Poverty" as a child. He wrote:

"The only people I ever heard talk about my Lady Poverty were rich people, or people who imagined themselves rich..."

When I look at this pine-tree near the sea...

I want to be like that, to have a natural abundance and plume forth, and be splendid".

That might be slightly overheated, in the D H Lawrence tradition, but the image that he projected is that we can do better than we do at the moment. We have a responsibility to try to make things better.

Given that the Parliament's noble objective is to ensure that the people of Scotland have a better quality of life, I hope that not just the minister and members who are present but all of us support the agenda that proposes a living wage that makes a difference to ordinary people's lives the length and breadth of our country.

17:13

**John Wilson (Central Scotland) (SNP):** I congratulate Frank McAveety on securing this

evening's members' business debate on supporting a living wage for Scotland.

I realise that the emphasis in this type of debate is usually on the consensual, but I am concerned about how £7 an hour became the Scottish living wage in the motion. Nevertheless, I welcome any debate in the chamber that focuses on low pay and poverty. It is shameful that the consequences of poverty, especially the complexities involving aspects of poverty, are still with us in our communities. The factors that drive poverty are more diverse but equally challenging. Progress on tackling poverty, particularly in the past 30 years, has relied on several devices. Governments have hoped that economic growth will trickle down to the poorest people in our communities or that the various welfare-to-work programmes will solve poverty without a change in the incomes of those who are in or out of employment.

The debate about the living wage moved forward in people's minds on 22 May when the mayor of London, Boris Johnson, announced that he was increasing the London living wage by 15p to £7.60 an hour. Since 2005, some 29 organisations across London, including Barclays Bank and the Greater London Assembly itself, have implemented the London living wage, but the Conservative mayor of London has no power to impose the proposed wage on employers or organisations.

The living wage clearly has an impact on the national minimum wage, which is set by the Low Pay Commission and whose current rate of £5.73 is due to rise to £5.80. The measure, which was introduced in 1999 by the United Kingdom Labour Government, deserves a lot of credit as an attempt to alleviate in-work poverty. How the introduction of a living wage would, for example, affect Unison's proposition that the full national minimum wage should apply to all workers aged 16 and over remains unanswered. As for the implementation of the living wage in London, a freedom of information request by the Green Party London Assembly member Darren Johnson showed that only four of the 32 London boroughs have incorporated a requirement to pay the wage into their procurement policies.

Some have argued—and considerable research has shown—that the proposal for a citizen's basic income should be explored more fully, as such a move would reduce the stigma associated with, for example, the take-up of benefits. In an influential article in the *Financial Times* of 21 April 2009 entitled "Surprising case for basic income", Samuel Brittan noted that support for the idea came from an unusual source—the United States policy analyst and libertarian Charles Murray—and I feel that it would make a vital contribution to

achieving economic and social justice for those on low pay.

Given the diverse nature of poverty, the mix of policies to tackle the problem should be flexible but not confused. I have previously cited research on poverty in the chamber. According to Abigail McKnight in her essay "Employment: tackling poverty through 'work for those who can'" in John Hills and Kitty Stewart's book "A more equal society?: New Labour, poverty, inequality and exclusion", single adults without children are not only the group in deepest poverty but the group with the greatest poverty gap. We as a society have to understand and tackle the problems of poverty, take every possible step and use all the Scottish Parliament's powers to eradicate this blight—and urge the UK Government to raise its game in dealing with some of the root causes.

I welcome the motion and reiterate the Scottish National Party's long-standing commitment to poverty proofing, which dates back to 2000. I look forward to other opportunities to raise people's aspirations and to ensure that they receive a wage that genuinely increases household incomes.

I also want to take this opportunity to thank a number of organisations—

**The Deputy Presiding Officer:** You should be finishing now, Mr Wilson.

**John Wilson:** Finally, I thank a number of organisations that continue to champion this cause and make useful contributions to the debate. Although I have raised a number of questions in this speech, I hope that we can all unite in demanding an end to the scandal of in-work poverty and encouraging the Low Pay Commission and the UK Government to introduce a national minimum wage that will have a real impact on many people in low-paid employment.

