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AITHISG OIFIGEIL

DRAFT

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Tuesday 1 October 2024

CONTENTS

	Col.
TIME FOR REFLECTION	0
BUSINESS MOTION	2
<i>Motion moved—[Jamie Hepburn]—and agreed to.</i>	
TOPICAL QUESTION TIME	3
National Care Service (Scotland) Bill	3
Heating (Affordability for Pensioners)	6
HOUSING	11
<i>Statement—[Paul McLennan]</i>	
The Minister for Housing (Paul McLennan)	11
AGGREGATES TAX AND DEVOLVED TAXES ADMINISTRATION (SCOTLAND) BILL: STAGE 3	25
AGGREGATES TAX AND DEVOLVED TAXES ADMINISTRATION (SCOTLAND) BILL	30
<i>Motion moved—[Ivan McKee].</i>	
The Minister for Public Finance (Ivan McKee)	30
Liz Smith (Mid Scotland and Fife) (Con)	33
Michael Marra (North East Scotland) (Lab)	36
Ross Greer (West Scotland) (Green)	38
Willie Rennie (North East Fife) (LD)	40
Kenneth Gibson (Cunninghame North) (SNP)	41
Daniel Johnson (Edinburgh Southern) (Lab)	43
Ross Greer	45
Michael Marra	47
Jamie Halcro Johnston (Highlands and Islands) (Con)	48
Ivan McKee	50
MOTION WITHOUT NOTICE	53
<i>Motion moved—[Jamie Hepburn]—and agreed to.</i>	
DECISION TIME	54
SAFE AND FAIR SPORT FOR WOMEN AND GIRLS	57
<i>Motion debated—[Tess White].</i>	
Tess White (North East Scotland) (Con)	57
Michelle Thomson (Falkirk East) (SNP)	59
Sue Webber (Lothian) (Con)	61
Rona Mackay (Strathkelvin and Bearsden) (SNP)	62
Carol Mochan (South Scotland) (Lab)	64
Karen Adam (Banffshire and Buchan Coast) (SNP)	66
Liz Smith (Mid Scotland and Fife) (Con)	67
Maggie Chapman (North East Scotland) (Green)	69
Brian Whittle (South Scotland) (Con)	70
Ash Regan (Edinburgh Eastern) (Alba)	72
Sharon Dowey (South Scotland) (Con)	73
The Minister for Social Care, Mental Wellbeing and Sport (Maree Todd)	74
FIFE COLLEGE (125TH ANNIVERSARY)	78
<i>Motion debated—[David Torrance].</i>	
David Torrance (Kirkcaldy) (SNP)	78
Alexander Stewart (Mid Scotland and Fife) (Con)	82
Annabelle Ewing (Cowdenbeath) (SNP)	83
Claire Baker (Mid Scotland and Fife) (Lab)	84
Mark Ruskell (Mid Scotland and Fife) (Green)	86
Alex Rowley (Mid Scotland and Fife) (Lab)	88
The Minister for Higher and Further Education; and Minister for Veterans (Graeme Dey)	90

Scottish Parliament

Tuesday 1 October 2024

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

Time for Reflection

The Presiding Officer (Alison Johnstone):

Good afternoon. The first item of business is time for reflection, and our time for reflection leader today is Dr Musharraf Hussain OBE

Dr Musharraf Hussain OBE: Presiding Officer, members of the Scottish Parliament, good afternoon and as-salaamu 'alaikum—may peace be with you all.

I am delighted to be present in this wonderful Scottish Parliament. Scotland is a nation of great men and women, from William Wallace to Andy Murray, Sir Alex Ferguson to Charles Rennie Mackintosh to, of course Robert Burns, the man of words, the Scots' poet.

Words have power. Words are read. Reading is great way of leading an intelligent life that supports democracy and promotes respect of human rights. We read books for pleasure, pastime and, sometimes, to become smart. We read religious books for getting instructions that will help us to live a good life, to experience the closeness, the proximity and the love of God.

As legislators, you make laws. You know why it is important: it is the basis of a just society. Law appeals to reason; it makes sense. The Qur'an, the holy book of Islam, is a book of law. More importantly, it teaches moral values—rules that determine the way you think. It creates a state of mind that leads to good actions—an attitude to be kind so that we can practise the moral values of kindness, patience and forgiveness. The Qur'an, like the gospels, is full of such moral teachings.

Muslim families, like the majority of Scottish people, are deeply concerned about preserving and transmitting the traditional moral values, because we want kind and caring citizens in the future. Moral values are fundamental for a flourishing and healthy human society. The Qur'an uses various styles of teaching morality—didactic instructions and storytelling. It promotes those values by telling stories of great masters—Abraham, Moses, Jesus, and Muhammed.

What does the Qur'an, this holy book of Islam, offer? Life in our smartphone society is challenging and fast moving, and social media influence our mood and lives, creating fear and insecurity, and an unrealistic sense of independence. Yet the interdependency is the

reality. I wish to stress that: interdependency is the reality. This is what the moral and spiritual values of the Qur'an describe, page after page—co-operation and working together.

Psychologists are saying that people are suffering from moral confusion today. Many people are lost to hopelessness, and others lack a sense of meaning and purpose of life. They have trouble distinguishing right from wrong. They question whether such standards even exist. The Qur'an is a manual—a guide for our worldly lives.

Every Friday afternoon, before the congregational prayer, I read this verse from the pulpit, just like the imams here in Scotland read every Friday:

"Inna Allaha ya'muru bi-al-'adli wa-al-ihsaani wa 'eetaa'i dhi-al-qurbaa wa yanhaa 'ani al-fahshaa'i wa-al-munkar"—

which means:

"God commands justice, generosity and giving to and taking care of your relatives. He forbids indecency, all kinds of evil and cruelty. He teaches you this so you will live a good life."

As a translator of the Qur'an in plain English, I have presented all of you with a complementary copy. Please enjoy reading it. Capture its gems, savour its pearls and spices.

God bless you.

Business Motion

14:04

The Presiding Officer (Alison Johnstone):

The next item of business is consideration of business motion S6M-14730, in the name of Jamie Hepburn, on behalf of the Parliamentary Bureau, on changes to business.

Motion moved,

That the Parliament agrees to the following revisions to the programme of business for Tuesday 1 October 2024—

after

followed by Topical Questions (if selected)

insert

followed by Ministerial Statement: Delivering the Homes that Scotland Needs

delete

5.00 pm Decision Time

and insert

4.10 pm Decision Time—[*Jamie Hepburn.*]

Motion agreed to.

Topical Question Time

14:05

National Care Service (Scotland) Bill

1. **Jackie Baillie (Dumbarton) (Lab):** To ask the Scottish Government what its response is to council leaders withdrawing support for its National Care Service (Scotland) Bill. (S6T-02122)

The Cabinet Secretary for Health and Social Care (Neil Gray): The national care service is about improving lives and ending the inconsistency of care provision across Scotland. Reform is needed; Derek Feeley's recommendations were clear. The thousands of people we have spoken to who receive or provide care agree, so it is disappointing that the Convention of Scottish Local Authorities has taken that step. We have worked extensively with it on its concerns for almost two years and made a series of substantial changes at its request.

Uppermost in our minds—and, I am sure, in COSLA's mind—are the needs of the people who rely on care services. In that spirit, we will continue to work with individual councils and, where it is willing, COSLA on these matters, as well as with colleagues across the chamber. In the meantime, we will continue to work to invest in and improve social care services in Scotland.

Jackie Baillie: The bill does not resemble the recommendations of the Feeley review. The truth is that the withdrawal of COSLA follows the withdrawal of all three social care trade unions—the GMB, Unite and Unison—and comes in the face of criticism from national health service chief executives and board chairs, and clear disappointment from the third sector as to the lack of vision. The substance of the bill is to create another quango that is not expected to be established until 2028 or 2029. It does nothing to improve social care now. Does the cabinet secretary agree with his predecessor and former employer Alex Neil that this is a “nonsensical bill”, and will he pause stage 2 to take the time to get it right?

Neil Gray: The first area that Jackie Baillie covered was the recommendations of the Feeley review. The reason why there has been a departure from that is because of the work that we have done with COSLA to find a compromise position that would allow us to move forward, which is why I say that I am more than a little disappointed that we arrived at the position that we arrived at on Friday. We reached agreement on the vast majority of issues, which were worked through on a tripartite basis, in order to make progress. We all agree that there needs to be

reform, but it is what that reform looks like that will be important. That is why I am committed to still maintaining dialogue not just with local authority leaders but with colleagues across Parliament.

Some elements of the stage 2 amendments—the amendments around children’s and justice services, direct funding and the removal of board members—were paused at the request of COSLA. Those discussions have not started up again. I am more than disappointed that COSLA arrived at that position on Friday before concluding those discussions.

Jackie Baillie: There is no doubt that the cabinet secretary would want to talk to COSLA, but I do not think that he has been listening to it. The Scottish Government has revealed that it is spending almost £1 million a month on civil servants working on the bill. More than £2 million has been spent on private sector consultants. The cost to date has been well over £10 million, and all that we have to show is botched legislation that very few people support and which will not make a difference to social care now.

At the same time, care packages are being cut, direct payments are being slashed, services are being removed and staff are leaving. Councillor Chris Cunningham has appealed to the Scottish National Party Government for help to fill the £112 million black hole in the health and social care budget for Glasgow. That is the story in health and social care partnerships across Scotland. What will the cabinet secretary do to help social care right now, before it runs into more difficulty?

Neil Gray: There are a number of areas to cover in Jackie Baillie’s question. On the first, regarding our interactions with COSLA, we have agreed that local government would retain existing statutory responsibility, staff, assets and functions, so there would be no removal of functions from local authorities.

We have also agreed to reform the existing integration joint boards instead of introducing new local care boards. The proposed new national care service board is a partnership, and we agreed with local government that it would be part of that partnership, and not subordinate. It is not a ministerial board, but a joint board.

We have been listening to COSLA and we have acted on its asks, including on pausing those elements of the bill on which we have still to reach agreement. That is why Friday’s decision was pre-emptive, because we still have areas to conclude.

With regard to what we are doing now, Jackie Baillie is right that the bill is about how we improve the current social care experience both for those who work in it and for those who receive services. We have achieved our target of increasing social care spending two years early, and we will

continue to work with partnerships on improving the picture with regard to delayed discharge and other areas, as we have been doing over the summer, so that there is discernible progress and improvement for the people who need and expect our services to reform and improve.

Jackie Dunbar (Aberdeen Donside) (SNP): There is broad agreement that there is a need for reform in social care to ensure that there are consistent standards across the country. It is very disappointing, therefore, that, after a considerable period of hard work to reach consensus, some people now appear to be playing politics and are refusing to work together. Will the cabinet secretary join me in calling on everyone who is involved to get back around the table and work together so that we can deliver the vital reforms to social care and community health that we all know are needed in order to meet the current and future needs of people across Scotland?

Neil Gray: Yes, I will. I reiterate that the intention for a national care service, and for the bill, is about improving people’s lives and the quality of care—it is not about party politics. It is crucial that we continue to ensure that the people who use or work in social care, social work or community healthcare services are at the heart of our reforms. They have told us time and again that the system needs fundamental and sustainable change, and many stakeholders remain committed to working together for the people whom they serve. For example, this morning, the Health, Social Care and Sport Committee heard from NHS leaders, who reiterated their willingness to achieve those aims. We will continue to work with individual councils, and the door is open should COSLA wish to engage, too.

Tess White (North East Scotland) (Con): Despite councils withdrawing support and NHS chief executives blasting the SNP’s proposals, the Government continues to push forwards with its unpopular and unworkable plan for a centralised care service. A total of £28.7 million has already been spent in the current session of Parliament on work relating to the national care service. As we have heard, the care sector is on its knees. When will the cabinet secretary commit to directing future funding to improve social care now, instead of continuing with this disastrous policy?

Neil Gray: We are doing that already; we have met our target two years early for increasing our investment in social care, so delivering on that ask from Tess White is already under way.

With regard to where NHS chief executive and chairs are, Tess White will have heard them say this morning, at the Health, Social Care and Sport Committee, that they agree with the premise of a national care service and with the direction of travel and the aims that we are attempting to

achieve. We will work with anybody who is looking to take forward the national care service in a way that ensures that we improve the situation for those who are in receipt of social care and, critically, for those who work within it, because we need to improve the standards and provide greater consistency for both those groups.

Willie Rennie (North East Fife) (LD): The cabinet secretary just said that the Government has increased investment in social care. In Fife, this week, they are cutting support for respite care in half and cutting care packages by £5 million, so they are reducing, not increasing, expenditure. Meanwhile, the cabinet secretary's bill, which is supposed to solve all the issues in 2028, is losing supporters by the day.

When will the cabinet secretary understand that the bill is not the answer? He needs to focus on the fundamentals of social care in a way that is designed to help vulnerable people and the NHS. That, not the bill, is what we need.

Neil Gray: With respect to Willie Rennie, I think that those who are in receipt of social care would disagree with him. Many who have provided evidence on the bill say that it is the way forward to provide consistency, both for those in receipt of social care and for those who work with them. It is a fact that we have increased investment in social care—that is there for all to see.

I am conscious of the decisions that are being made in partnerships across the country. During the summer, we engaged to try to ensure that social care is prioritised in order to improve the situation on delayed discharge. Unfortunately, some decisions are making that more difficult.

Heating (Affordability for Pensioners)

2. Liam Kerr (North East Scotland) (Con): To ask the Scottish Government how it will ensure that pensioners can afford to heat their homes this winter. (S6T-02121)

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Pension age winter heating payment will support older people on relevant benefits to help to meet heating costs this winter. Winter heating payment guarantees a reliable annual payment of £58.75, which is available only in Scotland, to people on low incomes, including older people. Our energy efficiency programmes, warmer homes Scotland and area-based schemes provide vital support to households in or at risk of fuel poverty.

This year alone, we are spending £134 million to mitigate United Kingdom Government policies through schemes such as discretionary housing payments and the Scottish welfare fund, thereby providing vital support to households that are struggling to meet housing and energy costs.

Liam Kerr: New research has revealed that rural households endure more cold weather than any other part of Scotland. However, the winter heating payment to which the cabinet secretary referred was previously assessed in Scotland—and still is assessed in the rest of the UK—using data from the nearest weather station. In 2020, it was worth £150 in Aboyne, £175 in Braemar and £150 in Aviemore. This year, as we heard, the Scottish Government has capped it at a flat rate of £58.75.

Why did the Scottish Government choose to centralise that and ignore local weather data? Will the Government consider reverting to a fairer system, based on local weather conditions, to bring the people of rural Scotland back in from the cold?

Shirley-Anne Somerville: Mr Kerr will be cognisant of the consultation that was undergone at the time.

I point Mr Kerr to the facts when it comes to what happened in the past and contrast that with the current situation with the winter heating payment. Forecasts indicate that we will invest £24.4 million this winter for winter heating payment. That is nearly tripling the £8.5 million that the Department for Work and Pensions provided on average in each of the past seven years, prior to the introduction of the new winter heating payment.

Mr Kerr fails to recognise that the Scottish Government's decisions will guarantee people support this year, which will be more than welcome, given other announcements by the UK Government. It is very important that that reassurance and guaranteed payment are there.

The demonstrable difference that the payment will make is clear, given that our investment is much more than that of the DWP. We are investing more in social security, because it is an investment in our people.

Liam Kerr: That will be cold comfort to those in the north-east who are losing more than £100 this year. In other areas throughout Scotland, many pensioners will be faced with the end of the winter fuel payment, which is at the choice of the Scottish Government. The cost of maintaining it would be £140 million. The Scottish Government could have chosen to fund that by using some of the £2 billion projected cost of the national care service, but it chooses not to. Why does the Scottish National Party choose to fund pet projects rather than to help pensioners who are freezing in their homes this winter?

Shirley-Anne Somerville: I hope that Mr Kerr was listening to the answers that my colleague Neil Gray gave to the earlier question. The national care service is about providing better

services for people here in Scotland. I do not recognise the figures that he cited in his question.

Mr Kerr also chooses to ignore the fact that the UK Government's decision took £150 million out of the budget this year—not over the coming years, but out of this year—and £150 million will be taken out next year and on and on and on. I am sick and tired of the hypocrisy from Opposition members who think that the Scottish Government's purpose is to mitigate the UK Government's bad choices.

Collette Stevenson (East Kilbride) (SNP): During the UK election campaign, Labour promised to cut fuel bills. Instead, energy bills are increasing by 10 per cent, and it has withdrawn the winter fuel payment from millions of pensioners, a move that was rejected by its party membership. Does the cabinet secretary agree with me that Labour's broken promises are shameful? Will she give me more detail on the Scottish Government's work with energy firms to deliver a social tariff?

Shirley-Anne Somerville: Collette Stevenson is quite right to point out to members and to people across the country the difference that Labour is making. Labour promised to cut fuel bills but, this very day, people are seeing that their fuel bills will go up this winter. I am not sure that that is the change that people had in mind.

Given the circumstances that we face, the Scottish Government not only is looking to see what can be done with the powers and resources that we have but is keen to work with energy providers. Collette Stevenson mentioned a very important example of such work. A social tariff would provide affordable energy bills and should be automatically applied for those who are most in need, but we need the UK Government to work with us and energy companies on that. In the meantime, we are establishing a working group to work with energy companies to demonstrate the viability of a social tariff, and I hope that the UK Government will commit to taking that forward.

Paul O'Kane (West Scotland) (Lab): Will the cabinet secretary explain why, prior to the UK election, the Scottish Government chose to cut the fuel insecurity fund for households and repeatedly cut energy efficiency budgets, resulting in two thirds of houses in Scotland falling below the recommended energy efficiency standards? It would also be useful for people to understand why her SNP colleagues in Westminster failed to vote for the Great British Energy Bill, which will deliver lower energy bills in the longer term and provide investment to make the change that we so badly need.

The Presiding Officer (Alison Johnstone): I call the cabinet secretary to respond on matters

for which the Scottish Government has responsibility.

Shirley-Anne Somerville: As the First Minister said last week, we are keen to work with GB energy, but let us be clear that GB energy will not cut household bills this winter or, indeed, next winter. The project is for the mid to long term, but we are keen to work with GB energy on it.

Mr O'Kane has chosen to ignore our investment for older people, including the winter heating payment; the council tax reduction scheme; free bus travel for anyone aged over 60; support for older people's organisations; advice services that help people to get what they are entitled to; the warmer homes Scotland and area-based initiatives; and the islands cost crisis emergency fund. We are doing what we can to support not only pensioners but people who are suffering from fuel poverty. It is just a shame that one of the Governments that is responsible for Scotland is making that harder by putting people into poverty this winter rather than lifting them out of it.

Emma Harper (South Scotland) (SNP): Labour's decision to cut the winter fuel payment for many pensioners will have a disproportionate impact on older people in Scotland, because temperatures in Scotland are significantly different from those in areas south of the border. For example, on Monday, the temperature was 10°C in Wanlockhead and 16°C in London. The cut will hit older people in rural areas, some of whom rely on oil-fuelled heating—30 per cent of homes in Dumfries and Galloway use such heating. Does the cabinet secretary agree that the cut should be reversed? Will she comment further on the action that the Scottish Government is taking to support older people this winter?

Shirley-Anne Somerville: In my previous answers, I have mentioned the support that we continue to give to older people, despite the budget cuts that seem to be coming our way.

Emma Harper is quite right to point out that Labour can still reverse its decision on the winter fuel payment. That opportunity still lies in its hands. That is why, following the publication of the UK Government's winter fuel payment equality analysis, I wrote to the Secretary of State for Work and Pensions to call on her to reinstate the winter fuel payment for all pensioners. That would be the right thing to do. If she does not listen to me or, indeed, the wider chamber, I hope that she will listen to pensioners up and down the country, whom we will continue to support as they face a very difficult winter.

Ash Regan (Edinburgh Eastern) (Alba): How many Scottish pensioners are now excluded from receiving the winter fuel payment in 2024-25? What assurances has the Scottish Government

had from the UK Government that a mass-media pension-credit claim campaign will increase uptake for eligible claimants, before the 21 December pension credit cut-off date, to enable them to qualify for a winter fuel payment?

Shirley-Anne Somerville: Scottish Government analysis suggests that between 110,000 and 130,000 pensioners will remain eligible for payment in Scotland this winter, representing a reduction of around 900,000 pensioners who will no longer be entitled this winter.

The obligation of the UK Government to do a benefit uptake campaign is of absolutely critical importance. As soon as the UK Government announced the decision, I wrote to the Secretary of State to encourage her to do that, and we have seen some progress. Although it is a reserved benefit, the agencies in Scotland, including Social Security Scotland, are keen to amplify that message further and are working with the DWP on that.

The Presiding Officer: That concludes topical questions. I will allow a moment or two for front benches to organise for the next item.

Housing

The Presiding Officer (Alison Johnstone):

The next item of business is a statement by Paul McLennan on delivering the homes that Scotland needs. The minister will take questions at the end of his statement, so there should be no interventions or interruptions.

