

Official Report of the Conveners Group meeting with the First Minister

Transcript prepared by the Scottish Parliament Official Report

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CONVENERS GROUP

1st Meeting 2024, Session 6

CONVENER

*Liam McArthur (The Deputy Presiding Officer)

COMMITTEE MEMBERS

- *Karen Adam (Convener, Equalities, Human Rights and Civil Justice Committee)
- *Clare Adamson (Convener, Constitution, Europe, External Affairs and Culture Committee)
- *Claire Baker (Convener, Economy and Fair Work Committee)
- *Ariane Burgess (Convener, Local Government, Housing and Planning Committee)
- *Jackson Carlaw (Convener, Citizen Participation and Public Petitions Committee)
- *Finlay Carson (Convener, Rural Affairs and Islands Committee)
- *Kenneth Gibson (Convener, Finance and Public Administration Committee)
- *Clare Haughey (Convener, Health, Social Care and Sport Committee)
- *Richard Leonard (Convener, Public Audit Committee)
- *Stuart McMillan (Convener, Delegated Powers and Law Reform Committee)
- *Edward Mountain (Convener, Net Zero, Energy and Transport Committee)
- *Audrey Nicoll (Convener, Criminal Justice Committee)
- *Collette Stevenson (Convener, Social Justice and Social Security Committee)
- *Sue Webber (Convener, Education, Children and Young People Committee)
- *Martin Whitfield (Convener, Standards, Procedures and Public Appointments Committee)

*attended

THE FOLLOWING ALSO PARTICIPATED:

The First Minister (Humza Yousaf)

CLERK TO THE COMMITTEE

Irene Fleming

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Conveners Group

Wednesday 27 March 2024

[The Deputy Presiding Officer opened the meeting at 12:00]

Scottish Government Bills

The Deputy Presiding Officer (Liam McArthur): Good afternoon, and welcome to this meeting of the Conveners Group. I have received no apologies. However, a number of committees are currently running, so two or three colleagues might join us during the course of this meeting.

The meeting is taking place in public. Your microphones will therefore be operated automatically.

Agenda item 1 is a meeting with the First Minister. I welcome him to the Conveners Group on his first anniversary in the role—congratulations, and thank you for sparing the time to be with us. The meeting will last for around an hour and a half, and we will take a comfort break at around the hour mark.

Some conveners have indicated that they wish to raise more than one issue, and I will do my best to call all conveners at least once. In order to do so, it would obviously be helpful if questions and responses could be as brief as possible.

As with previous meetings with the First Minister, it will be helpful to start with some general issues that are of interest to all committees. On that basis, we start on the theme of framework bills.

Framework Bills (Scrutiny and Consultation)

Finlay Carson (Convener, Rural Affairs and Islands Committee): Good afternoon, First Minister.

What are your reflections on the implications of framework legislation for parliamentary scrutiny and stakeholder consultation, especially in the light of the Rural Affairs and Islands Committee’s report on the Agriculture and Rural Communities (Scotland) Bill?

The First Minister (Humza Yousaf): Good afternoon, conveners. I genuinely appreciate the chance in this forum to get into the depth of some issues that, perhaps, other forums do not allow for.

In general, the Scottish Government does not take lightly a decision to have a framework bill. We know where some of the concerns lie in terms of

parliamentary scrutiny. However, in some cases, a framework bill is necessary.

The Agriculture and Rural Communities (Scotland) Bill is a framework bill by nature, and that allows us the greatest level of flexibility, which is absolutely required. The bill provides the flexibility to implement the changes that are required to ensure that we remain aligned to future European Union developments—we do not necessarily know what those will look like—and to particular schemes that are brought forward under future iterations of the EU common agricultural policy. In addition, we do not have as much certainty as we would like on United Kingdom Government agricultural funding after 2025. That issue is shared generally across the Parliament.

We understand the concerns about framework bills. We will always work with the Parliament, including its committees, to determine whether we can bring in measures to allow further scrutiny down the line, for example as the legislation progresses or as regulations are brought in at an appropriate time post consideration of any bill.

Finlay Carson: The main concern is about scrutiny. On the Agriculture and Rural Communities (Scotland) Bill in particular, I think that there is a general acceptance that a framework bill is absolutely the right approach. However, I express my disappointment that, despite the fact that we are in the middle of stage 1, you made a significant policy announcement at the NFU Scotland conference, despite a specific request from the committee that any such announcements should be made to the committee. No correspondence about that announcement has been received, as yet. Our concern is about scrutiny.

I also ask about timetables—specifically, the timetable for stage 1 responses. I suggest that, between the publication of a stage 1 report and the relevant debate, we need more time to allow the Scottish Government to respond to specific conclusions and recommendations. Last night, the committee received the Government’s response to the stage 1 report, which we will debate today—which gives us no time to digest what is in that response. Sadly, the response spends more time in noting everything rather than engaging with the substantive points that the committee set out.

Will you reflect on how more time should be given, at stage 1, between the publication of reports and the debate, particularly for framework bills, to allow the Government to put together a more substantive response to a committee’s concerns?

The First Minister: My view is that Finlay Carson has raised legitimate issues. I will personally consider the stage 1 responses that are still due.

I hope that Mr Carson will recognise—I am sure that he will—that the legislative timetable is packed

and that we currently have a couple of bills that we would not have anticipated. For example, dealing with the Post Office Horizon cases was not previously in our legislative programme. We will now seek to introduce Scotland-specific expedited legislation on that.

There is no doubt about the very busy legislative timetable that we have. That is important for Government, but we recognise that it has implications for our colleagues in Parliament and on committees, too. I will personally endeavour to take away from this session what Mr Carson has requested: that we look at the stage 1 reports that are due, and our responses to them, and ensure that there is an appropriate gap between our response to a stage 1 report and the corresponding debate in Parliament. That is a very fair ask indeed.