I look forward to the rest of the debate.

17:18

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** I congratulate Frank McAveety on securing this important debate. Even more crucially, I congratulate the Scottish living wage campaign in general, and in particular Eddie Follan, who has been associated with leading it. Three or four weeks ago, I met him and other campaigners at a local meeting in my constituency and was certainly made aware of my constituents' widespread support for the campaign. I am pleased to give it my personal support.

Although, as we all recognise, the introduction of a national minimum wage was one of the great achievements of the Labour Government in its early years, and represented a big step forward, we have to look with concern at recent poverty

figures and the number of working people who remain in poverty. The fact is that the living wage campaign is driven primarily by social justice and the need to tackle poverty.

I know that outside if not inside the chamber the principal objection to the proposal will probably be that we are coming out of a recession and the economy is still weak. However, if we look back, we can clearly see that this recession has not been driven by the wage costs of the low paid. In fact, excessively unequal income distribution has contributed to the current financial instability and greatly increased the danger of economic breakdown. Indeed, John Maynard Keynes favoured greater redistribution of income to increase what he called the propensity to consume. That has been part of the economic debate on the recession. Targeting wage or benefit increases at those who are the least well off is one of the main ways to stimulate the economy. I therefore argue that the campaign fits with the requirements in the general economic circumstances, rather than being contrary to them.

I referred to the minimum wage debates in the early years of the Labour Government, but I also remember the debates during the period of the previous Government, when the spectre was raised of greatly increased unemployment as a result of a national minimum wage. However, increased unemployment did not happen as a result of the national minimum wage. I do not believe that the policy that we are discussing would increase unemployment either.

Looking ahead, we should reflect on one of the other advantages of the proposals. This week, we have heard a lot from people of various political parties about moving from welfare into work. A living wage would make that a whole lot easier. I therefore hope that the proposals are attractive even to the Conservative party, given Iain Duncan Smith's comments this week

We should all acknowledge Glasgow City Council's achievement. It has been in the vanguard of the campaign and has shown how a living wage can be delivered, even in the current difficult economic circumstances. We should remind ourselves of Frank McAveety's point that more than three quarters of those in the public sector whose wages are below £7 an hour are women. The calls for a living wage are part of the general movement towards equal pay, to which I hope we are all committed.

After the budget statement this afternoon, we all know that the Government faces difficult financial choices. However, it can take action on this issue, and I suggest that it could start with the national health service. From experience, I know that, because of agenda for change, the pay of most health service workers is above the living wage.

However, for a small number, it is below it. A relatively small sum of money in the health budget would be required to address the problem. I hope that the Government will show its good faith and good intent by taking early action on that.

17:22

**Gavin Brown (Lothians) (Con):** I congratulate Frank McAveety on securing the debate and on making a strong and passionate case. I have an enormous amount of sympathy with his objectives. Any attempts to lift people in Scotland out of poverty are to be welcomed and should be examined in detail. However, serious questions must be asked about how practical the proposals are, particularly at present. Malcolm Chisholm alluded to what some of those questions might be. The debate does not take place in a vacuum. A mere two hours ago, we heard in the budget statement from the Cabinet Secretary for Finance and Sustainable Growth how much money will be available to Scotland next year if and when the budget is passed in February or March.

The first question that must be asked and examined in detail is what the cost implications would be for councils, the NHS and the wider public sector. The campaigners have referred to approximately 700,000 workers in Scotland whose pay, they believe, is less than the living wage. What percentage of those 700,000 people are in the public sector? Mr Chisholm said that there would not be a great cost to the NHS, but it is vital for us to know exactly how many people would be affected in the NHS, which seems to have a small increase in its budget. What would be the implications for councils, which we are told—although I have not seen specific figures—will take a big share of the pain from the budget cuts?

**Jackie Baillie (Dumbarton) (Lab):** In response to a parliamentary question, Nicola Sturgeon helpfully outlined that perhaps 5,000 staff in the NHS are paid below the living wage and that a small sum of money is required—as little as £3 million per annum. I hope that the member agrees that that is affordable.

