



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Finance and Public Administration Committee

Tuesday 17 December 2024

Session 6



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FINANCE AND PUBLIC ADMINISTRATION COMMITTEE

36th Meeting 2024, Session 6

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Michael Marra (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Ross Greer (West Scotland) (Green)

*Craig Hoy (South Scotland) (Con)

*John Mason (Glasgow Shettleston) (Ind)

*Liz Smith (Mid Scotland and Fife) (Con)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Reuben Aitken (Scottish Development International)

Sandy Begbie CBE (Scottish Financial Enterprise)

Professor Alastair Florence (University of Strathclyde)

Claire Mack (Scottish Renewables)

Liam McArthur (Orkney Islands) (LD)

Gordon McGuinness (Skills Development Scotland)

Dr Alastair McInroy (Technology Scotland)

Andy Witty (Colleges Scotland)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 17 December 2024

[The Convener opened the meeting at 09:30]

Budget Scrutiny 2025-26

The Convener (Kenneth Gibson): Good morning, and welcome to the 36th meeting in 2024 of the Finance and Public Administration Committee. The first item on our agenda is an evidence session on the Scottish budget 2025-26. I welcome to the meeting Andy Witty, director of strategic policy and corporate governance at Colleges Scotland; Reuben Aitken, managing director of Scottish Development International; Sandy Begbie CBE, chief executive officer of Scottish Financial Enterprise; Claire Mack, chief executive officer of Scottish Renewables; Gordon McGuinness, director of industry and enterprise networks at Skills Development Scotland; Dr Alastair McInroy, chief executive officer of Technology Scotland; and Professor Alastair Florence, director of the continuous manufacturing and crystallisation centre at the University of Strathclyde.

I intend to allow around 90 minutes for this session, with everyone having an opportunity to speak. If witnesses or members would like to be brought into the discussion at any point, please indicate to the clerks and I can then call you. I will ask the first question to Gordon McGuinness, and we will carry on from there.

Gordon, in your excellent submission, you have said that,

“In the next decade, Scotland has a generational economic opportunity, driven by a projected £230bn investment in key sectors.”

However, you also said—and frequently emphasised this issue throughout your submission—that

“there is an urgent need for action to significantly grow Scotland’s workforce.”

Given the fact that the Scottish Parliament has no powers over migration, what do you feel would be the best approach to growing Scotland’s workforce?

Gordon McGuinness (Skills Development Scotland): There are levels of economic inactivity that have been a bit of a plague in the Scottish system for some time, and we feel that there is a real opportunity to reprioritise some of the existing

spend. The papers from the Scottish Parliament information centre continue to reference a high level of investment of £2 billion per year, which is accompanied by around £1.1 billion or £1.2 billion of support costs. We feel that more could be done to involve employers and to create and build the system around them; to create more work-based learning opportunities; and to increase the level of the apprenticeship programme, in relation to which we can evidence that, for every pound that is invested by the Government, employers would probably invest in the region of £10. We want to turn the colleges into the engine room for a renewed focus on work-based and vocational learning, with apprenticeships at its heart. We have examples of having done so in the past: the last time the Government increased the level of early years learning funding for young people, it set a clear target and, between SDS and the Scottish Funding Council, we injected an extra 10,000 employees into the early learning and care sector over a period of three years.

What we see in front of us is a generational opportunity and, with the joint commitment from the United Kingdom Government and the Scottish Government around clean electricity by 2030 and the creation of GB energy, the pace of that investment will increase. We have done significant work with the University of Strathclyde, the Scottish Power Energy Network, the Scottish and Southern Electricity Network and the National Energy System Operator—the network electricity supplier—on their future needs, which, in terms of their workforce, will be significant if we are to capitalise on the opportunity before us.

There is a danger that we will be able to truly use our capabilities around offshore energy only if we have the energy infrastructure to connect it to the grid. As I said, it is probably a bit of a national endeavour, with a need to really focus on the key skills that employers will need and to jointly design that system with them. We have good examples in some of the work that we have done in that regard on the Clyde with BAE Systems and a cluster of other employers who are taking greater ownership of the issue. BAE Systems has made significant investment in its workforce academy and other employers have come to the table to collaborate and work with the colleges to help to shape the curriculum that they will deliver.

The Convener: I will bring Andy Witty to talk about colleges in a wee minute. Your submission also mentions that

“41.8% of graduates who left full-time education within the last five years in Scotland worked in a nongraduate role.”

Does SDS have a view on whether there are too many people at university or whether universities are offering the wrong degrees?

On the provision of workers, a significant number of working-age people in Scotland are economically inactive. Is SDS looking to use employability initiatives to try to bring more of those people into the workforce?

On the existing workforce, we know that Scotland has a much higher share of people working in the public sector. Are you looking at whether we can bring people from the public sector into private industry and attract people, if not from overseas because of the difficulties that we have with the devolution settlement and the structures around that, then other parts of the UK?

Gordon McGuinness: That question was in about four different parts, but I will do my best to answer.

The Convener: I know. I am trying to cover a lot of ground so I can get everyone in.

Gordon McGuinness: Fair point. On employability programmes, the main employability services now sit with the Department for Work and Pensions and local authorities. Skills Development Scotland no longer has an adult training programme under the employability fund. We are working through regional economic partnerships on a piece of work that came out of the convention of the Highlands and Islands with Inverness and Cromarty Firth Green Freeport, Highlands and Islands Enterprise, the University of the Highlands and Islands and the local authorities to pool resources.

We will also look at the UK shared prosperity fund. In my experience, since the new UK Government has come in, there has been much more co-operation between the UK and Scottish Governments, which gives us an opportunity to blend some of the resources from initiatives such as the shared prosperity fund to create more meaningful programmes and link them to provision through UHI and particularly the college sector.

On increasing the number of people coming in from other areas, the visa waiver system is being used increasingly, particularly in the engineering sector. Because of the changes to language capability requirements and the situation after Brexit, it is easier to bring people in from areas such as the Philippines and South Africa. We have seen that being reflected in some of the large engineering companies.

We have worked with the Scottish Government on its new service and we would like to see more resource dedicated to focused campaigns. We have had some initial discussions at Government level on supporting the space sector to do targeted recruitment, but if we do that in the UK, we simply displace key skills from other parts of the UK, so there is a bit more work to be done in that area.

The Convener: Andy Witty, the college sector is fundamental. You say in your submission that

“Key Scottish Government initiatives, including the country’s ability to meet the upskilling demands of the green economy and the NHS, depend on college graduates to contribute to economic productivity”,

and other submissions have also touched on that point. You obviously have concerns about the budget in terms of the college sector.

Andy Witty (Colleges Scotland): That is right. Back in April, we provided the Public Audit Committee with evidence of the risk to the college sector’s ability to help and support industry with what it needs if there is poor investment or a lack of investment in the college sector. Unfortunately, we have seen that come to fruition with the draft budget making what Audit Scotland called a 70 per cent real-terms cut in the past three years. Added to the underinvestment, that disinvestment in the college sector will have a devastating impact.

It is clear from the written submissions from the people who are around the table today that there is ambition, but there is also a need for a skilled workforce and the opportunities that Scotland would get from the investment that could come in. However, all that ambition relies on a responsive college sector. There is unmet demand for entry into the college sector, which is the point where training in those high-end technical skills is required. We need to support industry to help it to expand and in order that Scotland and the economy can make the most of the opportunities, but we are being asked to do that on a falling budget, which has huge impacts. Colleges can expand provision with the right investment.

There are great examples around the country of the co-creation of courses and of working with industry, but much more could be done. As I said, it is clear from the written submissions that the need for a skilled workforce is a real barrier for industry. Only the college sector has the volume, capacity and potential to meet the need, given the percentage of those jobs that involve high-end technical skills. However, investment is needed to do that.

Craig Hoy (South Scotland) (Con): Gordon McGuinness, the Public Audit Committee took evidence from the Auditor General for Scotland in 2022, at a time when he had raised serious concerns about skills alignment between the various bodies, including Colleges Scotland, the Scottish Funding Council and the Scottish Government. At the time, he said that the arrangements that were in place were unlikely to deliver on the Scottish Government’s ambitions. In your submission, you say:

“Policy priorities need to drive out simplified and demand-led provision which better balances the needs of the learners, workers and the economy.”

Again, in effect, that is about skills alignment. What has changed in the past two years since the Auditor General first flagged that concern, and specifically what could be done to accelerate the process of skills alignment? That seems quite fundamental because, regardless of how much we are spending, the spending needs to be effective.

Gordon McGuinness: We have gone into more detail in our submission. On what has changed since that time, the Government has carried out a review of the skills and education landscape. The consultation exercise closed recently and civil servants have been working on all the evidence and documents that have been submitted. Our submission to that was more detailed but we were asked not to circulate that in advance of the minister reaching decisions, which we have respected.

When we consider the new and increasing investment that will be coming, we can see that our challenge is the speed that we need to move at to capitalise on the skill sets that we have. Those are not just acquired overnight. I referred to the early years learning programme, but that probably required a less complex set of skills. Therefore, although that programme was a success, the situation that we face in this case with regard to engineering, welding, fabrication and electrical skills is more difficult, because it takes at least four years to get people to the required level of competence. We are going to capitalise on a lot of the new inward investment and investment in infrastructure in areas such as rail, too. I would add that to transmission and distribution as an area in which we need to move at a quicker pace.

Craig Hoy: On industry responsiveness, what would be the silver bullet to inject into the system—or to fire into the system, to use a better analogy—to ensure that the whole system and structures are more responsive to the evolving needs of industry?

Gordon McGuinness: That is a complex issue. A large number of employers probably feel pretty aggrieved about the structure of the apprenticeship levy in Scotland. Some employers operate north and south of the border, and they probably receive about three times more for engineering places south of the border than they can get here. The system in Scotland is structured differently and it has other benefits.

We need a willingness to co-invest with employers. Earlier, we talked about tax breaks and tax incentives for investment in new facilities. Employers are taking more ownership of that, but we do not want that to drift too far from where the

colleges are. We want the investment to be co-investment, but employers need to see that, compared to the current system, their investment will improve their return.

Craig Hoy: That is super, thanks.

09:45

Liz Smith (Mid Scotland and Fife) (Con): Good morning. I have a question for Andy Witty on the growth of the college sector, which, 10 or 15 years ago, was very successful. Part of that success was about its responsiveness to the local economy in each area. However, that has been put under pressure, not least because of funding issues, but also because of various college mergers and so on. To what extent is the college sector as responsive as it could be to local demand for skills, which is obviously very different in the north-east compared to in the south-west or Glasgow, for example?

Andy Witty: There are some great examples of where colleges are responsive locally.

Liz Smith is right that different regions require different elements. However, there is some commonality around what needs to happen to increase that responsiveness and help it even more. Gordon McGuinness touched on the need for pace a few moments ago, for example. The ambition of the college sector also needs to be matched by the ambition of the Scottish Government and its agencies, and some of the shackles that colleges have to operate under need to be removed.

Liz Smith: Are there shackles, other than the funding issue, that you would like to see removed?

Andy Witty: Clearly, one of the shackles is lack of funding, but other areas and shackles could also be dealt with, which do not necessarily need new money, but rather repurposed or reprioritised money. Other areas, outwith strict finance, could also be looked at.

Liz Smith: When you say “shackles”, are there specific issues other than the funding problem that you would like to see changed that would free up the college sector to be more responsive?

Andy Witty: Yes. There are issues such as the bureaucracy around reporting and the multitude of different ways that that needs to be done. Clearly, there needs to be accountability for public money. I am not decrying that, but there is a lot of bureaucracy around it.

The current funding model needs fundamental review and reform in order for it to work for industry—we need to ensure that the right ambition is there for that. We need to be looking at not only changes to the current, basic, activity-

based counting-bums-on-seats funding, but output. We need the ambition to look at that more widely, which I am not sure is shared by everybody who is in that space.

There also needs to be flexibility around the funding: it is about not only the amount of funding but the flexibility around it, in order to provide agility. Colleges showed what they could do when monies were given out under the current credit funding model, in the form of the flexible workforce development fund, which, unfortunately, has stopped now. The Scottish Government has done independent reports that show the value and impact of that fund, with flexibility around funding. That whole area needs to be looked at.

We also have a technical issue. Colleges have been able to change capital funding to revenue funding in certain circumstances but, this year, we were told that they could not do that because of accounting rules. Accounting rules have therefore stolen £17 million from the college sector at a point at which everybody knows how tight funding is. I would not want to see accounting rules mean that we remove funding from the college sector.

Regional skills planning is another area. It has been shown that, where colleges are involved in the development of regional skills planning it is much more successful and delivers more than when they are involved only at the end, once decisions have been made, and it is a case of saying, "Oh well, can the college sector now deliver that?"

Colleges also need to be involved in the regional economic partnerships. Although the rhetoric is that they are all involved, the reality on the ground is that that varies across Scotland. Some of the colleges are not actively encouraged to be around those tables.

There are also issues around apprenticeships and how they are funded. For every pound that leaves the Scottish Government, for some of the trades, only 40 per cent actually gets to the college to deliver the training, with 60 per cent used elsewhere. I am not saying that all of that 60 per cent is not needed—some of it will be—but that can be streamlined. That is not about new money, but about repurposing existing money in that wider budget.

There are a whole load of areas where the shackles can be removed from the college sector.

John Mason (Glasgow Shettleston) (Ind): I want to pick up on something that Andy Witty said—the issue might also affect others. Obviously, the colleges sector would like more money, and I wonder whether you think that the Scottish budget is spread out in a reasonable way, or whether we should be giving more money to colleges and universities, which would mean less

money for other sectors. Over the years, we have been generous to health, which has received a real-terms increase every year, and social security spending is going up quite a lot due to things such as the Scottish child payment, which has been very successful. Have we got the balance wrong between investing directly in the economy, via the universities and colleges, and investing in health and social security?

The Convener: I will ask Sandy Begbie to answer that. Sandy, you are the only one who has not given us a written submission, so I will pick on you.

Sandy Begbie CBE (Scottish Financial Enterprise): That is a great question. One of the things that frustrate business is the lack of public sector reform. A lot of money goes into different parts of the system but the fact is that high-performing economies around the world do three things really well: education, skills infrastructure and health. If you get those things right, you will not go far wrong. Health is really important. It is a deeply complex issue, but there is a general sense in business that a degree of public sector reform is required at various levels. That reflects part of what Andy Witty was just saying: for every pound that goes in, only so much ends up going to the front line. That is an element that we must consider.

John Mason: Can I press you on what you mean by public sector reform? Do you just mean cutting jobs, or is it something else?

Sandy Begbie: Reform is never just about cutting jobs; it might be about changing what jobs are done. Of course, it might be about reducing headcount, but it is predominantly about improving productivity, which is about getting more out of the resources that you put in.

Our economy is growing at somewhere between 0.5 and 0.7 per cent a year. If we continue to grow at that level, that will, by default, restrict some of the funding that will be available for the public sector.

For the sake of complete transparency, I declare that I sit on the public sector reform steering group as an independent member, so I can see at first hand the need for the reform that is coming through. The issue is about how we improve productivity and how we get more money to the front line. There is a big debate about the role of technology, particularly in the delivery of health and so on, and that needs to be seriously considered.

There is a need to free up some of the money in those sectors, and there needs to be longer-term investment in certain things—infrastructure is a good call. Although we did not include this in our pre-budget submission, we have called for a

proper debate about public-private partnership and how we pull in private capital to complement public investment in infrastructure. We have already mentioned roads, railways and so on, but the bottom line is that there is not enough public money around, so there will have to be a debate about what models exist. We are still dealing with the legacy of private finance initiatives, but the world has moved on in that respect, and many countries in Europe have different models in place that have addressed some of the weaknesses of the previous models. As I said, we have called for a proper debate about that, which, in itself, would help to address some of the issues around public sector reform. Public sector reform needs to be part of the debate about economic growth.

The Convener: I will bring in Claire Mack.