I go back to my general point about framework bills. I give Finlay Carson an absolute assurance that we do not consider such bills to be an easy option, nor do we take using them lightly. That is why the majority of bills that we introduce are not framework bills—we do that only where we require flexibility. There is a good reason for doing so with the particular bill that he mentioned.

However, I take Mr Carson's point about having a greater time gap between our response to a stage 1 report and the debate itself. I will personally take a look at that, and I will be happy to come back to him on it, through the Deputy Presiding Officer.

Legislation (Co-design)

Kenneth Gibson (Convener, Finance and Public Administration Committee): Good afternoon, First Minister. The Finance and Public Administration Committee has become increasingly concerned about the financial memoranda for framework bills that come before us. Although we are supportive of co-designing new legislation, our collective view is that it should be undertaken before stage 1, wherever possible. An example of that is the National Care Service (Scotland) Bill. If we had accepted the original financial memorandum for that, it would be somewhat different from what has finally emerged.

The alternative of co-designing policy after primary legislation has been passed undermines scrutiny and accountability, and it increases the likelihood of financial risk, overspend and inefficiency. Given the current state of affairs, why have framework bills become almost the norm? Will the Scottish Government look again at such bills, with a view to including all necessary provisions in primary legislation?

The First Minister: That is a fair critique of the financial memorandum for the National Care Service (Scotland) Bill. We recognised that when

the committee gave us its report and publicly expressed its concerns about it to the Government.

I go back to my response to Finlay Carson. The National Care Service (Scotland) Bill is another example of a bill on which all of us in the Parliament agreed that there should be a significant level of policy co-design with stakeholders. Although we can do that ahead of the introduction of a bill, where that is appropriate, many of the issues—again, I give the example of the proposed new national care service—are very significant and detailed, and we have to work through their development with stakeholders. It is therefore important that we do not delay the appropriate legislation to create the service while co-design is happening and we are continuing to develop the policy.

I take Kenny Gibson's point about cost and risk. I accept that if the cost is not detailed to the committee, there could be overruns. However, I do not agree that framework bills have become the norm, although I take the member's point that we should certainly not seek to make that so. We should ensure that they are used only as a last resort and where appropriate. We are already reflecting on the specific costs for the national care service.

Kenneth Gibson: Frankly, the Government is just making difficulties for itself. The National Care Service (Scotland) Bill is clearly a case in point. People want to know, at the earliest stage possible, what that bill will actually deliver, and that has to be in primary legislation. People do not want something that might have bells and whistles on it. Further, I do not agree that the framework approach allows for implementation of legislation at the earliest possible date, because that bill is now programmed for implementation in 2028-29. Clearly, the framework bill approach is not allowing effective scrutiny and is not enabling bills to be implemented at the earliest possible date for the people who need that.

The First Minister: Even with a framework bill such as the National Care Service (Scotland) Bill, we can be clear about the intent of the bill and what it is trying to do. The principles of the national care service are explicitly understood, because they are in that bill.

I fully accept the point that Kenneth Gibson and Finlay Carson made, which is that, by the very nature of a framework bill, there will be challenges with scrutiny. What I can endeavour to do—we have managed to do this up to a point with the National Care Service (Scotland) Bill, but I am always happy to reflect on what more we can do—is ensure that, when it comes to regulations and other secondary legislation that might be required as part of any bill, there is the maximum opportunity for parliamentary scrutiny. The point of a framework bill is to give us flexibility. We do not fear scrutiny,

particularly on something as significant as the national care service; in fact, we very much welcome it.

The Deputy Presiding Officer: Sue Webber has a question on financial memoranda, on behalf of the Education, Children and Young People Committee.

Financial Memoranda (Accuracy)

Sue Webber (Convener, Education, Children and Young People Committee): Good afternoon, First Minister. You have spoken at length about the lack of detail in the National Care Service (Scotland) Bill's financial memorandum. At our committee, the financial memorandum for the Children (Care and Justice) (Scotland) Bill significantly underestimated the cost of the proposed changes, and we made it clear in our stage 1 report and in our approach to stage 2 that better and more accurate costings were essential and required. We are not the only committee to raise concerns about the absence of such information, which could potentially hinder legislative scrutiny. We had correspondence from the Finance and Public Administration Committee sharing those concerns.

What action are you taking to ensure that the Scottish Government always provides full and detailed information—the best possible information—on the costs arising from proposed legislation to assist parliamentary scrutiny?

The First Minister: That goes back to the point that Kenneth Gibson made a moment ago. We will always endeavour to give the best possible estimate of what any proposed legislation might cost and the implications of that legislation. We do that primarily because we want to ensure that the proposals are scrutinised by Parliament and its committees, but also because we need to know the cost for our future budgets. It does not serve any purpose if the estimates in a financial memorandum are off by any amount whatsoever.

My direction to all cabinet secretaries and ministers is very clear: when a financial memorandum goes to any committee, detailed consideration should be given to getting the best possible estimate. The figures will always be estimates up to a point, given the nature of legislation, how things can develop and so on, but we always endeavour to give the best estimate. Sue Webber gives an example where some of the costs were off. We have to accept that critique as being fair, but it is in nobody's interests—neither Parliament's nor Government's—for any financial memorandum to be wildly off.

I give an absolute assurance to Sue Webber that my clear direction to ministers and cabinet secretaries is that they provide the most accurate detail possible. If there is any reason why the detail

cannot be presented, my direction is that they should be up front with the committee on the reasons for that.