**Gavin Brown:** When the sums of money are small, the argument is definitely stronger and the case is easier to make. However, I am sure that Jackie Baillie accepts that, if a spending commitment of any size that any party wants to make is to happen, there will by definition have to be a cut elsewhere. If parties make sensible suggestions about where cuts might fall, proposals can and should be considered.

What are the cost implications, away from the public sector? What proportion of the 700,000 people are in the private sector, the voluntary sector or are working in commerce and business?

Mr Chisholm talked about how a living wage ties in with an economic strategy, but at the moment many businesses are truly struggling for survival: 31,000 people became unemployed in Scotland in the second quarter of the year, between April and June. The Joseph Rowntree Foundation has outlined sectors in which the times are particularly tough and in which people are underpaid and are earning below the living wage. In particular, the restaurant and hospitality sector is taking more than its fair share of the pain of the recession, and, while the global retail figures are slightly healthier than one might imagine, once we take away food, which has seen the biggest increase in volume, retail as a sector is taking its fair share of the pain as well.

My concern is that as those businesses try to recover, money that could have been put into trying to create employment and take people off benefits and back into work might be spent on current employees. There is a genuine debate to be had about what is a better use of public and company resources.

17:26

**Bill Wilson (West of Scotland) (SNP):** I congratulate Frank McAveety. There can be few more important debates. Is it not to our lasting shame that in a nation of such wealth there is such poverty? Make no mistake: the wealth exists. Professor Sikka of the University of Essex estimates that offshore tax havens cost the UK between £25 billion and £80 billion a year. End the tax evasion and we have the money to end poverty. We heard about £3 million for the NHS in Scotland. That would easily be covered by ending tax evasion.

In May, *The Guardian* reported that Britain today "is a more unequal country than at any time since ... the 1960s".

Since 2005, the incomes of the poor have fallen, while at the same time those of the rich have risen. According to the Department for Work and Pensions, deprivation and inequality in the UK rose for the third successive year in 2007-08. Also according to the DWP, after accounting for inflation, the poorest 10 per cent of households have seen weekly incomes fall by £9 a week to £147, while those in the richest 10 per cent of homes have enjoyed a £45-a-week increase to £1,033. Of course, some may argue that we do not need a living wage, a citizens income or any other means of wealth redistribution. Some may yet subscribe to the bizarre concept of the trickle-down effect—the idea that as long as the economy grows, somehow, even as the rich grow richer, miraculously, without any effort whatsoever, the poor will also grow richer. Were that true, we would have no poverty by now; it would have been

wiped out by growth in national wealth. However, it is not true in the UK any more than it is true in any other part of the world.

Some may argue that income and wealth inequality do not matter. In case they are in any doubt, let us remind ourselves why they do matter, not only to the individual trapped in poverty but to society in general. Richard Wilkinson, a professor of social epidemiology, has collected a vast amount of evidence demonstrating the damage that inequality does. He has proven that however rich a country is, it will still be dysfunctional, violent, sick and sad if the gap between social classes and between the rich and the poor grows too wide. Poorer countries with fairer wealth distribution are healthier, happier and less violent than richer, more unequal nations.

A recent United Nations Children's Fund report found that children in the US and the UK do worse on a variety of indicators than do children in any of the other rich countries. It is no coincidence that the US and the UK also have more children in relative poverty. The crucial point, however, is that British and American children who are not—I emphasise not—poor also suffer compared with other countries. The problem is not limited merely to those who are living in poverty. An ethos that tolerates high inequality produces other evils, and even the relatively affluent cannot escape.

According to a review of a book by Professor Wilkinson,

"Greece, with half the GDP per head, has longer life expectancy than the US, the richest and most unequal country with the lowest life expectancy in the developed world. The people of Harlem live shorter lives than the people of Bangladesh. When you take out the violence and drugs, two-thirds of the reason is heart disease. Is that bad diet? No, says Wilkinson, it is mainly stress, the stress of living at the bottom of the pecking order, on the lowest rung, the stress of disrespect and lack of esteem."