Claire Mack (Scottish Renewables): Thank you, convener. Hopefully, to build—

The Convener: Sorry, Michelle Thomson wants to come in on the specific point that was just made; I will bring you in after that.

Michelle Thomson (Falkirk East) (SNP): I am intrigued by your comment, Sandy, and I have to say that I do not disagree with you. However, to what extent do you think that the complexity around public sector reform is understood? My perception is that the conversation has coalesced around the need for it, but that is arguably the easy bit, and, as soon as you start talking about the how of it, the issue suddenly gets complicated and will bring up the question of priorities, which is what John Mason was alluding to. As someone who is across a lot of this stuff, to what extent do you think the discussion is starting to mature in a way that involves the consideration of complex issues as well as issues of cost?

Sandy Begbie: You are right; I am across a lot of this stuff because I see it through other things. I have chaired the developing the young workforce group and other things, so my views come as a result of touching the system in a variety of ways. I should also say that I was a non-executive director with the Scottish Government for many years.

You make a good point and I think that the debate around prevention that is being had is the right one to have, but although that has been talked about a lot for years now, it has never really gained traction. My sense is that there is a lot more discussion about how to stem the demand side with regard to the public sector; after all, you cannot continue to deal just with the supply side. You need to look at the demand side. There is a bit of that when it comes to skills, too; I have views on supply and demand with regard to skills, and on the need to be much clearer on the demand side of things.

Dealing with the demand side—or, indeed, aiming to put in interventions that stop it becoming a downstream issue—is really important, and I hear that debate happening. The problem arises with taking the resources and reprioritising them across the system. For example, I was involved with an approach aimed at stopping young people ending up in the justice system through the use of apprenticeships and the involvement of employers and local authorities. I should say to Michael Marra that it was up in Dundee; we worked with schools, and of the 70 young people involved, 69 ended up in a positive destination, instead of the schools just saying, “They’re probably going to end up in a difficult situation.” We need to shift the debate and our actions towards the demand side of things and give people a different pathway in life.

The issue is deeply complex, there is no shadow of a doubt about that, but we need an honest conversation—I am hearing that in the public sector reform steering group—about the fact that there are parts of the organisation that might once have been fit for purpose but which are no longer and whose ways of thinking need to be changed. The impact of technology, artificial intelligence and other such things need to be seriously considered when it comes to delivery, and that includes health, education and so on.

Finally, I want to pick up Andy Witty’s point about pace, which I think is part of the whole debate. When it comes to the skills space, we would love the college system, in particular, to be given a lot more freedom to be responsive. As an industry, we need short, sharp interventions—say, six months for retraining people. Yesterday, I was on a call with Lloyds, which employs 14,500 people in Edinburgh. Basically, it is retraining its tech people almost every six or nine months at the moment. That gives you a sense of the pace at which it is working, and the same will be true for NatWest, BlackRock, Barclays and others. The question, then, is: how can we free up the education system in a way that can respond to that sort of thing? I am sure that other industries will have a similar view.

The Convener: I will bring Claire Mack in next. I note that, in your submission, you say that you

“welcome that the Scottish Government has prioritised investment in renewable energy given it is our greatest opportunity to create sustainable economic growth which will deliver benefits for our entire society.”

Claire Mack: Absolutely. The point that I was going to come in on was about the growth agenda, of which the public sector is a really important part. Indeed, it enables a lot of the work of my industry, particularly in the planning and skills space.

Therefore, it is important to understand the role of Government and the public sector. The projects

that we are talking about face the full force of the market's headwinds; one of the key roles that Government and the public sector play is to help de-risk such projects, and they can do so through the creation of skills pathways that really meet the industry's needs.

I would not disagree with anything that any of my colleagues have said in their excellent answers. Vocational pathways are absolutely key and, as we have seen in some of the most productive economies in the world, work-based learning options work. The Lloyds example that was just mentioned is really important, because it shows that you can take a foundation level of skills and develop and build on it to meet the opportunity sitting in front of you at the time.

There is a lot of private sector provision. I should say that this is not just about adding more money; as has been said, it is about reprioritisation and understanding the outcomes that you are playing for. In that respect, Gordon McGuinness mentioned skills academies—I know of at least 12 in my sector around the country. We need to map them all, acknowledge their existence and bring them in as part of the wider skills system. After all, we have, as has been accepted across the board, a funding challenge, but that does not mean that we cannot do something really important here.

10:00

The Convener: Reprioritisation in each budget is an issue—I think that everyone would accept that. Andy Witty talked about that issue in relation to the college sector. The size of individual budgets is also an issue, which Andy raised specifically. The Scottish Government has set out spending priorities that are worth more than £63 billion. Do the witnesses have any views on where we should move money within the budget? If any of you think that money would be better moved from A to B, please let me know.

Michael Marra (North East Scotland) (Lab): My question to Claire Mack is on the allocation of money to renewables. The committee has received various pieces of evidence suggesting that the ScotWind money has been used as a second reserve by the Government. It looks like we are beginning to get a commitment to spend that money on what it was intended for, which is the creation of jobs, particularly in the north-east of Scotland but also across the country. I welcome that.

What kind of projects do you see that money being committed against? You have talked about ring fencing, but can you give us some examples of what it should be funding and when those projects will be possible?

Claire Mack: That is a great question. I, too, am pleased to see that the money is being put to good use to enable the growth agenda, which is really important.

It comes back to the point that I made about de-risking key projects. Enabling of infrastructure is hugely important. For example, across Scotland, although there is a patchwork quilt of ownership models for the various ports and harbours, there has been great success in joint use of money from the UK Government, the Scottish Government and the private sector.

The critical point is that the private sector must be enabled to have the confidence to place its money in Scotland. That money is available, but we have to be clear that the deployment of projects is what creates employment. The Scottish Government's role is to help to de-risk those projects through the enabling infrastructure, such as ports and harbours. The kinds of successful labour market interventions that my colleagues talked about have also been helpful.

There is a huge role for building confidence and public acceptance, and we can happily work with the Government on that. We need confident partnership—that means support for key projects and involves a relationship with the UK Government. In the energy sector, it is inescapable that we need to build a successful relationship with the UK Government, because there are huge plans at the UK level. The way that the funding and the fiscal formula work means that we have to match the growth that is happening elsewhere in the UK. That is a critical part of the next step in our growth story.

Another element to encourage the placement of money and enabling infrastructure involves statutory consultees and skills investment. Those things are really important and will help to unlock the private sector funds that are currently sitting unavailable to us in Scotland.

Michael Marra: Those points on leveraging private sector funds and enabling infrastructure are really interesting. We have talked not just about development of the workforce but about availability of skills. Some people have said that some of that money should be used to build housing to allow a workforce to come in. However, we have other budgets for that, even if they have been cut over time, and my concern is that this money was really intended for building the supply chains that are needed to make good on the commitment to have manufacturing and service industry jobs that are connected to renewables. How would you react if some of that money went into things like housing?

Claire Mack: First and foremost, we have been clear that we need more clarity on how the £150

million that is allocated to the offshore wind supply chain for this year will be utilised.

We have started to see companies such as SSEN making commitments to build housing. That comes back to the point that I made about the growth agenda and enabling mega-projects. Companies can do a lot more than just build the energy infrastructure; they can help to build regional and local economies, including through housing projects, such as those that SSEN is involved in.

We need to be open and transparent—with the offshore wind market in particular, but also the onshore wind market—about what we mean when we say that we will allocate money to the offshore wind supply chain. We need to be quite specific about it, because the offshore and onshore wind supply chains are going to serve very particular projects in very particular localities.

It is important to make, in the words of the National Energy System Operator, “swift funding decisions”. We are about to see regional energy spatial plans and will see opportunities at a more granular level than ever before. However, we must be clear that the enabling infrastructure that we see as being necessary sits within the renewable energy project space.

The Convener: Alastair McInroy, your submission is a positive one. You say:

“Scotland is home to a Supercluster in Critical Technologies, a constellation of overlapping and mutually supporting technology sub sectors—photonics, quantum, semiconductors, and wireless and sensing technologies.”

You rightly say that that is

“largely invisible to the general public”

but that it

“generates £4.2bn in revenues for Scotland, with over 150 companies supporting nearly 11,000 jobs”.

You say that

“A recent initiative, developed in partnership between Technology Scotland, Scottish Government, Scottish Enterprise, University of Glasgow and University of Strathclyde, sets out an ambition to grow the supercluster beyond £10bn in revenues by 2035, adding a further 6,600 jobs”

but go on to say that

“There is also a reported shortage of modern buildings suitable for advanced manufacturing in Critical technologies.”

and that

“Start-ups and SMEs find it difficult to secure investment”.

We have a fantastic industry that is moving forward, but you have made a number of points about where the Scottish Government could assist you further in growing that successful industry for

Scotland. Can you talk about that for a minute or two?

Dr Alastair McInroy (Technology Scotland): I will speak using broad strokes across three key areas. One is skills, which has been touched on a lot today already, so I will deal with it briefly. Another area is investment in infrastructure, which has also been touched on, and the final one is internationalisation, which is particularly important for our sector.

The skills issue is multifaceted. I do not want to drag this out too long, but we, like most sectors, have a skills pyramid in operation. At the top of that pyramid are very specialised roles that largely require highly specialised and technical skill sets that come from our university system. We must ensure that we are generating enough of the required physicists and engineers in Scotland’s graduate and postgraduate systems to support that need.

That said, we are also aware that, for every quantum physicist that we employ, we need another eight people in adjacent roles in the broader base, in areas such as testing, manufacturing, technician roles, health and safety and so on. That is important because, as you move away from the specialisms at the top of the pyramid, you see a lot of overlap among subsectors and adjacent sectors. More needs to be done to understand the aggregation of demand. We tend to think about technology sector skills in silos, but that is not particularly useful in understanding wider industry demand.

We have spoken a lot about further education and the roles of apprenticeships, reskilling and upskilling, so I will not speak about those, but there is an issue about invisibility of the sector, which applies to a lot of technology and engineering jobs.

There is a longer-term goal, in that schoolchildren and younger children simply do not understand our sector or the opportunities that lie within it. We have worked with industry: there are no qualms about what is being taught in the classroom per se, but employers tell us that little or no effort is being made to link the fundamentals that are taught in the classroom to the career opportunities that exist further down the line. They understand the need to teach the fundamentals, which are often a bit dry because they are fundamental, but it is possible to excite children by extrapolating to show them where that could lead them in the longer term, and to increase awareness of the opportunities. Otherwise, we will lose a huge number of capable science, technology, engineering and mathematics students because they will move into other areas at an early age. That is a key problem.

The Convener: There is still an issue with the gender balance. Is it still the case that a lot more males than females go into the industry?

Dr McInroy: It is certainly the case in our sector. There is an 80:20 split, which is clearly very poor.

The Convener: That is a lot of untapped talent, straight away.

Dr McInroy: Of course it is, and it is not sustainable that a sector that is crying out for skills is largely ignoring 50 per cent of the population. That goes back to school-age education and understanding opportunities, and to linking that with things that excite children, such as space technologies or combating climate change. That is really important.

On the infrastructure side, unlike some of the digital technologies, the critical technologies are very capital intensive. They are, largely, from manufacturers that require frequent investment cycles as well as longer-term investment pipelines, which generally makes them less attractive to private money. There are ways of addressing that. Targeted—of course—but also larger-scale and quicker access to finance for those companies would certainly help.

Access to infrastructure is also important. Where it is not possible—often it is not—for companies to build their own infrastructure, access to shared infrastructure is really important. As was announced in the programme for government, a deep tech cluster review is on-going, which is examining exactly the question of where we can invest in shared infrastructure. There is actually already quite a rich tapestry of shared infrastructure in Scotland, but it is expensive. SMEs often struggle, because their levels of manufacturing and prototyping are deprioritised as the levels are too low and contract manufacturers can make a lot more money on larger orders. Some kind of incentivisation process must be in place to link the contract manufacturers with our SME and spin-out base.

To link that to skills, I should point out that we need to invest in the infrastructure and we could have the best infrastructure in the world, but we also need to develop the commercial skills for those smaller companies to leverage it and build from it. There is a huge disconnect between our genuinely world-leading innovation and university base and our ability to commercialise and scale innovation: we are underperforming by a significant margin in that regard. Research that has been done on that suggests that it is not about the lack of strength of the technologies or of the market opportunity, but that it is often down to the commercial teams and the leaders of the companies.

The Convener: I will bring in Alastair Florence, then ask Reuben Aitken to come in. A couple of colleagues are keen to come in, too, but I want to finish off this subject before they do and see whether we can move the discussion on a wee bit.

The reason why I want to bring you in, Alastair, is that I visited your facility just a few weeks ago and was very impressed by what you have. I will give a wee ad for your sector, just as I did for Alastair McInroy's. In your submission, you say that

"Scotland has a life sciences sector that is rich in drug discovery, biotech, personalised medicines and medical devices spin-outs and start-ups building on the vibrant academic research track record in these fields."

However, there is an element of frustration in your paper, because you talk about some of the amazing successes where investments in new capacity have boosted the industry in competitor economies such as in Indiana and North Carolina in the United States, and Kinsale, Limerick and Dublin in Ireland. You say that

"these investments align with locations where governments have made strategic investments in strategic national manufacturing research infrastructure enabling countries to drive innovation and develop homegrown talent."

You suggest

"a different approach to funding."

Indeed, you say that

"competitive funding seeks to promote excellence"

but just

"leads to ... increased administrative burden,"

and to people "chasing" the same money, with "cliff edges", "high uncertainty" and so on. I will give you a few minutes to talk about what you think could be done better and more effectively by the Scottish Government.

Professor Alastair Florence (University of Strathclyde): On the international picture, a fundamental university role is the creation of new knowledge, which is the foundation of any innovation. If we do not have a strategic commitment to the long-term health of such areas, we are reliant on importing that know-how. The potential to generate the knowledge in, and translate it to, this country—and to attract new investment on the back of that, because we would have the talent pipeline, the technologies and the know-how—is obviously not something from which we can benefit overnight. It is not a quick win, and realising the bigger benefits to society—through better healthcare, faster access to new medicines and lower-cost medicines—needs a long-term commitment.

We saw the fragility of supply chains during the pandemic and we heard about the issue of the

level of sickness and illness in the workforce. There is a national security aspect to access to medicines—we need access to them.

Can Scotland be a global superpower in development, manufacture and supply of medicines? We are very rich in life sciences and discovery of medicines, but they are being manufactured elsewhere around the world.

10:15

Given our experience in the research base in chasing competitive grants and building up world-leading infrastructure, particularly in securing investments for doctoral training, and given our vibrant research base, we have a suite of technologies that are ready for commercialisation. However, what is that pathway? How do we anchor the impacts of our research in Scotland in order to attract investment? We have a technology cluster and the ecosystem is building. We need to create opportunities for start-ups and spin-outs from the life sciences sector to benefit from manufacturing and add that to their portfolios.

Advanced manufacturing technologies offer a lower entry point than some of the traditional routes, which involve large-scale capital-intensive infrastructure. There is an exciting opportunity. We need to support the incumbents—the global multinational pharmaceutical manufacturers—but we also need to enable the next generation of agile, targeted and personalised medicine-based manufacturers.

The Convener: Your requests appear to me to be relatively modest. For example, you say that an

“investment of £66M over 5 years, a scale similar to other UK strategic centres such as the Royce, Turing, or Rosalind Franklin institutes, would establish a global-scale hub able to compete with the best centres in the world.”

You go on to say that analysis by UK Research and Innovation

“of prior critical mass investments in manufacturing research estimated that £63 is generated for the wider economy for every £1 spent.”

You continue:

“On this basis a total ROI”—

return on investment—

“of over £4Bn of economic return could be realised from the proposed institute investment.”

Professor Florence: If you know me well enough, you will know that I am not used to being quite so modest in my asks. Recognising the budget tensions that we have, and that this is a long-term commitment, it is right to take a phased approach. You can make a long-term commitment, but demonstrate that, in the first phase, you want to see evidence that it is successful. Can we

attract a supply chain? Can we support the spin-outs? Can we start to get the engagement with the large multinationals that means that we stand a chance? Can we join Ireland among the top medicines manufacturers in the world with exports of £100 billion, which is three times the value of those for the entire UK, never mind the Scottish medicines manufacturing sector?