Sue Webber: Kenny Gibson spoke about the additional risk that the framework approach can involve. The Children (Care and Justice) (Scotland) Bill deals with some of our most vulnerable people, but the costs were significantly underestimated, as were the changes and challenges for those who will be involved in implementing the legislation. We heard evidence about uncertainty and fear, and concerns about how people will be able to implement the provisions if the resources do not follow. We need more assurance from you that that cannot continue to happen with bills that deal with some of our most vulnerable people.

12:15

The First Minister: I do not agree that it happens constantly. There will be occasions when the Government might underestimate a cost, and we have to accept the committee's scrutiny. For me, that is one of the strengths of the committee system. Sue Webber is absolutely right to say that the Government should ensure that it provides information that is as accurate as possible in financial memoranda.

However, to me, this demonstrates the efficacy of the committee system that we have, given the evidence taking that you do with a range of stakeholders and your detailed scrutiny of financial memoranda. It is fair for the committees to challenge Government on the occasions when they believe that costs are underestimated. That is the strength of the committee system.

However, I take the point that Sue Webber makes—and, indeed, that other members have made—that the information that is presented should be as detailed and accurate as possible. I go back to my original point that that is not just in the interests of Parliament, but is in the interests of the people whom we serve and is very much in the interests of the Government when we develop our budgets.

Delegated Powers

Stuart McMillan (Convener, Delegated Powers and Law Reform Committee): Good afternoon, First Minister.

Every bill will have delegated powers, and that is a normal part of the legislative process. Colleagues have asked you about framework bills, but the definition of a framework bill is very much up for question. What considerations does the Scottish Government take into account when deciding whether to delegate a power in a bill? How does it satisfy itself of the appropriateness of its choices?

The First Minister: Parliament recognises that delegated powers are an accepted part of the legislative landscape. There are obviously differences in the types of issues that they deal with and the types of procedure—negative and affirmative—that can be applied. However, it is generally accepted that delegated powers are part of the legislative landscape.

The Government will look at the issue on a case-by-case basis. In general, we try to strike the right balance in determining where it is appropriate to have certain powers on the face of a bill. We all know the challenges around that. I do not need to tell anybody at the table about the challenges of putting particular powers on the face of a bill: it locks us in and creates a level of rigidity in the bill. We therefore consider what it is appropriate to include in delegated powers, which can be developed and updated more quickly. Crucially, however, they are subjected parliamentary scrutiny, and that is where the member's committee plays a really important role. It is for the Government—we take this responsibility very seriously—to fully justify and explain the use of delegated powers that it takes in bills, hence the delegated powers memorandum that the committee will examine, explore and challenge where appropriate and necessary.

I give an absolute assurance to Stuart McMillan that, where the Parliament or a committee has any concerns about a particular delegated power, the Government will listen and, where appropriate, respond—I hope to the point where the committee is satisfied with the reasons and rationale for our use of the delegated power.

Scrutiny

12:18

Stage 3 Amendments

Martin Whitfield (Convener, Standards, Procedures and Public Appointments Committee): Good afternoon, First Minister.

My question, which sticks with the overarching theme of scrutiny, is about the vehicles through which we process bills, namely stages 1, 2 and 3. It has become more obvious that, at stage 2, the Government is seeking to—"avoid" is too strong a word—move some decisions to stage 3. That removes some of the scrutiny that is, as you commented, one of the strengths of the committee system, given our evidence taking.

We are starting to see amendments that would fundamentally change aspects of bills being brought to the public eye only at stage 3. That means that committees have been unable to fulfil the fundamental role that they play in this unicameral Parliament of seeking evidence and views on those matters from the people whom bills will affect and who will have to implement them. We lose that evidence taking. Are you aware of that? I hope that you share my concerns about that. New issues are being introduced at stage 3 and are therefore going unscrutinised, which is proving to be challenging. I seek your views on how that approach can be avoided.

The First Minister: I am more than happy to answer the question in a general way, but—I am not attempting to be provocative in asking this—is there a specific example that you want me to address? If so, I am more than happy to address that, too.

Martin Whitfield: I could refer to individual cases, but I do not think that it would be helpful to do so. There is an apparent—perhaps subjective—view that in this session of Parliament more changes are being proposed at stage 3 than has been the case in previous sessions. Sometimes, it would appear that it is those amendments that are leading to challenges and causing us problems, both within and outwith Scotland.

You have spoken about the strength of the committee system. I am seeking your view on whether, with Government bills, the full case should be presented at stage 2 so that evidence can be taken and inquiries can be made to test that case.

The First Minister: I was genuinely curious about whether you had a specific example or whether your concern was of a more general nature.

I genuinely believe in the strength of the committee system. I have been involved, in various ministerial guises, in many bills. Frankly, those bills have been improved by going through the committee system and by the Government compromising with colleagues on the committee and, indeed, with those who are not on the committee ahead of stage 3. I will come back to that point in a minute.

Of course, it is during stage 1 that the committee will take the vast bulk of its evidence, as opposed to it doing so at stage 2 or stage 3. However, having been involved in a number of stage 2s, I take the point that, when an amendment is being debated, there is a full and frank discussion in quite a fair degree of depth. Therefore, it is wise for Government to lodge as many amendments as possible at stage 2.

Martin Whitfield will be well aware that, at stage 2, it is often the case that there is good debate and discussion on an amendment, and the Government agrees to work with a particular member in order to see whether they can reach a compromise ahead of stage 3. That is, generally, a good way of working.

I am happy to be challenged on this, but I would not suggest that there is not a full and frank debate at stage 3. Although we try to avoid it, Parliament will sit well into the evening when there are many amendments at stage 3. That is hardly ideal, of course, given that we aspire to be a family-friendly Parliament. However, I have never seen a stage 3 debate being unnecessarily curtailed by the Presiding Officer or by the DPOs.