A poor diet is less damaging than the depression caused by inequality.

There is an inescapable logic to a minimum wage and a living wage. There is an inescapable logic to a social security system that eradicates poverty. The inescapable logic is simple: we all benefit. Rich or poor, we all benefit. In unequal societies, even the rich suffer.

If such simple logic is not enough, consider the economic benefits. As Malcolm Chisholm said, the economic benefits of redistributing wealth and ensuring a fair wage will give this economy a shot in the arm. The poor spend more of their income than the rich. If we want to boost spending within our economy, we should boost the income of the poor.

Let us hear no claims that high taxes will discourage the wealthy from working. There is no



evidence of that. Indeed, J K Galbraith long ago laid such claims to rest by observing that, even under the extremely high taxes levied by the USA during the post-war years, the wealthy did not cease to seek wealth.

I did not concentrate on the details of a living wage, because they will be discussed by many others. I preferred instead to explore why a fair and just society is vital to all our wellbeing. At the heart of a fair and just society is freedom from poverty and a determination to ensure a just division of wealth. How can that be achieved without a living wage?

17:30

**Jackie Baillie (Dumbarton) (Lab):** I start by congratulating Frank McAveety on securing the debate and by thanking the Poverty Alliance for leading the campaign in Scotland. I can think of few things more important than ensuring that people have opportunities to work and that they are paid a living wage for that work.

Others have defined the living wage. I will not repeat that, but it is worth repeating the benefits of moving to a living wage. We know that it helps tackle low pay. It also has the potential to lift thousands of low-paid workers and their families out of poverty, and it recognises and values those who do essential jobs for us in the public and private sectors. In strict economic terms, it is the right thing to do, because it leads to increasing productivity and decreasing staff turnover. There are benefits to the employer, as well as the employee.

Although the focus of my speech will be the public sector, we have to remember that the living wage applies equally to the private sector, which I hope will accept the evidence that there are sound and robust economic reasons for paying its employees a living wage.

**John Wilson:** Does the member agree that, if we are demanding the living wage, the demand should be made to the Low Pay Commission and the UK Government to introduce that wage, instead of the paltry £5.80 that will be introduced for many workers in two weeks' time?

**Jackie Baillie:** The members will recognise that the national minimum wage is of course a legal minimum, which has protected many people at the extremes of low pay. Many members will recall that £1 an hour was often quoted as a wage for some people who were working in security, for example. I have no doubt that more needs to be done, but I hope that the member will join me in encouraging the Scottish Government not to wait but to take action now.

I turn first to the Scottish Government. I asked a number of parliamentary questions to seek information on rates of pay for public sector employees in agencies and non-departmental public bodies that are covered by the Government's pay policy. I asked whether anyone was paid less than £7 an hour and what it would cost to ensure that the living wage was implemented. Despite the fact that the Government provides the funding for those bodies—after all, we are talking about the Government's agencies and NDPBs and the Government's pay policy—it could not, or perhaps would not, tell me the answers. I was told that the information was not collected centrally—that, of course, was the answer from John Swinney.

Nicola Sturgeon was much more helpful. From her answers to parliamentary questions, we now know that 5,000 staff in the NHS are on pay rates that are lower than £7 an hour. To be fair, they are not lower by much: the lowest hourly rate is £6.76. For a relatively small amount of money—£3 million, which is a tiny fraction of our substantial £30 billion budget—we could move to a living wage, which could also act as an economic stimulus.

I say to Gavin Brown that I understand that Mr Salmond has halved his personal advertising budget. Perhaps we could get the £3 million from there.

I sound a note of caution to Alex Neil, who I discovered for the first time is indeed fallible. He was asked how much it would cost to implement a living wage. In the true pantomime style that we so love, he threw up his hands in horror and said, "We can't possibly do this. It will cost at least £100 million a year." It is clear that he made that figure up.

We should not let the facts stand in the way of a good story, but I say to Alex Neil that this is a serious issue. It is a question of recognising and valuing workers in the NHS, and I am sure that he shares that objective. I would welcome a commitment from him today, on behalf of the Government, to identify all those staff covered by the public sector pay policy and even those directly employed in the Government who get less than £7 an hour and to act to change that.