14:26

The Minister for Housing (Paul McLennan):

The future of housing in Scotland affects every constituency, every community and every family in the country. In a vibrant, cohesive and forward-looking country such as Scotland, all people should have a safe, secure and affordable place to live.

I begin by acknowledging the scale of the challenges that we face. I was deeply concerned by the statistics on homelessness and housing in Scotland that were published last week. Of course, the scale of the challenge in Scotland is mirrored across the United Kingdom, where we see that the demand for affordable and accessible housing is outstripping supply. We have made significant strides, but we are still grappling with several serious challenges.

First, housing affordability is an issue that is fuelled first by Brexit, then by inflation and the cost of living crisis. In many parts of Scotland, house prices and private rents have risen faster than wages, pushing families like never before.

Secondly, on homelessness, although we have seen progress in reducing homelessness in some areas, the root causes remain.

Thirdly, on housing supply and construction, we have a strong record on affordable housing delivery. Scotland continues to deliver 40 per cent more affordable homes per head of population than England does, and 70 per cent more than Wales. However, there is no denying that house building is challenged by the increased costs of supplies and high interest rates. Those problems have been made in Westminster and have impacted on housing supply of all tenures.

Fourthly, on quality and sustainability, as we push to meet net zero targets, we must not overlook the need for high-quality places to live or the environmental sustainability of our housing.

To tackle those challenges head on, we have significantly stepped up our response. In May, we declared a national housing emergency. In June, I set out a plan to tackle the emergency under three strategic pillars. First, we need more high-quality permanent homes. Secondly, we need to ensure that we have the right homes in the right places.

Thirdly, we need everyone to have a settled home, responding to the real challenge of homelessness.

I am pleased to outline the steps that we have taken and the further action that we are taking. However, let me be clear that solutions that are bold, innovative and collaborative rely on all partners to consider how they can best support the delivery of housing for people across Scotland.

I want to talk about investment. Under the first pillar of our housing emergency response, the Government is taking steps to unlock investment to put housing on a sustainable footing for future generations, while noting that short-term decisions taken at Westminster can continue to hamper our ability to deliver. In April this year, I established the housing investment task force to take that work forward. The Scottish Government has committed £100 million as a basis that can grow, with institutional investment, to at least £500 million to support the construction of approximately 2,800 mid-market rent homes.

That approach shows that the Scottish Government is prepared to do things differently in order to deliver more efficiently and to create the structures that are needed to allow institutional investment to flow. Today, I am pleased to announce a further investment of £22 million in affordable housing through our charitable bond programme. Those bonds are issued to affordable housing providers, which then pay interest, which we invest directly in our affordable housing supply programme.

That innovative funding mechanism enabled an additional investment of £71 million of charitable bond donations last year alone. It is an example of how we can make a real difference to people's lives when we have the levers to do so, by taking bold steps to offset budget cuts and build houses. However, Westminster has cut financial transactions. The funding that we use for that investment has been cut by 62 per cent since 2022. Let me repeat that: there has been a cut of 62 per cent since 2022. The First Minister raised the issue of financial transactions on two occasions with the Deputy Prime Minister when they recently met, and then wrote to her on the topic in August.

We will continue to do everything that we can within our powers to boost delivery, but tackling the housing emergency requires a joint approach between the Scottish Government, the new United Kingdom Labour Government and, of course, local authorities.

I want to talk a little bit more about rural areas. On the second pillar, which is about the right homes in the right places, we know that delivering increased housing supply in rural areas brings additional challenges. However, between April

2016 and March 2023, the Government delivered more than 10,000 affordable homes in rural and island areas. We published a rural and islands housing action plan at the end of 2023, and I have since worked with partners, including rural employers and local authorities, to step up our response.

This year, we will continue to fund community housing trusts jointly with the Nationwide Foundation—through a funding package that is worth almost £1 million—to bring forward community-led housing projects. As recently as 20 September, the Deputy First Minister opened the second phase of an affordable housing development at Kilbeg, which is Skye's first new village for a century.

On homelessness, voids and acquisitions, like all members, I am deeply concerned to read statistics on the number of households who are facing homelessness in Scotland. I do not underestimate the personal impact on every individual who is represented in those statistics. That is why we are scaling up our housing emergency response to deliver help where it is most needed. Despite homelessness pressure, in March last year, local authorities reported more than 9,000 vacant social homes, most of which could be re-let at some point. We are all agreed that those homes need to be brought back into use as a matter of priority.

Local authorities can now take direct action on that, after the Scottish Government allocated an additional £40 million in 2024-25 as part of the overall package of nearly £600 million. We asked the Convention of Scottish Local Authorities for a targeted approach to reflect the criticality of taking decisive action, which has led to 80 per cent of the funds being allocated to the five local authority areas with the most sustained temporary accommodation pressures. Those are Edinburgh, Fife, Glasgow, South Lanarkshire and West Lothian. That approach will maximise the use of existing housing stock and minimise turnaround times for vacant social homes.

Under the third pillar of our emergency response, last month's programme for government committed to providing £2 million in additional support for local authorities to bring properties that are purchased under acquisitions funding into use as quickly as possible. We asked COSLA to target that funding at the local authorities that are facing the most significant and sustained temporary accommodation pressures, in order to accelerate the pace of change. I am pleased that COSLA has agreed and will inform local authorities of their allocations as soon as possible.

In the past year, the number of homelessness applications in Glasgow from those who have been granted refugee status or leave to remain

has nearly doubled, from 1,384 to 2,709. Last week, Susan Aitken, the leader of Glasgow City Council, wrote to the UK Home Secretary to say that Glasgow has been “immeasurably enriched” by having refugees in its communities but has not received a single penny in funding from the Home Office to deal with the impact that its decisions are having locally on housing and homelessness services. The Cabinet Secretary for Social Justice has raised that issue directly with the Home Secretary.

Our Housing (Scotland) Bill underpins our entire approach by seeking to introduce new homelessness prevention duties. This morning, I had a meeting to talk about that with Crisis and actual practitioners—that was an important step forward. The bill seeks to ensure that partners act earlier, act together and prevent people from becoming homeless in the first place. To ensure that local authorities can prevent homelessness where possible and respond swiftly when it occurs, this year, we have provided more than £130 million to local authorities, in addition to funding for the delivery of homelessness services through the block grant, to support them with their statutory duties.

Discretionary housing payments are also a vital tool to reduce poverty, safeguard tenancies and prevent homelessness. This year alone, we are making more than £90 million available to local authorities to mitigate UK Government policies such as the bedroom tax and the benefit cap, and to meet shortfalls in the local housing allowance rate, which we know is one of the biggest drivers of homelessness risk. That funding could equate to more than 700 new-build social rented homes or more than 1,300 acquisitions under our supply programme.

In progressing our proposals for rent control through the Housing (Scotland) Bill, we will ensure that rents are stabilised in the private sector, helping to support households. To ensure that we have a system of rent control that works for a thriving rented sector in Scotland, we will introduce amendments at stage 2 that will clearly set out how rent increases will be capped in areas where rent controls apply. That will happen in a way that provides certainty for tenants and landlords, while also encouraging investment.

Although the Government pulls out all the stops to tackle the housing emergency, we simply cannot hide the fact that it is hampered by a legacy of disastrous Westminster decisions: a 9 per cent capital budget cut, the bedroom tax, the local housing allowance freeze, inflationary pressures from UK Government budgets driving up mortgages, workforce supply problems driven by Brexit and, of course, asylum backlog pressures driven by Home Office decisions. All of

that is forced on Scotland, reducing our capacity to go further.

Just as the Scottish Government has recognised the housing emergency and the responsibility to act, so must the UK Government. In just four weeks’ time, the UK Labour Government will set out its budget. Two decisions in that budget—scrapping the bedroom tax and permanently upgrading local housing allowance—would have an immediate and significant impact on lifting people out of temporary accommodation and preventing homelessness. I call on the UK Government to do the right thing and end those Tory measures.

The Presiding Officer: The minister will now take questions on the issues that have been raised in his statement. I intend to allow about 20 minutes for questions, after which we will move on to the next item of business.

I would be grateful if members who wish to put a question would press their request-to-speak buttons.

Miles Briggs (Lothian) (Con): The minister will know that, since his appointment, I have been trying to work constructively with him. However, I have to say that, after eight years as an MSP serving in this Parliament, I have never heard a more out-of-touch statement being delivered by a Government minister.

The minister stated that

“we have seen progress in reducing homelessness in some areas”

Progress? After 17 years of this Scottish National Party Government, 15,000 children are homeless in Scotland today, and homelessness has reached its worst levels since records began. The statement was, simply, complacent.

The minister singularly failed to mention the one negative policy intervention that housing associations, home builders and investors have told him and, I know, all the cabinet about—the Scottish National Party-Green rent controls policy. That policy has resulted in the total collapse in construction of mid-market rent homes, and in housing associations not building new homes and having to rewrite their whole investment plans—not to mention investors seeing Scotland as being closed for business.

The Scottish Property Federation estimates that £700 million in residential investment has been paused or lost due to the rent controls policy. Property developer Chris Stewart has said that Scottish Government ministers are responsible for a loss of more than £3 billion of investment, mainly in the build-to-rent sector, through the imposition of rent controls.

We need change and action. I therefore ask the minister whether he will take forward two changes. Will he agree to review national planning framework 4, which is now slowing down investment? Every house builder is saying that they cannot get access to land and are moving out of Scotland. Many Scottish home builders are now building more homes in England.

We also need the minister and the Government to accept that rent controls have failed Scotland and are failing renters. Will the minister make sure that the Housing (Scotland) Bill addresses that and, if need be, that rent controls are removed?

Paul McLennan: I come back to my statement. I think that, when I made the statement and talked about setting up the housing investment task force, I recognised the role of institutional investment. That work is incredibly important and will continue. Miles Briggs and I had a chat about that when we met last week. The member is also aware from the chat that we had last week that discussions are still on-going on that particular point.

I come back to the point that I made in my statement: in order to ensure that we have a system of rent control that works for a thriving rented sector in Scotland, we will introduce amendments at stage 2 of the Housing (Scotland) Bill that will clearly set out how rent increases will be capped in areas where rent controls apply. That will happen in a way that provides certainty for tenants and landlords while also encouraging investment.

I take the member's point and we will continue to have discussions, as I promised him last week. I will also continue to have discussions with investors.

The programme for government also mentioned the investment of £100 million in homes for mid-market rent, which will bring forward £500 million in institutional investment. We have a proven record on that and will continue doing it.

Mark Griffin (Central Scotland) (Lab): The minister said that he is "deeply concerned by" the devastating "statistics on homelessness". I remind members that the minister is not a social commentator; he is the minister who is responsible for those devastating statistics. The minister has presided over 40,685 homelessness applications in a year and 10,110 children are in temporary accommodation. The number of children living in bed and breakfasts has risen tenfold in three years and we have seen the worst yearly start on record for housebuilding, with completions down by 17 per cent in a year. Housebuilding starts in both the social and private sectors are the lowest they have been since the year to the end of June 2013.

Last week, the minister said that he accepted responsibility for the level of homelessness in Scotland. In the light of the shocking failure to get a grip of the housing emergency that is engulfing Scotland, and with more than 10,000 children living in temporary accommodation, will the minister take actual responsibility, stop blaming others and resign?

Paul McLennan: I take my responsibilities very seriously, but there must be a partnership approach with the UK Labour Government, which has promised change and has a role to play.

First, I will speak about the actions that we have taken. I mentioned the £22 million in charitable donations, which bring forward additional funding—[*Interruption.*]

The Presiding Officer: Give me a moment, minister.

It would be much appreciated if members would cease speaking across the aisles and instead let us hear the minister.

Paul McLennan: I also spoke about the role of acquisitions. For example, last July we announced additional funding for acquisitions, which brought forward more than 1,500 properties in areas across Scotland. I also spoke about the additional £40 million this year and touched on the targeted approach in Glasgow, Edinburgh, Fife and other local authorities. There will be £40 million this year and next. I spoke about the £100 million commitment in the programme for government, which will bring forward an additional £500 million.

One key thing that I spoke about was work with partners. That targeted approach was a key part of our discussions with the Convention of Scottish Local Authorities. We had discussions last year and wanted to spread that out across other parts of Scotland. It is really important to me that we have that targeted approach.

I turn to the role of the new United Kingdom Labour Government, which can make a difference. We spoke about the 9 per cent cut in the capital budget. Scotland suffered a 62 per cent cut in its financial transactions—62 per cent—but Labour can change that in the budget. The bedroom tax—[*Interruption.*] Mr Griffin, you now have responsibility. It is not the Tory Party in Government now. You have responsibility now. It is up to your Government to do that.

The Presiding Officer: Please always speak through the chair.

Paul McLennan: I apologise.

In a matter of weeks, you have responsibility to end the freeze on the local housing allowance. We spoke about asylum. You know about the pressures in Glasgow, where the number of

asylum seekers increased from 1,384 to 2,709—almost doubling, with a 96 per cent increase.

I have highlighted the actions that we have taken, but the UK Labour Government must look at the issues and you must play your part. You cannot go back to talking about the Tories: it is time for your choices and your decisions. Now that you have that choice, we hope to see a difference in a number of weeks.

The Presiding Officer: I remind members of the requirement to speak through the chair at all times.

Rona Mackay (Strathkelvin and Bearsden) (SNP): Today's announcement is yet another example of the SNP Scottish Government's determination to do all that it can, within the powers that it has, to deliver for the people of Scotland. Will the minister elaborate on the detail of what was set out in his statement?

Paul McLennan: I mentioned the £22 million investment in the charitable bond programme to increase investment in affordable homes and to deliver more housing. That has enabled the Scottish Government to invest in two new bonds, thereby providing loan funding to Link Housing and to Cairn Housing Association to support the development of 159 new homes.

Since 2014, the Scottish Government has invested more than £482 million in 40 charitable bonds, which have generated almost £140 million in charitable donations. The new investment will generate a further £7 million in charitable donations, which will be used in addition to investment via the affordable housing supply programme.

Last year, we were able to use more than £71 million-worth of charitable bond donations to supplement our affordable housing supply programme budget, which will support delivery of more than 600 housing association and social rented homes.

I come back to the point that the way that we fund that is through financial transactions, and that budget was cut by 62 per cent. Labour has the chance to reverse that in its budget in three or four weeks. Let us hope that it does.

Jeremy Balfour (Lothian) (Con): The minister will be aware that house building is down by 15 per cent here in the Lothians. Each property that is built in the Lothians now costs an extra £30,000. One of the reasons for that is the inefficiency of the planning system. In Manchester, the average planning application takes 16 weeks, but in Glasgow it takes 60 weeks, which is because your Government has stopped funding local government properly. Will the minister discuss that with his colleagues and fund councils properly, so

that a number of the planning officers who have lost their jobs can be re-employed?

The Presiding Officer: Always speak through the chair, Mr Balfour.

Paul McLennan: A couple of points were made there. One was about planning—Mr Balfour will be aware that Mr McKee is responsible for planning. I will certainly raise that issue with him. He has been talking to Homes for Scotland about the proposed planning hub, for example, and discussions continue on that.

If Mr Balfour is talking about the increased cost of building, can I remind him of Brexit and its impact on that cost?

Jeremy Balfour: It is nothing to do with that.

Paul McLennan: It is everything to do with Brexit. If he spoke to contractors, Jeremy Balfour would know that it is everything to do with that. I remind him of Liz Truss's disastrous budget, which she still stands by, that pushed interest rates up to where they are. That has had the biggest impact on house building, and we are still suffering in that regard. Mr Balfour has a cheek to bring up these issues when his party brought forward Brexit and the disastrous Liz Truss budget.

Jackie Dunbar (Aberdeen Donside) (SNP): Scotland's capital budget, which is used to build affordable homes, faces a 9 per cent cut from the UK Labour Government. Will the minister set out in real terms the impact and pressure that that is placing on our ambitions to build affordable homes?

Paul McLennan: As Jackie Dunbar has said, Scotland's capital budget, which builds affordable homes, faces a 9 per cent cut from the UK Labour Government. Previous capital cuts to the Scottish budget meant that difficult choices had to be made, and contractual legal commitments were prioritised. The impact on the housing budget is clear to see, and that has stymied the pace and scale at which we can deliver affordable homes.

In my previous answer, I mentioned interest rates, which are still at a high. We know from our local authority and health partners that there is capacity for more investment to deliver identified local strategic priorities, should we receive additional capital and financial transactions funding—again, I come back to the 62 per cent cut in the financial transactions budget, which Labour could change in a number of weeks. We continue to call on the UK Government to recognise that and to increase our allocation.

Paul Sweeney (Glasgow) (Lab): The minister has noted the pressure that the granting of refugee status to 2,709 people has put on homelessness services in Glasgow over the past year. However, I note that there are 2,641 long-

term empty homes in Glasgow at present. Will the Government therefore introduce emergency legislation to force the compulsory sale of those unused homes and accelerate the mass compulsory purchase orders on those properties?

Paul McLennan: I have mentioned the funding that goes to Glasgow, and I will come back to a number of Mr Sweeney's points. On empty homes, we have contributed £11 million to bring 9,000 empty homes back into circulation, including in Glasgow. We have talked about the funding that Glasgow gets and the additional funding in relation to dealing with homelessness issues.

On acquisitions, Glasgow's increased allocation will make a difference in that regard. There are two ways in which we can look at the issue. There is flexibility through the additional funding, which can now be used to tackle voids. Previously, it was just for acquisitions, but now it can be used for voids. Glasgow City Council has the ability to pick that up with the housing associations, which I know it is doing at the moment.

We have tried to be as flexible as possible with the funding. We are doing work on empty homes. As Paul Sweeney will know, empty homes and voids are quite separate things. We are doing work on empty homes, as I have said, including through the additional funding, which gives Glasgow the flexibility to look at voids as well as acquisitions.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): The Scottish Government spends more than £90 million every year on mitigating the bedroom tax, alongside the welfare cap, thanks to the Tories, and now thanks to Labour. Will the minister tell us how many one-bedroom, two-bedroom and three-bedroom homes could be built for that sum of money if we did not have to spend it on protecting Scotland from Tory—and now Labour—policies?

Paul McLennan: The member makes a point about the £90 million. I note that it is £90 million this year, but it was also £90 million last year, the year before that, the year before that and the year before that. As I said, we are spending £90 million to mitigate the welfare cap. I am unable to break down the figures by house size but, on average grant investment levels, we would expect £90 million to deliver at least 700 new-build social rented homes or more than 1,300 acquisitions.

Those are not just numbers; they represent 700 or 1,300 households who could be benefiting from safe, warm homes in which to raise their families. We could have had 700 new homes last year, 700 new homes the year before and 700 new homes the year before that. I note again that Labour has the ability to change the situation in its budget in three or four weeks' time.

Ariane Burgess (Highlands and Islands) (Green): I thank the minister for providing advance sight of his statement. Given that it is possible to create three homes from existing properties for the price of one new build, we should certainly be prioritising the 9,000 vacant social homes. It is good to hear what the Scottish Government is doing in that regard, but what about the more than 40,000 empty properties and vacant spaces above commercial properties that could be homes? I would appreciate hearing from the minister on what the Scottish Government is doing to support communities and councils to create three homes for the price of one.

Paul McLennan: That is a really important question. The member and I have discussed that issue previously. I will comment first from a city point of view and then from the point of view of rural communities.

Our cities are going through a period of change, and there is a real opportunity to look at how we can maximise housing opportunities there. That can be done through looking at the local housing strategy and how we break that down.

In rural communities, we have talked about Midsteeple Quarter in Dumfries, which is a prime example of how that process has worked in the past. Again, it is a case of working closely with local authorities, but it is also about encouraging them to look at such opportunities. There is flexibility in the funding, whether that is from the rural housing fund or the affordable housing supply programme. We encourage local authorities to look at opportunities in their town centres. The issue is not just about housing; it is about broader economic development and placemaking.

Emma Harper (South Scotland) (SNP): Will the minister expand on the impact of the freeze in the rates of local housing allowance? What effect has that had on those private sector tenants who need support most? How are inflation, merciless budget cuts from Westminster and the looming prospect of continued austerity under Labour affecting, and how will they continue to affect, our ambition to ensure that everyone has a warm, safe home?

Paul McLennan: The freeze in local housing allowance rates ended in April 2024 and rates have now been realigned with the cheapest 30 per cent of local rents. However, the Scottish Government and others, including homelessness and anti-poverty organisations, would like clarity on what will happen at the end of 2024-25. The cycle of freezing and unfreezing local housing allowance rates is unhelpful to renters. It leaves low-income private renters living in uncertainty about whether they will be able to afford to pay rent in the future, which affects their ability to plan

and put down roots. We would like local housing allowance rates to permanently increase in line with at least the cheapest 30 per cent of local private rents every year.

Willie Rennie (North East Fife) (LD): Seventeen years on, the minister has the temerity to come here today, pretending to have a plan to match the scale of the housing emergency that his Government created. He spends time investing in excuses and blames everybody else rather than finding solutions and building homes here. The Housing (Scotland) Bill has the potential to further stifle investment. When exactly is he going to tell us what the amendments to that bill, which he talks about endlessly, are actually going to be?