In some areas, we are ahead in terms of our research and development base for manufacturing. If we can bring the digital skills that are absolutely essential to digital transformation in the industry, as well as bringing in green chemistry and sustainability, all that will add to our competitiveness internationally. However, it requires a long-term commitment across all those areas.

The Convener: You talk about real investments that are taking place now in other countries. Eli Lilly has made a \$1 billion investment in Limerick and an \$800 million investment in Kinsale. Pfizer is investing \$1.2 billion in Ireland and AstraZeneca is investing \$360 million in Dublin. You say that with that kind of support and investment from the Scottish Government, Scotland could be in a position to compete and attract similar types of investments in the future.

Professor Florence: It would line up with other investments that are happening. I know that the First Minister was involved in the ground breaking for the nucleotide manufacturing innovation centre of excellence, which will sit alongside the medicines manufacturing innovation centre at the advanced manufacturing innovation district Scotland—AMIDS—and alongside the National Manufacturing Institute Scotland. In building that infrastructure, is the west of Scotland becoming a global hub? That is the direction of travel that we are taking, but there is always a risk.

To go back to the competitive funding landscape, in our area, we have been successful in having nearly 14 years of continuous funding, but there is attrition at each of the cliff edges as you go through the process. If you make a commitment with checks and balances, so that it remains aligned with economic, social and environmental benefits, I believe that we can position ourselves to be much more aligned with what the US is doing. For example, there are investments in Nimble Therapeutics of over \$240 million in Singapore in pharmaceutical innovation and biopharmaceutical manufacturing, as well as the examples in Ireland that I mentioned.

We are well poised to do that. We should lead the world in research and anchor the impacts here, including the international impact from being seen as a global leader in the sector.

The Convener: You need lab space, do you not?

Professor Florence: In general, we are fantastic in life sciences when it comes to basic research, and to spin-outs and start-ups coming from universities. However, we lose too many of those to the south-east. As a recent report highlighted, one of the contributing factors—this is a big factor, and is similar to the issue that other areas in advanced technologies face—is access to the right facilities at low cost in order to nurture and support companies and to make it cost effective for them to stay. However, we are delivering the talent pipeline alongside that. Getting those ingredients together could be really transformational.

The Convener: Sandy Begbie wants to make a specific point on that issue, so I will bring him in, to be followed by Reuben Aitken.

Sandy Begbie: I want to pick up a couple of Alastair Florence's points. Ireland is an interesting example—financial services is big there, too. One thing that Ireland has mastered is the ability to be politically agnostic on the sectors that it wishes to support. Regardless of any change in Administration, financial services, for example, will remain a core business in Dublin. It will not go through a change of commitment—I think that that is kind of what Alastair was saying. That political stability means that people can make long-term investments; investors like that type of environment. That is important.

Earlier this year, we did a lot of work on what factors are constraining investors. Basically, four things came through consistently. We presented a paper to the First Minister on that, and we have been quite open about it. One factor is the pipeline of projects. We do not have the development and maturity of investable projects. That happens more in the infrastructure sector, where investors are able to sit round and have discussions.

A second factor is that planning and consents take too long. I am sure that Claire Mack has got lots of examples of how the situation here compares with that in other countries.

The Convener: One of the Government's objectives is to triple the number of planners—if they can find people to actually do it.

Sandy Begbie: The third factor, which Alastair Florence also mentioned, is the supply chain. That is to do with skills and manufacturing capability.

The fourth factor is the general business tone and being supportive of business and economic growth. That has definitely changed in the previous period, at both UK and Scotland levels.

The clear message is that, if we can aim to make progress in the first three areas—many

countries suffer from the same issues—capital will flow in. That will happen, especially if you can improve planning and consents, projects and the commitment to long-term investment.

The Convener: The political agnosticism that you mentioned is interesting. Ireland has more or less had that since about 1986, I believe, when it was at a nadir in economic terms. It has grown phenomenally ever since.

I turn to Ruben Aitken. Scottish Enterprise has produced a very impressive paper about all the successes that it has achieved. For example, it mentions supporting more than 960 companies with 1,340 projects, which will safeguard and create 16,782 jobs. It also mentions reducing 468,000 tonnes of carbon dioxide equivalent, and leveraging £1.9 billion in capital expenditure and £449 million in research and development and innovation.

However, Scottish Enterprise's budget appears to be reducing quite substantially in the 2025-26 budget. What is your view on that, and how will you maintain that level of success if, indeed, your allocation is reduced when we finally agree the budget?

Reuben Aitken (Scottish Development International): Thank you so much for the opportunity to contribute today, convener. There is an incredibly strong bedrock of Scottish business, Scottish innovation and Scottish dynamism that we look to capitalise on and to harness as Scottish Enterprise. We have had real success in that.

From the other comments today, we see that there is a huge opportunity, particularly around energy transition but also in life sciences and high-value manufacturing, to further that and to continue the pathway to transformative economic impact. That is not without challenges, but our businesses need to innovate, and they need support to help them to commercialise and further those innovations. We also need to make sure that we are supporting our businesses with the right investment at the right times. We can help with investor readiness and then internationalise.

It has been a fundamental theme of our success that businesses that export more are more innovative and pay higher wages, as do inward investors. When inward investors come in, they want to see clarity and consistency of policy but also dynamism, and we have that around this table and in team Scotland. I am thinking about the comment that Andy Witty made when he talked about how we can be dynamic and responsive to the needs of business and industry in order to create the high-value jobs that we want to see.

I had an amazing example last year. One of my roles is to lead foreign direct investment and get

businesses from all over the world to set up in Scotland, and the dynamism of a college resulted in a project landing. I set out Scotland's wares and what a fantastic place it is to be, and the college said, "We can create a course and begin to churn out talented, entry-level staff within six months of this company telling us that it's going to set up here." The company said that no one else around the world had offered it that.

When we get it right, with that dynamism and all the folks of the team Scotland partnership working together, we can make a huge difference. I hope that the budget will support those elements of innovation, internationalisation and investment. It is great to see the commitment to offshore wind. I think that that has to focus on the enabling infrastructure and the supply chain. My inward investment pipeline of jobs has never looked so strong, but it keeps moving out to the right, and those investors need clarity. They need confidence to be able to invest at the scale that they want to invest given the enormous opportunity that ScotWind presents to us.

The opportunity is huge. I am hoping that we will get a good budget settlement in the end because, as Scottish Enterprise has shown, we can deliver a real return on investment. It is an investment when you put money through us, because we are able to leverage in those big impacts that the economy needs at the moment.

The Convener: You say:

"Our international team is based in Scotland and overseas with approximately 270 staff in total. Over 100 staff are based overseas across 23 different countries from 32 different offices".

You also say:

"Foreign Direct Investment ... projects in Scotland have enjoyed continuous growth for the fourth consecutive year, increasing by 3.3%, against a background of total UK projects declining by 6.4%."

You note that Scotland's market share is 13.6 per cent of inward investment projects and that 26 per cent of the companies that were surveyed said that they plan to invest in Scotland, which represents a significant increase on last year. How valuable are the overseas offices? Some colleagues are of the view that they could be closed.

Reuben Aitken: The ability that we have through our overseas footprint to help companies to export by targeting the opportunities, and through introducing them to the right buyers, suppliers and supply chains, is incredibly valuable. I would say that it is invaluable.

Last year, we supported companies to export £2.15 billion of sales and enter hundreds of new markets with new products, and that is down in no small part to our working intensively with them in

Scotland to help them with their export strategies and targeting the right markets. There is then some intensive, one-on-one introduction work that makes a real difference on the ground, because people still do business with people. When we can broker those relationships and leverage GlobalScots, who are a hugely beneficial asset, that makes a difference.

We can rightly be proud of the inward investment performance. That Scotland is the top destination outside London year on year is a huge feather in our cap, and other businesses see that success and want to follow that route. The overseas footprint enables me to generate those leads and build the relationships that bring that investment in, and it also enables me to help our brilliant, innovative companies to have those routes to market in order to really scale and grow.

The Convener: I was in India last year and, in Delhi, I met people in fintech and from Tata and a number of organisations. SDI has only two staff in Bombay, which is in a country of 1.5 billion people with an economy that is growing 7 per cent a year. Last year, India had 139 unicorns with \$1 billion or more of start-up investment. Do you not feel that our overseas presence is too light in such emerging economies and that opportunities are perhaps being missed as a result?

10:30

Reuben Aitken: I would love to increase the overseas footprint because, as we can demonstrate from our results, it would increase our impact. However, budgets are tight and where we allocate resources is a battle for us. In terms of trade performance, the standard gains of trade mean—and trade theory says—that you trade more with your nearest most-developed neighbours, which is where our pretty lean resources are focused to ensure that we do all that we can to ameliorate the challenges from Brexit and other trading barriers that have been set up.

If I had more folks, I would definitely target emerging markets. They are slightly slower burn, and it takes longer to build relationships, but we are seeing our work bear fruit. We have seen incredible results this year in Malaysia, Indonesia and such markets, but it has taken more than three years to build the relationships Government to Government. We talked earlier about the space sector, in which there is often a Government-to-Government relationship and a senior official relationship, which can be bridgeheads through which we work.

I would love to increase our overseas footprint—the impact would be there—but it is hard.

The Convener: I understand what you say about neighbours. I think that England, Ireland and

the Netherlands are among our biggest trading partners, if not the three biggest.

After letting in Alistair McInroy with a brief supplementary point, I will let in Andy Witty, who has been very patient for the past 15 or 20 minutes.

Dr McInroy: Convener, on your point about the reducing SDI footprint abroad, it should be the exact opposite: it needs to be massively expanded. Not only that—the expansion must include the integration of the specialised skill sets that are required. We have too many generalists, which is through no fault of their own, because they are asked to cover multiple different market areas. Credibility is needed and the customer-facing element is so important. Therefore, we have to expand. Using Ireland as an example again, I note that its overseas presence is significantly larger than ours. We must ensure that the necessary specialised technical expertise is part of that.

Andy Witty: It is great to hear about the dynamism that Reuben Aitken has mentioned, and there are examples of that among colleges where they have capacity. As we talk to our members about the impact of the draft budget, I am aware that there are at least three colleges that are looking at whole-campus closures. That is a geographical community impact, but it also hugely impacts the ability to deliver for industry.

If you look at the Scottish budget, you will see that there is huge investment in green skills, which is right. There is huge investment in the national health service, which is correct. We have heard from witnesses about where industry wants to invest, but a skilled workforce is needed. All that hinges on the capacity of the colleges to deliver.

In the draft Scottish budget, there is a £30 million increase in the education reform budget, and there is a separate £30 million budget for public service reform. It is about industry and the colleges working together. We need to get more detail on the £150 million for the offshore wind supply chain, which Claire Mack asked about. It is also about the wider budget and understanding what the colleges' share is of all the budget increases, because, if it is not there, we will not be able to serve industry and Scotland will not benefit from all this potential. There is a huge opportunity, but it is a huge risk if the colleges do not have capacity.

The dial needs to shift between the draft budget announcement and the final vote on the budget—and not just around green skills. In the UK Government autumn budget, £300 million extra was given to FE. There are Barnett consequential of about £29 million, which is clearly not being given directly to colleges. Therefore, where is that

money in the other funding? I think that that starts to address John Mason's point about whether it is one or the other, because, actually, we need it to be a collaborative process of both together.

As well as the need for the dial to shift on funding to stop some of the impacts and some of the other shackles that I touched on, another area where we can directly help is with the link-up in Government between economic need and education and skills planning. Therefore, in the discussions around inward investment, industry and private sector investment, all too often the question about the skills that are needed is not asked or not asked early enough. Asking what the skills needs are must be integral to the early stages of conversations. Where that has happened, it has worked successfully.

A few years ago, there was ministerial backing and ownership with regard to the increase in funded childcare hours to 1,140, and we saw the corresponding investment in colleges to train the additional workers and managers that were needed for the increase. However, we are not seeing that in relation to green skills. There is not a single minister who has responsibility for this—the responsibility is spread across different portfolios—and a greater connection is needed between discussions in Government about economic needs and how we deliver on that for Scotland and the education and skills needs.

Industry wants to invest and it will invest. We are speaking to the industry, which is saying that, due to the lack of capacity in the college sector, it will be training workers outwith Scotland and bringing them in. Industry will invest, so there will be some benefit to Scotland, but the additional benefit of skilling up the people who live in Scotland for high-end technical jobs will not happen. People will be trained elsewhere and brought in, so Scotland will miss the full potential of what could be achieved. That is why the investment in colleges is for the benefit of the economy and to support industry.

Craig Hoy: Obviously, the budget sets out the Government's tax strategy. Tax has been alluded to tangentially at various points—

The Convener: That is what I was going to move on to.

Craig Hoy: Okay—I am leading you in, in a way—

The Convener: It is a nice segue.

Craig Hoy: Yes—this is not rehearsed in any way. Earlier, we were talking about internationalisation. The fourth bullet point in Alastair McInroy's submission was about attracting international talent into the UK. However, we do not compete only with California or Cork; we also

compete with Cambridge—for example, in life sciences.

I am interested to get a view, including from Sandy Begbie, on this. The Government set out a plan in its tax strategy to support a “more productive and competitive” economy and, as a result, is taking action to grow Scotland’s tax base—that is what the strategy says. Is that borne out by recent experience in relation to the Scottish tax system?

Corporation tax has been referred to in relation to the Republic of Ireland, which has a corporation tax rate of 12.5 per cent. I think that it ranks ahead of the Bahamas on Tax Justice Network’s global league table of tax havens, but that is obviously a reserved matter. However, is the tax situation in Scotland and the differential with the rest of the UK one of the issues that might be holding your sector back, Andy Witty, or perhaps holding back the UK financial sector in relation to Scotland, Sandy Begbie?

The Convener: Before I let the witnesses answer, I should say that the Scottish Government has said that it has a commitment to

“work with businesses across Scotland to understand the cumulative impacts of tax on competitiveness.”

Sandy Begbie: We would argue that tax is a big factor in somewhere being an attractive place to do business. You must have a competitive tax landscape. It is not the only factor—there are clearly lots of other factors in the decisions of businesses and individuals. However, in our research with our members and in the report from the Institute for Fiscal Studies, you can start to see what is coming through. One factor, certainly in our sector, is that encouraging people to come to Scotland is a much harder sell now than it was previously. Some of that is still linked to Covid and people not being required to be in the office five days a week, which means that they would rather remain where they are. A second factor, which the IFS calls out, is that there is a tipping point with regard to tax rates. There is a law of diminishing returns and there will be less coming in as a result of that. The early indication from the IFS is that that is the point that we are at.

As I have said to the committee before, I think that the focus needs to be on increasing the size of the tax base. In focusing on economic growth, we should be attracting well-paid, highly skilled jobs to this country. We have a low average wage, and too many people in this country are earning well below £30,000 a year. Everything is connected, including skills and career advice. There are opportunities for young people at school. If we give them the right career advice, we will take them in a very different direction.

If you have not considered it already, Prestwick provides a great example of where apprenticeships have lined up with needs. There are thousands of apprenticeship programmes there, and young people in their early 20s are now earning £40,000 or £50,000 a year, having qualified. There are examples there of businesses such as Ryanair investing. If you get that ecosystem connected, it is powerful.

The tax system is part of it. We were pleased that the Scottish Government came out and said that there would be no further changes in this parliamentary session and that it will engage with business to understand the behavioural changes resulting from the current tax approach. The tax system is a factor in attracting people here. Our research indicates that not many people are leaving Scotland at this point, but people are restructuring their tax affairs or how they work to try and reduce the tax that they pay. That may involve going part time, dropping to four days a week and so on. These things happen, and we are pleased that the Government will take some time to engage with business to understand the situation.