I will finish by telling members a tale about West Dunbartonshire Council. Glasgow City Council is to be congratulated on what it is doing, and I would like the same to be done in West Dunbartonshire. Politics is about priorities, and let me tell members about a choice that West Dunbartonshire Council faces. Its most senior official wanted to walk away from the council with a package in excess of £300,000—I believe that the figure is understated. Contrast that with 300 workers in West Dunbartonshire who earn less

than £7 an hour; the total cost of putting them on a living wage would be in the region of £300,000. The choice is therefore clear: £300,000 on one man to feather-bed his retirement 10 years early or on 300 of the council's lowest-paid workers to ensure that they receive a living wage. As the Americans would say, it is a no-brainer.

**The Deputy Presiding Officer:** I am minded to accept a motion without notice to extend the debate by up to 30 minutes, although we will not need 30 minutes.

*Motion moved,*

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[Mr Frank McAveety.]

*Motion agreed to.*

17:36

**Robert Brown (Glasgow) (LD):** I thank Frank McAveety for using his members' business debate for this important issue. As other members have done, I pay tribute to the work of the Scottish living wage campaign and the Poverty Alliance.

The living wage is an idea whose time has come. It is notorious that, while in recent times the number of people in employment has been at record levels—before the current recession, I hasten to say—and average incomes and wealth have been growing, there has been a huge and growing gap between the top and the bottom. A huge number of people bump along the bottom and are more prone to periodic unemployment, are dependent on an ever more complex benefit system and are existing, however it is defined, in a state of poverty. I agree with John Wilson's comment that poverty is about more than the financial aspect but, my goodness, the financial aspect is important.

A report published yesterday, I think, identified that the victims of the current financial crisis and recession are not the high-fliers whose greed and bonus culture contributed so much to the bubble bursting but the people who work in construction, manufacturing or support services. Broadly speaking, the lower down the line they are, the more likely they are to be affected by the adverse fallout of the recession and the financial problems. If ever there was a demonstration that the wage costs of the low paid did not drive the recession, the financial crisis was it.

There has been an emphasis in the public debate on doing away with the bonus culture—there has not been too much progress, but there has been a lot of debate about it—and there ought to be an equal debate about the implications at the other end of the scale of the low-wage culture, which has existed for far too long in our society.

In this morning's debate on Diageo, one thread that united all the strands was that large global companies have, and ought to have, responsibilities that go beyond consideration of the bottom line. In fairness to the better companies, many good companies recognise that that is the case. The point was made previously that good employers develop good employment practices. That obviously lifts living standards for many and, as Jackie Baillie said, it increases their productivity and reduces staff turnover and absenteeism. In short, a happier workforce is likely to be better for everybody. It is against that background that the campaign for a living wage—currently of £7 an hour—has resonance.

It is important to distinguish the living wage from the minimum wage. As has been said, the minimum wage is a legal minimum. It has been moderately successful in that context, although there are issues about how far it can be taken without having adverse effects, and the debate about that continues. The living wage is, in a sense, a voluntary arrangement—"voluntary but with compulsion with drivers" is probably the right way to put it. It has implications in the public sector, and a number of members have spoken about how it might pan out in the health service, in local councils and so on.

The leading efforts made by London and Glasgow have been important, but Glasgow is dealing with a fairly small number of workers. The big gains are there to be got in the private sector, because leading firms that pay a living wage would act as market leaders and set a benchmark that others would be encouraged and compelled to follow. All being well, that would start a virtuous circle. We must look in some detail at where the living wage would impact, although we know that its impact would work through in the hotel and restaurant trade, the retail and wholesale sectors, the construction industry to some extent and a number of other sectors. If we can get the whole thing going in the right direction, it should become not a cost on business but something in which it is in business's interest to invest.