Paul McLennan: First, I come back to the point that I take responsibility for that. However, I say to Mr Rennie that it comes down to partners as well. Local authorities have their part to play, as do the UK Government and organisations such as the housing coalition that we are working with at present. Mr Rennie mentioned the amendments. We talked about them last week, and I gave him an approximate timescale in that regard. I take responsibility, but others need to do that, too.

I talked about the action that we are taking, including the provision of the £22 million of funding that we announced today, the £80 million acquisition, the £100 million commitment to mid-market rent and the additional funding for local authorities to tackle that specific issue. I take responsibility for that, but we need help from partners to deliver it, too.

Edward Mountain (Highlands and Islands) (Con): I remind members of my entry in the register of members' interests: I provide well-maintained and tenanted housing in Moray.

Given that Patrick Harvie, in his misguided legislation regarding landlords, forced up to 10 firms to move south of the border to build houses for let, what specifically will the Government do to arrest the decline in the private rented sector, which has seen the number of privately rented homes fall from 360,000 to 300,000?

Paul McLennan: I will pick up on a couple of points. One is about the housing investment task force, which is an important part of how we bring institutional investment back into Scotland. We have institutional investors who are part of that group.

I mentioned the opportunities that we are considering in relation to mid-market rent—we have committed £100 million to that, which will grow to £500 million.

On the rural aspect, we spoke to Scottish Land & Estates, which has submitted some thoughts and proposals on how the rural issue can be

addressed, and, last week, I met Mr Briggs to discuss the Housing (Scotland) Bill and where rent controls are. I mentioned that we are still looking at the issue at the moment, and we will come back to him in due course. I am happy to meet Mr Mountain or to discuss that point with him through Mr Briggs.

Kenneth Gibson (Cunninghame North) (SNP): On 8 July, the Chancellor of the Exchequer, Rachel Reeves, said:

“We need the private sector to build homes. We're not going to be in the business of building those homes directly.”

The Deputy Prime Minister contradicted that to some extent three weeks later. Amid the UK Government's confusion, has the minister been advised of any Barnett consequential that would accrue to this Parliament should the UK Labour Government take forward a coherent affordable housing strategy?

Paul McLennan: No—not at this point. That comes back to the point that I made before about some of our budget asks, which are incredibly important. I will repeat them. They relate to local housing allowance, the 9 per cent budget cut and the 62 per cent cut in the financial transactions budget. Those are the only issues that we have raised at the moment, but, at this stage, I have had no update on or any requests about consequential from the UK Government.

John Mason (Glasgow Shettleston) (Ind): Given the limited amount of capital funding that is available and the fact that we have a housing emergency, will the minister and his colleagues consider moving money from the roads budget—especially the budget for the A9—to housing? It seems that housing is much more important than improving that road.

Paul McLennan: That is an interesting comment. That would be for the Cabinet to discuss. As I said, one of the key things that I have been looking at is how we can bring additional capital into the system.

I talked about the housing investment task force, the £100 million mid-market rent proposal that we are looking at and today's announcement of the £22 million charitable bonds.

Pam Duncan-Glancy (Glasgow) (Lab): We have heard quite a lot of blame this afternoon, but that will be cold comfort to the 17,000 wheelchair users who are in unsuitable homes and the 40,000 disabled people who are on social housing lists. Despite that, the Government is relying on 25-year-old accessibility standards and has cut the adaptation budget by 25 per cent.

Thousands of disabled people across Scotland are stuck in unsuitable homes because the

Government is failing to act. Is the Government still committed to a new cross-tenure design standard? If so, when will it be delivered? What assessment has it made of the impact of the most recent budget cut to stage 3 adaptations funding?

Paul McLennan: First, it is not blame; we are taking responsibility. We share that responsibility and take ownership of it, along with the other key partners that I mentioned, such as local authorities and the UK Government.

One of the key things that we are trying to do is to ensure that local authorities pick up on adaptations and that the issue is included in their local housing strategies. On my visits to different parts of Scotland, I have found that some local authorities are better than others in that respect. We cannot have a postcode lottery, so we need to ensure that that is part of the local housing strategies.

I can come back to the member on the other points that she raised.

The Presiding Officer: That concludes the ministerial statement.

Aggregates Tax and Devolved Taxes Administration (Scotland) Bill: Stage 3

14:59

The Deputy Presiding Officer (Liam McArthur): The next item of business is stage 3 proceedings on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill. In dealing with the amendments, members should refer to the bill as amended at stage 2—that is, SP bill 38A—the marshalled list and the groupings of amendments. The division bell will sound and proceedings will be suspended for around five minutes for the first division of stage 3. The period of voting for the first division will be 45 seconds; thereafter, I will allow a voting period of one minute for the first division after a debate.

Members who wish to speak on any group of amendments should press their request-to-speak button or type RTS in the chat function as soon as possible after I call the vote.

Members should now refer to the marshalled list of amendments.

Section 17—Scottish aggregates tax register

The Deputy Presiding Officer: Group 1 is on Scottish aggregates tax: information on register. Amendment 1, in the name of the Minister for Public Finance, is the only amendment in the group.

The Minister for Public Finance (Ivan McKee): Section 17 of the bill places a duty on Revenue Scotland to maintain a register containing whatever information it deems to be required for the purpose of the collection and management of Scottish aggregates tax. Revenue Scotland may publish information relating to the register, such as the names and registration numbers of registered trading persons and the addresses, co-ordinates and boundary plans of any sites at other premises of those businesses. Section 17(6) makes further provision about Revenue Scotland's powers concerning the register, allowing information to be published despite any obligation not to disclose the information that would otherwise apply.

On a review of its wording, the section may be interpreted as inadvertently overriding reserved data protection legislation. To provide reassurance that we are not legislating in reserved areas, amendment 1 clarifies that only obligations not to disclose information that are within devolved competence are relevant. We would not usually explicitly provide for such a thing, given the limits that are already in the Scotland Act 1998.

However, due to the complexity of this particular area of the law, we thought it best to provide that explicit reassurance.

I move amendment 1 and urge members to support it.

The Deputy Presiding Officer: No other member has asked to speak. Do you wish to add anything by way of wind-up, minister?

Ivan McKee: No.

Amendment 1 agreed to.

Section 29—Groups of companies

The Deputy Presiding Officer: Group 2 is on Scottish aggregates tax: group treatment of companies. Amendment 2, in the name of the minister, is grouped with amendment 3.

Ivan McKee: Part 1 of the bill enables groups of companies to register collectively for Scottish aggregates tax. The benefit of doing that is that it reduces the administrative burden on taxpayers. The bill sets out how groups of companies and members of such groups are to be treated with regard to tax liabilities and administrative processes. Companies that are part of a Scottish aggregates tax group may choose to add a new company to the group, remove a company from the existing group, substitute a company as a representative member of the group, and/or apply for companies to no longer be treated as a group. That is achieved by making an application in line with section 29(7).

Section 29(8) pins the date that that change occurs to the start date of an accounting period. Revenue Scotland has identified the possibility that that date restriction could cause administrative issues for taxpayers and the tax authority. Amendments 2 and 3 provide Revenue Scotland with greater flexibility to action changes to groups at a date that it would set out in a notice, as opposed to being restricted to making such a change at the start of an accounting period. The amendments aim to remove administrative issues that such a restriction would cause for both the taxpayer and Revenue Scotland.

I move amendment 2 and urge members to support both amendments in the group.

The Deputy Presiding Officer: Again, no other member has asked to speak. Minister, do you have anything to add by way of wind-up?

Ivan McKee: I have nothing to add.

Amendment 2 agreed to.

Amendment 3 moved—[Ivan McKee]—and agreed to.

Section 45A—Failure to notify change to group treatment application or notification

The Deputy Presiding Officer: Group 3 is on Scottish aggregates tax: minor amendments. Amendment 4, in the name of the minister, is grouped with amendment 5.

Ivan McKee: Amendments 4 and 5 correct minor drafting errors in the bill as amended at stage 2, in sections 45A and 47A respectively.

Section 45A inserts a new section into the Revenue Scotland and Tax Powers Act 2014, which will create a penalty in relation to Scottish aggregates tax where a person fails to comply with section 30A of the bill, which itself requires notification to Revenue Scotland of any changes to group treatment applications or notifications. Amendment 4 clarifies that the reference to section 30A will not be to the bill as enacted.

Section 47 also inserts a new section into the 2014 act, this time providing that liability under the penalty provisions relating to Scottish aggregates tax will not arise where the taxpayer can show that there is a “reasonable excuse” for their conduct. Amendment 5 is consequential to an amendment that was agreed at stage 2 and clarifies that the liability to a penalty is in relation to a failure to comply with a requirement imposed by the bill as enacted.

I move amendment 4 and urge members to support both amendments in the group.

The Deputy Presiding Officer: Again, no other member wishes to comment. Minister, have you anything to add?

Ivan McKee: I have nothing further to add.

Amendment 4 agreed to.

Section 47—General provisions for penalties relating to Scottish aggregates tax

Amendment 5 moved—[Ivan McKee]—and agreed to.

After section 51

The Deputy Presiding Officer: Group 4 is on devolved taxes: refusal of repayment claim where other tax not paid. Amendment 6, in the name of the minister, is grouped with amendment 7.

Ivan McKee: Section 113 of the Revenue Scotland and Tax Powers Act 2014 sets out the circumstances in which Revenue Scotland need not give effect to a repayment claim, to the extent that the claim falls within one of a list of exceptions. Originally, section 52 of the bill inserted a new exception, allowing the repayment of a claim to be refused in circumstances where a taxpayer has another amount of tax outstanding.

That was primarily a revenue protection measure. Without that provision, Revenue Scotland would be required to give effect to a repayment claim by refunding the amount claimed and then trying to recover any separate amount owed by the same taxpayer.

During recent stakeholder engagement, I was pleased to hear that the Law Society of Scotland is supportive of the policy intention behind the provision, and I thank it for engaging with my officials to help to clarify the wording of the provision. During on-going stakeholder engagement on the bill provisions, it became clear that the placement of the provision in section 113 could give rise to some confusion, as section 113 contains a list of the grounds on which Revenue Scotland need not ever give effect to a repayment claim. That could result in a misunderstanding of the intention of the provision, which is only ever supposed to be temporary in effect. I have therefore lodged amendments 6 and 7, which aim to provide greater clarity in that area.

Amendment 6 introduces a new exception to the existing duty that is outlined in schedule 3 to the Revenue Scotland and Tax Powers Act 2014, which requires Revenue Scotland to give effect to a claim or amendment as soon as is practical after a claim is made, amended or corrected. The new exception, which is introduced by amendment 6, enables Revenue Scotland to disapply that duty to the extent of a failure to pay another amount of tax. The underlying duty to give effect to the claim continues to apply to the extent that the repayment exceeds the other amount of tax due, in which case the result will be a partial repayment to the taxpayer. As soon as the other amount of tax owed is settled, the exception no longer applies and Revenue Scotland will be required to give effect to the entirety of the claim.

Martin Whitfield (South Scotland) (Lab): My point is with regard to the wording of proposed new paragraph 12(3) of schedule 3 to the 2014 act in amendment 6. Can the minister confirm that the “claim” that is referred to three times in that subparagraph is the original claim, and not a subsequent claim that someone who owes tax might be making?

Ivan McKee: If I understand the member's question correctly, that is correct.

Amendment 7 is a consequential amendment that removes the existing section 52 from the bill.

I am conscious that, more now than ever, there are a range of pressures on the Scottish Government's budget, so it is imperative that we protect the revenues that are raised through devolved taxes. I therefore urge all members to support amendments 6 and 7.

I move amendment 6.

Liz Smith (Mid Scotland and Fife) (Con): As the minister will know, following engagement with the Law Society of Scotland, at stage 2 I raised concerns that some of the safeguards for taxpayers were perhaps not sufficient to address any situation in which there was a dispute between a taxpayer and Revenue Scotland about the amount of tax found to be outstanding, and also about the process for appeal should that be necessary. I am grateful to the minister for engaging at stage 2. I am pleased that those concerns have been addressed in amendments 6 and 7. The Scottish Conservatives will therefore support them.

The Deputy Presiding Officer: I call the minister to make any final comments on amendments 6 and 7

Ivan McKee: I thank Liz Smith for her comments; I have no further comments to add.

Amendment 6 agreed to.

Section 52—Refusal of repayment claim where other tax not paid

Amendment 7 moved—[Ivan McKee]—and agreed to.

The Deputy Presiding Officer: That ends consideration of amendments.

As members will be aware, at this point in the proceedings the Presiding Officer is required under standing orders to decide whether, in her view, any provision of the bill relates to a protected subject matter—that is, that it modifies the electoral system and franchise for Scottish parliamentary elections. In the case of the bill before us, in her view, no provision of the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill relates to a protected subject matter. Therefore, the bill does not require a supermajority for it to be passed at stage 3.

Aggregates Tax and Devolved Taxes Administration (Scotland) Bill

The Deputy Presiding Officer (Liam McArthur): The next item of business is a debate on motion S6M-14710, in the name of Ivan McKee, on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill at stage 3.

15:11

The Minister for Public Finance (Ivan McKee): I am reminded by the Deputy First Minister, who is sitting next to me, that it was she who started the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill on its journey, so my thanks to her and to my colleague Tom Arthur, who did most of the heavy lifting in taking the bill through, prior to my taking it up. I also thank the officials who have worked on the bill, the Finance and Public Administration Committee for its constructive engagement, and stakeholders.

The bill, which was supported unanimously by all parties at stage 1, provides for the key elements of a new devolved tax on the commercial exploitation of primary aggregates in Scotland. The Scottish aggregates tax will replace the United Kingdom aggregates levy in Scotland. In high-level terms, it will, for the first time in Scotland, be a tax on the crushed rock, gravel and sand from quarries that are commercially exploited. The new tax makes use of a Scotland Act 2016 power and will increase the number of devolved taxes and the proportion of the Scottish budget raised here in Scotland.

Most of my speech will focus on the Scottish aggregates tax, although I will briefly discuss part 2 of the bill, which includes provisions to support the effective and efficient collection of all fully devolved taxes by Revenue Scotland.

I thank all those who have been involved in the development of the bill up to this point. The bill has been informed by valuable engagement with and input from representatives of the aggregates industry and a range of other interested organisations. I also thank the Finance and Public Administration Committee for its detailed scrutiny of the bill, as well as all those who provided evidence at stage 1.

Fergus Ewing (Inverness and Nairn) (SNP): During stage 1 consideration of the bill, I urged the Scottish Government to adopt the proposal of the Mineral Products Association, which was to establish a standing committee—a Scottish minerals forum—which would allow industry and Government to work together to meet the enormous challenges ahead, with £45 billion of

projects of a capital nature requiring aggregates in the Scottish and Southern Electricity Networks area alone.

I got a sympathetic response from Mr Arthur, which I appreciated, but the MPA has heard absolutely nothing since then. Is that not a simple, cheap thing to do, which is essential to working properly with industry over the decades ahead?

The Deputy Presiding Officer: I can give you the time back for that intervention, minister.

Ivan McKee: I thank Fergus Ewing for his question. I know that he has a particular interest in that proposal. Through economy ministers—and indeed all ministers—the Government is engaged extensively with all sectors of the economy, primarily on a sector basis through industry leadership groups, of which I think there are now 15 or 16 in operation, all with ministerial involvement. I know that those in the sector are keen to engage more extensively with the Government in a structured way, and I would very much welcome the establishment of such a forum. Clearly, legislation is not required to take that forward; indeed, as far as I am aware, none of the other ILGs has a legislative framework around it. Through either a subset of the Construction Leadership Forum or a specific minerals industry forum, I would be very supportive of taking that proposal forward.

Turning to the bill, my overall intention is that the Scottish aggregates tax will support the Government's circular economy aspirations by encouraging the minimum necessary exploitation of primary aggregates while maximising the use of secondary and recycled aggregates. It will do that by taxing the commercial exploitation of primary aggregates, thereby creating a price signal to promote the use of secondary and recycled aggregates. However, I recognise the clear importance of primary aggregates in supporting new housing, the building of new roads, the development of energy infrastructure and many other forms of construction activity.

Daniel Johnson (Edinburgh Southern) (Lab): Connected to the point that Fergus Ewing raised, the industry says to me that it would be able to do more with secondary aggregates if things such as road standards kept pace with the state of technology. Does that not lend even more weight to the proposal that Mr Ewing makes about having industry at the heart of setting that through some sort of forum?

Ivan McKee: As I indicated in response to Mr Ewing's comments, I fully support the establishment of such a body. It would not need legislation to underpin it. I would be keen to meet the sector to see how we can take forward the establishment of a separate industry leadership

group or, if it is more effective, the industry agreeing to work under the auspices of the existing and very effective Construction Leadership Forum.

Alongside that work, the vital employment opportunities that are provided by quarries the length and breadth of Scotland are critical—many of those, of course, are in rural and remote Scotland. However, our approach also reflects that the range and quality of secondary and recycled alternatives to primary aggregates are continuously improving, thanks to the industry's on-going innovation.

Much of the content of the bill reflects a decision to initially align key elements of the tax with the UK aggregates levy. That decision reflects the evidence and views that we heard during the development of the bill, which has been strongly welcomed by industry and other voices. I recognise that some people would have wanted us to go further faster, but it is important to recognise that the bill allows for the Scottish aggregates tax to evolve over time, informed by the collection of Scotland-specific data and an increased understanding of the tax and its impact on the aggregates industry in Scotland.

However, that is not to say that there is nothing different about the tax compared with the existing UK arrangements. In terms of distinctiveness, the bill includes a novel provision that allows for tax to be charged on those who purchase taxable aggregates from unregistered suppliers. That addresses industry concerns about unauthorised activity in Scotland and the level of compliance with current arrangements. That will help to ensure that there is a level playing field for all.

Before I turn to the part 2 provisions, I want to comment on a particular issue that is not in the bill but has been a focus of scrutiny to date. There has been understandable interest from Parliament about the future tax rate. I recognise the desire for clarity on the matter and I am mindful of the importance of stability and certainty for taxpayers as we introduce a new tax. I remind Parliament that the proposed introduction date for the tax is still some time away, and its introduction is dependent on the passage of Scottish and UK legislation. It would be inappropriate for me to make any commitment at this time regarding the future tax rate. As with all devolved taxes, that will be set out as part of the annual Scottish budget process.

To summarise, the overall intent of the bill is to assist with a smooth transition to Scottish administration of the tax, offer a degree of continuity for taxpayers and ensure that the devolved tax can evolve over time, based on evidence, to support the Scottish Government's circular economy objectives.

The second part of the bill contains a number of provisions that will further optimise the administration of all devolved taxes and ensure that Scotland can continue to make use of modern advancements in its tax system. I recognise that stakeholders have raised concerns about the lack of consultation on those provisions. They have been informed by detailed engagement with Revenue Scotland and there has been on-going stakeholder engagement throughout the bill process.

Part 2 includes two enabling powers that will allow Scottish ministers to make regulations on how Revenue Scotland communicates with taxpayers and how it makes use of automation. An amendment made at stage 2 commits the Scottish Government to a formal consultation before those powers would be used. Any changes would be intended to ensure that Scotland continues to have an efficient and modern tax system.

Part 2 also includes provisions that will allow Revenue Scotland to set off undisputed amounts of taxpayer debits against the same taxpayer's credits. That provision will aid Revenue Scotland's ability to collect taxes efficiently while not disadvantaging the taxpayer.

Overall, the provisions in part 2 will allow us to create and maintain a modern, efficient and effective tax system that is fit for a modern Scotland.

The bill delivers on a cross-party agreement to devolve further tax-raising powers to the Scottish Parliament, and it will enhance the operational efficiency of Revenue Scotland. I look forward to the debate, and I ask members to support the bill at decision time.

I move,

That the Parliament agrees that the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill be passed.

15:20

Liz Smith (Mid Scotland and Fife) (Con): It is clear that any debate that is about ensuring that we have the right tax structures to safeguard the future environment and sustainable development of Scotland is extremely important. We should all take the opportunity to thank the witnesses who came to the committee and contributed to the scrutiny of the bill. I also thank colleagues on all sides of the chamber whose work on the environment has allowed the rest of us to better understand the balance that is required between measures that encourage green industry policies and those that punish detrimental behavioural change and tax evasion. Their insights have been invaluable.

As we know, the bill, in line with the Scottish Government's circular economy goals, introduces a Scottish aggregates tax. It is aimed at levying a tax on the commercial exploitation of primary aggregates. It retains the fundamental structure of the UK aggregates levy and is designed to provide continuity for taxpayers while evolving over time to support our environmental objectives.

The committee's report on the bill, which was published back in April, highlighted the broad support for the principle of levying a tax on the commercial exploitation of primary aggregates. The report noted that the majority of

"respondents ... agreed that the proposed"

tax

"aligns with the Scottish Government's Framework for Tax 2021"

and with the Government's more strategic objectives for the environment. It was clear that stakeholders welcomed the desire for consistency in the treatment of tax across the UK, which is one of the reasons why the Scottish Conservatives support the bill.