I would say that stage 3 certainly allows for debate, and for frank and free exchange of views on any amendment. However, I do not disagree with you: it is better for everybody involved if amendments—certainly substantial amendments that would have a significant impact on legislation—can be lodged at stage 2.

Timetabling

12:23

The Deputy Presiding Officer: We have touched on timetabling already, but I know that Audrey Nicoll, on behalf of the Criminal Justice Committee, has a couple of questions on that issue.

Hate Crime and Public Order (Scotland) Act 2021

Audrey Nicoll (Convener, Criminal Justice Committee): I apologise for my late arrival this morning.

The Hate Crime and Public Order (Scotland) Act 2021, which comes into force on 1 April, creates offences relating to the stirring-up of hatred based on certain characteristics. We all understand the devastating impact of hate crime, and everyone must play their part in challenging it.

An issue that was recently highlighted to the Criminal Justice Committee is the preparedness of police officers to effectively apply the law in the way that is intended. Will the First Minister outline how the Scottish Government has engaged with Police Scotland and other bodies to ensure that officers are fully prepared to use the legislation and that they are confident in their application of the law, while recognising the importance of maintaining public confidence, with particular regard to the important principle of freedom of speech?

The First Minister: Before I go into the specifics, I will say that I take a fair degree of comfort—I hope that others do, too—from the fact that there has been a stirring-up offence in relation to racial hatred in Scotland since 1986, which is for most of my life, as I was born in 1985. The threshold for that stirring-up offence is lower than the thresholds that are created by the 2021 act. The act creates stirring-up offences with a higher threshold for the characteristics to which it applies.

Stirring-up offences are not new but, notwithstanding that, there has, of course, been a fair amount of work and preparation by Police Scotland and other stakeholders. In the summer of 2022, we established the ministerial oversight group, the purpose of which was to assist with providing justice partners with the time and support that they needed to complete, first, a number of information technology changes that were required relating to data collection and collation.

Importantly—this goes to the point that Audrey Nicoll made—the aim was also to assist with delivery of a robust package of training and guidance for police officers. Training for police officers is, of course, a matter for the chief constable, but we have been working closely with

Police Scotland in that regard. The training for police officers does not focus only on the importance of the new offences that are created in the 2021 act—although that is a key consideration—but ensures that police officers are fully cognisant of human rights obligations. In particular, the training includes matters relating to the protection of freedom of expression to enable officers to best respond to any complaints about hate crime.

I will end on a point about the act that I have made on several occasions. The act has explicit freedom of expression protections built in, as well as the more indirect protections that are built in, such as the fact that any legislation of the Parliament must comply with the European convention on human rights.

Earlier this month, the chief constable gave assurances to the Scottish Police Authority board that officers are trained and have sufficient capacity to deal with the implications of the legislation, and that the systems are in place in Police Scotland to deal with it.

Post Office Horizon System (Legislation)

Audrey Nicoll: My second question is on the Post Office Horizon system issue. The First Minister will be aware that the Cabinet Secretary for Justice and Home Affairs recently wrote to the Criminal Justice Committee to say that, regrettably, it has not been possible to pursue UK-wide legislation to overturn the prosecutions of sub-postmasters and sub-postmistresses, and that separate Scottish legislation would be needed.

Can the First Minister give Parliament a broad idea of when we can expect that legislation and give an assurance that there will be time in the expected timetable for the bill for robust scrutiny, which will allow some of those who have been affected by the scandal to have their voices heard?

The First Minister: I know the degree of interest that there is, not just in Parliament but among the public, in the cases involving people who have been affected by the Horizon scandal. It remains our position, as has been articulated publicly and directly to the UK Government, that UK-wide legislation would be better, given that it would apply fairly right across the nations of the UK with regard to sub-postmasters and sub-postmistresses who have been affected.

However, it has become clear from engagement with the UK Government and from its publicly articulated position that it does not wish to apply UK-wide legislation and that it will introduce only England and Wales legislation. That is a matter of regret, as has been expressed not just by the Scottish Government but by the Government in Northern Ireland.

That said, we are in the position that we are in, and therefore Scotland-specific legislation will be required, unless a change is forthcoming from the UK Government. We are working closely with the UK Government to understand its Post Office (Horizon System) Offences Bill. I have initial concerns about that UK bill, and I would be happy to write to Audrey Nicoll with more details on those concerns. Essentially, we cannot mirror the UK bill exactly, because of differences between Scots law and the law in England and Wales, but if we were to mirror the broad scope of the bill, we would be in danger of overturning convictions of people who, if the cases were made public—again, I will seek to see whether we can do that—the public would be pretty horrified to hear were getting their convictions overturned.

12:30

We must make sure that we are striking absolutely the right balance between ensuring that there is timely and expedited access to the UK compensation scheme, because we all recognise that sub-postmasters and sub-postmistresses have waited too long, and ensuring that people who have genuinely committed a crime and whose conviction is sound do not have access to £600,000 of compensation. Trying to get that balance absolutely right will be hugely important.

On the timetabling point that Audrey Nicoll raises around the bill, we must be cognisant of what is in the UK bill. In order for people in Scotland to be able to access compensation, it will be an inevitable reality that, although we can seek to introduce legislation in Scotland ahead of the UK bill completing its process, we will have to wait to see the final detail of the UK bill, because of amendments that may be made, before we can finalise our own legislation. The trouble with the timetabling of all of that is that the UK bill process might well not conclude until the end of July. At that point, the Scottish Parliament would be in recess, so it may be that Parliament has to consider the legislation in the course of the parliamentary recess. It would be up to the Parliament to consider a recall, although, of course, the Government would be happy to be involved in any such recall.

The Deputy Presiding Officer: I am conscious of the number of questions that we need to get through, so the questions are going to have to be a bit briefer, and I encourage slightly briefer answers, as well.