Malcolm Chisholm mentioned Keynes in reference to redistribution and the good uses to which money can be put. In that context, it is also worth while to mention William Beveridge—incidentally, both Keynes and Beveridge were good Liberals—and the founding of the welfare state. The need to tackle poverty was seen not only as an equality issue but as one of basic liberty. People who do not have an income to sustain themselves and their families do not have liberty: they do not have the opportunity to play their fullest part in the society in which they live.

I turn to the economy and the ways in which it works. What do people on £2 million or £3 million

spend their money on? I think that no one in the chamber can quite put themselves in that category. I know for certain that the question is quite different for those on £15,000 or £20,000 a year, or below.

The debate is an important one. There is a lot of mileage in it and a direction of travel needs to be taken forward. Many issues for both the public and private sector are involved. Implementing the living wage could have a significant and radical effect on the balance in our society and the way in which we work, including on the economics of the country. Implementation would achieve all of that, in addition to the obvious effect on the standard of living of many people in our society who are left behind by current trends. I have great pleasure in supporting the motion in Frank McAveety's name.

17:41

**Helen Eadie (Dunfermline East) (Lab):** I, too, congratulate Frank McAveety on securing the debate. I totally applaud the work that he and others are doing in trying to drive forward and improve the pay of low-paid workers. It is vital that we do that.

It is especially pleasing to speak as another woman in the debate. When I looked round the chamber this evening, my first thought was, "We must not let the men have it all their own way." For many years, women have been up there campaigning and fighting hard to get better pay for women. I say that having been a member of the GMB for 46 years. In fact, the origins of the GMB include the National Federation of Women Workers, the first trade union for women way back in the year 19 dot—I cannot remember the precise date. For that reason as well as many others, I am glad to be taking part in the debate.

I take slight issue with SNP members saying that implementing the living wage can be done only at national level. The Scottish Parliament has driven forward many areas of policy ahead of policy in other parts of the country. Free personal care for the elderly is one such example. Indeed, the present Scottish Government has done things differently from other parts of the UK. Clearly, the Scottish Government can do something about the living wage; it can support it. I, too, congratulate Glasgow City Council on what it has done. Its actions are eminently admirable and it deserves our plaudits.

When I was in local government, I sat on a variety of committees and, at one point, I was deputy leader of Fife Council. I remember looking with some surprise, dismay and bewilderment at the severance packages that were offered to chief officials—and not just chief executives but all the way down the management scale. In the main, it

was male employees who enjoyed those good severance schemes, but some female employees did, too. Those severance packages amounted to five or 10 times the pay of local government manual workers at the time.

When Westminster passed the minimum wage, I recollect that not a single SNP MP was in the lobbies—I know that SNP members have heard that ad nauseam. The SNP could atone for that by ensuring that it brings forward a commitment on the living wage for all low-paid workers in Scotland.

I was a GMB trade union official for 12 years and I remember making use of schedule 11 to the Employment Protection Act 1975 and the fair wages resolution, which helped to drive up pay rates in the private sector. I remember going to arbitration with GMB members who worked for a private school and were earning pathetic wages. We won the case against the Queen's counsels based on what was being paid in local authorities. The private sector was forced to raise its wages to the wage level in the public sector. Doing something right in the public sector can be enormously helpful to those in the private sector. I have always been proud of that case. I do not know what happened to the fair wages resolution or to schedule 11 to the Employment Protection Act 1975—it is 20 years since I stopped being a union official, so perhaps others can enlighten me—but such matters need to be re-examined, because there were some good practices.

I have some concerns about the Scottish Government's bonfire of the quangos. Under the Public Services Reform (Scotland) Bill that is before the Parliament, the pensions of predominantly women workers will be shifted down a scale, as their civil service pensions will be changed to local government pensions. That is outrageous and will happen to about 800 employees of the Scottish Commission for the Regulation of Care when they become part of the new health care improvement Scotland. That is wrong. The minister should not allow it to happen, should take the proposal back to the Cabinet and should ensure that the pay and pensions of care commission workers are not adjusted in that way. We need only look at what is happening in the Crown Office, where people's terms and conditions are being cut back retrospectively. That is monstrous. I hope that the minister will take the points that I have made back to the Cabinet Secretary for Health and Wellbeing.