That said, I will address some critical concerns that were raised during the committee's scrutiny of the bill, most especially the tension that arises between maximising recycling rates, which is a key ambition of the bill, and keeping the tax as simple as possible for business. While witnesses broadly agreed that it would be preferable for the tax to match the rate that is charged under the UK levy in order to avoid any competitive disadvantage, we have to recognise that some complexity will be involved.

As has been mentioned, evidence that was presented to the committee indicated that the use of secondary aggregates could be expanded and that the quality of recycled materials is continuously improving. Stakeholders reported, however, that the availability of such materials fluctuates with market conditions in both construction and demolition. That raises important questions about the perceived inferiority of secondary aggregates and the lack of demand for them, and the economic implications of our current tax regime, which may inadvertently push recyclable materials into landfill rather than facilitating their reuse. The committee therefore expressed reservations regarding the ability of the tax to incentivise a switch to recycled secondary products and reduce the use of natural aggregates without either increasing the tax rate or broadening the use and classification of recycled aggregates.

Another major challenge that was identified during our scrutiny was a lack of relevant data, which is vital for effective tax administration and compliance. I suggest—I know that some of my

colleagues on the Finance and Public Administration Committee would agree with this—that there is a data problem in general with regard to some aspects of taxation. I found it particularly concerning that there was an absence of Scotland-specific data from HM Revenue and Customs regarding the volume of taxable materials, as that hindered our understanding of the new tax and how it will function. The committee rightly stressed the need for that data in order to establish the tax elasticity, which—while it may be a technical economic term—really matters.

There were also concerns about non-compliance with the existing tax regime. Anecdotal evidence suggested that unregistered quarries that are operating in Scotland may be significantly impacting the level playing field for legitimate businesses. The committee therefore appreciated Revenue Scotland's commitment to enhancing compliance and enforcement in order to address those concerns. We have urged Revenue Scotland to collaborate more closely with local authorities in order to identify unregulated quarrying activities and to ensure that all the operators comply with tax obligations.

The committee noted that—as other members, and the minister, mentioned—part 2 of the bill includes several amendments to the Revenue Scotland and Tax Powers Act 2014 regarding the administration of devolved taxes. Although the proposals followed discussions with Revenue Scotland, as the minister acknowledged, the lack of formal consultation with other tax stakeholders was a matter of concern to the committee. However, we appear to be getting somewhere on that aspect, as stakeholder engagement seems to be better than it was. I take Mr Ewing's point about the calls for a minerals industry platform to facilitate on-going dialogue, as we definitely need that.

We have made significant strides in addressing the challenges that are associated with the aggregates tax, but we need to monitor some things. Perhaps in due course we will need to produce a bit more detail to answer in full any questions that remain.

We look forward to continued engagement with the Scottish Government, industry stakeholders and all members of this Parliament as we navigate the complexities of the legislation. It is vital that we remain committed to ensuring that our tax system supports both environmental sustainability and economic growth. We need look only at the housing situation and the pressing needs of the construction industry to understand that.

With those ambitions in mind and given our original commitments to the Smith commission and the Scotland Act 2016, the Scottish

Conservatives are happy to support the bill at stage 3.

15:26

Michael Marra (North East Scotland) (Lab): Scottish Labour welcomes the establishment of the Scottish aggregates tax, and we will vote to support the bill at decision time.

Members will be aware that the tax was originally devolved, as the minister pointed out, under the Scotland Act 2016. Should the bill pass today, the Scottish Government has said that the tax will be introduced by 1 April 2026. That is a full decade since devolution of the tax was agreed by all parties to the Smith commission. SNP members frequently call for more devolution and for more powers for this Parliament, including over taxation. I observe that, if it takes the Scottish Government 10 years to devolve a tax that is, to a large extent, mirroring the pre-existing UK aggregates levy, parties should be canny when describing further adjustments to the devolution settlement as an immediate salve for the country's woes. We might also look at examples of social security benefits that are interminably delayed as further evidence of the same. The SNP Government would frequently do well to consider not so much its competences as its incompetence.

I turn to the detail of the legislation. As I raised in the stage 1 debate, I believe that confusion remains in relation to the Scottish Government's stated aims for the Scottish aggregates tax. The policy memorandum states that the new tax will retain the fundamental structure of the UK aggregates levy, as that offers a

“degree of continuity for taxpayers”.

From discussions with industry and evidence taken by our committee at stage 1, I know that industry welcomes that close alignment with the UK system. We should always avoid introducing difference to the system just for the sake of it. I know that the minister believes in an efficient business environment. Indeed, to have anything else might risk putting Scottish businesses at competitive disadvantage with businesses in other parts of the UK.

However, the policy memorandum also states:

“The Scottish Government intends that SAT will align with wider ambitions to deliver a fair, green and growing economy; in particular, the Scottish Government's ambitions for a circular economy.”

Given that the tax does nothing to increase the availability of recycled or secondary aggregates, and that, as the Scottish Environment Protection Agency has said,

“recycled aggregates are very unlikely to displace virgin aggregate use altogether”,

that suggests that the Government intends to incentivise the use of recycled material by increasing the rate of SAT.

I take on board the minister's point that this is neither the time nor place to tell us what that tax rate will be—that is rightly part of the budget considerations—but we all appreciate that a balance must be struck when those decisions are made. We would not expect the specific tax rates to be detailed in the legislation. However, the industry, which is concerned by that apparent contradiction, would welcome clarification from the minister as to his Government's longer-term intent. That is not to ask for a number to be produced today, but it would be right to signal to the industry where his Government intends to go, policywise.

During stage 1, the Finance and Public Administration Committee found a dearth of disaggregated data on the current UK aggregates levy in Scotland, as my colleague Liz Smith mentioned. That impacted on the committee's ability to scrutinise what the potential revenue implications might be and the potential for behavioural effects.

As the committee stated in our report, providing that data would help the Scottish Government to make a more informed decision when setting the rates of tax—that is, one that carefully balances the need to raise revenue, advance environmental behaviour change and align with the aims of an industry that is seeking to thrive in Scotland to provide economic benefit.

The Government should be considering non-punitive means to encourage the use of non-virgin aggregates, including reviewing standard use cases and promoting recycled products more generally, as my colleague Daniel Johnson has already pointed out.

There also might be a case for promoting tax credits as a way of offsetting capital investment to enhance the standards of supply. Producing recycled aggregate requires significant capital investment, and we should think about positive incentives as well as negative means. That would be, of course, a matter for the budget, but it might also feature in the Government's consideration of more circular business models for parts of the lower end of the value chain in this area.

Government amendments at stage 2 addressed some of the significant concerns that were raised by stakeholders at stage 1. They included an amendment to section 54 that gave the Scottish ministers the power to make regulations about communications from Revenue Scotland to taxpayers—in effect, it made the commitment to future consultation explicit, which is welcome. That followed significant criticism by a range of stakeholders, including the Law Society of

Scotland, the Institute of Chartered Accountants of Scotland and the Chartered Institute of Taxation, that the Government had failed to consult on part 2 of the bill. Given the infrequency with which such legislation is passed in Scotland, that was a missed opportunity to have knowledgeable stakeholders contribute to the bill's construction.

An amendment to section 56 clarified that set-off would not be used when the amount of tax due was in dispute, as Revenue Scotland told the committee in its evidence, and we appreciate that being set out clearly in the bill. Given how infrequently the equivalent UK provision is used and the limited number of devolved taxes—two, or three if the bill is passed today—along with many stakeholders, including the Law Society and the Institute of Chartered Accountants, I remain sceptical of how necessary the measure is. The minister could perhaps explain why he feels that it is necessary in his contribution later.

As we mark the 25th anniversary of the Parliament, getting on with competent government and demonstrating how devolution can work are exactly what we should be doing. It is critical that we recognise that Scotland's taxes do not exist in a vacuum; rather, they interact with the wider UK tax system. That is essential if we are to build a system in Scotland that works for the benefit of taxpayers and businesses and that raises revenue in a sustainable way. I urge the Government to do just that.

15:32

Ross Greer (West Scotland) (Green): As Michael Marra said, it has been almost a decade to the day since all five parties in the Parliament agreed to the devolution of the aggregates levy through the Smith commission. It was not exactly the top priority of anyone involved in the discussions at that time, or even in many of the years since then, but I am glad that the bill is finally before the Parliament. It is not headline grabbing, but it is important for the principles of good governance that Mr Marra mentioned.

I echo Liz Smith's thanks not just to the witnesses who provided important contributions during the committee's scrutiny of the bill but to those in the industry who persuaded the Scottish Government to delay the process by just a few months, which resulted in significant improvements being made to the bill that ended up coming before the Parliament. I am usually frustrated by delays to legislation, but, in this case, what ended up being a delay of no more than six months resulted in a significantly better first draft of the bill arriving at the committee.

It is timely that the bill is being considered now, shortly after the Circular Economy (Scotland) Bill

was passed. The policy memorandum makes clear the ambition that the levy will contribute to Scotland having a more circular economy by maximising the use of recycled aggregate and minimising the extraction of fresh aggregate. I recognise that, for some time, there will be a continued need for fresh aggregate, but that need should reduce, particularly as the quality of recycled aggregate improves, as a number of colleagues have noted.

One of the challenges that the committee highlighted is that it is still not clear how the rebalancing towards greater use of recycled aggregate and less use of fresh or virgin aggregate will happen. For perfectly understandable reasons, the Scottish Government has emphasised its desire for a significant level of continuity with the existing UK system. Those are both perfectly laudable outcomes, but there is clearly a tension between them. On one hand, we want to shift the balance but, on the other hand, we want to maintain continuity with the system in the rest of the UK, which is not taking significant enough steps towards a rebalancing in favour of recycled aggregate.

Paragraph 114 of the committee's stage 1 report directly addressed that point, and I am still frustrated that the Scottish Government's response did not address it. I was not the only member who raised the matter in the stage 1 debate, and, even at that point, I do not think that ministers had fully grappled with it, so I would welcome the minister addressing the point in his closing speech. I understand entirely that this afternoon is not the point at which the Government should announce the setting of the rates, but even an indication of the direction of travel would be helpful.

I said in the stage 1 debate that one part of the puzzle is still missing. Far too often, buildings in Scotland that could be refurbished are being demolished simply because doing that is more cost effective. Demolition is cheap and most elements of a new building are often entirely or significantly exempt from VAT.

The construction of new buildings, however, is typically far more carbon and resource intensive than a refurbishment. The Greens have long supported calls to reduce VAT for refurbishment, but that power is reserved. I hope that the new UK Government will consider that change as part of its own circular economy efforts. We need to look at the financial levers that are available to us to incentivise less carbon-intensive and environmentally degrading construction work.

Something that is within our power is the creation of a demolition levy to sit alongside the aggregates levy. That has been long advocated by the Chartered Institute of Building, with which I

have been doing some work on that recently. An aggregates levy and a demolition levy together would be much more effective at incentivising less carbon-intensive and resource-intensive building practices. A demolition levy would need to be a local power, so it would contribute to the fiscal empowerment of local government and to fulfilling the principles of the Verity house agreement. It would also contribute to the preservation of our built heritage in Scotland. It is not hard to see the good that that would do in places such as Glasgow.

Although the bill is welcome, because it is a competent bill—the Government should be congratulated on that—it is only one part of the puzzle, and there is much more work to be done if we want to realise the ambitions of a circular economy.

15:36

Willie Rennie (North East Fife) (LD): I thank the committee, the clerks and the witnesses. In particular, I want to credit the minister, as I did at stage 1, because the pause in the process of the legislation, in order to consult and listen to the sector, has resulted in a far superior bill and brought it into alignment with the predecessor tax and the UK system. Sometimes it is not easy to slow things down when under pressure to speed things up, so I commend the minister for doing that.

I recently visited Angle Park Sand and Gravel Company in my constituency—I like to adorn myself with a hard hat and a yellow jacket, so I will use any excuse to visit such places. The visit was fascinating. The company has been extracting sand and gravel from the quarry for 60 years and has a huge depth of experience and knowledge. It effectively built the town of Glenrothes, bridges such as the Clackmannanshire bridge and important roads around the area, including the A92. The company's knowledge is invaluable, which speaks to Fergus Ewing's earlier point. We need to draw on that knowledge, which is exactly what the minister did by slowing down the process.

Angle Park has two outstanding issues—it probably has more, but it has two main issues. One is about secondary materials, or recycled materials. I know that the Government has commissioned the support of ClimateXChange and the Ricardo consultancy to do more research into the use of those materials. We need to be cautious, because we have had various difficulties with buildings in the past, such as reinforced autoclaved aerated concrete and cladding. We need to ensure that we put building standards at the heart of any change and that the tax system incentivises the application to new building

standards, not the other way around. Otherwise, future construction projects might get into difficulties.

Fergus Ewing: Mr Rennie makes points that I entirely agree with. Does he agree with me that a Scottish minerals forum would allow detailed consideration of those and many other complex points, working to replenish national reserves to deal with the aggregates that are required for individual projects and to plan ahead for projects that are vital to the prosperity and economic success of the country, and that the construction industry leadership group simply cannot do the job as well as a devoted, bespoke, specialist forum with experts would?

Willie Rennie: Fergus Ewing has clearly been reading my mind map, because that is exactly what I was going to say next. It is important that we continue to engage with the sector to ensure that it buys into any change and that it complies with building standards and new practices, and the tax system follows on beyond that. He is absolutely right that we should have that forum, and I am pleased that the minister is indicating that it might well be possible.

The second area of interest for the sector and for the people at Angle Park relates to cross-border issues to do with declarations, which apparently remain unresolved. Materials move back and forward across the English-Scottish border through brokers, builders merchants or others, and we need clarity about how they are supposed to declare in a simple and fair way that does not provide any hindrance to their activities. The sector would appreciate getting clarity on that soon.

I will continue to take a close interest in the issue, not only because we have a new tax coming through the Smith powers but because the sector is an important one and careful handling is required to ensure that we meet the new standards and that we have a tax system to match.

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

15:40

Kenneth Gibson (Cunninghame North) (SNP): The Finance and Public Administration Committee was the lead committee on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill, so I am pleased to debate it at stage 3. I thank everyone who was involved in preparing our report, including those who gave evidence, committee members, our clerking team and the ministers.

Although tax legislation may not always set the pulse racing, the bill represents far more than a fiscal measure—it is a strategic tool that could shape Scotland's environmental landscape for years. As the minister so aptly outlined, the bill's central ambition is to align Scotland's tax framework with our environmental objectives. By incentivising the use of recycled materials over primary aggregates, it drives us towards a circular economy. Tax policy, when applied effectively, transcends its traditional function of raising revenue and becomes a force that is capable of influencing behaviours and shaping cultural norms. However, as ever, the devil is in the detail, and a bill of such ambition demands rigorous scrutiny.

A critical area that requires our attention is the delicate balance that is needed to create a tax system that is business friendly and potent enough to drive meaningful progress towards recycling. Without that balance, we risk two key pitfalls: overburdening businesses and stifling growth, or failing to offer adequate incentives to inspire the behavioural changes that are needed. To meet the bill's aspirations with tangible outcomes, we must carefully calibrate tax rates and expand the definition of recycled aggregates thoughtfully.

Beyond the structure of the tax, a crucial issue is non-compliance, which is a persistent challenge within the current aggregates tax framework. When loopholes are exploited, public trust in the fairness of the system erodes, undermining the integrity of the tax regime. Although Revenue Scotland's efforts to improve compliance are commendable, enforcement cannot rely solely on top-down oversight. Local authorities with their grass-roots connections must be empowered to play a greater role in identifying and addressing illicit activities. Without robust local-level enforcement, we risk allowing unscrupulous operators to undermine the system and disadvantaging honest businesses in the process.

Transparency is equally vital to the bill's success. Stakeholders have rightly called for clear and effective communication around any tax changes. Adjusting tax rates is one thing, but articulating a compelling and accessible rationale for those changes is another. If we fail to clearly explain the reasoning behind our decisions, we risk alienating the very communities whose support is essential. Transparency is not just best practice; it is fundamental to maintaining public trust, which is crucial for the bill's effectiveness.

We must also consider the broader fiscal implications of switching off the United Kingdom aggregates levy for Scotland. That is a significant move, and with it comes a degree of uncertainty that requires thorough evaluation. Although the pursuit of a greener future for Scotland is laudable,

we must ensure that we are not stepping into unknown territory without fully assessing the potential consequences. Comprehensive risk assessments are not just prudent; they are essential safeguards against unforeseen economic shocks that may arise from such bold changes.

Similarly, the proposal to empower Revenue Scotland to levy taxes on those using unregistered quarries is a strong and necessary measure. It sends a clear message that tax evasion will not be tolerated. That is not merely a technical adjustment but a critical step towards preventing a race to the bottom that could undermine the bill's environmental and economic goals. By holding every actor accountable, we will ensure the integrity of the tax regime and support the bill's broader objectives.

We must ask ourselves whether simply replicating the UK aggregates levy framework is the most effective approach to achieving our ambitions. Although stability offers reassurance, it is ambition that drives progress. If we settle for merely mirroring the UK model, we risk missing a unique opportunity to craft a more innovative and forward-thinking system that reflects Scotland's distinct environmental and economic priorities. Stability has its merits but, without bold ambition, we may fail to realise the full transformative potential that the bill offers.

The Aggregates Tax and Devolved Taxes Administration (Scotland) Bill is far more than a routine fiscal measure. It represents a strategic opportunity to use tax policy as a powerful tool for environmental stewardship and economic innovation. This is about not just imposing another tax, but deliberately and thoughtfully constructing a greener, fairer economy. Let us move forward with precision and purpose, leaving no stone—whether primary or recycled—unturned as we work to secure a more sustainable future for Scotland.

15:44

Daniel Johnson (Edinburgh Southern) (Lab):

I do not really know how to follow on from the amazing pun that Kenneth Gibson just delivered to the chamber, but it gives me great pleasure to join my former colleagues on the finance committee. I share the rest of the chamber's congratulations to them, and I commend the current minister. It is also good to have in the chamber Tom Arthur, who shepherded the bill through previous stages of the parliamentary process.

It is possible, on first inspection, to describe the bill as being a boring bit of tax legislation—as Kenneth Gibson just alluded to—about what would seem to amount to gravel, rocks and sand.

However, those things are the primary and basic products of construction, and are therefore absolutely fundamental to the whole of the economy. If growth is central to what we want to achieve, they are the fundamental building blocks. To use another pun, economic growth has to be built.

As the Deputy Presiding Officer knows, I was recently in Orkney. On that visit, one fact that was imparted to me that really struck home was that building costs in Orkney are 30 per cent higher than they are on the mainland, and on the outlying islands, they are 25 per cent more.

In many ways, Orkney is a microcosm of Scotland as a whole. We have higher costs of doing and constructing things in Scotland, because although we have 32 per cent of the UK's landmass, we have 8.1 per cent of its population, which means that our people and places are more spread out. That just makes things more difficult to build, and that comes on top of the fact that it costs more to build things in the UK than it does in other parts of the world. For example, building railway lines costs £34 million per kilometre in this country, compared with £12.6 million in France. Building roads costs £7.8 million per kilometre here, whereas the cost is £4.24 million in France. Hospitals and schools cost £4.76 per square metre here, as opposed to in France, where the cost is £3.35.

The point that I am getting to is that we need to move very carefully. This is not a low-cost economy for building things. Critically, we have a dispersed economy, so things such as roads, rails, hospitals and schools are very important, because much of our population is so remote. Ross Greer made an important point. Ultimately, the point of the levy is to seek to move from primary to secondary aggregates, but we need to move carefully. It is not a zero-sum game.

When I donned my hard hat and high vis, as Willie Rennie has done, and visited the Tarmac site, it was pointed out that poorly maintained roads can cost as much as 5 to 7 per cent in efficiency. That is why it is very important that, if we seek to move industry from primary to secondary aggregates, we have forums such as the one that Fergus Ewing suggested, not only to inform the rates or the way that the levies work, but to have an agreed pathway for the transition and to get the full picture of where all the costs and efficiencies might be borne out.

Simply trying to reduce or depress the level of building could be very detrimental to efficiency in relation to delivering net zero, because we need efficient roads and efficient infrastructure to do that.

Fergus Ewing: Does Mr Johnson agree that if such a forum, which would meet fairly regularly—maybe twice a year—is not established, there is a real risk that, although the Government wants to do projects such as pump storage, grid upgrade, offshore development and dualling the A9, we simply will not have the knowledge about the practicalities regarding for continuous availability of aggregate over the next 10 to 20 years? Therefore, that would risk imperilling the capacity to do those vital projects.

Daniel Johnson: I note the time, so I will close on this point. I agree with Mr Ewing. It was encouraging to hear the minister say that he agreed with the principle, but we need to see a forum established. It might not quite be a case of no taxation without representation, but it could be a case of no levy without listening. We certainly need to see the levy being informed by best practice and by our collective goals for the economy.