Stuart McMillan has a brief supplementary question.

Stuart McMillan: On working closely with the UK Government, 24 legislative consent motions have been passed in this parliamentary session, which highlights the fact that joint working has been done.

Was that a consideration of the UK Government with regard to the Post Office (Horizon System) Offences Bill? As you have said today and in the chamber, the preference would have been to use the LCM process to expedite the new legislation.

The First Minister: Obviously, I cannot answer on behalf of the UK Government with regard to what its consideration might have been. Part of the consideration would undoubtedly have been about the different legal systems that exist in England and Wales, Scotland and Northern Ireland, but we said to the UK Government that we could, for example, modify UK legislation to take account of Scotland-specific offences that might be different from England-specific offences.

However, it would be for the UK Government to say why it chose not to have a UK-wide approach, which is what we and the Northern Irish wanted.

The Deputy Presiding Officer: Edward Mountain has a timetabling question to ask on behalf of the Net Zero, Energy and Transport Committee.

2030 Emissions Target (Timetable for Revised Approach)

Edward Mountain (Convener, Net Zero, Energy and Transport Committee): Good afternoon. Given that the Climate Change Committee has reported that the Scottish Government's interim 2030 emissions target is now beyond what is credible, when will you bring forward your climate change plan? Surely that is really urgent. When will you make changes to the legal targets?

The First Minister: We will bring forward a response to the Climate Change Committee's pretty sobering report within weeks—I hope to do so shortly after the Easter recess—because, of course, given the nature of that report, we must demonstrate accelerated action.

On what we will and will not do, it is fair to say that, when the Parliament first considered the 2030 target that has been referred to by Edward Mountain, the Climate Change Committee expressed its concern about it being perhaps overambitious and potentially unachievable. It has now confirmed that that is the case. However, everybody in the Parliament—every political party—came together to put that target into legislation, so that Scotland would have an ambitious target.

Of course, as the Climate Change Committee has said, that target is not achievable, so we will bring forward our response. I will not go into detail on what that response will be—obviously, that is still being formulated—but it will involve consideration of an accelerated package of action, because that

is what the Climate Change Committee has demanded. Edward Mountain is right that we will have to consider what is in the legislation, given that the Climate Change Committee has said that the 2030 target is no longer credible.

Scottish Land Commission (Chair)

Edward Mountain: I will move on to a slightly different subject, although, again, my question relates to timetabling. On 23 November, you signed off the appointment of Mike Russell as the new chair of the Scottish Land Commission. On 29 November, that information was shared in absolute confidence with the Net Zero, Energy and Transport Committee, and we programmed evidence taking on that topic on 12 December. On 1 December, the information was leaked in a Scottish National Party press release before the committee had even considered it. Was that respectful of the committee's procedure?

The First Minister: Again, I will absolutely examine and explore that issue. We mean no disrespect whatsoever to the Parliament. I think that Mike Russell will do an excellent job as chair; however, we never seek to undermine the processes or the integrity of the Parliament.

When it was confirmed that Mike Russell was taking on that role, it was important that he stepped back from his position as party president, to avoid any perceived conflict of interests. That was the right thing to do, but I will reflect on this specific instance. I give an absolute assurance to Edward Mountain that, in anything that we do as a political party—I am taking off my First Minister's hat and putting on my hat as leader of the SNP—we do not seek to undermine the Parliament's processes in any way, shape or form.

Clyde and Hebrides Ferry Services Contract

Edward Mountain: I have a final question on timetabling. The Clyde and Hebrides ferry services contract ends in September. The Net Zero, Energy and Transport Committee agreed with the principle of a direct award, subject to the islanders' approval. The islanders have not approved a direct award. When will you put the contract out to tender? Will you do that before September, or will the contract just run on indefinitely?

The First Minister: Our aim continues to be to meet the September deadline. Edward Mountain said that a direct award was agreed by the committee—

Edward Mountain: Subject to the islanders' approval.

The First Minister: I was getting to that caveat—subject to its receiving the islanders' approval. We

are working with our stakeholders. We know how important the issue is. During my time not just as transport minister but in other portfolios, I have travelled to many of our islands that are affected by the Clyde and Hebrides routes. We want to seek to ensure that they have confidence in a direct award. We are seeking to meet the September deadline, which was what Edward Mountain asked about.

The Deputy Presiding Officer: We come back to Kenneth Gibson for a couple of questions on finance and public administration.

Finance and Public Administration

12:37

2045 Emissions Target (Fiscal Implications)

Kenneth Gibson: On 14 March, the Scottish Fiscal Commission published a sobering report that explores the implications for the public finances of meeting Scotland's statutory net zero emissions target by 2045. It said that, if we failed to meet that target,

"unmitigated climate change would have catastrophic impacts on individuals, businesses, and the public finances."

However, the cost of meeting the net zero target by 2045 is estimated to be 18 per cent of our entire capital budget, year on year, despite the fact that we have a declining capital allocation. The UK and Scotland cannot each meet their climate targets without co-operation. Do you agree, therefore, that the fiscal framework must be revisited specifically to address the damage caused by climate change and the need to adapt to it and mitigate it?

The First Minister: I do not disagree with the premise of Kenneth Gibson's question. Given how significant the costs of achieving net zero will be, not many Governments in the world will be able to do it solely through public finance. Not many, if any, will even be able to fund from the public purse alone the decarbonisation of heat in buildings.

Therefore, leveraging in private finance will be absolutely crucial to meeting our net zero targets and ambitions, which is why we are engaging extensively with investors across the world. I, personally, am involved in that process. We want to leverage in private finance where that is possible. The Scottish National Investment Bank, too, is seeking to de-risk some of that private capital investment.