17:46

**Patrick Harvie (Glasgow) (Green):** I suppose that it was a bit much to expect complete freedom from party-political point scoring even in a members' business debate. We should recognise

Frank McAveety for bringing the debate to the chamber, the many organisations to which members have referred that have campaigned on the issue, and the track record of the UK Government in introducing the minimum wage in the first place. Regardless of who was there to vote for it, we can all now agree that it was an important, necessary step and that none of us would wish to go back to the levels of exploitation that existed before the measure was introduced.

However, the minimum wage is clearly not enough. We still have significant levels of low pay and poverty among working people, and we need to look at what we can do to reduce those. Members need take only the briefest of glances at the papers that have been circulated by the organisations that are campaigning on the issue. A two-child couple paid at the minimum wage would need to work 58 hours a week to lift them out of poverty. How much time would be left for the couple to spend with those two children? Twenty per cent of directly employed staff in the public sector earn less than the £7 an hour living wage. Although that is a lower proportion than in sectors such as retail and hospitality and catering, the gender gap—the difference between the proportion of men and women who earn less than the £7 an hour living wage—is starker in the public sector than anywhere else. We have a responsibility to take steps to address the issue, looking at its impact on women workers, young workers and casual workers, and to try to eradicate poverty among working people. I congratulate the living wage campaign on taking forward this progressive agenda and on its emphasis on public sector leadership.

The other side of the entirely non-party-political point that I was going to make is that, over the decades, we have seen inequality between rich and poor continue to increase, as Bill Wilson pointed out. Despite successfully pushing, as they rightly did, for the minimum wage, successive UK and Scottish Governments have simultaneously fêted the super-rich. Who can forget the words of Lord Mandelson, who described himself as intensely comfortable with the idea of people becoming very rich? I am not intensely comfortable with that idea, at a time when the evidence is overwhelming—it has never been stronger—that a more equal society is a healthier, a happier, a safer and even a more sustainable society.

Malcolm Chisholm rightly said that the levels of ordinary people's wages supposedly becoming too high is not part of what has led to the recession.

There is not only a moral responsibility in relation to high pay but a demand for political leadership for a more equal society. We need to consider both aspects—the low wages and the

high wages—if we want that more equal society. We absolutely want public leadership on a living wage. That public leadership should say that we do not think that the situation is acceptable in the public sector, and we are going to advocate for progress in the private sector, too.

Let us all use the budget debates that have started as of this afternoon to press the Scottish Government to adopt that position, and not wait for the UK Government. Whether my good friends in the Labour Party would wish to admit it or not, the chances are that it will be a Tory UK Government in not a very long time, and such a Government will not take that step. We are therefore right to push the Scottish Government to act.

What comes after that? We must not rest on our laurels even after we have a living wage. There are ideas such as the one that John Wilson discussed, about the citizen's income, which would sweep away tax and benefits complexity, or that of a maximum wage ratio between what the highest and lowest-paid people in a single organisation may be paid. Pushing for ideas like that to be adopted would leave the next generation of Scots with a fundamentally equal society, and they would have cause to thank us for that.

17:51

**The Minister for Housing and Communities (Alex Neil):** I, too, congratulate Frank McAveety on securing this important debate. The debate has included some philosophical speeches, but some have been perhaps a bit more political or—dare I say it?—party political. I intend to follow Frank's example and to rise above party politics, as is our custom.

As minister, I pay tribute not just to the organisations that have worked on this campaign, but to those that have campaigned effectively against poverty down the years, including the Poverty Alliance, the Child Poverty Action Group and international organisations such as those that Frank McAveety mentioned that also campaign against poverty.

It is fair to say that philosophically—with the possible exception of Gavin Brown—members are fairly unanimous about the need to create a fairer society, to tackle the root causes of poverty and deprivation, and to use the tax system, employment law and other mechanisms to achieve a more equal society.

**Gavin Brown:** I just want to make it clear that philosophically I am absolutely with what Mr McAveety and others are trying to achieve. There are, however, disagreements about how best that should be achieved.