The Deputy Presiding Officer: Thank you, Mr Johnson. References to Orkney gain you extra time and forgiveness for the poor puns.

We move to the winding-up speeches.

15:50

Ross Greer: In closing, I will touch on some of the financial and administrative changes that are included in the bill. They are useful, and it was good that the Government took the opportunity to engage in what is, essentially, a tidying-up exercise in a range of small areas of administration of taxes in Scotland.

However, their inclusion in the bill, alongside the levy, adds weight to the argument for having an annual finance bill in Scotland. I give particular credit to Liz Smith for having led that argument for some time.

I do not think that it is satisfactory to have an ad hoc system of waiting for individual subject bills to which financial and admin clean-up exercises can be tacked on. If we were to move towards a position in which that was part of the budget process, and if we had an annual finance bill in which we could engage in such tidying-up exercises and resolve small niggles in the system, that would result not only in more effective parliamentary scrutiny, but in a far smoother, more effective and more efficient process.

Some of the administrative changes in the bill point towards the need to have a wider discussion across Parliament about the balance between primary and secondary legislation. The changes to the timescale for penalties for those who fail to pay tax seem to me to be the sort of the thing that could have been addressed through ministerial

regulation-making powers. If Parliament felt it to be appropriate, we could have required ministers to do that through the affirmative or even the super-affirmative procedure.

Daniel Johnson: Mr Greer may be interested to know that the Delegated Powers and Law Reform Committee is about to embark on an inquiry into use of framework bills and secondary legislation. Does he agree that every member should engage fully in that process?

Ross Greer: I am probably one of the few people in Scotland who is genuinely excited by the prospect of a DPLR Committee inquiry into the balance of legislative approaches, because this is not necessarily the best use of Parliament's time. It can result in restrictions or in a lack of flexibility regarding areas about which there would probably be complete consensus, but about which we have felt an initial desire to put something into primary legislation before finding a requirement to amend it and having to wait for an appropriate legislative vehicle to come along, when using secondary legislation or regulation-making powers in the first place might have made that less of an issue.

I point out that this is not the last part of Smith commission process recommendations to be devolved. We are still waiting for the air departure tax, which is stuck on the runway. I could not let the committee convener be the only one to bring an appalling pun into the debate. We still need to see the Subsidy Control Act 2022 being amended, so I hope that the new UK Government will consider that. There was complete consensus here about devolution of air departure tax, but if we do not resolve the issue of subsidy control we will not be able to give support to lifeline air services for remote and island communities. There are different ideas here about what we should do with that particular tax, but the act that includes it was passed in 2017 and we are still no closer to actually having control here. It is a source of some frustration that, 10 years on from the Smith commission, we are still trying to finalise the process. I am not aware that the new UK Government has stated its position on air departure tax, but I hope that we will not still, at the end of this session of Parliament, be entirely unaware of when that tax can be devolved in practice and we can take control of it here.

I absolutely agree with Daniel Johnson's point about the cost of building here in the UK. A lot of that is down to geography, but it is not the only reason. We need a serious conversation across the UK about why we are so poor at delivering infrastructure projects and why they cost so much more than equivalent projects in comparable countries, including in comparable remote and island communities.

I close by thanking the minister, Mr McKee. I am also glad to see Tom Arthur in the chamber, because he led much of the bill process, which has been an excellent example of collaboration across Parliament. It might not deal with an issue that has seized the headlines, but we have a competent piece of legislation in front of us. I presume that it will be agreed by unanimous consent, which is significantly to the credit both of ministers and of the bill team.

The Deputy Presiding Officer (Annabelle Ewing): I call Michael Marra to close on behalf of Scottish Labour.

15:54

Michael Marra: I will begin where Ross Greer closed and put on record my compliments to the minister, his predecessor Tom Arthur, and all their officials for the manner in which they have pursued the bill on a cross-party basis in Parliament over the past year and more. Listening to the debate this afternoon, I note that there is broad consensus that the bill should pass, and rightly so.

I want to maintain the consensus approach, so I urge the Scottish Government to take forward that sensible and balanced approach and ensure that, when it comes to setting the rate, stakeholders are heard. I made that point in my opening speech, and I hope that the minister listens to those calls and addresses them in his closing remarks on the broad trajectory of policy. That would give some comfort to the industry. Change is always a challenge for business; it is something to be embraced at times, but business still wants to have a level of clarity.

Kenneth Gibson—rightly—set out the power of working in partnership with business.

Difference for the sake of difference benefits no one. However, various speeches have highlighted the fact that Scotland is, of course, a different country in its geography and in the needs and the state of our industry. It is right that we reflect on that and on the challenges of building in Scotland.

I fully agree with Ross Greer's points on the need to look at the broader challenges of producing and providing infrastructure in Scotland when it comes to financing it. There is often commentary on the level of capital funding that is available in the UK, and how that is used across the islands, resulting in much higher bills in the UK, which Daniel Johnson set out at length.

When we introduce a new system, there is an opportunity to ensure that it avoids additional administrative burdens for business over and above those that are created by the current UK system. To do otherwise would risk the

competitiveness of the industry in Scotland. Where new taxes arise, we should endeavour to make the system of processing them as seamless as possible. A first question should be whether we can make them simpler and reduce the administrative burden on businesses and on taxpayers more generally. Achieving the growth that our economy, public finances and public services so badly need requires us to work with business and not against it.

Changes to other devolved taxes are mostly sensible, but I hope that the Government has heeded the public's concerns and will consult stakeholders properly prior to making change to devolved taxes in the future. There has been some commentary on the potential for a finance bill, and I agree with colleagues that the Government should look at that very carefully—perhaps before the end of this parliamentary session. The Parliament is now 25 years old and, with more powers than ever before, including tax powers, we would benefit from a more sophisticated instrument for updating tax legislation, rather than just tacking it on to the end of another vaguely associated bill.

Scottish Labour supports the establishment of the Scottish aggregates tax. The tax has been devolved, and it is right that we finally get on with implementing it. However, we must take account of the wider context of our interaction with the UK-wide tax system and of the impact on businesses and individuals in our economy.

15:58

Jamie Halcro Johnston (Highlands and Islands) (Con): As other members have, I thank all those who were involved in providing evidence on and aiding our scrutiny of the bill, and I thank the two ministers for their efforts and engagement. They have helped us to get to where we are today, eight years after this power was originally devolved.

I recognise the broad support for the principle of the levy and the desire for consistency across the United Kingdom and within our important internal market. The tax must be kept as simple as possible for businesses, particularly those that operate across the border, which will now have to contend with two different tax regimes and accompanying rules and regulations. As other members have rightly said, getting tax regimes right is extremely important, particularly when setting up a new tax—or, at least, a new devolved tax—that could have significant impact on the sector if used unwisely.

I think that it was Fergus Ewing who noted in previous consideration of the bill that it could have a far wider impact than was intended, and he

mentioned again today the impact on projects such as the A9. Daniel Johnson has highlighted the problems that we face on the islands with already higher costs and the impact that those can have.

Our stage 1 considerations in the chamber came only the day after the Scottish Government declared a housing emergency. As I said then, the Scottish Government will likely have choices to make between environmental and economic targets if it considers putting up the rate in the future.

I will not rehash all the arguments and concerns about the bill that were expressed today or in previous considerations, but I will highlight a few contributions from colleagues. Michael Marra was right to say that, by the time the power is implemented, it will be 10 years since it was devolved. I accept the need for—and I think that industry would welcome—a clarification of the Government's intent going forward, if not all the details.

Ross Greer was right to say that, although the bill is not headline grabbing, it is an important piece of legislation. He also highlighted that, although we often criticise the Government for delays to bills, the delay in this case was probably useful, as it has enabled us to have a better bill. Like me, however, he questioned how effective it will be in meeting its objectives—albeit that we are at different ends of the argument on it—without the rates being raised.

Willie Rennie made a more positive speech this time. I remember that, the last time we considered the bill, he was a bit of an Eeyore about this exciting piece of legislation. He was absolutely right to highlight the role that industry has played, and Fergus Ewing was also absolutely right in his intervention. I will say a little more about that later.

Daniel Johnson highlighted the role of Orkney and other remote communities and the impact there. There were some other excellent contributions and there were some dreadful puns, but I will move on.

My colleague Liz Smith talked about the quality and availability of recycled aggregates and the risk of more material being sent to landfill. She highlighted the Finance and Public Administration Committee's concern that, without changes in the rates, which the majority of witnesses were against, or at least a broadening of the classification of recycled aggregates, the new tax might have little impact on the uptake of secondary aggregates.

Liz Smith also highlighted the lack of data, which is a common concern that members of the Finance and Public Administration Committee have about this and other bills that have come

before us for consideration. There is a lack of Scotland-specific data, although the situation will likely improve once collection starts—indeed, the Scottish Government has promised that. However, the lack of data does not aid consideration of the bill or any analysis or predictions of its consequences, intended or otherwise. We still do not know the amount of revenue that will likely be collected, or whether it will be more or less than is currently received as part of the block grant. For me, at least, that is a matter of some concern, given the constrained times. I ask the minister to clarify, when he sums up, how discussions with the new UK Government are progressing on that matter.

I am also concerned that the effectiveness of the new tax and the compliance with it will be largely down to awareness of it. As Michael Marra mentioned, the lack of formal consultation by Scottish ministers with key industry stakeholders on part 2 of the bill before its inclusion was not an encouraging sign. It is vital here, as in all else, that effective engagement is a key part of policy development. I was disappointed that the minister's response to Fergus Ewing was not a little stronger, but I appreciate that the matter will be considered as the bill goes forward.

I believe, as other members do, that creating incentives for investing in recycling, using more recycled materials and keeping more away from landfill is a good thing. We will support the bill at decision time today, but I retain some scepticism about how effectively it will encourage meaningful behavioural change without the significant changes in the rates that we all—or most of us, anyway—recognise will only create inconsistency and challenges for those businesses that operate across the UK. I know that the minister is aware of that issue and that he recognises the importance of continuity and stability across the UK. Most of the witnesses agreed on the need to keep the rate in line with the UK rate.

The bill will pass today, but we will be clearer about its effectiveness and its impact on Scottish revenues only in the years to come.

The Deputy Presiding Officer: I call the minister, Ivan McKee, to wind up on behalf of the Scottish Government.

16:03

Ivan McKee: I am pleased to close the debate on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill. I welcome the contributions that have been made in the debate, and I will touch on a few of them.

Liz Smith, Michael Marra and many other members raised the issue of the balance—Liz Smith called it a tension, but I would rather call it a

balance—between maximising recycling rates and keeping simplicity and predictability for business. That is closely related to the points that several other members made about the current lack of relevant data from HMRC. As Liz Smith rightly pointed out, that prevents us from understanding more thoroughly the issue of elasticity around the tax and how it might lead to the behavioural change that we want, with further increases in the take-up of recycled material in the sector.

In answer to the question about where we are going, the first thing we must do is collect relevant data so that we understand where we are and what options we have in front of us; we can then proceed through the budget process on the basis of that. As I identified, the cabinet secretary will take that work forward when the bill is passed.

We want to work with the sector to increase recycling rates, and we want to make the Adam Smith principles of taxation as transparent, simple and easy to administer as possible. In the Scottish context, which is distinct, we want to move in a direction that maximises the take-up of recycled material. We want to do that not only because it is the right thing to do for the environment, but because we want to encourage the sector to be more innovative in the invention and production of materials at scale, which, in the long run, is where we will create wealth and jobs.

The sector has rightly been identified as a hugely important, although often unsung, part of the Scottish economy that underpins many of the critical areas that we have talked about, including infrastructure, housing, transport and many other sectors. It is only right that the Government continues to work closely with the sector.

Many members have raised the issue of having a forum for the sector. As I indicated, I do not think that there is any need to have that provided for in legislation. The Government engages with many sectors regularly at the ministerial level, and this sector is no exception. I am keen to work with the sector in a forum that allows us to discuss the direction of travel on taxation, innovation, skills and wider issues that impact this important sector. I look forward to hearing from the sector as we work together to set up such a forum. I hope that that sets members' minds at rest and that the sector understands our seriousness about continuing to engage increasingly with it on these important issues.

Liz Smith raised the issue of compliance. It is clear from the steps that we have taken in the legislation and the engagement to date that a key focus of what we are trying to do in how we have structured the tax is to tackle compliance issues.

Ross Geer mentioned the need for more data and the need for clarity on the direction of travel. I

hope that I have answered his questions in the comments that I have made so far.

I also mentioned the issue of VAT on new builds versus demolition. We support that and calls for a demolition levy. The Government recognises that that is an issue, and it is willing to continue discussions on the best route forward to reach the outcomes that we all seek.

Willie Rennie raised the issue of cross-border transactions. I commit that the Government will continue to work with His Majesty's Revenue and Customs to provide clarity on different cross-border scenarios before the tax commences. Revenue Scotland will issue guidance and advice on those scenarios before the tax commences, in 2026.

A special mention goes to Jamie Halcro Johnston, who, in a debate full of weak puns, managed to get the word "Eeyore" into the *Official Report*. I look forward to reading that.

I ask all members to support the bill, which will provide Scotland with an additional fully devolved tax and ensure that Scotland continues to have an effective and modern tax system. I am conscious that the bill is only the start of the Scottish aggregates tax. If it is passed today, I will continue to engage with the Parliament, stakeholders and the industry while developing the necessary secondary legislation to introduce the tax.

Once again, I commend the bill to Parliament.

The Deputy Presiding Officer: That concludes the debate on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill at stage 3.

Motion without Notice

16:09

The Deputy Presiding Officer (Annabelle Ewing): I am minded to accept a motion without notice under rule 11.2.4 of standing orders, that decision time be brought forward to now. I invite the Minister for Parliamentary Business to move such a motion.

The Minister for Parliamentary Business (Jamie Hepburn): To save us two seconds, Presiding Officer, I will do so.

The Deputy Presiding Officer: Yes. I am afraid that I have to comply with the standing orders, minister.

Motion moved,

That, under Rule 11.2.4, Decision Time be brought forward to 4.09 pm.—[*Jamie Hepburn*]

Motion agreed to.

Decision Time

16:10

The Deputy Presiding Officer (Annabelle Ewing): As a result of today's business, there is one question to be put, which is, that motion S6M-14710, in the name of Ivan McKee, on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill, be agreed to. As it is a motion to pass the bill at stage 3, the question must be decided by division. There will be a short suspension to allow members to access the digital voting system.

16:10

Meeting suspended.

16:13

On resuming—

The Deputy Presiding Officer: We come to the division—[*Interruption.*] I ask members to concentrate on the task at hand. We come to the division on motion S6M-14710, in the name of Ivan McKee. Members should cast their votes now.

For

Adam, George (Paisley) (SNP)
 Adam, Karen (Banffshire and Buchan Coast) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Brown, Siobhian (Ayr) (SNP)
 Burgess, Ariane (Highlands and Islands) (Green)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Maggie (North East Scotland) (Green)
 Choudhury, Foyso (Lothian) (Lab)
 Clark, Katy (West Scotland) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Constance, Angela (Almond Valley) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don-Innes, Natalie (Renfrewshire North and West) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dowey, Sharon (South Scotland) (Con)
 Dunbar, Jackie (Aberdeen Donside) (SNP)
 Duncan-Glancy, Pam (Glasgow) (Lab)
 Eagle, Tim (Highlands and Islands) (Con)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)
 Findlay, Russell (West Scotland) (Con)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)

Gallacher, Meghan (Central Scotland) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Golden, Maurice (North East Scotland) (Con)
 Gougeon, Mairi (Angus North and Mearns) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Neil (Airdrie and Shotts) (SNP)
 Greene, Jamie (West Scotland) (Con)
 Greer, Ross (West Scotland) (Green)
 Griffin, Mark (Central Scotland) (Lab)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hoy, Craig (South Scotland) (Con)
 Hyslop, Fiona (Linlithgow) (SNP)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Kerr, Liam (North East Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Leonard, Richard (Central Scotland) (Lab)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Gillian (Central Scotland) (Green)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Marra, Michael (North East Scotland) (Lab)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (Ind)
 Matheson, Michael (Falkirk West) (SNP)
 McAllan, Màiri (Clydesdale) (SNP) [Proxy vote cast by Jamie Hepburn]
 McArthur, Liam (Orkney Islands) (LD)
 McCall, Roz (Mid Scotland and Fife) (Con)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP) [Proxy vote cast by Jamie Hepburn]
 McLennan, Paul (East Lothian) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 McNair, Marie (Clydebank and Milngavie) (SNP)
 McNeill, Pauline (Glasgow) (Lab)
 Minto, Jenni (Argyll and Bute) (SNP)
 Mochan, Carol (South Scotland) (Lab)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)
 O'Kane, Paul (West Scotland) (Lab)
 Regan, Ash (Edinburgh Eastern) (Alba)
 Rennie, Willie (North East Fife) (LD)
 Robertson, Angus (Edinburgh Central) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Douglas (Highlands and Islands) (Con)
 Rowley, Alex (Mid Scotland and Fife) (Lab)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Slater, Lorna (Lothian) (Green)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stevenson, Collette (East Kilbride) (SNP)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, Kaukab (Glasgow Kelvin) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Sweeney, Paul (Glasgow) (Lab)
 Swinney, John (Perthshire North) (SNP)
 Thomson, Michelle (Falkirk East) (SNP)
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)
 Torrance, David (Kirkcaldy) (SNP)

Tweed, Evelyn (Stirling) (SNP)
 Villalba, Mercedes (North East Scotland) (Lab) [Proxy vote cast by Richard Leonard]
 Webber, Sue (Lothian) (Con)
 Wells, Annie (Glasgow) (Con)
 White, Tess (North East Scotland) (Con)
 Whitfield, Martin (South Scotland) (Lab)
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP) [Proxy vote cast by Rona Mackay]
 Whittle, Brian (South Scotland) (Con)
 Yousaf, Humza (Glasgow Pollok) (SNP)

The Deputy Presiding Officer: The result of the division on motion S6M-14710, in the name of Ivan McKee, is: For 112, Against 0, Abstentions 0.

Motion agreed to,

That the Parliament agrees that the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill be passed.

The Deputy Presiding Officer: The motion has been agreed to. Therefore, the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill is passed. [*Applause.*]

That concludes decision time. There will be a short pause before we move on to the next item of business.

Safe and Fair Sport for Women and Girls

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is a members' business debate on motion S6M-14496, in the name of Tess White, on the importance of safe and fair sport for women and girls. The debate will be concluded without any question being put.

Motion debated,

That the Parliament recognises the importance of safe and fair sport for women and girls as it marks Scottish Women & Girls in Sport Week, which takes place between 30 September and 6 October 2024; acknowledges the reported concerns of some that emerged during the 2024 Paris Olympics regarding the gender eligibility of two athletes in the women's boxing competition, as well as the participation of a transgender runner in the women's T12 200m and 400m sprints at the Paralympics; highlights the action taken by some governing sports' bodies, including World Athletics, Fina, World Rugby and World Netball, to prevent transgender women from competing in the female category while further research is carried out into physical performance and male advantage; recognises the findings of the report, Violence against women and girls in sports, by the UN Special Rapporteur on Violence Against Women and Girls, including that "males' average punching power has been measured as 162% greater than females" and that "by 30 March 2024, over 600 female athletes in more than 400 competitions have lost more than 890 medals in 29 different sports" as a result of the introduction of a mixed-sex category; further recognises the findings of the BBC Elite British Sportswomen's Study 2024, in which, it understands, more than 100 elite sportswomen said they would be "uncomfortable with transgender women competing in female categories in their sport", but that they reportedly expressed fears over being seen as discriminatory if they went public with their opinions; understands that, across the north east and the rest of Scotland more widely, there is a persistent gender gap in participation rates in sport between females and males; believes that, as society seeks to tackle the barriers that prevent female participation in sport, parliamentarians, public figures and the media should be able to discuss freely the implications of inclusion policies in sport for women and girls without recrimination or condemnation, and further believes that single-sex categories in sport, from grassroots to elite level, should be protected.

16:17

Tess White (North East Scotland) (Con): I am delighted to lead the debate during Scottish women and girls in sport week 2024. I thank all members who have supported my motion, which addresses the importance of safe and fair sport for women and girls. Above all, it calls for single-sex categories for women in sport to be protected from grass-roots to elite level.

At the outset, I should say that I have worked in human resources for more than 30 years. Inclusion is therefore in my professional DNA. As I am a second-dan karate black belt, so, too, are safety and fairness. From parkrun to the

Paralympics, though, we are seeing the erosion of fair and safe sport for women.

In her recently published report on violence against women and girls in sport, Reem Alsalem, a United Nations special rapporteur, cited evidence that the average punching power of men is 162 per cent greater than that of women. She referenced one study that asserts that, even in non-elite sport, the least powerful man produces more power than the most powerful woman.