The Convener: Someone earning £125,000 a year would pay about £5,300 more in Scotland than they would pay in England. When we spoke to people at the University of Dundee, they said that folk could earn twice as much in California or Cambridge as they would here, but would they like the quality of life there? There are a number of factors. The Scottish Government has said that, last year, 32,000 more people of working age came to Scotland than left—and that included higher earners. At all tax band levels, more people have come in.

I have asked—and colleagues are keen to ascertain—what the sweet spot is in terms of behavioural change. In other words, where does tax go up and revenue go down? Where is that tipping point? We are still a wee bit away from that. You are of the view that we have already reached that tipping point. Would I be right in saying that?

Sandy Begbie: Yes, I would say so. On the breakdown of those 32,000 jobs, you should consider the context of their earning power. I have understood that, at the top end, the number is diminishing. I will take that away and check it. Those are decisions that people will make.

We should mention land and buildings transaction tax, which is not necessarily well understood. It is only based on the purchase of a property. Above a certain level, people will pay significantly more in Scotland than elsewhere. For people who are coming to Scotland to take up well-paid jobs, that is a significant difference: it could be tens of thousands of pounds.

The Convener: Someone who moves from London can buy a castle here for the price of a bog-standard house there.

Sandy Begbie: Correct, but we need to think about ourselves.

The Convener: That is the case land and buildings transaction tax or no.

Sandy Begbie: In our industry, we are competing against Manchester, Belfast, Leeds and so on. Those are all growing financial services centres. You are right that London is a tier 1 financial centre—it is a bit like New York, Singapore and so on—but we are not really competing with London for talent, and people will choose to live there for particular reasons. We are trying to attract people to Scotland from other locations.

John Mason: I will continue on that theme with two questions, and I go back to Andy Witty first.

You suggest that we have more money for colleges, as there is money coming through in the consequentials. The simple answer is that the money is going to social security. There has been a huge increase in that area last year and this year. Would you go as far as saying that we should cut back on social security, which would hurt some of the poorest people, in order to put more into colleges or other sectors? I aim that question at you to start with, but others might want to come in.

On a slightly similar theme, Mr Begbie, you said that we have a lot of people in low-paid jobs. Presumably, that includes cleaners and people who work in Tesco. If they all go into the tech sector, we will still need cleaners. Should we just be upping the minimum wage so that people in basic jobs are paid much better? Is that what you are arguing for?

10:45

The Convener: Let us see whether Andy and Sandy want to answer those direct questions. I am not convinced that John will get the answers that he is looking for.

Andy Witty: On public service reform, the report that Audit Scotland and the Royal Society of Edinburgh did talked about redesign and decluttering and about placing greater trust in leaders to make local decisions. It is about different ways of doing things.

In answer to John Mason's question, some colleges have spare physical spaces. Can we look at co-location? For example, can we look at co-locating some of the industries that Alastair Florence is talking about with some of the eight high-end technical skills supporting the top of the

pyramid? Can we relocate social services and health? Can we relocate general practitioner practices in colleges so that people not only go in for a medical intervention for a challenge that they are facing, but can see whether there is also an educational or employability answer to their situation? Is it easier if those services co-locate?

There are also answers to public service reform that are not just about the physical estate. Last week, I had a useful call with Scottish Government officials about the single Scottish estate. We will be speaking to colleagues about public sector reform and how we do that. There are opportunities to look at collaboration to see how we can help the public pound to go further.

Sandy Begbie: If you run a business, you have a top line and a certain amount of revenue that comes in from the products that you sell, so you have a minimum number of levers to pull. You could put your prices up or you could control your costs.

One of the factors in countries that pay higher wages for jobs in hospitality, for example, is that their running costs are lower, which means that they can pay people more. For example, they have lower rates and energy costs. We all know that the UK has some of the highest energy costs in the world, and business rates are also very high. Places such as Australia have far lower business rates so that people can set up businesses, and—this is quite interesting—they have clear rules about how people are paid in those industries. Bluntly, people end up earning more. They have a slightly lower rate of tax, but that is not a big factor—it is just slightly lower.

It is about creating a business environment that allows businesses to make more and keep more of their top line, but also making sure that that is passed on to the people they employ. That is how you move to a higher-wage economy as a result.

John Mason: Is it a legal requirement in Australia that people pay more wages?

Sandy Begbie: Yes, that is correct for sectors such as hospitality. I only know that because my youngest daughter has been there for three years and is earning significantly more than she was earning in Glasgow. A lot of that is to do with, for example, double time for weekend working, triple time for bank holiday working and so on. It is all legally required, and businesses retain a lot more of what they earn.

It is about reducing the cost of business but making sure that some of that value is then passed on to the people the businesses employ.

The Convener: Time is marching on. Normally, I let these sessions run on, as colleagues will know, but the following session on the financial

memorandum to the Assisted Dying for Terminally Ill Adults (Scotland) Bill is likely to be heavy, so I do not want to run on too long. I will take Alastair Florence and then, afterwards, I will allow all our guests to have a final say on any point that they wish to make that they feel has not been covered or has not been emphasised enough. I am not necessarily expecting this, but if people are seeking additional funding for their sector, it would be helpful if they say where in the Scottish budget it should come from. That is always the most difficult one.

The last person to make a point will be Gordon McGuinness. You were the first to kick off, Gordon, so you will have the final word.

Professor Florence: I want to follow up on one of the points that was made about the tax position in the longer term. Taking a longer-term view of the medicines and pharmaceutical industry, the Association of the British Pharmaceutical Industry's review of the workforce shows that we are good on gender and ethnic diversity, but less good on social mobility. It is all about taking that long-term view. We need to go into schools and excite people about jobs in manufacturing by demonstrating what the workforce of the future in manufacturing might look like in Scotland and getting them excited about AI, robotics, extended realities and some of the different capabilities that will be part of the skill set that we will need in that workforce.

That is, as I have said, a longer-term piece of work, but it can be done. Indeed, we are targeting certain areas, particularly areas of social deprivation, and bringing people into higher and further education perhaps for the first time in order to bring them into industry. If we can commit to those sectors and paint the picture of what employment might look like in the future and what opportunities it will bring our youngsters, we can start to tell that story not just in universities but in colleges and other places, too.

I just wanted to flag the sectoral view that there is a gap here and that we need to be very targeted in addressing it. It will not resolve itself overnight; it needs a commitment to a clear, long-term vision.

The Convener: Thank you.

Who is going to be the first of our volunteers for the final say? I see that you are all trying not to catch my eye.

Well done, Claire.

Claire Mack: Thank you for the opportunity to sum up. We have had a great session, and I would echo a lot of what my colleagues have said.

A theme arising from what all of us have said is that a number of low and no-cost options are available to the Scottish Government,

notwithstanding the fact that there are some very difficult decisions in the offing. It will require bravery, and you are right to press us on where the money might come from.

We must be clear that decisions on resource allocation need to respond to the growth opportunity that exists. In that respect, there is, unfortunately, a gap to be bridged, and we need to invest money in that growth opportunity right now if we are going to reap the benefits in the future. If we are very good at setting out the clear outcomes that we are looking for, and if we hold ourselves to them—for example, when it comes to what we expect from the planning system with regard to enabling growth and skills—we might be able to make best use of the opportunity in front of us and the finite resources that we have. It is all about focusing those resources.

As for areas where, from a Scottish Renewables perspective, we think that there should be more investment, we have not touched on heat decarbonisation, which is a huge element of the next stage of Scotland's decarbonisation journey. We can think cleverly about that and how we allocate resources. For a start, heat is a public health issue, and there are ways for us to think about how we allocate budgets in the short, medium and long term to achieve the objectives that I was talking about.

Another key issue is investment attractiveness, and that is all about how we fund capital projects, people and skills. It is always that equation—capital plus people—that leads to economic growth. The investment of the ScotWind revenues, which was rightly alighted on, could be a strong enabler of that growth agenda, and we are keen to see those resources being plumbed towards that growth opportunity in offshore wind in particular.

Reuben Aitken: I want to highlight three things that chime really well with what Claire Mack has just set out. The first is focus. In order to get the economic transformation that we want in Scotland, we need to have focus, which means allowing some elements of the public sector not to do what they have always done and to focus instead on the things that are going to deliver the biggest outcomes. Indeed, I think that there is an element of allowing that focus to come through in the budget.

What should those areas of focus be? One area that has come through strongly today is the need to scale up innovation so that we can commercialise it, and another is driving higher levels of capital investment that will boost productivity. Ultimately, we need to focus on the energy transition, and I think that the way forward in that respect is to look at it through the prisms of innovation, investment and internationalisation. It is that sort of clarity and consistency that will build

the investor confidence that we need. Private sector capital will drive most of the spend, but it needs to be de-risked by really good measures such as the £150 million for offshore wind.

Finally, we need to set really clear return on investment metrics. It is really important that we are all held to account for delivery, and I know the committee plays an important role in that respect. However, I think that the budget can be tied to the return on investment metrics in a way that lets you know that you are in the foothills of what are often 10-year transformation programmes.

That would be my own summary, and thanks again for the opportunity.

Sandy Begbie: The only thing that I would add to what I have already said is that Government and business could work together in better articulating the strategies for key sectors. We launched a sector strategy at the end of last year. To answer Reuben Aitken's point, it had very clear metrics around gross value added, jobs, productivity and so on. The Government should work with the key sectors to make sure that those strategies are in place. That would help the economic growth agenda.

In one of your first questions, convener, you posed the challenge about where the money could come from. I am not sure that reallocation is the right question to ask, because I am not sure that getting into reallocation will work. For me—again, just because of the hats that I wear—there is something to do with the organisation of the public sector as a whole and, almost, something about the answer to this question: for every pound that is invested, how much reaches the front line? Inefficiency will be inherent in the system. Every large organisation is the same—all have inefficiency—and trying to understand the answer to that question would help in thinking about how you then reallocate. Whether it is because of wearing my day hat, my developing the young workforce hat or my other hats, I can see that there are inefficiencies in how the system works, and something is needed on productivity. Improving productivity in the public sector frees up money for investment.

Think about the £63 billion as an envelope, then about much of that reaches the front line, how much is productive and how much change could be made to how it is used. I am not sure that moving one budget from another place will work. It needs to be a different question.

The Convener: For example, some public sector departments might spend a much higher percentage on administration, if they want to call it that, than others.

Sandy Begbie: And there is connectivity between certain briefs.

The Convener: Indeed.

Reuben Aitken: Flexibilities can make a huge difference. We have made investments in companies that will land late in the financial year; we then have to give that money back rather than being able to reinvest it in the economy the next year. As we discussed earlier, sometimes it is about how we use that money, and the rules around it, rather than just the quantum.

The Convener: The committee is committed to ensuring that Governments are committed to multiyear funding—I think that the new UK Government is, now, which will certainly help the Scottish Government on that issue and remove short termism. That is a very important point, Reuben.

Okay then, folks, a few people have still not contributed.

Andy Witty: You mentioned multiyear funding, and summarising the importance of that sprang to my mind. There is a paradox in relation to some of the awful decisions that principals are having to make about potentially closing campuses—some in areas where we know that there will be big inward investment in two or three years. In this budget and in subsequent budgets, there needs to be something about bridging that gap, in order to allow the ambition of the sector—this is the paradox—to support industry, green skills and the NHS. It is about the role of colleges in dealing with poverty and child poverty. It is about the pace of reform, enabling the colleges to outwork their ambition and loosening the shackles that I touched on earlier.

In addition, one area that has not really been touched on is infrastructure investment. In the draft budget, capital funding for colleges is down by 20 per cent—nearly 25 per cent, actually—yet we have no answer to the reinforced autoclaved aerated concrete issue, and we have wind and watertight issues in some buildings that we need to deal with. That area needs to be looked at.

The Convener: Thank you very much. Which of our two Alastairs wants to go next?

Professor Florence: To come back to the pharmaceutical aspect, medicines manufacturing is a global industry that is projected to grow to £2.8 trillion by 2032. Our need for medicine is ubiquitous and will continue. It is about the potential—what Scotland's appetite is—to be a leading global hub for that, building on the research, building the skilled workforce for the future and creating the environment to attract and retain business.

11:00

Finally, the coupling of manufacturing capability and discovery in our healthcare system might give a systems-level transformation that could start to identify areas for further investment, because addressing some of those systemic issues might create savings in the healthcare bill. Systems-level thinking could be hugely important. There are challenges within that, but manufacturing could be part of a fantastic opportunity for Scotland to show leadership in addressing the challenge of providing sustainable, affordable healthcare for an ageing population.

The Convener: That £2.8 trillion is almost Michelle Thomson's bank balance.

What do you think, Dr McInroy?

Dr McInroy: This has been a great session.

The growth in our sector for the next 10 years will ultimately be fuelled by our ability to identify and attract new inward investment and, crucially, to retain the investment that we currently have. That will be quite a challenge when our sector is dominated by large multinationals in a globally competitive world of multibillion dollar CHIPS—creating helpful incentives to produce semiconductors—acts and attractive tax regimes.

There are things that we can do. Investment in skills is a big issue. We rightly spoke about that as being a challenging area, but must also remember, particularly in our sector, that it is an attractor for inward investment at the moment because the talent pool is as attractive in Scotland as it is anywhere else. We have challenges, but they are not as acute as they are in certain other areas and we must ensure that we maintain or improve the position or we will go backwards.

Investment in infrastructure is also important, as is co-investment. We must incentivise inward investment in Scotland by using skills, co-investment programmes, tax or whatever we need to use to maintain Scotland's position, to retain the multinational and international companies that we have here and to bring more in. That will take investment. I understand the need for prioritisation and I know that public money is not infinite, but the Scottish Government has identified 11 strategic industry clusters in Scotland, including critical technologies, renewables and life sciences, and it seems to me that those provide a reasonable framework for initial prioritisation.

The Convener: Last but not least, I turn to Gordon McGuinness.

Gordon McGuinness: Budgets are incredibly tight. We spoke earlier about prioritisation and optimisation of our assets. The most recent employer skills survey undertaken by the Department for Education and the Scottish

Government indicated that the private sector invested £4.1 billion per annum in skills and workforce development. We think that that is where the model of co-investment, along with investment from the public sector, is optimised.

Sandy Begbie spoke about Prestwick as an example, and Ryanair is a good model, because it has an effective partnership with the college but has also done more itself. The company has invested heavily in retraining for mature workers and it offers attractive salaries. It invests in attracting people, while at the same time working with the college and for the college's benefit, making that a good example of the co-investment model.

I will close by offering to come back at some point talk about the public sector reform work that SDS has done as part of a programme called transform 2027. By the end of this financial year, we will have reduced our headcount by 17 per cent. We have halved our property costs by making local partner agreements, some with colleges and others with employment hubs, and have saved another £3 million through shared services and internal training. We have a reducing budget, but have been able to protect front-line services because of that work and I would be happy to come back and give some more detail about that.

The Convener: Perhaps you could touch on that when we meet in Kilbirnie on 10 January.

I thank all our witnesses for their excellent contributions, which have been very helpful to the committee. I am sorry that we could not continue for longer, but our next witness, Liam McArthur, is pacing up and down outside like an expectant father and we must start that session in a few minutes.

We will continue taking evidence on the Scottish budget for 2025-26 in the new year. I wish you all a merry and restful Christmas.

We will take a five-minute break before we restart the meeting.

11:04

Meeting suspended.

11:11

On resuming—

Assisted Dying for Terminally Ill Adults (Scotland) Bill: Financial Memorandum

The Convener: The next agenda item is to take evidence on the financial memorandum for the Assisted Dying for Terminally Ill Adults (Scotland) Bill from Liam McArthur, who is the member in charge of the bill. He is joined by Scottish Parliament officials Nick Hawthorne, senior clerk, and Liz Anderson, assistant clerk, from the non-Government bills unit. I wish you all good morning and welcome you to the meeting. I invite Liam McArthur to make an opening statement.