I say again that I agree with the general premise of Kenneth Gibson's question. There is a need for the UK Government to understand the implications and the cost of net zero when it comes to the funding of the Scottish Government. In fairness, the Scottish Government, through its engagement with local government, needs to understand the impact on local government in relation to meeting the net zero targets.

What does not help with any of that is the fact that, over the next five years, the £1.3 billion cut to our capital budget will affect our ability to move at pace on investment in our net zero infrastructure.

Capital Spending (Prioritisation)

Kenneth Gibson: The Scottish Fiscal Commission has said, frankly, that the UK cannot meet its own targets without Scotland and that Scotland cannot meet its targets without the UK. That is why I mentioned the fiscal framework being reviewed. This morning, the SFC also said that Scotland's capital budgets will be cut by 20 per cent in real terms over the next five years.

The Scottish Government is currently reprofiling and reprioritising its capital spend, but the Finance and Public Administration Committee will not see that work until near the end of May. Surely that should be an on-going process so that priorities are always clear within any given spending envelope, regardless of the capital allocation. That way, there will always be a priority list within each heading and, whether capital is increased or reduced, you will know what the priorities are. It seems odd to me that this whole thing is having to be reworked over a period of some months.

The First Minister: No, I would not necessarily agree with that. When it comes to our infrastructure right across the board—whether it is health, transport, justice or net zero infrastructure—some projects will be further along the route with their outline business cases and their final business cases, or in the process of the giving and receiving of Scottish Government investment. We can be absolutely up front about that.

Some projects are on a huge scale. The most obvious example is the replacement for Monklands hospital, to which we have committed. The cost of that is vast in comparison with that for a capital project that might cost a few million or even tens of millions of pounds. Therefore, getting absolute certainty—especially from the UK Government—on our capital budget enables us to determine which projects we can take forward and at what scale. It also enables us to determine what has to be reprofiled out to the right and what might have to take longer than we initially envisaged.

As Kenneth Gibson said, the Deputy First Minister has agreed to come to Parliament at the end of May to inform members about our infrastructure investment plan. We are currently working through the detail of that. We have been given an extremely difficult capital budget. As I said, the Scottish Government will seek to do what we can within the budget that we have, but, where appropriate, we will seek to explore where we can appropriately leverage in private finance for certain projects in the future.

The Deputy Presiding Officer: Sue Webber has a related question.

Education Budget (Information)

Sue Webber: First Minister, when the Education, Children and Young People's Committee was conducting its pre-budget scrutiny, we struggled to get responses to our questions on specific budget lines.

For example, despite our asking the Cabinet Secretary for Education and Skills, both in person and in correspondence, and the Public Audit Committee asking the Scottish Government's director general for education and justice, we are still not clear about what the announcement that £56 million in savings were to be made across demand-led programmes at the Scottish Funding Council means. The Deputy First Minister set that out in November 2023, but we still need to know how that has been broken down between the college and university sectors. We are still trying to get to the bottom of that, which is clearly important for our scrutiny of the further and higher education sector.

Given the importance of the scrutiny process and of the decisions that are made and the impact that they will have, should committees not be provided with clear, transparent and detailed information by the Scottish Government?

The First Minister: They absolutely should be, and we endeavour to provide such information. It is precisely because of that point that it sometimes takes a bit of time to work through the detail—for example, with the Scottish Funding Council.

I say to Sue Webber very clearly that our discussions with the Scottish Funding Council are very much on-going, as they have been for a number of weeks and, indeed, months. We want to ensure that, where, unfortunately, we have to bring in efficiencies because of the nature of our allocation from the UK Government, we do so in a way that minimises the impact on learners, for example. Those discussions are on-going, and we hope to get the detail to the committee within a matter of weeks.

Sue Webber: I look forward to that.

Health

12:44

Recruitment and Retention (Social Care Workforce)

Clare Haughey (Convener, Health, Social Care and Sport Committee): I refer members to my entry in the members' register of interests. I hold a bank nurse contract with NHS Greater Glasgow and Clyde.

As part of the stage 1 process for the National Care Service (Scotland) Bill, the Health, Social Care and Sport Committee recently received oral and written evidence on workforce challenges in the social care sector, in particular. There are concerns about recruitment and retention, because the workforce is highly skilled. Given how crucial the social care workforce is in delivering a national care service and, indeed, in delivering care every day to our communities, will the First Minister advise what steps the Scottish Government is taking to address those issues?

The First Minister: There is no doubt in my mind that Clare Haughey is right. When I speak to social care providers, whether they work in in-house local authority provision or private provision, the number 1 issue that they raise is workforce recruitment and retention. That is why, in the Scottish Government's budget, we confirmed that there will be an increase in social care pay to £12 an hour, which is significant. I know that there are some people in the social care sector who, understandably, want the Government to go further, but, of course, we operate within the limitations of our budget. Not only that but our manifesto, as Clare Haughey will be more than aware, pledged to increase our social care spending by 25 per cent over the course of the parliamentary session. We have already managed to do that, two years ahead of target.

We are working with the sector on the retention piece and looking at what more we can do on fair work and terms and conditions. We are not waiting for the national care service to come to fruition; instead, we are looking at what we can do in advance of that through the fair work in social care group, which has been established for a while.

Finally, on recruitment, we have raised concerns, as has the sector, on migration policy and the recent changes that have been made by the UK Government on migration. Most people who look at those changes objectively believe them to be an act of incredible self-harm and of harm to the social care sector, in particular. Undoubtedly, there is a need for a rethink by the UK Government on that policy.