How can anyone justify putting women and girls in harm's way? Male advantage exists in sports. The fact is that males have around 40 per cent more muscle mass. Men have larger hearts, lungs and haemoglobin pools, which can feed them more oxygen. They have longer legs and narrower pelvises, which lead to better running gaits. That is why biological sex matters in sport. It has always mattered in safe and fair sporting competitions, just as weight, age and disability matter. It is about safety, fairness and creating equality of opportunity.

Society has become so captured by so-called inclusion that, rather than the playing field for women in sport being levelled, women are being marginalised even more than before.

Reem Alsalem's report found that more than 600 female athletes in more than 400 competitions have lost more than 890 medals in 29 different sports when competing against biological males. So-called inclusion is leading to the exclusion of women from sport. It is the height of hypocrisy when we are working so hard to close the gender gap in sport and to encourage the participation of women and girls.

Thankfully, some sports governing bodies such as World Athletics, FINA and World Rugby have pressed pause on trans inclusion. This week, the World Darts Federation agreed that the women's competition is for biological women only. I particularly commend the World Athletics president, Sebastian Coe, for doubling down on that policy earlier this year, saying:

"it is absolutely vital that we protect, we defend, we preserve the female category."

I could not agree more. For every male in the female category, a female is excluded. Other international and national governing bodies must follow suit, and we need greater clarity on policies around differences in sexual development.

I accept that this is a sensitive and complex topic, but it should not be a taboo topic, with women being bullied and silenced for speaking the truth. I am deeply concerned that women in sport are having to put their heads above the parapet to challenge so-called inclusion policies. One female athlete even told the BBC elite British

sportswomen study 2024 that "your career is over" if you speak on it. We must be able to question the implications of trans inclusion in sport for women without condemnation or recrimination. We must be able to call for the preservation of women's sports and challenge institutional cowardice—because that is what it is: institutional cowardice. The Equality Act 2010 is on our side.

I pay tribute to sportswomen such as Mara Yamauchi, Martina Navratilova and Sharron Davies for refusing to be silenced. Charities and campaign groups such as Sex Matters, Fair Play For Women, For Women Scotland and the Women's Rights Network should also be applauded for their work on this issue. Some of their members are in the public gallery today.

I asked former Olympian and international swimmer Sharron Davies to contribute some words to this afternoon's debate. Drawing on her own experience of competing against testosterone-enhanced athletes in the 1980 Olympics, she said:

"Speaking up has cost me dearly ... Over the last few years, with the inclusion of males in sports categories specifically created to give females equal opportunities, thousands of males have stolen female places ... Not one single peer reviewed study can show us we can remove all male advantage ... No woman should have to die to prove the obvious ... In a combat sport, this is a huge accident waiting to happen. In any contact sport, it is gross negligence ... Men would not tolerate this inclusion if it affected their sports, but women are just expected to give up what is theirs by right ... A female protected category and an open fully inclusive category is the only answer ... Please do not throw the dreams of young girls away. They are no less worthy than our sportsmen."

Thank you, Sharron.

We must not stand by and take away the hope from young girls in having female role models. They have to see it to be it. We must stand up for women and girls. We must protect women's sports.

The Deputy Presiding Officer: I remind all members who are seeking to speak in the debate to check whether they have pressed their request-to-speak button.

16:24

Michelle Thomson (Falkirk East) (SNP): I welcome the debate and am pleased to have signed the well-worded motion. I will concentrate briefly on three themes, the first of which is the safety of women and girls. The United Nations special rapporteur has already been quoted, but I add to Tess White's comments that female athletes are also more vulnerable to sustaining serious physical injuries when female-only sports spaces are open to men. We know that male puberty develops significant physical advantage.

Put simply, male bodies are bigger, faster and stronger than female bodies. That advantage is not removed if testosterone is lessened over a short timeframe, such as 12 months.

The physical differences between men and women are easiest to demonstrate by comparing performance levels in athletics. We have two former 400m runners in the Parliament, most notably former Olympian athlete Brian Whittle, but also cabinet secretary Neil Gray. In their event, we find that elite and club-level men run 400m approximately on average five seconds faster than women—that is a very considerable difference, although I suspect that both Brian Whittle and Neil Gray would beat me by a lot more than five seconds. Thankfully, World Athletics is now studying the issue, but multiple other bodies will also need to recognise that that performance difference is true for all sports where physical attributes are significant.

My second theme is fairness. It is ironic that male sport has long recognised that fair competition can work only if there is differentiation between age, weight and other factors. I have no experience of sport at an elite level, but I have considerable experience of giving up many hours to hone my skills in music. I can only begin to fathom the anger, disappointment and distress that many female athletes feel about being asked to compete against men who identify as women. Fair competition is fundamental in sport. It allows the best to be their best, and if the basis is changed where women cannot be their best, there will be no women's sport.

Despite the motion being well written, there is one part with which I disagree—where it refers to “inclusion policies”. I do not think that it is correct to characterise what has been happening as an inclusion policy. It is at least as much an exclusion policy, denying many female athletes in a wide range of sports the opportunity to compete.

My final theme is the wider cultural problem that has been created in recent years by the policy capture of the debate around sex and gender, which has already been alluded to. It has even got to the stage where some elected politicians feel that they cannot openly debate the issues. Cultural oppression needs challenging, and I am therefore delighted that the motion recognises that.

Coming to a close, I think that the fundamental issue is that sex is a far more meaningful and scientifically exact determinant of who should be allowed to take part in women's sport than gender. If the situation is not challenged, the consequence will be that participation in sports will become even less attractive to women, which will undermine much of the good work of recent years. When biological men are given access to female-only changing rooms and take part in women's team

sports, they violate the rights of women, remove fairness and pose an increased risk of harm. Is it not about time that we whole-heartedly and unequivocally support the rights of women? Surely that is what a truly progressive Parliament should do.

16:29

Sue Webber (Lothian) (Con): I thank my colleague Tess White for bringing such an important debate to Parliament, and I whole-heartedly associate myself with the statements that Michelle Thomson and Tess White made in their speeches.

I cannot remember a point when I was growing up when sport was not a major factor. In primary school, I played in badminton competitions for Juniper Green, represented Edinburgh in school competitions and travelled to Wales to play for the Lothians.

At university, I had to choose between playing hockey and playing badminton. I chose hockey, and I threw myself into playing in the 1990s—I have given my age away there. At that time at the University of Edinburgh, there were only three women's teams. It was great fun—you could always find me and my pals at Peffermill, playing or umpiring, and I made friends and memories for life.

After I graduated from university, sport—especially hockey—continued to play a pivotal role in my life. I balanced a busy corporate career with all my sport, including Watsonians hockey, where I was the Watsonian Hockey Club president and manager of the under-16s and under-18s teams. I became the east district youth team manager and then east district president.

I also umpired all through that time, which included umpiring men's and women's hockey at the top of the Scottish game; there were not that many women umpiring men's hockey. Now, as injury and age catch up with me, and when time permits, I assess budding new umpires.

All that gave me life experiences and friendships that span decades and continents. I would not change a thing about my experience, and I hope that other girls and woman can have the same positive experiences that I did. That is why I wanted to speak in the debate: to highlight the unfairness that many now face in female sports.

We will all have either seen or heard about some of the controversies surrounding that issue during the Olympics, and then again in the Paralympics. Nowhere was that more apparent than in the women's boxing in Paris, with the controversy over the gender eligibility of two competitors. Algeria's Imane Khelif and Taiwan's

Lin Yu-ting were cleared to compete at the Paris Olympics, despite being disqualified from last year's world championships after they were said to have failed gender eligibility tests. Both fighters won Olympic gold medals. I think that we can all agree that that has shone a damning light on an issue that clearly needs addressing. As Tess White explained in far more detail, males of equal weight and size punch 160 per cent harder on to a less dense bone structure. Therefore, biological sex is a crucial factor in ensuring that female athletes are not disadvantaged or put at risk.

In 2023, British Cycling banned transgender women from competing in the female category of competitive events, tightening its rules around participation in order to safeguard the fairness of the sport. The new rules, which came into effect at the end of 2023, divided cyclists into female and open categories. The female category remains for those with sex assigned female at birth and transgender men who are yet to begin hormone therapy. The open category is for male athletes, transgender women and men, non-binary individuals and those whose sex was assigned male at birth.

Sebastian Coe, the president of World Athletics, has voiced his views about the transgender debate. Last March, in accordance with his long-stated belief that biology trumps gender, he banned athletes who had gone through male puberty from the female category in world championships and Olympic games, in order to preserve fairness in athletics.

However, the problem exists not only at the elite levels of sport. On the journey to elite sport, women will be at a constant disadvantage as they strive to win against males who are biologically stronger and taller and have increased muscle mass. Those men will take podium places from those women and their spaces in teams, excluding many women and girls from taking part at all.

We cannot escape the biological reality. It is vital that we stand up for single-sex categories in sport across all levels, from grass-roots to elite level. That should be protected. You cannot settle for protecting the 0.01 per cent at the top if you then ask every other woman and girl to accept being placed at a disadvantage. That is why I am backing Tess White's motion, and why I will always champion single-sex categories in sport.

16:34

Rona Mackay (Strathkelvin and Bearsden) (SNP): I am delighted to speak in the debate to celebrate Scottish women and girls in sport week, and I will focus my contribution on the huge leap forward that women and girls in Scotland have made in all areas of sport. I pay tribute to them for

leading the way by being great role models and encouraging more women and girls to get active, and I applaud them for their incredible successes, which show that, as always, Scotland punches above its weight in competitive sport.

A great example of that is the fact that Celtic Football Club Women has just become the first Scottish team to qualify for the UEFA Women's Champions League group stage—congratulations to them. Of course, Scotland's women's team have done us proud on the international stage time after time.

Those firsts are so important, given that—it is absolutely incredible to think about this—women were banned from playing football in Scotland until the 1970s. That senseless ban led the legendary Rose Reilly to leave Scotland for Italy, where she played for the Italian team and won the world cup in 1984. That is pretty impressive.

Rose Reilly was voted best player for AC Milan and went on to win a multitude of footballing awards. Incidentally, she was allowed to play for Celtic Boys Club—which had scouted her—but only if she cut her hair short and called herself Ross. That is absolutely staggering.

We have certainly come a long way, although progress is needed in tackling the gender pay gap for players. Women's football now has a huge fan base and generates ever-increasing crowds at matches.

I want to tell members about a remarkable wee girl who lives in the east end of Glasgow. Mirrin Kennedy, who is just nine years old, was scouted by Heart of Midlothian Women Football Club just before the summer, after the club saw her play in her regional team, Finnart Girls. She now plays in the Hearts development squad, which is the first step on the pathway to the next generation of players. Young Mirrin is certainly in demand—Celtic FC Women is interested in her and she is also currently training with Kilmarnock FC Women.

All that is remarkable in itself; members will find it even more so when I inform them that Mirrin suffers from cystic fibrosis. Thankfully, she has made great progress on the Kaftrio medication and her lung function is presently normal. Nothing can stop that wee inspiration. In my view, she is the embodiment of #SheCanSheWill. At the tender age of nine, she is a star already. Her mum Ashley, her dad Robert and the wider family are beyond proud of her, as, I am sure, the whole of Scotland is. Her determination not to be held back against all odds by her condition must be an inspiration to girls from all backgrounds.

Taking part in sport has so many benefits for women and girls, both for their mental and their physical health. I was not particularly sporty at school, but I loved netball. I still remember the

excitement of playing against other schools and the thrill of winning a match. I understand that sportscotland has introduced walking netball, which might be more suited to my capabilities these days.

The Scottish National Party Scottish Government is working to increase women's and girls' participation in sport by progressing the commitment to double investment in sport and active living to £100 million by the end of this session of Parliament.

Across all 32 local authorities in the past year, more than 129,000 girls and young women made more than 2.1 million visits to active schools sessions, with netball, football and multisport sessions proving the most popular.

Fit for girls is a national programme developed in partnership by sportscotland and the Youth Sport Trust, and the young ambassadors initiative is a key element of sportscotland's contribution to developing young people as leaders in sport. Each year, two pupils from every secondary school are chosen as young ambassadors to promote sport and to motivate and inspire other young people to get involved in sport in their schools, clubs and local communities. Teenage girls consistently make up more than half of all young ambassadors. That is hugely encouraging.

Women and girls in Scotland are leading the way on a range of sports, from football and rugby to netball and boxing and so much more. They are punching above their weight, and long may that continue.

16:38

Carol Mochan (South Scotland) (Lab): I thank Tess White for bringing this important issue to the chamber. I, too, welcome it being Scottish women and girls in sport week.

I understand that many people feel strongly about the topic, which is why it requires the attention of Parliament and should come to the chamber floor for debate. In my speech, I want to try as much as I can to show that I believe in a sports provision that is fair, safe and allows everyone to have an opportunity to compete and enjoy a whole variety of sports. I also want to describe my constituents' views as far as I can.

I am contacted regularly about the issue by constituents and people outside my South Scotland region who are on both sides of the debate. Primarily, the feedback that I receive is that a great number of women feel that their voices are not being heard when it comes to sport and the inclusion of women in sport. I think that we can all agree that that is not acceptable. We have

to hear those voices, and it is our responsibility in the chamber to ensure that that happens.

I do not profess to have all the answers, but I can say with certainty that there is a need for more research and for individual sports to be allowed more time to make decisions on how we discuss the matter and make progress. We cannot rush into altering the fundamentals of competition without carrying out due diligence. Millions of people take sporting competition very seriously, either actively or as spectators, and it would be remiss of the Parliament to simply dismiss women's concerns about transgender people's engagement in sport. We have to take time to listen and to learn.

We all surely agree that sport must be safe and as fair as possible. That is what we teach children from a very young age, and it is the spirit of, for example, the Commonwealth games, which will be coming back to Scotland in a couple of years. Transparency and a logical approach to fairness and harm avoidance are required.

As others have mentioned, the Equality Act 2010 includes an exemption that allows us to act in relation to sport. Sports leaders have also made comments that have been referenced by members. The performance director of British Cycling has said that this could be

"the single biggest issue for Olympic sport."

In athletics, Seb Coe has said that the issue is making women's sport "very fragile". It is therefore very important that we make progress.

When I speak to constituents, overall, they accept that there are some cases in which someone who has transitioned could compete alongside others of their gender, but we should be clear about what that should look like. When it comes to high-impact sports and ones that feature frequent contact, there are legitimate concerns about long-term health effects and a blanket approach being taken. As we have heard, in sport, someone who has experienced puberty as a male has a significant natural advantage, so much more consideration has to be given to those cases.

Let us not forget that it took many decades to get the public to take women's sport, including women's athletics, seriously. We owe a debt to the women who built those foundations, so we should be serious when making decisions about what we do.

As I said, I do not pretend to have the answers, but, as parliamentarians, we must listen to the experts and be open minded when concerns are raised. We cannot have a knee-jerk reaction. It is not good enough to make political points. I hope that, by our speaking up today, some people out

there will understand that parliamentarians are listening and that we can take action on the issue.

16:43

Karen Adam (Banffshire and Buchan Coast) (SNP): A little over three years ago, the official motto of the Olympic games was changed. The change added a single word to the original “Faster, Higher, Stronger” motto. That single word was “Together”, which reflects the unifying power of sport and the importance of solidarity. I hope to echo that Olympic principle in my remarks today, particularly as we mark Scottish women and girls in sport week, with the campaign slogan “Let’s Move Together!”

It was only 100 years ago, after the women’s suffrage movement of the 1920s, that progress was made in women’s participation in sport. We were finally included in track and field events at the 1928 Olympics in Amsterdam, despite severe opposition and extreme sexism. The women who participated faced misogynistic fearmongering, with people stating that the women would become sterile, weak or too masculine. Lina Radke of Germany set a world record at the 1928 games for running 800m, but the media falsely reported that most of the female runners collapsed from exhaustion, even faking images to support the claim. That led to a nationwide ban on women running races over 200m. What was it that those people feared the most? Was it finding out that women were not weak and masculine but, in fact, capable and that feminine can be exceptionally strong?

The torrent of misogynistic abuse faced by female boxers Imane Khelif, who represented Algeria, and Lin Yu-ting, who represented Taiwan, is horrendous. Here are two women—minoritised ethnic women, I might add—at the pinnacle of their sport, which has a long and recent history of excluding women, with it only being as recently as 2012 that women were allowed to box competitively for the first time at the Olympics.

When the referees raised Lin’s and Khelif’s hands in their respective 57kg and 66kg finals this summer, those two women, who were born female, raised female and possessing female passports, made history by winning their countries’ first gold medals in boxing. Their deserved victories, however, were immediately tainted by those who challenged, without basis, their very womanhood. Where once women were denied participation in boxing because of their womanhood, their womanhood was being denied because they overcame all odds to excel to the top of their sport. They were too masculine, some decried, a hundred years on. Shameful.

It is on that note that I think that Tess White’s motion has fallen short, and I am disappointed that it raises again concerns about the gender eligibility of athletes at the 2024 Paris Olympics, which I addressed with an amendment to a similar motion of hers just weeks ago. The International Olympic Committee president, Thomas Bach, said that the hate speech that was directed at boxers Imane Khelif and Lin Yu-ting at the Paris Olympics was “totally unacceptable”, and I agree with him. I also agree with these words of his:

“We will not take part in a politically motivated ... cultural war”.

The widespread disinformation and misinformation about the eligibility of the two women to compete in the Olympic games was harmful not only to those women who are at the peak of their sport but to the young women and girls who might see the abuse and decide against pursuing their passions or dreams, perhaps just because they do not fit whatever version of women is deemed to be acceptable to some.

Sport has the power to break barriers and challenge outdated norms, but only when we stand together in the face of adversity. We must continue to champion a future where all women are included, no matter what their background or body type. By confronting disinformation, standing against exclusion and fostering true inclusion, we will build a society where every woman and girl can pursue their dreams without fear. It is only then that, like the motto says, we will all move faster, higher and stronger together.

16:47

Liz Smith (Mid Scotland and Fife) (Con): As the convener of the cross-party group on sport, I bring us back to the spirit of sport. I am grateful to Tess White for bringing forth the topic for further discussion, because there is no doubt that it is an important one, as is evidenced in the comments of Sharron Davies and by how much I agree with her.

The issue is also one that has been greatly exercising the minds of all the governing bodies that are represented by the Scottish Sports Association, which acts as the secretariat to the cross-party group. What a wonderful job it does of supporting our sporting bodies and, particularly when it comes to the difficult and sensitive matters, all the volunteers across Scotland, encouraging much more accessible sport, even in difficult circumstances.

Tess White’s debate coincides with this year’s women and girls in sport week. In the past, we have celebrated our national and international female champions, the volunteers who work with women and girls at the grass-roots level and all

those who work so hard to make our sporting facilities more accessible to women and girls.

This year's theme is leadership, which can mean lots of different things. Leadership can mean someone who is the captain of a team, a successful team that inspires others or someone who is taking up sport for the very first time. However, for me, it is also about the courage and determination to overcome some of the barriers that are faced by women and girls. The motion is so important because there are several serious barriers in the way of many women and girls, not least of which is their own personal safety.

I hope that I can speak to the chamber with my many years of considerable experience—perhaps too many to recall—of coaching several different sports where, for eminently sensible and practical reasons of personal safety, decisions had to be made about whether mixed teams were the better option or whether teams should be organised on a female or male basis. I note that those sensible and practical reasons about personal safety are exactly the same ones that are used by sporting bodies when addressing the current controversies. As the cross-party group convener, I support that.

Tess White's motion and her speech have rightly identified the extent of the current controversies. I agree that it is not just a question of safety; it is one of fairness. She is right to highlight the concerns from the recent Olympics regarding gender eligibility, most especially in the very high-profile cases in boxing and athletics, although perhaps some of us take a very different perspective on that. Tess White is also right to highlight the reactions from some of the world governing bodies that have decided to take action to prevent transgender participation in female sport, pending further research, and the reaction of the UN special rapporteur, to say nothing of the reaction from female and, indeed, male athletes.

I want to finish on the motion's last point—namely, the need for an open and transparent debate in which no one feels unable to speak up. In my very long experience in sport, we can never succeed if controversy gets in the way of what sport is supposed to be all about.

The Deputy Presiding Officer: Before I call the next speaker, I advise members that, due to the number of members who wish to speak in the debate, I am minded to accept a motion without notice, under rule 8.14.3, to extend the debate by up to 30 minutes. I invite Tess White to move such a motion.

Motion moved,

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[*Tess White*]

Motion agreed to.

16:51

Maggie Chapman (North East Scotland) (Green): Presiding Officer,

"I send a message to all the people of the world to uphold the Olympic principles and the Olympic Charter, to refrain from bullying all athletes, because this has effects, massive effects. It can destroy people, it can kill people's thoughts, spirit and mind."

Those are the powerful words of Olympic champion Imane Khelif, who faced unprecedented levels of abuse, vitriol and harassment just for being excellent at what she does.