Liam McArthur (Orkney Islands) (LD): Thank you, convener, and good morning. Before I begin my statement, it will be helpful if I declare some relevant interests. I receive funding for an additional member of staff from three permissible donors—Friends at the End, Dignity in Dying and the Humanist Society Scotland—and the support is currently for a staff member one day per week. The Humanist Society Scotland also funds the development and maintenance costs of the domain and the hosting of a website that I use to publish materials relating to the bill—that was, ostensibly, prior to the formal introduction of the bill. Dignity in Dying paid the costs that were associated with my visit to California as part of a cross-party delegation of MSPs that met various organisations and individuals in relation to the state's End of Life Option Act, and I refer members to my entry in the register of members' interests for more details on that.

Members will be aware that I formally introduced the Assisted Dying for Terminally Ill Adults (Scotland) Bill in Parliament in March this year, following the usual members' bills process, with the support of the non-Government bills unit. The bill aims to allow mentally competent terminally ill eligible adults in Scotland to voluntarily choose to be provided with assistance by health professionals to end their own lives.

The approach that I have taken in the bill and related accompanying documents is purposefully quite different from that taken in previous proposals and bills on the issue that the Scottish Parliament has considered. The approach and the estimated number of people who may request assistance reflect the bill's provisions and the form of assisted dying. In effect, I am legislating to allow a relatively small cohort of people who request assistance to end their own lives to be provided with such assistance.

There have been suggestions that the numbers involved and, likewise, the costs will be higher than anticipated. However, the jurisdictions where numbers are significantly higher either do not have comparable legislation to the bill that I have introduced or have notably different circumstances from those in Scotland, and the financial memorandum reflects that.

My intention from the outset was to introduce a bill that would make it legally possible for terminally ill adults, if assessed as eligible, to be provided by willing health professionals with assistance to end their own lives. I wanted a bill that detailed, as far as possible and within the Scottish Parliament's competence, the process that is involved before, during and after. The financial memorandum reflects the approach that is taken, the bill's provisions and the limitations that the accompanying documents acknowledge.

To be eligible, a person must be terminally ill, aged 16 or over, have been a resident in Scotland for at least 12 continuous months, be registered with a GP in Scotland and have the mental capacity to make the request. A person must have had health and social care information and options—for example, about palliative and hospice care—and information about assisted dying explained to them prior to making a final decision. A person must also make the decision of their own free will, without coercion or pressure, to the reasonable satisfaction of healthcare professionals.

11:15

The bill will establish a lawful process for an eligible person to access assisted dying that I believe to be safe, controlled and transparent. The process broadly involves a person stating that they wish to be provided with assistance to end their own life and being assessed for eligibility by two doctors, acting independently of each other. If assessed as eligible, a person can give a further indication that they wish to continue and then be provided, at a time of their choosing, with the substance for self-administration to end their own life.

I believe that that will give people a choice and enable them to avoid the existential pain, suffering and symptoms that can be associated with terminal illness. In turn, it will afford them autonomy, dignity and control over the end of life.

The bill will make it lawful for a person to voluntarily access dying if they meet the criteria as set out in the bill and for willing health professionals to assist in that process, while continuing to ensure that assisting death outwith the bill's provisions remains unlawful.

The bill also provides that no one is compelled to participate directly in the process if they have a conscientious objection to doing so. The provisions ensure that relevant data and information is collected, processed and published in annual reports to aid transparency and understanding. In addition, there will be a requirement for the legislation to be reviewed after five years. That will afford the Scottish Parliament, health and care professions and wider society an opportunity to take stock of the practical experience of assisted dying.

The financial memorandum—for the first time with any piece of proposed legislation on this subject in the UK—attempts to estimate the costs and savings that would be associated with implementation and the impacts of such legislation as far as it was felt reasonably possible to do so. That was done in the absence of any precedent for similar enacted legislation in the UK, and with often very little relevant or meaningful data—or, in some cases, none.

The approach that is taken in the financial memorandum is based on an estimation of the potential annual number of people who will request an assisted death and the number of people who will go on to self-administer a substance and end their own life. Estimates are provided for the first year in which assisted dying will be available, and the financial memorandum projects the figures over 20 years. Comparable data from Oregon in the US and Victoria in Australia was used to inform those estimates. On the basis of the assumptions and methodologies used in any available meaningful data, estimates for possible costs to the Scottish Administration and for health and care services in Scotland are provided.

The memorandum acknowledges that the legislation is likely to result in savings as well as costs, and that, broadly speaking, it is expected to be cost neutral. That is because a cost is associated with the processes that are involved in a person being assessed and potentially provided with assistance to end their own life, such as clinical and associated administration costs, and because there is a commensurate cost saving from a person no longer receiving care for however long they might have lived.

International evidence indicates that case numbers are likely to rise annually, certainly in the initial years of assisted dying being available. Therefore, to give an indication of how rising case numbers could affect costs and savings, the memorandum gives estimated figures for year 1 and then on-going costs until year 20.

Following the publication of the memorandum, it came to my attention that table 3, which sets out estimated costs to health services, and table 4,

which sets out estimated overall costs, conflated some of the year 1 and on-going costs and year 20 estimated costs. I subsequently wrote on 17 June to this committee, as well as to the Health, Social Care and Sport Committee, to amend and present some of those costs more accurately and clearly. I wrote again to both committees on 14 October to note two other minor discrepancies.

The net effect of the issues that are noted in those letters is that the upper-end total estimated costs of the bill are £4,036 higher than those that are estimated in the financial memorandum. Although they are relatively minor, I extend an apology again to the committee for those errors.

I read with interest the 22 responses that you received to your call for views, and I thank all of those who took the time to respond. I note that NHS Fife, which was the only health board to respond, considered the estimated costs in the memorandum to be reasonable and the bill to be broadly cost neutral.

I welcome the acknowledgment across many responses, including from those who are more critical of the financial memorandum and of the proposal for assisted dying, that attempting to estimate costs in this area is extremely challenging and complex, because of a lack of meaningful data and/or precedent in many of the relevant areas.

I noted the issues that were raised in other responses, such as the suggestion that the case numbers are underestimated. I acknowledge that different assumptions can be made and methodologies used that would result in different estimates. Depending on which assumptions are made, one could estimate the cost to be higher than the memorandum does, or indeed to be lower. Frankly, none of us knows exactly how many people might wish to begin the process and how many might go on to be provided with assistance, and one could make a range of different but incompatible estimates. I am satisfied, however, that the assumptions that are made and the methodology that is used in the memorandum are evidence based, that they reflect a justified midpoint of the extremes of opinion and that they provide a reasonable estimate of likely numbers.

I also note the comments that the potential costs associated with areas such as training and the provision of support or guidance have been underestimated or excluded. I accept that some organisations and individuals have different thoughts on some of the issues. However, the estimates that are set out in the financial memorandum are based on available evidence, practice and expectations.

In relation to the comments about potential savings, I reiterate that, although some savings

are likely, saving money is not and never has been a policy aim of the legislation. The bill is about giving terminally ill adults a choice to end their own life if they wish to and are eligible to do so, not to save money.

Thank you for your patience, convener. I look forward to answering questions from you and committee members.

The Convener: Thank you for that helpful opening statement. This is an emotive issue, and I know that colleagues around the table spent a lot of time deliberating over the submissions that they received and the financial memorandum. I have no doubt that they are already digesting aspects of the statement that you just gave. I have written down 29 questions to ask you but, following your opening statement, I will probably ask only 28 before opening out the session to colleagues around the table.

You have touched on a number of the issues that I and colleagues will ask about, so let us get straight into it. We are here to deliberate not on the pros and cons of the policy but on its financial aspects, so let us look at that. Cerebral Palsy Scotland said:

“we are concerned that continued pressure on NHS resources could lead to individuals and clinicians making decisions not in the person’s best interests, but according to NHS and social care budgets.”

I appreciate that you have said that that is—obviously—not the aim of the bill. Care Not Killing said that *The Journal of Clinical Ethics* published a highly controversial paper in 2020 that reported that a Dr Shaw, who is based in Glasgow, described the potential savings of allowing assisted dying as the “elephant in the room”. Care Not Killing said:

“Mr McArthur should acknowledge this point about the danger of cost savings becoming a motivation for people seeking assisted suicides”.

You will be aware that there are a number of additional quotes along similar lines in the submissions. Given what the Canadians have said about the savings that they believe will be made, how do you respond to that and persuade people that saving money will not enter into how the bill is implemented, if it is passed by Parliament?

Liam McArthur: I respond by saying that the proposals lean heavily on clinician judgment. At the moment, we trust clinicians to make a range of decisions, including those at the end of life. The proposals that I have set out in my bill would make for the most heavily safeguarded end-of-life option that there is—not least the requirement for not one but two clinicians to be involved in the diagnosis and the assessments.

Ascribing motives to medical professionals in the way that Care Not Killing has suggested is

unfair and unhelpful to the debate that we need to have on these issues. As I said in my opening statement, I acknowledge that savings will be made when treatment that would otherwise have been given is not required or delivered, but that is not the motivation behind or the objective of the bill.

At the moment, decisions are being made to move patients from curative pathways to palliative pathways, and they are made in the patient’s interests and in discussion with the patient—they are led by the patient’s interests. Such moves may end up being less costly—it depends on the treatment that is given—than was the case with the pathways that the patients were previously on. However, I do not believe that medical professionals are taking such decisions, or advising patients on them, on the basis of cost savings.

We may come on to this in questions about investment in palliative care, but I note the evidence that the Health, Social Care and Sport Committee has been hearing in its evidence sessions over recent weeks. Last month, witnesses made the point that what they have seen in Australia is increased engagement with palliative care, because the discussions that are required as part of such a process—as I am looking to establish under my bill—have been activating such engagement in a way that has not always happened.

That reflects the point that the additional safeguards that my bill will introduce can help to provide a degree more transparency and robust protection around things that are currently legal. That includes the withdrawal of treatment and the issue of double effect, which relates to managing pain in the certain knowledge that palliative sedation can increase the risk of accelerating death.

At the moment, we ask medical professionals to operate in a relatively grey area, often without the input of patients, and more often than not with the involvement of families. Whether or not there are cost savings, I do not believe that medical professionals, who we trust to make such judgments, would be motivated in that way. Protections are in place to guard against such an outcome.

The Convener: Conversely, in its submission, the Scottish Partnership for Palliative Care said:

“Although assisted dying may lead to some savings ... it is important to remember that additional costs may be incurred in one service/setting whilst savings accrue elsewhere without a mechanism to redistribute funds between siloed budgets.”

It goes on to say:

“Assisted dying may be experienced as an unfunded additional demand locally, although there may be net savings across the system.”

Liam McArthur: I have a lot of sympathy for that point. To give a personal example, I was heavily involved in the campaign for the Balfour hospital in Kirkwall to get a CT scanner. Unfortunately, the business case for that was built such that NHS Orkney accrued all the costs of the purchase of the equipment, the training of those operating it and so on. The Scottish Ambulance Service made the savings, as the number of emergency or planned air ambulance transfers to Aberdeen was reduced. I understand that where the savings fall is not necessarily where the expenditure is felt, but that is already happening. I used the example before of different treatment pathways—curative and palliative, which often operate simultaneously—where savings transfers are already happening.

My proposals set out a mechanism for annual reporting, as well as for a five-year review of the legislation as a whole and its operation. Where the way in which assisted dying is being accessed raises issues that might require to be addressed through funding streams, there would be an opportunity to do that. That does not necessarily mean that there would need to be a transfer from one area to another. It could lead to arguments being made for additional funding on top of the existing provision for a particular area.

I understand the concern, but I go back to the fact that the number of cases that we could reasonably expect to see is likely to be relatively small, certainly in the initial years. The number is certainly expected to grow over the 20-year time horizon that I have set out in the financial memorandum, but we are talking about relatively small numbers. I do not dismiss the issue, but there would be mechanisms for identifying where that was causing a problem and, if that were the case, there would be the evidence base on which to make different decisions on the allocation of funding or on whether additional funding was needed.

11:30

The Convener: Having flexibility in the system is important. I remember a similar circumstance a decade or more ago when I was trying to get a dialysis machine for Arran from NHS Ayrshire and Arran, which I was able to do.

You touched on numbers in your opening statement and again just now. The Royal Pharmaceutical Society in Scotland has said that, according to the financial memorandum,

“the cost of each dose provided to a terminally ill adult to end their own life would be £80. We think this is likely to be a huge underestimate of the actual cost for each dose,

once all the costs of procurement, storage, facilitation, disposal etc. are considered.”

It goes on to say:

“Furthermore, in Queensland, where voluntary assisted dying legislation is in place, circa 300 people had an assisted death in the first 6 months. This is for a population which is very similar in size to Scotland.”

You have touched on the fact that the legislation in different areas, whether Victoria, Oregon, Canada or Queensland, is different, but a common theme in the evidence that we have received is that there is an underestimate of the number of people who would wish to progress with assisted dying, if the legislation were passed.

Liam McArthur: I go back to what I said in my opening statement: I do not think that anybody knows. We can draw on the evidence from elsewhere, from which you can quite confidently predict a relatively low number to start off with. The rise in public awareness over time, as well as the rise in public confidence, perhaps, and the confidence of medical practitioners and their ability to get through the required training in order to carry this out, helps to support or explain the increase in numbers that you have seen.

It is extremely difficult to predict what will happen in the first year or two, and even in the first five years. What I have sought to do in the financial memorandum is to explain that Oregon and Victoria were chosen because they gave us data sets over a more prolonged period. Queensland’s legislation is more recent in its introduction, and therefore the data available in that respect is not so extensive over a certain time period that it avoids the problem of our seeing just a single year or a couple of years, which might not be reflective of longer-term patterns.

With Queensland, you are talking about a jurisdiction in Australia that followed not just Victoria, but other jurisdictions that were introducing such legislation. I think, therefore, that what you had in that case was heightened public awareness of assisted dying as a result of the debate that had already been taking place in other states in Australia. I suppose that Oregon and Victoria were the prime movers in the US and in Australia, so their situation is probably more reflective of that in Scotland, where we could be the first jurisdiction to introduce such legislation and would, as a result, need to go through the process of raising awareness and building confidence among medical practitioners.

The Convener: I do not think that awareness is going to be an issue, to be honest—it is going to be very high.

I note that, in the legislation that you are proposing, the provisions are not, as with the bill south of the border, limited to terminally ill people

with six months or less to live. There is no six-month limit; the time period could be a year or two, which, it could be argued, would mean that someone like Chris Hoy, who is terminally ill, could be eligible. Therefore, when one looks at the numbers, they seem very much on the low side. Indeed, you are anticipating only a handful. However, although the numbers in other jurisdictions might have picked up slowly, if there is what one might call, in effect, a backlog of people, you might find quite a jump at the start. Do you not think that that might happen?

Liam McArthur: Obviously, the numbers are driven by requests for assisted dying. It is worth pointing out that requests do not necessarily always result in people taking the medication or following through with the process. About a third of those who apply for an assisted death in jurisdictions such as Oregon and Victoria—this is fairly consistent across those jurisdictions with terminal illness mental capacity models—do not end up proceeding with it. A number of people who apply and express an interest do not go through with it.

You need to bear it in mind that the request is one part of the equation. The other part, which I touched on earlier, is the medical professionals who have the training to undertake the process. We might come to discuss the timeframe for implementation. Different jurisdictions have taken very different approaches—some have introduced the process within six months, which, to me, seems to be on the short side, while others have taken 18 months to two years. I suppose that the longer the lead-in time, the more opportunity you have to raise awareness, build confidence within the medical community and get practitioners signed up and trained to provide the service.

Even if the request or the interest in going down that route is there, it is very much dependent on the resources that are available to deliver it. With the best will in the world, although we will be able to lean on the experience of other jurisdictions with respect to the training that is provided and all the rest of it, that will also be a constraining factor on numbers.

The Convener: Okay. I am sure that others will touch on the numbers, but the financial memorandum's estimate of 50 to 100 people by year 3, compared with 300 people in six months in Queensland seems like a big anomaly. I will move on from that.