Clare Haughey: You have almost pre-empted my next question about the social care workforce, because we know that many EU nationals, as well as people from other countries outside Scotland, come here to work in the sector. We are aware of the impact that Brexit and the immigration policies that you referred to have had on the sector. I know that the matter is wholly reserved, but has the Scottish Government given some thought to how it could respond to that? How is it attempting to tackle the challenge of attracting some of the workforce to Scotland?

The First Minister: We have asked the UK Government to consider the impact of the changes and whether further changes can be made in relation to the migration policy, which is deeply unfair. At the time that that policy was announced, there was an almost unified response from the social care sector, not just in Scotland but across the UK, about the impact that it would have.

I do not need to tell any member here that social care is vital in its own right and to the recovery of our national health service, more generally. Far too many people—more than 1,800—are in our hospitals and have no clinical reason to be there. We want to get them either to their homes or as close to home as possible. That affects the flow of patients through our hospitals.

The recovery of our health service is dependent on social care, which is why it is such a valued profession and why we have given further money to increase pay in the sector. I hope that there will be a rethink by the UK Government. Genuinely, it is not a party-political issue—the sector has been unified across the UK in saying how damaging the migration reforms will be.

The Deputy Presiding Officer: I invite Karen Adam, on behalf of the Equalities, Human Rights and Civil Justice Committee to stick with the health theme.

HIV Transmission Elimination Delivery Plan

Karen Adam (Convener, Equalities, Human Rights and Civil Justice Committee): Good afternoon. In October 2023, the Scottish Government announced that it would publish Scotland's HIV transmission elimination delivery plan in the coming months. We have held two formal sessions on that, one of which was yesterday, with the Minister for Public Health and Women's Health, during which she confirmed that the delivery plan had been published that morning. What are your hopes for the plan, how will it be promoted and how will success be measured? Also, will you recognise the on-going work to reduce stigma?

The First Minister: I recognise Karen Adam's interest in the matter. As she says, we are absolutely committed to HIV transmission elimination. We have seen massive amounts of advancement in technology and medical treatment over the years. There have been huge advances in the prevention and treatment of HIV, and we have a genuine opportunity to eliminate new cases of the virus in Scotland by 2030. The HIV transmission elimination proposal that was published in December 2022 emphasised the need to ensure that people who are living with HIV receive timely and appropriate diagnosis, treatment and, crucially, care, and the delivery plan has outlined the actions that it will take to achieve that goal.

The point about stigma is hugely important. The Government is actively seeking to do what we can to reduce stigma, not just for the important reasons of broader societal understanding but to ensure that people come forward as early as possible, should they require diagnosis, treatment or care. I do not doubt that more can be done in that space.

Offences Relating to Transmission of, or Exposure to, Sexually Transmitted Infections

Karen Adam: My second question touches on the advances in medicine that you mentioned, which mean that a person living with HIV can have an undetectable viral load and cannot pass the virus on to others. Does the Scottish Government have any plans to update the rules relating to culpable and reckless conduct in situations of intentional or reckless transmission of or exposure to sexually transmitted infections to reflect those advances?

The First Minister: We do not have any particular plans at the moment to review that particular offence. However, given that Karen Adam has asked the question, I am more than happy to further examine the issue. Ultimately, it is a matter for the Crown to determine whether there is sufficiency of evidence to prosecute a particular case. The Crown Office and Procurator Fiscal Service has published a prosecution policy on sexual transmission of infection, which sets out the reasons why it would or would not seek to prosecute an alleged offence.

As I said, I am happy to consider the question that Karen Adam asked about the advancement of treatment and come back to the member directly, through the Deputy Presiding Officer.

The Deputy Presiding Officer: Before we go to the comfort break, I invite Richard Leonard to ask questions in the area of health on behalf of the Public Audit Committee.

Vision for the Future of Healthcare

Richard Leonard (Convener, Public Audit Committee): Good afternoon. Just last week, the Auditor General told the Public Audit Committee that there is a

“range of strategies, plans and policies in place, but there is no single overall vision for how health services will look in future.”—[*Official Report, Public Audit Committee*, 21 March 2024; c 36.]

How do you respond to that?

The First Minister: Before I respond to that, on the issue of the comfort break, I know that part of the reason for the comfort break is because, during Ramadan, it would be helpful for me to have an opportunity to rinse my mouth out, given that we have more questions in the session ahead of us. However, I am more than happy to continue if the committee wishes, although, of course, you might want to have a comfort break for the benefit of other members. It is entirely a matter for you, Deputy Presiding Officer.

I disagree with the point that the Auditor General made in relation to an overall vision. I absolutely take on board points that are made around strategy and the need for implementation of strategies, but we have a vision in relation to health and social care, which, ultimately, is to ensure that we treat as many people at home or as close to home as possible, and that, with regard to our acute sites and our secondary care, we want to ensure that we have sustainable health services, which means having the appropriate levels of staffing and ensuring that we use technology and technological advances as much as possible to help with the demand on the service. Ultimately, we take a preventative approach, and that has been the Government's vision almost since its inception in 2007.

As I said, I respectfully disagree with the Auditor General on that point, while taking on board the other concerns that were raised by Audit Scotland.

Economy and Skills

12:55

National Strategy for Economic Transformation

Richard Leonard: Do you accept the Auditor General's findings that the Government's national strategy for economic transformation not only lacks the economic leadership group that we were promised two years ago but lacks leadership full stop?

The First Minister: The points about the leadership group are not unreasonable. I am proud of the national strategy for economic transformation and of the work of the experts and others who have helped to drive it forward. I am also proud of what we have managed to achieve in the economy in Scotland, not without strong headwinds—Brexit being one of the most obvious. Despite those challenges, just last month, we saw figures that showed that private sector employment is growing more in Scotland than in any other nation or region in the UK. There are undoubtedly challenges, but, as I say, I am proud of what we have managed to achieve in the face of very strong headwinds in Scotland's economy.