I cannot celebrate the motion that is before us or the debate. Both this motion and Tess White's previous one on the same subject echo the most toxic narratives, with elements of them unfounded in fact, discriminatory in effect and deeply damaging to both trans and cisgender women and girls in sport and in our communities. I strongly commend the briefing from LEAP Sports Scotland for its excellent analysis of the true position, and I thank Karen Adam for her spirited and principled amendment to Tess White's previous motion. That amendment rightly calls out the "torrent of misogynistic abuse" faced by two Olympic boxers, who, incidentally, are both cis women and women of colour. It identifies the political motivations of the attacks on them and calls on parliamentarians and others to counter the disinformation that threatens the safety of female athletes and, I would add, of women everywhere.

That is why I am here this afternoon. There are people watching this debate and people who will hear it reported who are understandably afraid: transgender people, non-binary people, intersex people and women who do not conform to conventional Euro-centric or white assumptions of body shape, demeanour or dress—people who fear that they will be next to face exclusion, rejection, excoriation and hate. To those people—our friends and neighbours—I say, as I have done before, that, like Karen Adam, I stand here with you and for you in solidarity and commitment for as long as it takes for this poison to be washed from our politics, our media and our life.

If Tess White had ended her motion with the first clause, we could all have agreed very clearly. There are serious and multiple barriers to women's and girls' safe and fair participation in sport, as has been highlighted by the briefing from LEAP Sports Scotland. There are Governments, federations and broadcasting authorities that deliberately ban, suppress, downgrade or obscure women's sport. There are coaches and managers who bully and abuse, including widespread sexual abuse. There are men who rape children and go on to represent their countries at the highest level. Tess White's motion makes no mention of the Olympic beach volleyball player who did just that.

Why is there no fuss made of a convicted rapist participating at the Olympics? I wonder.

There are playing fields sold off by state schools. There are swimming pools emptied and unused for want of essential repair. There is—as we have debated here before—a huge chasm, especially for women and girls, where safe, accessible public transport and provision for active travel ought to be.

All those obstacles are substantial and significant, and I hope that we get the opportunity to debate all of them. The participation of transgender women in sport—as in culture and the arts, voluntary work, public life or business—is no barrier to others.

It is deeply sad that narratives such as those contained in the motion are used to spread anxiety and hostility, to build barriers where none is needed, and to cause the deepest pain to those already bearing heavy burdens.

From a toddler's first wobbly kick of the family football to an Olympic podium, sport can be, for millions of women and girls, a source of health, wellbeing, friendship, self-esteem and sheer joy. We can all share that, no matter our body type, our culture, the colour of our skin or the precise details of our biological make-up.

In this chamber and beyond, we can be proud to celebrate diversity, to recognise the labour of achievement, and to stand resolute with all who need our solidarity.

16:56

Brian Whittle (South Scotland) (Con): I thank my colleague Tess White for bringing the debate to the chamber. Given consistent attempts to prevent discussion or the airing of concerns on the issue, it takes real bravery and commitment to fairness in women's sport to keep the discussion current.

I wanted to listen to the debate before framing what I wanted to say. I think that everybody knows that I have been involved in sport at all levels for 50 years or so. I genuinely and strongly believe that every person should have access to sport and physical activity. On the one hand, we are talking about one of the most vulnerable groups of people in our communities, who have endured much violence and prejudice, as Maggie Chapman said. On the other hand, we are discussing fairness and safety in women's sport—especially those sports where strength and speed are prevalent.

The issues that we are discussing today were predicted in the gender recognition debate way back when the Gender Recognition Reform (Scotland) Bill was progressing through Parliament. What we are seeing in sport is an

inevitable outcome of not dealing with those issues back then.

I spoke then about the huge differentiation that comes with going through puberty as a man, rather than as a woman: a difference in muscle mass of more than 30 per cent, a difference in bone density of more than 30 per cent, and a difference in heart and lung size, as well as a difference in the all-important Q angle at the hip. No matter how dedicated a female sportswoman is, or how hard they train, they cannot come near to compensating for those biological facts.

It was bad enough to watch a 51-year-old trans woman in the 200m and 400m at the Paralympics taking the place of what should have been a biological woman—a trans woman who, incidentally, had won 11 national titles as a man. However, the grotesque sight of women being bludgeoned by two XY chromosome boxers brought home the reality of what we are discussing here and what we discussed when debating the GRR bill.

An equivalent-sized man can generate 160 per cent of the force that a woman can. Back during the discussions on the GRR bill, all that I was asking for was for advice to be given to sport—and that was denied. I wonder what our future sportswomen are making of that just now. It is not just an issue in international sport; it is prevalent in grass-roots sports and all the way through. I have seen it many times in Scotland.

I had a trans woman come to my surgery to discuss this particular issue. She said to me that she had been banned from taking part in cycling. I said to her, "You haven't been banned at all; you've been banned from taking part in women's cycling." I explained to her the reasons why, and her suggestion to me was to ask, "Why can't I compete in a different category?" The trans community itself understands the issues here.

The wrong decisions, however well intentioned, are still the wrong decisions. We cannot create equality for one group by creating inequality for another. It is hugely important that sport is inclusive and accessible to all, irrespective of background or personal circumstances, but it is also crucial that safety and fairness are considered when we set the rules.

It was inevitable that we would debate this topic, given that, no matter how much we strive for equality, there are certain circumstances in which biology, and the XX and XY chromosomes, matter. Women's sport is governed by biology and cannot be defined in any other way. We must have a balanced discussion and we need better solutions to ensure fairness, inclusion and—most of all—safety in women's sport.

17:00

Ash Regan (Edinburgh Eastern) (Alba): I commend Tess White for securing the debate and for her excellent contribution.

As we celebrate Scottish women and girls in sport week, we must also, as many speakers have done, confront the critical issues that currently affect the future of women's sport and the safety and rights of women and girls across all areas of life.

Although inclusion is a core value of our society, we must ensure that that does not come at the expense of fairness, safety or the integrity of women and girls, including in sports. One of the most pressing concerns is the impact of policies that allow biological males to compete in the female category. That issue was brought to the fore during the recent Paris Olympics, where the participation of male athletes led to severe concerns being raised about the safety and fairness of competition in the female category.

Physical differences between male and female athletes cannot be ignored. Studies have shown that male athletes have, on average, a significant advantage, which creates a fundamentally unequal playing field in women's sport, where biological males have the potential to outcompete female athletes.

The safety of women and girls is crucial. In contact sports such as boxing, rugby and mixed martial arts, the inclusion of biological males poses significant physical risks to female athletes. The UN's 2024 report has been extensively quoted, but it is no bad thing to repeat the statistic that males have, on average, 162 per cent more punching power than females. If everyone watching this debate takes away only that statistic, that would not be a bad thing. Allowing male-born athletes to compete in the female categories of those types of sports not only puts women and girls at significant disadvantage in competition, but risks their personal safety.

It is crucial to repeat—as I have done many times here in the past few months—that gender self-identification is not the law in Scotland. Scottish law has not changed, despite pressure from the Government and others to adopt self-ID in various areas, including sport. Those protections must be rigorously defended if the integrity and fairness of competition in sport are to be upheld. The right for women and girls to compete in a fair and safe environment should be protected by policies that do not allow male-born athletes—with the physical advantages that they retain—to self-identify into female categories.

The on-going debate within governing bodies, such as World Athletics, FINA and World Rugby, reflects the growing recognition and

acknowledgement of the impact that such policies have on women's sport. In an acknowledgement of the risks to fairness and safety, some governing bodies have already moved to prevent transgender women from competing in female categories.

As we look ahead to the Glasgow Commonwealth games in 2026, we have a unique opportunity to inspire women and girls to participate in sport. The world will be watching us and we must ensure that the opportunities remain fair and safe for female athletes. Leaders such as Judy Murray have worked tirelessly to promote girls' participation in sport. We can build on that legacy by protecting single-sex categories at all levels of competition, and I will be interested in hearing what the Government is doing to ensure that for 2026.

The consequences of not addressing the risk to female sport go beyond the immediate risk to the physical safety of women and girls. If their safety, dignity and aspirations cannot be assured, the very inclusion of women and girls in sport is at risk.

17:04

Sharon Dowey (South Scotland) (Con): I thank my colleague Tess White for bringing this vitally important debate to the chamber.

Recently, there has been increasing concern over gender eligibility in elite competitions. This is not an easy debate to have, but it is one that we must have with respect and openness to all. Many people are afraid to speak out because of fears that they will be seen as discriminatory. However, this is nothing to do with discrimination; it is everything to do with fairness in sport and ensuring that female athletes are not disadvantaged by physical differences.

Studies show that male puberty provides significant advantages in areas such as speed, strength and endurance. That cannot be ignored if we are to preserve the integrity and fairness of women's sport. It is crucial that we approach the matter with understanding for all individuals involved. Transgender athletes deserve respect, but we must find better solutions that do not compromise fairness and safety for female athletes.

It would be unfair to female athletes not to have this debate. It is not about exclusion, but about maintaining a fair playing field. As policy makers, we must ensure an open and respectful debate that is based on facts, backed up by science and focused on fairness—with a pinch of common sense.

Sportswomen should not be made to feel uncomfortable in their own sport. Many have expressed fears over sharing their opinion publicly because of concerns that they would be seen as discriminatory. It does not seem like an open discussion if female athletes are afraid to voice their concerns about justice. In addition, we must be able to have a debate in the chamber without being afraid to take interventions on the subject because it seems controversial.

Ensuring that every athlete gets the opportunity to participate in a fair, secure and safe environment is key to preserving women's sport in the future.

17:07

The Minister for Social Care, Mental Wellbeing and Sport (Maree Todd): As everyone will know, it is not just because I am the Minister for Social Care, Mental Wellbeing and Sport that I take an interest in sport and in women's and girls' participation in it. As a person, I have always passionately believed that sport and physical activity are for everyone and are very beneficial to our physical and mental health.

Scottish women and girls in sport week is an annual campaign in which we showcase the benefits of sport and physical activity for women and girls across Scotland. The week is the highlight of my sporting calendar and an opportunity to recognise and celebrate amazing women and girls across Scotland—both those who take part in sport and physical activity and those who provide opportunities for others to participate.

As many members have said, sport should provide an inclusive space in which everyone can be themselves, in which there are opportunities for everyone to take part and in which we treat each other with kindness, dignity and respect. It has often been said in the chamber that, when it comes to transgender issues, society could be much kinder, more dignified and more respectful. As elected representatives, we should lead the way in that discourse.

As is known, sports governing bodies set their own rules on transgender participation, in line with guidance provided by the five United Kingdom sports councils. The aim of the guidance is to support sports to better understand the needs and challenges that are involved in ensuring that everyone can take part. I am sure we would all agree that sports organisations know their sports best.

Gender equality is at the heart of the Scottish Government's vision for a fairer Scotland, so we all want to see opportunities for women and girls to be physically active in whatever way works best for them. That is important, because we know that

women and girls are less likely to participate in sport and are less likely to meet the recommended levels of physical activity, with resulting implications for their physical and mental health.

Tess White: I have two questions, minister. First, do you believe that we should be able to discuss this openly and calmly, as women and men, without fear of recrimination or condemnation? Secondly, do you agree with the president of World Athletics, Sebastian Coe, that we must preserve the female category?

The Deputy Presiding Officer: I remind members to always speak through the chair.

Maree Todd: Let me be absolutely clear. I think that every subject is up for clear and respectful debate in the chamber. It is really important that we are able to discuss difficult issues, on which we may disagree, respectfully. We need to be very, very careful about ensuring that we do not perpetuate misinformation around these very sensitive themes. I would plead with everyone to take care on that.

In relation to my view on Seb Coe's views, I note that the UK sports councils' guidance is absolutely clear that transgender inclusion, fairness and safety cannot be balanced in gender-affected sport. The International Olympic Committee is absolutely clear in its framework on fairness, inclusion and non-discrimination. It recognises that there cannot be a one-size-fits-all solution. The Equality Act 2010 also includes an explicit exemption that allows organisations that deliver sport to exclude transgender participants from participating in the sex category with which they identify

"where physical strength, stamina or physique are major factors in determining success or failure, and in which one sex is generally at a disadvantage in comparison with the other. It also makes it lawful to restrict participation of transsexual people in such competitions if this is necessary to uphold fair or safe competition, but not otherwise."

This year's theme is leadership, and it is vital that we have both female and male leaders and mentors in sport driving change for women and girls, whether they are friends or family members, community leaders, coaches, people in the boardroom, or sports bodies. I am absolutely sure that many members in the chamber will know such people. We want individuals and organisations to consider how they are ensuring that their communities are represented at all levels and how they are helping to drive an inclusive and collaborative culture and address the intersectionality of additional barriers to participation.

This year, we have all been able to admire the performance of Scottish women on the world's biggest sports stages. We should acknowledge

how impactful they are as role models for women and girls, helping to challenge norms and dismantle harmful misconceptions, replacing them with images of female empowerment. I warmly congratulate our Olympic and Paralympic athletes, who did just that at Paris this year. From Sammi Kinghorn, who set a new Paralympic record in the T53 100m, to Eilish McColgan, who became the first Scottish four-time track and field Olympian, Scottish athletes have done us proud and their leadership will be an inspiration for the next generation.

We know that you cannot be what you cannot see, and increasing the visibility of women in sport can create a ripple effect and empower others to participate. I know that fantastic work is going on across the sports sector to provide opportunities for women and girls, and I take this opportunity to thank all the hard-working individuals who go above and beyond.

Just yesterday, I had the privilege of meeting Street Soccer Scotland, and I got to see its street 45 programme for women in action. I met incredible female leaders and participants, and I heard about the many benefits that the programme provides. I heard really powerful stories of recovery, of women learning new skills and fulfilling untapped potential, and of women accepting themselves. For some of them, it was the first time in their lives that they had done that. They spoke about the warm welcome and the support, and they said that they did not face judgment—again, for some of them, it was the very first time in their lives that that had happened. That is the power of sport. Who would not want that for everyone?

On Monday, the First Minister launched women and girls in sport week at the University of the Highlands and Islands Perth and announced sportscotland's new investment of £1.45 million in the active campus network. That extends the investment in the programme, which started in 2023, by a further two years, so it will now run until 2027. It will further serve the college's diverse student community by creating a more representative and inclusive sporting system and supporting more women to participate.

I am very much looking forward to further engagements this week, and I know that my ministerial colleagues feel the same. I was delighted to learn that there will be 10 ministerial engagements during women and girls in sport week, across a range of portfolios. That is a testament to our commitment to women and girls in sport. I encourage all members of Parliament, partners and individuals across Scotland to consider how they can get involved—not just this week, but every week—in encouraging more women and girls to be active and to support the

week on social media by using the hashtag #SheCanSheWill. I look forward to seeing members' support.

Fife College (125th Anniversary)

The Deputy Presiding Officer (Liam McArthur): The final item of business is a members' business debate on motion S6M-12165, in the name of David Torrance, on celebrating 125 years of learning with Fife College. The debate will be concluded without any question being put.

Motion debated,

That the Parliament celebrates the 125th anniversary of Fife College, the first ever college to be set up in Fife following the opening of the Lauder Technical College in 1899; understands that local politician and businessman, George Lauder, established the college with funding from his nephew, the famous industrialist, Andrew Carnegie; believes that, for 125 years, the provision of college education in Fife has offered opportunities for thousands of students and benefited the people, communities, and businesses of the area; further believes that the 125th anniversary will be celebrated through a series of special events and initiatives, each of which will pay tribute to what it sees as the incredible legacy of those who laid the groundwork for the success of Fife College all those years ago; notes the launch of a new 125th anniversary scholarship programme to "empower and support" students in their educational journey, while the college builds upon its relationships with institutions in the USA as it aims to explore mutually beneficial opportunities and continue the legacy of its founding benefactors; welcomes the series of events planned for across Fife, which will highlight its alumni programme to celebrate the achievements of former students who have since gone on to make their mark across the globe; further notes the planned revival of the annual Lauder Lecture, coinciding with the college's birthday in October 2024; considers that the event will serve as a platform for thought leaders to share insights and knowledge, embodying the spirit of George Lauder's commitment to education; understands that the aims of the college remain the same today as they did 125 years ago, and that they are to provide opportunity for all, to deliver outstanding education and training, to contribute to the economic prosperity of the region and its communities, and to help students, staff and the communities that it serves to be the best that they can be; commends what it sees as the hard work and dedication of all staff, past and present, and wishes everyone at Fife College a bright future.

17:17

David Torrance (Kirkcaldy) (SNP): It is an immense honour to open this members' business debate as we mark an extraordinary milestone in the history of Fife College—its 125 years of delivering education and opportunities to the people of Fife and across Scotland. As an alumnus of Fife College, it is a privilege for me to lead the debate, and I thank my colleagues who supported the motion.

I welcome to the public gallery visitors who are representing Fife College, including the principal, Jim Metcalfe, and the vice-principal, Sarah-Jane Linton, and visitors who have travelled to celebrate this important occasion with us. Special mention must be given to the Fife College professional cookery and hospitality students who are in

Parliament this evening to take over the members' restaurant—they are already hard at work, preparing for tonight's service. My staff and I, along with a number of my colleagues, are looking forward to sampling the delicious menu that they have planned.

One hundred and twenty-five years ago, a bold vision was realised in the heart of Fife with the establishment of an institution that was dedicated to providing accessible high-quality education to all who sought it. Since its inception, Fife College has remained steadfast in its commitment to fostering academic excellence, innovation and inclusivity. Today, as we celebrate the milestone anniversary, we pay tribute to the pioneers and visionaries who shaped the college's journey and made it a beacon of learning, as it is today.

It was in 1899 that Fife College, which was then known as Lauder Technical College, was established by a local politician and businessman, George Lauder, with generous funding from his nephew, the renowned industrialist Andrew Carnegie. The college emerged as the first-ever college in Fife and laid the foundation for a tradition of excellence in education that has endured for more than a century.

As many will know, the history of Fife is deeply interwoven with the coal-mining industry, and the legacy of our mines resulted in an economic, cultural and societal shift for everyone across Fife. Kirkcaldy Technical College and the then new Lauder College at Halbeath, formed from the old Lauder and Cowdenbeath colleges, adapted quickly to that major industrial shift. Offering former miners a plethora of educational opportunities, which were desperately needed in the coalfield communities, the institutions offered tailored courses, programmes and services. Following the further merger of Adam Smith College, Carnegie College and the non-land-based elements of the Elmwood campus of Scotland's Rural College—SRUC—in 2013, Fife College as we know it today was created.

The college has long been a champion of diversity and inclusion; it has provided opportunities for individuals from all walks of life to pursue their educational aspirations and shaped lives by equipping students with the skills, knowledge and confidence that they need to succeed in an increasingly complex and interconnected world. The students—past, present and future—are the heartbeat of the college, and it is their ambition, creativity and curiosity that drive Fife College to continue to innovate and inspire.

Throughout this 125-year journey, one thing has remained constant—the college's commitment to its core mission of providing high-quality education and skills training that prepares students for the real world. Hundreds of thousands of learners

have walked through its doors, many of whom have gone on to achieve remarkable things. Take William Curley, for example—a world-renowned and award-winning patissier and expert in all things chocolate. Born in Methil and trained at Glenrothes College, he gained the skills that would lead him into training with the country's finest chefs.

Some students have even gone on to become well-kent faces on our television screens, such as Shirley Henderson, Dougray Scott and Edith Bowman, to name but a few. From engineers to artists, and from healthcare professionals to entrepreneurs, Fife College has been a launch pad for careers and has helped to fuel the industries that drive our local and national economies.

However, celebrating this milestone is about not only looking back but recognising how Fife College is moving forward. In an ever-changing world, adaptability and lifelong learning have never been more important. The education landscape is shifting at a rapid pace and, in response, Fife College continues to evolve by embracing digital learning, green technologies and industry partnerships to ensure that students are equipped with not only the knowledge but the skills and the values that will help them to thrive in tomorrow's world.

Through its partnership with Scotland Gas Networks to establish the United Kingdom's first-ever hydrogen training facility, Fife College is truly at the forefront of helping to shape a cleaner and greener future for Scotland. By upskilling more than 200 gas engineers at its cutting-edge Levenmouth campus, the college is training the vital future workforce that the country so desperately needs to make the transition to clean energy. It is creating a new net zero workforce in Fife by upskilling engineers who are already registered with the Gas Safe Register to work with hydrogen gas. Those engineers will work with SGN's H100 Fife project, which is the first trial in the world of delivering green hydrogen gas into homes for heating and cooking.

The college has Scotland's first net zero tertiary education facility on its way, with the addition of the newest Fife College facility at the Dunfermline learning campus. The new facility is the first major development to be adapted to the Scottish Government's net zero public sector building standards, and it will be net zero ready on completion. The campus will be modern, flexible and low carbon, and it will deliver a first-class sustainable learning environment that gives students the best learning experience possible.

Education is more than just a pathway to knowledge—it is a transformative force that empowers individuals to reach their full potential

and create a positive change in their lives and communities. Fife College has served as a catalyst for transformation by equipping students with the skills, knowledge and confidence that they need to succeed in an increasingly complex and interconnected world. Through its diverse range of programmes and initiatives, the college has opened doors to new opportunities, expanded horizons and inspired generations of Fifers to dream big and pursue their aspirations.