The Scottish Partnership for Palliative Care has said that

"The Bill doesn't even place a duty on NHS Boards to provide AD"

and goes on to say that

"The Financial Memorandum states that 'only around 10% of people' die in hospital which is factually incorrect—in 2023 46% of people died in a hospital."

Liam McArthur: I acknowledge that the figures in relation to 90 per cent of people dying at home reflect over the final six months of life, as opposed to the location in which they ended up passing away. Looking at how assisted dying is operating in practice in other jurisdictions, it is not surprising that many, if not most, people want to die at home, if possible. Being able to exercise a degree of control over the way and the timing of that death may see a shift in patterns, but the process is likely to take place in hospitals and hospices as well.

In drafting the legislation, I was conscious of the difficulty of describing and coming up with an exhaustive list of where that process could take place, while recognising and respecting individual choice. It was easier to describe places where assisted death should not be taking place. One self-evident example is that you would not want it taking place on a hospital ward with other patients around—if it were taking place in a hospital, suitable premises would need to be set aside to allow it to happen in a discreet fashion and so on.

As I said, you might see a shift in the pattern of where people end up dying, because they have more choice and control over it.

The Convener: There might be a shift if, indeed, there is not

"a duty on NHS boards to provide AD".

We could have a situation, one imagines, where one or two boards could decide that the medics in their area are not keen to take that process forward and one could end up with a postcode lottery. That is what the Scottish Partnership for Palliative Care is suggesting in its submission. It also says:

"The Bill is very largely silent on the organisational arrangements by which AD will be delivered. It would make AD a legal activity for registered practitioners, but places no duties on organisations to provide such a service."

Liam McArthur: As I said before, the bill does not place a duty on anybody to provide the service. There is a robust conscientious objection provision in the proposed legislation. Unless and until medics have the training that they require in order to carry this out, they will not be in a position to carry it out even if they want to. The proposed legislation does not create a right; it sets a legal framework within which the service can take place. However, if a person is unable to access two medical professionals who are able to provide the service, which I think would be more of an issue in the early years after introduction, that will be a barrier and impediment to accessing it.

The number of medical professionals who would be involved is relatively small. I looked at the figures for Victoria and for Queensland, which in both instances are just south of 400—I think that 380 and 390 medics, respectively, are registered to provide the service there. The number of those who have actively provided it is down around 300; in Queensland, over the course of 2023-24, that number was about 120. The numbers are not huge.

I understand the issue that you are raising about postcode lotteries. This service, like so many others, would need to reflect the different circumstances and challenges that there are in delivering health and care services in different parts of the country. I see daily in my constituency and region the ways in which services delivered there look and feel different, because they have to be different. Health boards, either independently or acting in unison with others in the region, would need to decide how they would deliver the service in a way that met patient needs and reflected their circumstances. I cannot see health boards opting out of providing the service, but I see them having sufficient latitude to determine how best it could be delivered in a way that fitted with the provision of other health and care services.

As I said, the proposal is embedded in the existing health and care infrastructure. That distinguishes it from previous bills of this type. I think that that helps to provide some reassurance because of the safeguards that are already there—the transparency, reporting requirements and all the rest of it. That also means that it needs to reflect how the delivery of health and care can differ across the country.

The Convener: Children's Hospices Across Scotland has raised similar concerns.

The Scottish Partnership for Palliative Care also said that

"the Bill makes no provision for the inspection and scrutiny of services providing AD, and there is consequently no cost identified in the FM".

Liam McArthur: There are provisions in the financial memorandum for oversight, and not just of individuals. I would expect that to be a requirement of how organisations are governed. They would need to be governed in accordance with the law and the guidance as those stand. As guidance develops and secondary legislation comes through, regulators and professional bodies would need to adapt their own guidance and orders to reflect that. In fact, they would have had input into the law and guidance.

The Convener: I think that that is taken on board. From our perspective, the issue is just that no cost has been identified.

I will ask only one more question at this point, because colleagues are keen to come in. Living and Dying Well has said that

"Some 38% of Dutch physicians have sought emotional support after approving a request for an AD, and there will likely be cases where healthcare workers in Scotland need time to recover after participating in the process",

but the financial memorandum does not seem to provide for the cost implications of that. Obviously, if healthcare professionals are not able to work, there will be an implication for health boards.

Liam McArthur: The Dutch system operates very differently from the systems in Victoria and in Oregon, which are terminal illness mental capacity jurisdictions. That said, I absolutely acknowledge that a level of peer support through professional bodies will be necessary and desirable. We have seen that in all the jurisdictions where legislation has been introduced. However, I cannot think of anywhere where peer support has been introduced through the legislation, as opposed to having grown organically, but I certainly recognise that there is a need for such support.

11:45

At the same time, there is ample evidence from those jurisdictions that practitioners who are involved have found it to be one of the most rewarding elements of the work that they do. Providing a good death for their patient is difficult—it requires skills—but it is rewarding to see the comfort and the relief from suffering that they are able to provide, not just for the patient but for family members.

I acknowledge that the issue is there and I acknowledge that emotional support would need to be in place, as well as peer support through being able to exchange ideas or concerns about individual cases. If you do not see a lot of cases year to year, it is more difficult to manage your skills and develop your understanding and expertise. Having an exchange of information, albeit that patient confidentiality would need to pertain, is important, not just to the welfare of the medical professionals but to patient confidence in the skills of practitioners who are involved.

The Convener: I have a few more questions to ask, but I want to open up the session to colleagues around the table.

Liz Smith: Good morning, Mr McArthur. I will follow on from the question about support, particularly in relation to the voice of young people, following on from some of the comments in the CHAS submission. Naturally, the decision that we are discussing is often a very difficult one to make, particularly if the family involved has conflicting views on what should happen. When it comes to younger people, it is even more difficult.

On what evidence have you based your costings on the extra support network that would be required for such situations?

Liam McArthur: The question allows me to put on the public record, for the first time, my gratitude to CHAS. It has responded to the committee's call for evidence, as it has to the Health, Social Care and Sport Committee, but also, from a personal perspective, I have had a number of meetings with CHAS, and I have found its input invaluable.

You are absolutely right about the complexity of the cases that CHAS deals with. It is worth stating up front that the overall number of people who would access assisted dying and who are of the age profile that CHAS deals with—regardless of whether you believe that the figure in the financial memorandum is an underestimate—will be extremely small, and there will possibly not even be one such patient in any given year. However, I think that CHAS's concerns about the complexity of the support and treatment that it provides can be reflected in the process.

It is difficult to describe a separate pathway that would pertain to somebody who is 16, 18 or 20, but the on-going treatment and support that was being provided would need to dovetail with that process, and those providing that treatment and support would also need to be involved. The two medical professionals—the co-ordinating physician and the second medical professional—could not have had a prior involvement with the case. Those would still be the requirements, but that does not preclude others from being involved in the decisions. I find it inconceivable that decisions in relation to those who are in the care of CHAS would not continue to involve that mix of specialisms.

We should acknowledge that, albeit that two medical professionals would make the diagnosis and assessment, in instances where there was any doubt—whether that was around mental capacity or possibly terminal illness, although I suspect that it is more likely to relate to capacity—a referral to a specialist would have to take place. I imagine that those specialists would be involved, anyway, either as a co-ordinating physician or as a second physician but, where it was felt that there was benefit to be gained from a referral to a further specialist, that would and should happen.

Liz Smith: I, too, put on record my utter admiration for CHAS, which is a wonderful group that does extraordinary work. Inherent in its submission is a concern that the staff involved would need sufficient depth of training to be able to deal with what are exceptionally difficult circumstances surrounding the support for a person who has opted for assisted dying, including family decision making. It is about the level of support. CHAS's written submission states that the

estimates do not appear to take account of the fact that the guidance development processes have to be undertaken by

“practitioners and other non-Governmental stakeholders”.

The submission flags up that the estimates might not quite match the costs that CHAS feels might have to be applied. Could you respond to that?

Liam McArthur: Pulling together a financial memorandum of this type is difficult—not only is it unprecedented, but the data and precedent that you would normally rely on invariably are not there. Because it is anticipated that the process would be embedded within health and care, it is also difficult to distinguish it from things that are already happening in health and care provision.

Given the situation that I have described for somebody who is being supported by CHAS—as I say, they may very well have a wider cohort of medics already involved—that process will be more complex, involved and costly. On whether that needs to be reflected in guidance or should rest on the judgment of medical professionals, much of the bill rests on the judgment of medical professionals, and second-guessing that is dangerous and something that I do not think that legislation should seek to do.

However, the whole process will be very different for an individual of the type that CHAS supports than for somebody in their 60s, 70s or 80s. Those people will almost certainly have medical professionals who have been involved in their care over a prolonged period, but the extent to which the process needs to be supported will be different. These are people who are reaching the end of life, so there may be a series of comorbidities and all the rest of it. The judgment that people exercise and their involvement in medical decisions around their treatment will be handled differently than they will be for young people in their late teens.

Liz Smith: Do you foresee any circumstances where opportunity costs will come into play? Some staff, especially experienced staff, may have to be taken away from treating other patients to help in these difficult circumstances, whether that is in hospitals with older people, or with younger people.

Liam McArthur: I would certainly acknowledge that. Training will be crucial, but we are not reinventing the wheel here, as many of the materials and whatnot exist in other jurisdictions, so we will be able to draw on them as and when appropriate.

On-costs are very difficult to calculate. Even the Government finds it difficult to calculate and express on-costs in financial memoranda for its own bills. That is not necessarily a criticism; it is

simply a reflection of the fact that, if you are going to include figures in a financial memorandum, you need to be reasonably confident about the basis on which you are doing so.

It is not unreasonable to say that, if training and support will be required to accompany the provision of the service, that will have a knock-on impact, but that will be happening all the time anyway. One would like to think that, whatever pathway a patient is on—whether that involves curative treatment or palliative treatment—the continuity of care will be such that the provision of treatment will be made as smooth as possible. There will be an opportunity to look at that on an annual basis and to see, as part of a five-year review, whether things have happened that were not necessarily anticipated or whether a shift has taken place in where the pressures arise and, if so, how we can address that.

Liz Smith: Thank you.

Michael Marra: I want to start with the issue of the comparators that you selected, which has been partly covered. Why did you choose to base the numbers more on what has happened in the US than on what has happened in Australia?

Liam McArthur: I chose to use Oregon and Victoria—in other words, I used two comparators. There are various differences in how healthcare is delivered in the US and how it is delivered in Australia, and there are various differences in how it is delivered in Australia and how it is delivered in the UK, so, in a sense, neither the US nor Australia is a direct comparator. There is no precedent that we can lift. This is the first proposed system of its type in the UK.

Michael Marra: Does the Australian system not represent a better comparator for Scotland than the system in the US?

Liam McArthur: If I had relied solely on Australia, that would have been justified in informing our approach here in the UK, or indeed in Scotland, where health is devolved, as there are variances in how healthcare is delivered across borders. However, I thought that it was helpful to take examples from jurisdictions in two different countries, because that gets us away from simply relying on the similarities or the differences between Australia and here, or between the US and here.

In addition, the data sets that are available for Oregon provide a picture that speaks to the 20-year time horizon that is set out in the financial memorandum. Victoria was selected because it provides the longest-running data set in Australia. The situation is different when we are talking about the first jurisdiction in a country to introduce legislation on a particular subject. I take the convener's point that awareness of assisted dying

is likely to be heightened here because of the debates that we are having now. Nevertheless, when you are the first jurisdiction in a country to get a system up and running, that will present additional challenges in relation to the extent to which you are finding your way.

As I said, I thought that there was a benefit in having longer data sets and in not relying simply on one country-to-country comparison.

Michael Marra: Would it not have been better if you had presented the anticipated cost as a range of numbers? You have given an anticipated figure, but would it not have been better if you had said that the figure could vary, given the significantly higher totals that are available in other jurisdictions—for example, in Australia, which has a more comparable system? Would it not have been better to have laid out your figures in such a way as to say, "The cost could be as low as this, but it could be as high as that number over there"?

Liam McArthur: The financial memorandum provides a number of ranges.

Michael Marra: It is quite a restricted range, compared with what the evidence says.

Liam McArthur: I have been on committees that have been quick to criticise financial memorandums that have given broader ranges. I have acknowledged that there are different models that we could use, and that, if we used a different model, we would probably come up with different figures.

When it comes to the costs, there is an assumption that, with someone who goes through with an assisted death, as opposed to someone who simply makes an initial application, there will be a cost saving in relation to the treatment or care that they will forgo as a result of having opted for an assisted death. We would, therefore, see the savings go up with the costs, which is perhaps different from what we might see in financial memoranda to other bills. For example, if the figures for take-up were likely to be massively higher, the costs would be significantly higher, and that would just be a cost that would be borne.

12:00

Michael Marra: Have you made any assumptions in the numbers with regard to our poor health record in Scotland? We have the highest cancer rates in the developed world, in particular across Europe. We might, therefore, anticipate that there would be a higher uptake of assisted dying as a result of longer and chronic illness.

Liam McArthur: Again, that is not an unreasonable assumption to try to build in, but it would be very difficult to reflect that.

It is fair to say, on the basis of the figures that we see pretty consistently across the jurisdictions, that those who are accessing assisted dying are largely those with various cancer diagnoses. Between 65 and 75 per cent, and even up to 80 per cent, of those who access it in Victoria, Queensland, Oregon and California fall into that range. The point that you make is not unreasonable, but it is very difficult to map that into additional figures.

Michael Marra: Okay. I will move on to palliative care. As a choice safeguard, we have to have excellent palliative and hospice care across the country. Do you recognise that? That is part of the big public debate.

Liam McArthur: Yes.

Michael Marra: You have not, however, made any assessment of increased costs to increase the standard of palliative and hospice care in order to ensure that we have that choice safeguard in place, have you?

Liam McArthur: That is not something for which my bill can legislate—

Michael Marra: But the bill will have an impact in that respect, given the way that the debate has been led.

Liam McArthur: Well, no—the bill itself has served many useful functions, among which have been that it has shone a light on and opened up debate around palliative care, and around end-of-life choices as a whole, because it is not just about palliative care. Some people have quite reasonably made the argument that a lot of what the bill is about relates to issues related to social care.

Nonetheless, you have made a valid point. Hospice UK, in its submission, makes the point that that is an active decision for the Government, whether it is the Scottish Government or, in relation to the bill that is going through Westminster, the UK Government. As I said, the debate around this bill, and around Kim Leadbeater's bill at Westminster, has allowed greater focus on palliative care. I am certainly lending what support I can to efforts from colleagues—notably, Miles Briggs, with regard to his proposed right to palliative care bill—to ensure that that—

Michael Marra: I think that we would all be supportive of that, and I entirely agree that the bill has shone a useful light on palliative care. I also understand that the financial memorandum is about direct consequences of the bill. However, with regard to the impact on the public purse, if we are all saying that palliative care services have to improve—we know that hospice care, in particular, is in a pretty dire and financially precarious

situation in various parts of the country—investment would have to be made. That is not represented in the financial memorandum, but there is an impact on the public purse.

Liam McArthur: As I said, it will ultimately have to be a decision for the Government whether to increase investment in that area. In the report from the House of Commons Health and Social Care Committee in February this year, which was produced on the back of an 18-month inquiry into assisted dying and end-of-life choices generally, the committee reached the conclusion that there was no evidence internationally of a detrimental effect on the quality of palliative care from introducing assisted dying. Indeed, the committee saw a number of examples of the engagement with and experience of palliative care having improved as a result of the introduction of legislation on assisted dying, and of where increased investment had gone in. Victoria is one such example. In a sense, that—

Michael Marra: I think that that makes my point, in that that would require extra money.

Liam McArthur: As I said, we open up the debate in order to allow that to happen, but I have been very clear that my bill cannot legislate for that investment to be made. That is, ultimately, a decision for the Government.

Nonetheless, the debate that we are having exposes where there are deficiencies in access. The quality of palliative care is seen to be high, but access to it can be problematic. There is a need for additional investment, and I would hope that that is what results, in this context.