**Alex Neil:** We thank Mr Brown for explaining that, and we welcome the new Tory party to the debate.

It might be useful if I give some figures to underline many of the points that members have made. In 2008, 454,000 people in Scotland were earning less than £7 an hour. Of them, 63 per cent were women. That underlines the point that Helen Eadie, in particular, made about the gender pay gap. We must press for change and improvement in that in everything we do, both at United Kingdom level and at Scotland level. It is unacceptable as it is that people are in low pay, and it is unacceptable that women are at such a disadvantage, not just in having a much higher share of low pay but in having a much lower share of high pay.

As has been mentioned, some sectors fare worse than others: for example, 70 per cent of people who work in the hotel and restaurant sector earn less than £7 an hour, and about three fifths of those, or 58 per cent, are women; 51 per cent of people who work in the retail and wholesale sector earn less than £7 an hour, and just over three fifths of them, or 62 per cent, are women; and 9 per cent of people who work in the public sector, compared with 29 per cent of people who work in the private sector, earn under £7 an hour.

As far as Scottish Government policy is concerned, I say unashamedly that we have spelled out—for example, in evidence that John Swinney gave to the Finance Committee a few months ago and in documents such as “Achieving our Potential: a Framework to tackle poverty and income inequality in Scotland”—that we are keen to try to increase general pay levels in Scotland and to ensure that people have a decent wage. Later this year we will publish an analysis of the impact that a living wage across the public sector would have on income inequality in Scotland, which will take into account the interaction with the tax and benefits system. When we publish that analysis, I hope that Jackie Baillie will find all the information that she seeks and that she will be satisfied that we have nothing to hide.

**Jackie Baillie:** I thank the minister for that information and I look forward to receiving the analysis. In that spirit, may I encourage him to announce that the Scottish Government will back the campaign for a living wage for all its employees?

**Alex Neil:** I will make two points. First, a three-year pay deal, which runs from 1 April 2008 to 31 March 2011, is in place in the NHS, which Malcolm Chisholm mentioned. Under the terms of the deal, the lowest-paid workers will receive £6.98 per hour from 1 April 2010. The general pay increase from 1 April 2010 will be 2.25 per cent, but the lowest-paid workers will receive a higher

increase, which equates to 3.17 per cent. The larger increase demonstrates our commitment to increasing salary levels for the lowest-paid workers in the NHS. The material impact of the approach is that it is unlikely that from 1 April 2011 any pay point in the NHS in Scotland will be below £7 per hour. I am sure that members of all parties will welcome that development.

Secondly, in the Scottish Government's document, “Public Sector Pay Policy for Staff Pay Remits 2009-10”, we set out our four key pay policy priorities, one of which is “addressing low pay”. We are encouraging public bodies specifically to consider their lowest-paid staff groups, and we have made it clear that policies should take into account delivery of the solidarity target. The Scottish Government's recent pay award makes an important contribution to tackling low pay, particularly in the NHS. I therefore accept the challenge from Patrick Harvie and others that we should take the lead in this important area—as we are doing, by implementing our policies.

**Patrick Harvie:** I welcome the minister's words, and we all look forward to the action. Will he accept a further challenge? Will he consider the power of public procurement as a means of putting pressure on the private sector? Improvements in the public sector alone are wonderful, but it would be fantastic if we could use our leadership and leverage to ensure that we achieve the same improvements in the private sector. Will he take up that cause with the Cabinet Secretary for Finance and Sustainable Growth, when the cabinet secretary considers the new procurement guidance?

**The Deputy Presiding Officer:** Minister, you must keep your eye on the time.

**Alex Neil:** I will, indeed. First, I thank Patrick Harvie for describing the Scottish Government as “wonderful” in this policy area. I will pass on his suggestion to Mr Swinney, who is the cabinet secretary who has responsibility for public procurement.

The debate is part of a wider debate about poverty in society. The Scottish Government remains committed to using much of the social wage, as well as the incomes for which we are responsible, in trying to do everything we can to create not only a stronger, safer and wealthier Scotland, but a fairer Scotland.

*Meeting closed at 17:59.*



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