In reflecting on my own time at Kirkcaldy campus, which was more years ago than I care to admit, I am reminded of the opportunities that the college provided for me to pursue my educational aspirations and achieve my goals in mechanical engineering. Fife College empowered me to unlock my full potential and chart my own path to success. One of the most enduring aspects of the experience was the sense of community that permeated every aspect of campus life. During my time there, I forged friendships and professional connections that have enriched my life immeasurably.

More recently, as an MSP, I have had the privilege of witnessing at first hand the positive impact that Fife College has on individuals, families and businesses throughout the region. The college's commitment to accessibility and inclusion means that everyone with the desire to learn has a chance to do so. Whether it is through apprenticeships, part-time courses, full-time studies or degree courses, Fife College offers pathways for everyone.

As we reflect on the past 125 years, we must also look to the future with optimism and determination. In an era that is defined by rapid technological advancements and global challenges, the role of education has never been more critical. I know that Fife College will continue to evolve and innovate and to embrace new opportunities and challenges while staying true to its core values and missions.

As a former student, I am deeply honoured to have the opportunity to share my reflections on the profound impact that Fife College has had on my life and those of countless others. Looking ahead, I am confident that the college will continue to build on its legacy of excellence and contribute to the prosperity of not only Fife but the whole of Scotland.

As we move forward, let us remember the words of Nelson Mandela:

"Education is the most powerful weapon which you can use to change the world."

Fife College has been wielding that power for 125 years. I am excited to see the transformational impact that it will continue to have for generations

to come. I congratulate Fife College on its 125 extraordinary years.

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

17:25

Alexander Stewart (Mid Scotland and Fife) (Con): I am grateful for the opportunity to pay tribute to the history and achievements of Fife College. I thank David Torrance for bringing the debate to the chamber. This is Parliament's opportunity to recognise a legacy of learning that has been growing for more than a century. The motion mentions Lauder Technical College, which was founded in 1899. The modern-day Fife College also incorporates previous institutions such as the former Buckhaven Mining School, Cowdenbeath Technical College and Kirkcaldy Technical School.

If we fast forward to today, Fife College is the home of more than 20,000 students. It has five campuses that are spread across the heart of Fife, where it delivers 400 further and higher education courses. During the summer recess, I visited the college's Dunfermline campus, where I had a constructive and positive meeting with the principal, Jim Metcalfe. His focus is on raising the college's profile and delivering community benefits and economic growth across the region. Although he has been in his post for just over a year, I have no doubt that the college will continue to flourish under his stewardship.

As with other colleges across Scotland, Fife College is expanding its international outreach and building strong relationships with its overseas partners. The college awards an annual bursary for college students to study in the US. This year, Dunfermline-based students Camryn Provan and Megan Simpson were given the opportunity to study in New York. The bursaries were awarded by William Garner, who is the great-great-grandson of the college's founder, George Lauder. They form an important part of the college's Adam Smith scholarship programme.

I welcome the college's plans, as part of its 125th anniversary celebrations, to further develop such international outreach. That will include strengthening ties with institutions in the US, such as Carnegie Mellon University in Pittsburgh, which has a shared heritage involving George Lauder and Andrew Carnegie.

Scotland's colleges play such an important role in our further and higher education landscape. It is important that we take every opportunity to celebrate the work that they do, at the highest level, to create benefits for individuals and their career paths. Unfortunately, the work of our colleges is becoming more and more difficult.

Shona Struthers, who is the outgoing chief executive of Colleges Scotland, has highlighted the uncertainty that colleges face. Cuts are inevitable. College budgets have been falling for many years—17 per cent has been taken off in just the past three years. Colleges stand ready to tackle Scotland's skills shortages, whether they be in Fife or in other parts of Scotland. However, that mission currently faces an uphill battle.

This welcome debate gives us a chance not only to celebrate Fife College's achievements but to highlight the challenges that it faces. For 125 years, Fife College has provided opportunities for young people, and it continues to go from strength to strength.

I welcome the opportunity to celebrate the college's success, and I congratulate its staff, students and alumni, who are reaching out to people through their many activities during the anniversary. I wish them all the best for the future as they continue to inspire young minds, create new skills and open up opportunities for the future for people all across Mid Scotland and Fife.

17:29

Annabelle Ewing (Cowdenbeath) (SNP): I am very pleased to have been called to speak in the debate on Fife College's 125th anniversary, and I congratulate my colleague David Torrance, MSP for Kirkcaldy, on having secured it. I, too, welcome to the gallery the representatives from Fife College. I very much look forward to the fabulous meal that the college's catering students are preparing as we speak, as they take over the members' restaurant for the evening.

We have heard from David Torrance about the origins of the college, and it comes as no surprise to hear that Andrew Carnegie played a key role. Such foresight was shown in 1899 to establish a place of learning to provide opportunities for all and to contribute to the economic prosperity of communities across Fife. As MSP for the Cowdenbeath constituency, I have seen first hand the key role that Fife College has played in ensuring that all young people have a chance in life—a chance to learn a trade; a chance to pursue their interests in myriad courses; and a chance to start their journey into the world of work.

When I was Minister for Youth and Women's Employment, which was some years ago, I had the opportunity to work to ensure that the developing the young workforce programme, which was devised under the leadership of Sir Ian Wood, was put into practice. I know how enthusiastically schools across Fife and Fife College took up that programme.

Since that time, the core principles of the programme have become embedded in Fife—

which perhaps is not the case in certain other parts of Scotland—and have benefited thousands of young people. We have seen many foundation apprenticeships, modern apprenticeships and graduate apprenticeships across Fife, with key support being provided by the college and local businesses.

We have also seen close relationships between the schools and the college across the kingdom, all of which are intended to ensure that young people have options for their future, and that no one—but no one—is written off. There is no single road to travel, and it is important that we do all that we can to ensure that young people know and understand that.

As has been referred to, there are a number of scholarship opportunities at Fife College, with the Adam Smith scholarship programme having been established in 1997. Since that time, I believe that more than £1 million has been awarded in scholarships, with a number of private sector companies and individuals providing generous funding.

As well as providing rightful recognition of success, the scholarships have made a financial contribution to students' lives and education. In some cases, as we have heard, that has involved study trips abroad and internships, all of which are designed to support and encourage students to achieve their full potential.

I am pleased to note the launch of the new 125th anniversary scholarship programme. I look forward to hearing about the detail of the programme, so that I can ensure that my constituents in Cowdenbeath know exactly what might be on offer to them.

I wish all staff at the college all the very best with the 125th anniversary celebrations, and I take this opportunity to thank them for all that they do to make a difference to the lives of young people across Fife and beyond.

17:33

Claire Baker (Mid Scotland and Fife) (Lab): I, too, thank David Torrance for bringing this debate to the chamber, which gives us a welcome opportunity to highlight Fife College's 125th anniversary and to celebrate the college and its students and staff.

I imagine that the members' restaurant will be busy tonight, as professional cookery and hospitality students from Fife College are hosting a dining event in the Holyrood room. Collaborating with the in-house kitchen and front-of-house teams, students from the college will be involved in all aspects of the event. I look forward to dining there later this evening.

Today, the college has been taking part in the Fife university and higher education fair at the Carnegie Conference Centre. Our colleges and their staff play a vital role in Scotland's education system. This year, Fife College guaranteed an offer of a place to all eligible school leavers in Fife who had submitted an application on time, promising to help every school pupil who met the minimum entry requirements to find a course that suited their individual circumstances in order to help them to achieve their potential.

The strength of colleges lies not only in their provision for school leavers, but in the fact that they provide a route back to education and learning for many people. The 125th anniversary of Fife College is a significant milestone, and we are rightly celebrating the opportunities that have been provided to, and the achievements of, the thousands of students who have been educated there.

Through strong links with both local areas and workplaces, and through relationships further afield, Fife College students are offered a broad educational experience that will help them to prepare for the world of work while ensuring that they get the most out of their time in education. The completion of the new campus in Dunfermline next year should provide another opportunity for partnership working with high schools, and I look forward to the official opening.

Fife College runs one of the most substantial modern apprenticeship programmes in Scotland, and it has partnered with more than 189 employers, with apprentices in the engineering, construction, automotive, plumbing, gas engineering and life sciences sectors all beginning their journeys there. In August, the college welcomed a record intake of 350 first-year modern apprentices. That includes a record number of engineering modern apprentices, and the college has worked with 43 employers to provide opportunities for local engineers to earn while they learn, which is an important aspect of college learning.

One of the college's key partners is Babcock, which delivers advanced manufacturing and shipbuilding in Rosyth. The company will take on 400 apprentices over the next four years, and Fife College is, this year, providing 48 apprentices as part of its intake. The college also has other partnerships, including with the RES Group, which runs the Earlseat Wind Farm just outside Coaltown of Wemyss. It will support 125 local apprenticeships in the renewables sector across the lifetime of the wind farm.

The motion recognises

“the launch of a new 125th anniversary scholarship programme to ‘empower and support’ students in their educational journey”.

building on

“relationships with institutions in the USA”.

As Annabelle Ewing highlighted, the college already provides support through the Adam Smith scholarship, with around 30 scholarships available each year. Those are funded by a range of companies, individuals and organisations, including Shell and Diageo, Ian Rankin and the Russell Trust. The scholarships provide cash for resources such as laptops, software and books, as well as offering mentoring and placement opportunities in the UK and abroad. As Alexander Stewart highlighted, the George Lauder bursary in particular continues the legacy of the college’s founding benefactors by offering a valuable opportunity to study and live in the US for the summer that is fully supported, including food, travel and accommodation.

Another important aspect of student life is the social experience, and the Fife College Students Association works hard to support students in their classes and skills development as well as in their social life through sports, societies and events. This week, various freshers events are taking place, as well as a party to celebrate 10 years of the association.

I was delighted to attend the college’s end-of-year showcase at the Glen pavilion in Dunfermline, which was a chance for me to see some of the students’ impressive work on display, and to talk to some of them about their experiences on their courses. From computer games to drama, there was a real range of work on show. I was also pleased to attend the college’s creative industries graduation in Kirkcaldy, where it was great to see the students celebrate and have all their hard work recognised.

I am pleased that, this evening, we are able to celebrate this anniversary and recognise the hard work of all Fife College staff and students, past and present. I wish them the very best for their continued success.

17:38

Mark Ruskell (Mid Scotland and Fife) (Green): I join members in thanking David Torrance for lodging the motion on 125 years of Fife College. His motion rightly celebrates the origins of the college, its long history and the huge positive benefit that it has had on generations of Fifers and their communities.

It was lovely for us to meet the students in the members’ restaurant earlier; there was a huge amount of enthusiasm, and I think that we will see some real stars of the hospitality sector emerge from that group of young people. I am hugely

optimistic, and I am looking forward to my dinner later on.

I will share a few thoughts on the future of the college and the critical role that it is playing in this century in the fight against climate change. It is the colleges, as much as—if not more than—the universities, that will be needed on the front line of that fight. Building the workforce of the future with practical skills for the delivery of net zero infrastructure will be critical. Supply chains will need to be transformed in the next five years to decarbonise our homes, service wind farms, restore peatland and plant woodland. Even industrial big hitters such as the Mossmorran plant in Fife will need to transition to a cleaner, greener future.

I welcome the fact that Fife College has already been part of the skills conversation at Mossmorran, and has a range of courses that are supporting the transition of our entire economy. The growth of well-paid, skilled jobs in the green economy needs to offer a bright future for young people at the start of their careers, as well as a future for those who are looking to transition into new green jobs. That is another reason why the Scottish Green Party wants restoration of the £26 million that was allocated in last year’s budget for transformation in our college sector.

We cannot hold back when there are sectors of our economy that are unable to scale up to meet the challenge of climate change and the opportunities that we are presented with. Claire Baker talked about wind. In 2016, I visited Fife College in Rosyth and met a number of students who were on the wind turbine technician course. It was exciting to see the pride that they had in growing their skills and to hear about their expectations around apprenticeships and the work that they would be doing on the next generation of wind farms. As Claire Baker outlined, it is great to see that more of those apprenticeships are now starting to be taken up. I hope that the number of those apprenticeships dramatically increases in the years ahead, because the doubling of onshore wind farm capacity between now and 2030, and the revolution that is gathering pace in offshore wind in particular, point to a really bright future. Of course, we know that there are investment opportunities in Fife, particularly in Burntisland at the moment, in relation to offshore wind.

Alongside that, I also recognise the work that is happening at Fife College’s Leven campus to develop skills in green hydrogen. To be fair, from my perspective, the jury remains out on whether hydrogen will ever be a cost-effective way to heat the majority of our homes. However, it is an area of innovation, and decarbonising heating remains a huge opportunity in the next decade. I hope that the college can also realise the far bigger

opportunities surrounding the installation and servicing of heat pumps, as well as district heating, which together have the potential to power around a quarter of Scotland's homes. There are great jobs and great potential in that area, and I hope that the college remains at the heart of that.

Of course, climate change is about more than specialist professions. It affects us all, so I was pleased to see the focus that the college has brought to the issue. The Adam Smith scholarships that were awarded to three students for their writing and art that reflected on what climate change means for them in their personal life and studies was a small but important example of climate leadership.

Fife College's climate change strategy and action plan should also be commended. The cut in emissions by more than a half since 2014 is great progress, and plans to further strip out fossil fuel use from its operations are key, including those for Scotland's first net zero campus in Dunfermline, which is a huge milestone for the college and for Fife.

I thank David Torrance again for bringing the debate to the chamber. I enjoyed hearing about his experience of going to college—I certainly cherished the time that I spent at Stevenson College many years ago. I thank the college staff, who do amazing work to inspire our young people and people returning to education. Let us look forward to the next 125 years—they are going to be momentous.

17:42

Alex Rowley (Mid Scotland and Fife) (Lab): I congratulate David Torrance on securing this debate celebrating 125 years of Fife College. The motion says that the college has provided opportunities for thousands of students, benefiting people and communities across Fife, and that is absolutely the case.

Today, I was reflecting on the fact that, when I was growing up in Fife, there were two large industries: the pits or coal mines, with the largest employer being the National Coal Board; and Rosyth dockyard and naval base, where the employer was the Ministry of Defence. People who grew up in Fife at that time and were recruited into one of those areas would end up at the college—we called it the tech in those days—where they would get an apprenticeship. The truth is that people in that position in my generation never looked back. If they got an apprenticeship, they got real jobs and were successful in their lives.

That perhaps points to a lesson that we can reflect on today. In the past couple of decades, there has been an obsession with getting young

people into universities—that was somehow the goal. However, when I go into schools and speak to pupils, I say to them that they can go to university or they can go to college, and that college can give them an opportunity, a career and a trade that will let them be successful—that is what life has taught me over the past number of years.

As we look to the future, there must be a discussion about the role of colleges, their importance and the direction that they are going in. Today, I also reflected on the fact that, at one point, I was a member of Fife Regional Council and sat on the education committee when the colleges came under the management of local authorities. In those days, there was clear direction as to where colleges were going and what they were to deliver for communities across Fife. We now have Colleges Scotland and so on, and over the years I think that some of the direction has been lost. The Government needs to start setting out much more clearly what that direction needs to be. The relationship and the partnerships with employers are very important. I stress the word "partnership"—it is not about colleges dictating to employers what is available; it is about coming together and forming a partnership.

The reality is that, across Scotland, we have major skills gaps in certain areas. It is important that colleges continue to play an important role in supporting students in the social sciences. If we look at social care, we see massive gaps that mean that we cannot provide the services right now. I meet catering and hospitality companies up and down Scotland that tell me that they are unable to recruit. I believe that that requires the Government to look at an industrial strategy for the whole of Scotland and colleges' place in that and to give much clearer direction.

Audit Scotland recently confirmed that Scottish Government funding to colleges has been reduced in real terms by 17 per cent since 2021-22. I have met many college lecturers and staff in the past few years. Unfortunately, I met them on picket lines, because I was there to support them during the industrial action that we have seen. Thankfully, that now seems to have been put to bed, but my appeal to the minister is for the Scottish Government to give colleges much clearer direction on what we expect them to deliver and ensure that that is properly resourced.

I say well done to Fife College. It has had a major impact on the lives of many people throughout Fife over many years, and I look forward to going to the restaurant tonight.

17:47

The Minister for Higher and Further Education; and Minister for Veterans (Graeme Dey): I add my thanks to David Torrance for securing the debate, and I welcome the opportunity to celebrate the 125th anniversary of the first college in Fife.

As we reflect on an era that has straddled three different centuries, we can also look to what lies ahead, as Mr Torrance did during his opening remarks. As we have already heard, when considering how Fife College came to be what it is now, we have to go back to the founding of Lauder Technical School in Dunfermline in 1899, Buckhaven Mining School in 1926 and Kirkcaldy Technical School in 1929. A series of renaming and merging has followed, with a number of colleges and technical schools delivering the skilled workforce that was needed by employers in Fife over those many decades.

Something that those institutions in Fife displayed was considerable adaptability as the times changed and the demands of employers changed with them. It is interesting to reflect on that journey as we look to the next chapter for Scotland's colleges in the reform of the post-16 education landscape.

Decades ago, there tended to be more dominant local industries, as Alex Rowley noted, industry investment in training, and often a job for life. We have increasingly moved to a much more complex world, where the dominant local industries and employers are more diverse, the skills demands in businesses are varied, the social, cultural and environmental backdrop has changed, and there is an increasing need for continued upskilling throughout our lifetime. This next chapter will require college delivery to again show how adaptable it can be. It will increasingly need to be agile and responsive to regional, social, economic, business and environmental needs. I recognise that, to do that, colleges will need to be trusted and enabled to deliver.

What might the next 125 years look like for Fife College and the wider college sector? Since college regionalisation—the process by which Fife College came into being—about 10 years ago, Scotland's colleges have cemented their position as anchor institutions in the communities and regions that they serve. The recent reviews across our education and skills system have highlighted that there is much good in the system, and it is important that we recognise that. However, improvements can be made and an appetite for reform exists widely.

The Government has been clear on the broad actions that we want to take, including reforming the public body landscape; taking responsibility for

skills planning and development approaches that deliver autonomy to regions; enhancing and embedding the role of employers in shaping the system in partnership, which Alex Rowley called for; exploring the future of our national careers service; and reforming the way in which funding is allocated and delivered.

I very much enjoyed Alex Rowley's speech, but I disagree with him slightly on his point about the Government directing colleges. I do not believe that it is for the Government to prescriptively direct colleges, but the Government should empower colleges, particularly their principals, to strike up the local partnerships that Mr Rowley called for.

Mr Rowley also referenced resources. I absolutely recognise, as I have done many times, that colleges face financial challenges, which are a legacy of the previous Conservative Government's austerity agenda. It is to be hoped that the new Labour Government in Westminster will be less inclined to undermine the Scottish Government's ability to support the further education sector as I would want us to do.

In all the areas that I noted a moment ago, colleges can—and, I believe, will—make a difference to learners and communities over the next number of years, just as Fife College has done over the past 125 years. That is why we are committed to working with the sector and other key stakeholders and users of the system as we continue to develop our approach to reform. It is about making the system better, ensuring that we get the best outcomes from the significant investment that we already make and, ultimately, supporting students into sustainable and rewarding employment.

Exciting times lie ahead, particularly for Fife College, led by the principal, Jim Metcalfe, and the chair, David Watt, who are with us tonight, along with a number of colleagues. In August, I had the pleasure of visiting the new net zero learning campus in Dunfermline for the third time, along with the Cabinet Secretary for Education and Skills. It was good to tour the build to see how construction is progressing. The campus is an excellent example of the future of learning in Scotland—a shared campus for schoolchildren and college students, with a focus on innovation and energy efficiency in the drive towards net zero.

There is much to be celebrated at Fife College. For example, there are many articulation agreements with university partners, and all the college's higher national diploma programmes have at least one articulation route with advanced standing into a degree course. The college is also working closely with many employers of different sizes to design and deliver bespoke courses that provide employees with the necessary skills and

qualifications for their current roles and/or successful career progression.

From Lauder Technical School opening in 1899, further education in Fife has come a long way, but it retains the same underlying principles. In his speech at the opening ceremony, George Lauder said:

“When I found myself at the age of 25 with a deficient education for the trade I had got engaged in, I resolved that every youth that came under my influence would get a good technical and literary training.”

That, in essence, remains the heartbeat of our college sector today. It provides education and training for a wide group of learners with different backgrounds, experiences and levels of prior attainment, and it gives them the opportunity to achieve their potential and obtain the qualifications that are required for a skilled workforce.

I am pleased to note the range of scheduled commemorative events, from those involving the communities that the college serves to those overseas, where the influence of its founding fathers such as Carnegie and Lauder is well known. The launching of an alumni programme is also to be commended. I hope that it will reveal some surprises. Who knows? Maybe there will be some alumni more famous than David Torrance. I wish Fife College well in its celebrations and for the future, as it builds on the legacy of learning that Alexander Stewart referenced.

The Deputy Presiding Officer: That concludes the debate. Bon appétit.

Meeting closed at 17:54.

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