Michael Marra: You mentioned earlier that palliative care practices that are in place will be disrupted by the introduction of assisted dying. Could those practices become defined as assisted dying under the terms of your bill and, therefore, become more problematic and, necessarily, more expensive? You talked about people's pain being traded off against an acceleration towards death, which is, I think, an acknowledged practice in palliative care. Is there a risk that the introduction of the system as you have defined it will make such practices more difficult and, as a result, more expensive?

Liam McArthur: I would say the contrary. As I said in response to the convener, there are practices—for example, withdrawal of treatment, refusal of food and liquids and the double effect of palliative sedation that you are referring to—that are happening at the moment. The extent to which patients are involved in those discussions is questionable, but in a sense, they are, to me, variants of assisting a person to die.

There are people who will draw a distinction between those activities and what is set out in my

bill, but I go back to the point that, at the end of life, the more options one has and the greater the say and the amount of control one has, the better able we are to say that the approach is patient centred. I cannot see that the bill makes things more complicated or costly; what it does is provide for both patients and medics a degree of protection that does not necessarily exist at the moment.

We touched earlier on the divergence in views that can sometimes arise between patients and some, if not all, family members. It is not difficult to think of situations in which, if some family members felt that the medication, having been increased to manage pain, had also accelerated death, medics might find themselves coming under scrutiny or being accused of acting inappropriately. That would be intolerable from their perspective, because I feel very much that they would have been acting in the patient's best interests. However, the more the patient is engaged in that discussion, the more medical professionals will feel that they have a safeguard and are not leaving themselves open to such accusations.

Michael Marra: My last question is about cross-border interaction with the UK on this matter. Under the scope of your bill, as drafted, the access criteria are far wider than those in the bill that recently passed its first reading in the UK Parliament. Your bill also makes it explicit that the treatment would be provided in the NHS, whereas there is no such explicit commitment in the UK bill, at the moment. People in the UK will also face potentially very high legal costs in order to access the provisions in the bill if it is passed by the UK Parliament.

Is there not a significant risk that, in the event of both bills being passed, a significant number of people will come to Scotland to access that form of care on the NHS in Scotland? Therefore, the numbers will be much higher, and the costs of accommodating people and making the care available will be significantly higher, too.

Liam McArthur: I would not necessarily say that there are vast differences between the bills—they are both predicated on a terminal illness mental capacity model—but you are right that features of Kim Leadbeater's bill are different from mine—notably, in relation to the six-month prognosis period. My bill requires an advanced progressive terminal illness to be diagnosed.

Michael Marra: It is not clear whether people will have access to legal aid to meet the costs, but according to some estimates, it could cost people tens of thousands of pounds to access a judgment. When it comes to the trade-off between meeting those costs or coming to Scotland and getting the treatment as it is proposed under your

bill, surely there will be a cross-border flow of people in that respect.

Liam McArthur: I think that that is difficult to predict or anticipate.

Michael Marra: People are travelling to Switzerland, at the moment.

Liam McArthur: I know, but they can travel to Switzerland at £15,000 a pop and probably months earlier than they would need to, because they need the physical capacity to do so—

Michael Marra: You understand my point, however, that people are prepared to travel for it to happen—

Liam McArthur: I know, but there is not a residence requirement in relation to Switzerland. The point that you are making is that, at the moment, we are kind of outsourcing that service for people who can afford it.

Michael Marra: Yes.

Liam McArthur: As I mentioned in my opening remarks, there is a residence requirement of 12 months and a requirement of registration with a medical professional. I get that people with a terminal illness might have a prognosis that stretches out years, and that they might decide that they want to move to Scotland because they think that, in their context and should the need arise, access to assisted dying would be more manageable here than it would be elsewhere in the UK.

People move to Scotland for a host of reasons, such as quality of life and all the rest of it. The numbers involved are extremely small, as I suggested. It is less likely that you would uproot yourself and move when you have an awful lot else going on in your life. However, I cannot rule out the possibility that somebody might individually take that decision. On whether that is likely to be part of a trend, I say that the residence requirement is firm, although people may well believe that it needs to be toughened up and extended—the Health, Social Care and Sport Committee might want to look at that. However, as I say, it is difficult to imagine that people will move around the UK for the reasons that you suggest.

Craig Hoy: Good morning, Mr McArthur. A lot of what I intended to ask has already been covered, so I will be as brief as I can. I agree with the convener that the financial memorandum will probably not be the determining factor for a lot of MSPs when they come to vote on the issue, but it is what is before us today.

The couple of points that I will make might seem like nitpicking, in some respects. I will detail them. It was—I think—the convener who asked a question in relation to the Royal Pharmaceutical

Society's observation that, in your assessment, the cost of each dose that is provided to a terminally ill adult to end their own life would be about £80. The RPS says, however, that it

"is likely to be a huge underestimate of the actual cost for each dose, once all the costs of procurement, storage, facilitation, disposal etc"

are taken into account. Could you use any international comparators to examine that sum, which, on the face of it, seems to be relatively low?

Liam McArthur: The figure was drawn from international comparators. I read the submission with interest. There are mechanisms at the moment for procurement and disposal, so, in a sense, we would be operating in a system that currently exists. Having that off from other aspects of what is done within pharmacy was tricky. It would be helpful to have more understanding of how the Royal Pharmaceutical Society sees that breakdown and how it is an additional cost over and above what could be absorbed in existing structures. I am very happy to engage with it on that point, but it is difficult to comment without having an alternative set of figures and the basis for them.

Craig Hoy: You would have to ensure that storage places were secure—for example if, in the end, the process did not take place through a traditional hospital or clinical setting—because the substance is potentially very dangerous.

Liam McArthur: On that point, it is probably worth reflecting that the model that is described in my proposal involves a medical practitioner delivering the medication. Should there be a change of mind, the medication would be returned and disposed of. That might in part be what the RPS is responding on. However, there are other jurisdictions where the medication is mailed out and it is left to the patient to decide when to take it.

Your facial expression was the same as mine was when I first heard that, but it does not appear to have given rise to concerns. In a sense, though, it is a model in which those particular costs are not necessarily incurred. If the society has more detail that it wants to share with me, I will be interested to see it.

12:15

Craig Hoy: The Royal College of Nursing suggests that

"The financial memorandum is largely silent on the resourcing implications for nursing, despite the Bill establishing a key role for registered nurses in the process",

and it goes on to argue for a "dedicated assisted dying service". Is that something that you looked

at? If so, why was it dismissed, and what might it cost if it were the direction of travel?

Liam McArthur: Having put on the record my gratitude to CHAS, I want to do the same with the RCN, whose insights have been very helpful and constructive. It is right about the involvement of nurses. If we look at the Australian experience over time, we see that nurses have tended to become increasingly involved in the process instead of doctors, and that approach seems to have worked very effectively. I certainly acknowledge that.

I have a difficulty with the idea of a stand-alone service. I think that it is far better for provision to be set in existing health and care settings, for the reasons that I set out about continuity and the pathway of care. We really do not want to take somebody out of such settings and move them into a different pathway at a point when they are, potentially, at their most vulnerable.

A different case has been made about having a so-called opt-in model, rather than an opt-out model, and I suppose that I am more sympathetic to that. If a person can undertake the assessment processes for assisted dying only after going through the training, they would, in a sense, opt out by not going through that training, whether or not they have a conscientious objection. Therefore, there is probably more of a debate to be had around an opt-in model rather than around a stand-alone service, if I am being honest.

As I have said, the safeguards, the transparency and all the rest of it, including continuity of care for the patient, work best if they are seen as being seamless with other forms of palliative, hospice and social care.

Craig Hoy: Finally, a number of submissions suggest that you have underestimated the overall numbers who will come forward, as others have alluded to, in the early phase. With regard to the 33 per cent in Oregon who came forward but did not ultimately proceed with an assisted death, the Anscombe Bioethics Centre says:

"This figure of 33% does not represent all those who 'entered the process', it represents all those who, having entered the process and been assessed and approved have received a lethal prescription."

Can you clarify the distinction between the sense that we had that one third did not proceed with the process with the fact that many more could be involved in the early phase of assessment but, having received a prescription, might not proceed with taking it?

Liam McArthur: That 33 per cent is not unique to Oregon. It is made up of those who made the initial request but did not ultimately follow through with it, and some of those people will have had the medication sent to them. However, as I have said,

that is not a figure that is unique to Oregon. Indeed, it seems to be pretty consistent; when we were in California in February, people indicated that the figure there was broadly similar. When the witnesses from Victoria and more widely in Australia gave evidence to the Health, Social Care and Sport Committee, they, too, recognised that figure—that is, that a third of those who make an application do not proceed with it. I am not quite sure that I understand the differentiation that the bioethics witnesses are suggesting in the figure that they are talking about.

Craig Hoy: That is why I was seeking clarification. I think that they are saying that, in Oregon, that 33 per cent figure is for those who receive a lethal prescription then do not proceed with it, whereas in New Zealand and Australian states, for example, all stages of the process are documented, so people are shown as not proceeding in a more gradual way. If this story features quite heavily in the news and if we are in advance of the rest of the UK on this, it might be that far more people than might otherwise be the case will come forward—not in a speculative way—then back out or not proceed. There could be a significant early-stage demand.

Liam McArthur: As my proposals require a medical professional to deliver the medication, there would be no such instance. If somebody had changed their mind or had lost capacity—indeed, the medical professional would need to determine both capacity and intent at the final stage—the medication would be taken away. I cannot, for no other reason than that, see the situation that has been referred to arising.

Craig Hoy: That is super. Thanks.

John Mason: The subject of savings has already been mentioned and I think that there are two short paragraphs about savings in the financial memorandum. I take your point that that is not one of the aims of the bill but, if there are to be savings, presumably they should be in the financial memorandum. I want to explore where there might be savings. One obvious area would be the state pension. If we take the basic state pension figure of around £10,000 a year and we had 400 people ending their lives, that would be a saving of about £4 million for the Department for Work and Pensions.

Liam McArthur: Over what period?

John Mason: Over a year.

Liam McArthur: As I said, the savings that would be made would be specific to each individual's circumstances. Also, you are presupposing that people who access assisted dying would otherwise have lived on for a further year, which does not tend to be borne out by the evidence. This is an option that is accessed

invariably in the final days, if not short weeks—or possibly months—of life rather than years. If we try to calculate savings on the basis of something that will depend on the age of the individual, the treatment that they are receiving and when—and possibly even where—they access it, it is difficult to see how you could come up with a figure.

Many of those who are making the argument about savings most strenuously are simultaneously making the argument that the bill will put untold pressure on the finances and capacity of the NHS and care services, and it seems kind of wedged in between the two.

As I say, it is difficult to see how I could have come up with figures that would have been in any way accurate or subject to a range that would have made them—

John Mason: Yes, it is difficult, but we have had a similar problem in this committee with a range of bills. I take your point that, normally, the committee is looking at costs perhaps being underestimated and savings perhaps being overestimated, and I am looking at it the other way round. However, we expect to see best estimates in the financial memorandum.

Presumably, there is evidence from around the world. It cannot be proved when someone would have died otherwise, but there must be estimates as to how much before the expected point of death they have died. It seems to me that there would be savings, and that is one of my concerns.

Although I take your point that doctors will not be making decisions or recommendations or giving advice based on financial factors, it is part of the system that we are all in a very cost-driven society. The state pension would be one cost, but if somebody was in hospital, I think that there would be a cost of perhaps £300 a day for being in hospital, so, for a week, we would be talking about a cost of £2,000. Similarly, in a care home, we would be talking about a cost of £6,000 a month, so it would not take very long for some kind of savings to start building up, surely.

Liam McArthur: The individual circumstances will drive what those savings might be to such a large extent. We do not look at it that way just now in relation to people moving between curative and palliative pathways. The bill is looking to build in something that will become part of the end-of-life options. As I said, it was felt impossible to come up with a figure that would be in any way meaningful. There is not a precedent or a model to draw on.

Even in those jurisdictions where this option has been in place over a lengthy period, there will be differences in terms of pension arrangements, healthcare costs and all the rest of it. However, I am not aware of statistics that show what those

savings were. I suspect that it is because they have been redirected into the provision of other care within hospitals or within hospices.

John Mason: I take that point from the NHS point of view, but in some cases the family or the person is paying the care home fees. That can be around £6,000 a month, or £72,000 a year. An early death could be to the family's financial advantage, and, sadly, we have known throughout history that some families want their relatives to end their lives more quickly in order to get their hands on the estate. If a person's estate is going down by £72,000 a year, that is a big incentive for some families to encourage an early death, is it not?

Liam McArthur: You could make a similar argument about withdrawal of treatment and refusal of food and liquids, and those things are happening at the moment. The international evidence from places such as Australia and California is that, when there is a view within the wider family, it is more often akin to what Liz Smith alluded to earlier: some family members are not necessarily happy with the fact that their family member has opted to go down the route of requesting assisted death. The resistance comes from an unwillingness to accept that, rather than a desire to accelerate the process.

That is why the assessments of terminal illness and mental capacity sit alongside an assessment of the rationale for why the individual has made the request. That is about understanding what led them to that conclusion and whether coercion or undue influence has been exerted on the patient. I would argue that that safeguard is not there to the same extent in other areas of medicine, where some of that pressure is perhaps being applied.

When it comes to protecting the interests of patients and of medical professionals, the safeguards in my bill are considerably stronger than what there is at present. They can bring a degree of robustness and transparency into areas of medicine that are lawful at the moment, and not just to the process that I am describing.

John Mason: I accept that there are some safeguards in the bill. The concern is that, in legislation in this country and in other jurisdictions, often the initial jump has certain safeguards, and then things get watered down or widened out over time. I accept that you cannot be responsible for that, but the big jump is allowing this at all, and none of us can anticipate whether it will stick firmly going forward or whether it will gradually change. We have to take some of those things into account at this point, as we look ahead.

Liam McArthur: I refer back to the report that the Health and Social Care Committee in the Commons published in February. It found no

evidence internationally of a so-called slippery slope in terms of eligibility criteria expanding over time in models that were based on terminal illness and mental capacity. That dates back to Oregon's passage of its legislation in the 1990s, through to more recent examples in Australia. You can make the argument that it is maybe too early to say for Australia, but the committee found no international evidence of a change in the eligibility criteria.

John Mason: What about Canada and the Netherlands?

Liam McArthur: The Netherlands uses an entirely different model. Its criteria have always been more expansive, as have the eligibility criteria in Belgium and, more recently, in Canada, where assisted dying legislation arose from a case brought before the Supreme Court of Canada on the basis of the Canadian constitution. Parallels with those systems just do not exist.

Eligibility criteria have not expanded in any of the jurisdictions that have passed a terminal illness and mental capacity model. What has changed—you may fairly allude to this—is that some of the ways in which safeguards apply have been altered. We heard that, in California, under the five-year review of the legislation, the wait period, which I think had been 14 days or thereabouts, was removed. It was found to have excluded a significant proportion of patients—I cannot remember how many, but around a third springs to mind. A significant cohort of those who had been found to be eligible had not accessed assisted dying because they died before they had a chance to take the medication.

12:30

The wait periods in other jurisdictions are shorter—I think that it is nine days in Victoria—but a witness to the Health, Social Care and Sport Committee the other week said that their figures show that those dying before they have exhausted the wait period is up to around a quarter or a third of those who are applying.

I think that 14 days is a sensible safeguard to put in at the outset. Where there is an expectation of death more quickly—within a month—there is a provision that allows you to accelerate that to 48 hours. I suspect that making the diagnosis and going through all the processes that you would be required to go through would take you beyond the 48 hours, but I have sought to learn from those experiences in the drafting of the bill.

If a safeguard is not providing any safeguard and is simply an obstacle to somebody accessing something that they should be able to access, that requires a different calculation. As I said, on the eligibility criteria point, there are no examples,

which was the finding of the Health and Social Care Committee back in February.

John Mason: Thank you. Convener, we can discuss that later, but I am concerned that there is nothing in the FM about savings.

The Convener: I looked at a submission that considered costs in Canada, which suggested that £87 million was the saving in 2022. The population there is eight times that of Scotland, and it also has a different system. In Canada, 4.1 per cent of people had an assisted death, which might give you a ballpark figure.

Ross Greer (West Scotland) (Green): Good morning—sorry, good afternoon. We have been here a while.

I will return to the timescale in the definition of terminal illness, because I did not quite follow your argument earlier, Liam. You project that the number of people who would choose an assisted death would start off small and then increase. That is based on the experience in Oregon and Victoria, but those jurisdictions have a definition of terminal illness that includes a timescale of six months or 12 months. At any given time, there is only a certain number of people with a terminal diagnosis that would see them likely to die within 12 months. Your proposal does not have that timescale.

My assumption would have been the opposite. If the bill were to pass, in the first year of people being able to access assisted dying, I assume that you would start off with a much larger number, being, for example, people with a prognosis that indicated that they might pass away in the next three to four years but who wanted to access assisted dying in case there came a point when they were no longer able to pass the capacity test. The number would therefore start off larger and might then decline for a couple of years before increasing again.

Will you talk us through why the projections are based on jurisdictions that have a definition that includes a timescale of six months, 12 months or, in another case, 18 months?

Liam McArthur: I would think that most of the jurisdictions have a prognosis timescale. For example, in California, the six months is linked to entitlement to a hospice at home service. It is driven by a desire to ensure that assisted dying is accessed by those with, as I have described in my bill, an advanced and progressive terminal illness. The reason for shying away from setting a specific timeframe is that it is hellishly difficult to do so.

In the previous session, the Parliament considered legislation on access to terminal illness benefits. Initially, the Government came forward with a bill that linked that to a six-month prognosis. Understandable concerns were raised by people

in the hospice and palliative care sector, as well as by medical professionals across the board, who pointed out how difficult it is to make that prognosis, particularly with certain conditions, and how the prognosis might even change over time, in relation to the timeframe rather than to the terminal illness itself. Having taken that decision in the previous parliamentary session, I felt that it was consistent to apply a similar logic in relation to this bill.

Again, international experience suggests that people do not access assisted dying at the point of diagnosis—unless the diagnosis is very late on, which cannot happen. Requests can come in relatively early on, but they are not necessarily acted on until much later. As I said in my opening remarks, one of the requirements on medical professionals is to ensure that the individual is aware of all the care and treatment options that are available, including palliative and hospice care. The decision then becomes more informed and will almost certainly be part of an on-going discussion, unless the patient is very close to the end of life.

Again, I do not think that there is anything to suggest that, even without a prognosis period, we are likely to see an inverse trend to pretty much every other jurisdiction. That includes jurisdictions with a more expansive model, but, even just sticking to those jurisdictions with a terminal illness and mental capacity model, I would suggest that the smaller numbers in the first instance are a reflection of public awareness, patient awareness and confidence and medical professionals' confidence or preparedness, having gone through the requisite training and all the rest of it.

Whether you start with the number that I have put in my financial memorandum or with a higher or lower number, the trend or trajectory is reasonably consistent across a lot of jurisdictions. If you start with a higher number, I suspect that you will find that you will be taking in numbers that otherwise would have come later on. As I have said, with Queensland, some of this is a reflection of the public awareness raising and, indeed, the preparedness of the medical community in the area compared with Victoria at the point of introduction. Those numbers should, over time, end up tracking in a broadly similar way.

Ross Greer: I am grateful for that.

I accept that there will be other significant differences in their legislative provisions and in the wider context, but you said that other jurisdictions that do not have such a timescale with regard to the diagnosis have seen a gradual increase in numbers, too. Are there any particular examples that you would cite in that respect, recognising that there will be other important contextual differences?

Liam McArthur: Most have some sort of timescale. I think that it is 12 months in Queensland, whereas it is six in Victoria. In others, there is a difference between neurological conditions, in which there tends to be a longer timeframe for prognosis, and other conditions.

Ross Greer: Are there any examples of other jurisdictions that do not have a timescale but which are still quite similar to what you have proposed with regard to the definition of terminal illness, and which have seen a gradual increase rather than the inverse trend that has been suggested?

Liam McArthur: I am happy to look into that and write back to the committee, if that would be helpful, but I am not aware of any. Had there been any, they would have stood out and I would certainly have drawn on them in the financial memorandum.

Ross Greer: I have one other question on that. Correct me if I am wrong, but I think that, in response to the convener's initial line of questioning, you suggested that, in part, the ceiling on the number of people accessing assisted dying would be the capacity of and constraints on the system and the number of clinicians who are qualified, trained and willing to do it. Given that that is the case across a range of public services and entitlements that people have already, I found it somewhat strange that you were, in essence, arguing that the FM was based in part on an assumption that the system would not be able to meet demand. Will you elaborate on that a little? Is it that it might not be able to meet demand at least in the first few years?

Liam McArthur: Yes, and that is the point: there is a gearing up. To some extent, it is a question of the time period for implementation. As I have said, there seems to be a wide variety in that respect, with the implementation period ranging from six months to 18 months, two years or more. It will not surprise you to hear that the chief medical officer is keen for it to be at the longer rather than the shorter end, which I absolutely understand.

I am conscious that, if the Parliament were to pass the bill, we would not want to delay it unduly, because I routinely hear stories from people who are desperate for the process to be introduced as quickly as possible. However, I do not think that we do the public or the medical profession any favours by not ensuring that the systems and training and so on are in place as robustly as possible at the point of introduction. Over time—again, this is what has been seen elsewhere—confidence grows among medical professionals to get involved, so the numbers go up. Even if they are not necessarily actively involved year to year, the number of people who are involved in the

system as a whole continues to rise, as does confidence among the wider public. However, as much as there is public support for the option and as many terminally ill patients are desperate for it to be available, it is not surprising that some will want to see how it beds in and works in practice before deciding whether it is for them.

Ross Greer: I totally understand why, if the bill were to be passed, there would need to be a transition period and a debate about how long that would be. I understand why the CMO, for example, would want it to be longer. However, that line of argument suggests that, at least initially, the system will not be able to meet demand, which would inevitably result in a significant amount of political pressure to increase funding to increase capacity.

Regardless of what anyone thinks of this particular proposal—I am genuinely undecided on the bill at this point—if the Parliament were to pass a law to give people the option of ending their own life, people would have an entirely reasonable expectation that they would be able to choose that option. If they were then to find that they could not choose it simply because the system lacked capacity for them to do so, that would quite understandably result in political pressure to increase funding to increase capacity. That leads me back to the core question on the financial memorandum, which is that costs might increase quicker than is projected, because there will be pressure to meet demand quicker.

Liam McArthur: That is an interesting argument. Funding can unlock many things, but it cannot unlock everything. The degree to which medical professionals engage with the process might be about workload—for example, we spoke to practitioners in California who limit the number of assisted deaths that they help with or are involved with simply in order to manage their workload. It is not that they conscientiously object some of the time and not at other times.

You will need medical professionals to go through the requisite training in order to be able to carry out the process. That will take time, but their numbers will grow. The question is about the point at which you introduce the service and whether you are conscious of the fact that, although you do not want to delay it unduly, you do not want to go too early when the system is not ready and you do not have enough individuals in the system to provide the service where it is needed.

When folks try to access the service late on, it might very well be that—as we see in other jurisdictions—they pass away before they are able to do so, even where they can access doctors and get the diagnosis and all the rest of it. In other instances, when people have made the application but the palliative care that they receive absolutely

meets their needs, the vast majority of people will not access assisted dying; a sizeable proportion of even those who are looking to access it ultimately do not do so, for a variety of reasons. As I have said, funding will not necessarily resolve that issue, although some might make that argument. I do not think that it will make a huge amount of difference in the early stages, because you need time to build confidence and persuade more medical professionals that it is something that they can and want to get involved with.

Ross Greer: Thank you very much. That was very useful.

Michelle Thomson: I will probably be quite quick. I have been listening with interest to all the questions thus far, and I have just a couple of questions. First, I want to explore a bit more the extent to which you have considered such a significant culture shift and how risk is managed within it. Earlier, you mentioned a level of peer support for people who are administering it. When people think about being involved in such events, they often say, "If I was to do that, this is how I would behave", but the truth is that people do not really know. When it is the antithesis of the Hippocratic oath that medical professionals undertake, how they will react remains uncertain. My first question is therefore about trying to put a number on such a significant culture shift, given that antithesis to the Hippocratic oath.

12:45

Secondly, on risk, we have talked about safeguarding, but we have not looked at it from the point of view that any organisation that is worth its salt would make sure that it buttoned down its processes to protect itself from any kind of legal challenge.

To get both of those areas right could introduce extra costs. We are talking about this as though all things are equal, when it is a dramatic shift for what is quite a small-c conservative country—Scotland. I want your reflections on how actively you have considered both of those elements as part of the financial memorandum.

Liam McArthur: Again, those are interesting and legitimate questions to raise. I would probably question whether it is the antithesis of the Hippocratic oath. I am not a medical professional, but I have spoken to many who do not see it in those terms. To be involved in helping to manage and end a patient's suffering, whether it is pain or existential suffering, is something that they feel is consistent with the oath that they have taken.

This might be a small step in terms of the cohort and the numbers that might be involved, but I do not underestimate the extent to which it is a significant step for the medical professional and

society. It has always struck me that public support for the choice has been consistently and overwhelmingly strong for many years now, but there is a difference when you are making a decision as legislators to change the law. You weigh up a series of different factors, and it is not as simple as saying whether you are in favour of or against something. Those who are making the arguments on both sides of the debate come from similar places in terms of what they want to see and their compassion and care for the best interests of patients and the vulnerable, but they come to different conclusions about how that is to be achieved.

Those discussions are already happening, and not just because of my bill, although I think that it has acted as a bit of an accelerant. They are taking place in the palliative sector and the hospice sector. I spoke at the Hospice UK conference at the end of last month and it was clear that, in the staff rooms in hospice communities, discussions are taking place not just among the medical staff but among the wider hospice community about what it is to be patient centred and to give patients as much control and autonomy as possible to recognise their needs.

Michelle Thomson: If you do not mind me saying so, you are almost making my argument for me. My argument is that such a cultural shift will take place. Of course that is happening, but there is a financial cost to it. This is not your bog-standard bill. I am glad to hear that that is happening because it is extremely important but, given that it is happening, the work that will require to be done across the whole range of things that we have covered today will probably be more expensive, because it goes into areas that people might not necessarily have thought about previously. It is quite a big shift.

Liam McArthur: I can see that there is a cost attached to the time that is going into those discussions and that preparation. It remains to be seen whether Parliament will agree with the general principle that there should be a change in the law and, if it does, what will emerge at the end of that. There is a limit to how much we can prepare for something that we will not see the detail of until some time down the track.

I suspect that, in the medical profession, changes to legislation, best practice or whatever are discussed and pored over on a routine basis. Whatever the cost is, it is likely to be lower if you have prepared and had a chance to discuss it instead of finding that there has been a change in the law or guidance and you are having to react and respond to that from a standing start.

I do not know how to measure that cost. One of the advantages that I have had in developing the bill is that I have been able to have those

conversations—I suspect that everybody round this table has had them—with parliamentary professionals, hospices and others with an interest in the issue over the past two or three years, and that will continue to be the case. The fact that that preparation and those discussions are happening is benefiting us, but it is also benefiting those who are most directly affected.

Michelle Thomson: I still think that you are making my point for me. It perhaps goes back to Michael Marra's observation about a range of numbers.

There is no denying the amount of work that you have put into the bill. We listen to a lot of people presenting financial memorandums, and the only thing that we can be certain of is that they are always wrong, because that is their nature. *[Laughter.]* What is your best guess—I suspect that your laughter means that you agree with that—as to where your FM is probably wrong, on balance and all things considered? It is okay to tell the committee, because we like that—

Liam McArthur: Ms Thomson, I have sat where you are in relation to a number of bills and I have happily torn into the FMs that have been presented to us. It is not until you sit down and try to do one yourself that you realise how perilously difficult it is. Even when there are comparator jurisdictions that have passed similar legislation, simply lifting and shifting the figures from those will not work for a variety of reasons. The model of the legislation may be a bit different, the delivery of the health and care system may be very different, or there might be wider differences such as the ones that Mr Mason referred to.

The financial memorandum is a best stab at coming up with figures that are as accurate as I can make them, based on reasonable assumptions. As I said in answers to the convener and Mr Mason, it is an unusual situation for a financial memorandum. If the figures are out—either lower or higher—the cost will go up or down, but the savings that may go alongside that will also go up or down.

Mr Marra's point about going for ranges is a reasonable one. On reflection, I think that coming up with wider ranges might have been more helpful to the committee and might have reflected the fact that we are feeling our way. As I said, a number of those who responded to the committee made reasonable claims that there is usually an underestimation, but they have not necessarily gone as far as setting out what they think a more reasonable figure would be and what that would be based on.

The Convener: I suppose that what we have at the moment is the best guesstimate.

I have a point on public support. Many people do not realise that the bill applies only to terminally ill people who are *compos mentis*. I have had constituents contact me about their granny, husband or wife who has severe dementia, and they think that it is somehow going to apply to them. It is important that we get that awareness out there, regardless of where we go.

I have just one question on an issue that has not been touched on. The issue of unintended consequences was raised on behalf of the hospice sector by Living and Dying Well, which says:

“Unless hospices are ‘AD-free zones’ the public image of the services as death houses is likely to return and with it a fall in donations. Many hospices are already facing serious financial challenges, and this legislation as written risks their funding base falling, which will result in further destabilisation of the sector.”

Will you respond to that?

Liam McArthur: I think that CHAS also made a point about an organisational opt-out, as opposed to an individual one. I have difficulties with an opt-out that covers an entire organisation, because an organisation is made up of many individuals. This needs to be about choice—not only the choice of the patient but the choice of the individual practitioner not to be involved. That is why the conscientious objection is a key component of the safeguard.

In relation to the hospice sector, I have heard it referred to that there are different views on the matter. Some argue that, in some respects, it opens up potential opportunities for donations in wills and in other ways. However, that is not happening. It is difficult to tell. The reassurance that I tried to give at the Hospice UK conference was that, in places such as Australia and New Zealand, different hospices do different things. There are those that do not provide the service themselves but do not stand in the way of practitioners coming in and providing support to their patients.

A problem might arise if a patient enters a hospice and is not clear on what the policy is from the outset, which could lead to problems further down the line. However, different models of operating exist that allow hospices to try to reflect the views of their staff—those who might be directly involved in the delivery and others who are in a hospice environment, which I recognise is a wider community. That is why, going back to my response to Ms Thomson's question, I note that the more discussions are happening in that community, the better.

There has been a bit of a perception that the palliative and hospice sector is implacably opposed to a change in the law. I know that many in the sector are, but also that many are not and

that others are simply asking questions about the implications of the change for them. It is very difficult to make definitive assertions about what will happen. We do not know whether the bill will be passed or what shape it will be passed in should it get to the amending stages. The fact that those discussions are happening is the only way to provide as much reassurance as possible that issues, whether around funding or staffing, can be addressed.

In response to Mr Marra's line of questioning, I noted that there is a separate issue around the overall quantum of funding that is going into the sector. One of the benefits of the debate is that it has shone more light on that. What happened back in 2015 was that, as soon as the Parliaments here and at Westminster rejected the bills, that debate disappeared like snow off a dyke. There is a causal link between the debate that we are having around the palliative and hospice care sector's needs at the moment and the introduction of the bills. I hope that we will pass the bill, but we need to ensure that we do not lose the opportunity to ensure that the Governments here and at the UK level meet the funding needs, whatever they are.

The Convener: Okay. Thank you for that. Do you want to make any final points to the committee before we wind up?

Liam McArthur: I think that I have exhausted any and all speaking notes that I might have had, convener. Thank you very much.

The Convener: Good. I still have a few questions—*[Laughter.]* Thank you very much for your evidence, Liam. It is very much appreciated. We will consider the evidence that we have received and our next steps in relation to the financial memorandum at a future meeting.

Meeting closed at 12:58.

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