Training and Skills

Richard Leonard: The committee has also taken evidence on the college sector and planning for skills. You have announced that Skills Development Scotland will be replaced and that the Scottish Government will take over control of training and skills. I was out meeting people during apprenticeship week, as I am sure that you were, and, when I met college lecturers, SDS staff, private training providers, employers and trade unions, I found that none of them know what is going on, and they think that there is a lack of leadership in that regard, too. Can you comment on that?

The First Minister: As Richard Leonard has acknowledged, we engage with our college lecturers, trade unions and learners in relation to the changes that we seek to make. I hope that Parliament recognises that there have been a number of reviews into the skills sector, and I commend those reviews, particularly the Withers review. It is appropriate that the Government now works with partners, including those that Richard Leonard has mentioned, to take forward and implement those changes. By the nature of the process, it can take some time between a report being published and a decision being made on the way forward. My expectation and belief is that ministers and cabinet secretaries will take forward those changes, co-designing them with those who are involved in education and skills, such as

colleges, lecturers, staff and learners. If Richard Leonard has specific instances of people who do not feel engaged, I am more than happy to hear from him, because, as I said, my expectation and belief is that we should engage in co-design before making any substantial changes of the nature of those that we are looking at in the skills sector.

The Deputy Presiding Officer: Having promised a comfort break, I am reluctant to perform a humiliating U-turn, so we will have a very short comfort break and get back under way at three minutes past one precisely.

12:58

Meeting suspended.

13:03

On resuming—

Housing

The Deputy Presiding Officer: We will get back under way. I invite Ariane Burgess, on behalf of the Local Government, Housing and Planning Committee, to kick off the questions on housing.

Housing to 2040 Strategy

Ariane Burgess (Convener, Local Government, Housing and Planning Committee): The Local Government, Housing and Planning Committee is holding a series of sessions on the Scottish Government's housing to 2040 strategy. The expressed ambition of that strategy is for:

"everyone to have a safe, high quality home that is affordable and meets their needs in the place they want to be."

In the evidence sessions that we have held to date, significant concerns have been expressed about the deliverability of the strategy's ambitions, in particular in the context of the cuts to the affordable housing supply budget. Are the ambitions of the strategy still realistic? If so, how does the Scottish Government intend to deliver on them?

The First Minister: They are realistic and are still our aims. I do not doubt for a minute that significant concern has been expressed regarding the housing budget in the 2024-25 budget. I understand the concern and we have been up front about the reasons. We have had a more than 60 per cent cut to our financial transactions. We know how important those are in this respect and, as has already been referenced, there has been a £1.3 billion cut to our capital budget over the next five years. I cannot look people in the eye and say that a £1.3 billion cut will not have an impact; it is going to have an impact. We will have to find ways of making savings, which is why one of the workstreams that Paul McLennan, the Minister for Housing, is engaged in, is a housing investment task force that is looking to try to leverage in some private investment.

We do not doubt the challenges that exist for the budget for 2024-25. If I were to look at the longer term—which is important for any issue—in particular, for house building, we have a strong track record of building affordable homes and a good track record on that in comparison to previous and current Administrations across the UK. I am not taking away from the challenges that exist for 2024-25 or from the concerns that have been raised by non-governmental organisations, the third sector and others, but we are absolutely committed to the aims of the housing to 2040 strategy.

Ariane Burgess: You will be aware that the quarterly housing statistics were published this week. The number of new-home completions fell by 11 per cent and new starts fell by 24 per cent in 2023 from the number in 2022. I recognise that that is a quarterly snapshot, but it helps us to keep track of where we are going. I would be interested to understand how the Scottish Government intends to reverse the decline.

The First Minister: By any objective measure, people would recognise that, over the past year, there have been some pretty significant challenges, including inflationary pressures in particular. Without straying too much into the politics of that, we know that there are a number of reasons for those inflationary pressures: one of them is the impact of the UK Government's disastrous mini budget. We have been facing inflationary pressures, although inflation is now beginning to come down, which is welcome. There is also the wider impact of Brexit and the wider market conditions.

I fully accept the concern that has been raised by third sector partners about housing and the challenge of the cut to the affordable housing supply programme, which is why the Deputy First Minister made it abundantly clear that, if there is an increase in capital, the affordable housing supply programme will undoubtedly be the priority. In the spring statement, we did not see additional capital. We asked the UK Government to reconsider that.

I go back to the point that I have made about housing in the longer term: we have a good strong track record, which I do not want us to lose or to fall behind on, which is why I will always seek to see how we can leverage private investment, for example, into housing and house building.

Homelessness

Ariane Burgess: It is good to hear about the work that is being done on investment.

One of the key concerns that has been highlighted to the committee during our inquiry into the housing to 2040 strategy is the ever-growing pressure on homelessness services and temporary accommodation. I would be interested to understand how the Housing (Scotland) Bill, which was introduced yesterday, could assist in responding to those pressures.

The First Minister: There is a lot in the housing bill that I am very proud of and which will help to address homelessness and ensure that the challenge that we face in Scotland is in no way exacerbated, including having a stable and permanent rent control scheme that is available to apply. It is important that we recognise that a number of countries across Europe have one form or another of rent control, and that it does not

necessarily lead to a lack of investment in the private rented sector. We can point to examples of countries where there have been rent controls in place and there has been a continual flow investment into the private rented sector. We are leaning on the expertise of people who are in financial services in Scotland to make sure that we are explaining the policies in the Housing (Scotland) Bill so that we can ensure that that flow of investment, which will be required for our private rented sector, continues.

On homelessness, I should say that there is no one in the Scottish Government, myself included, who does not acknowledge and understand the severity of the challenge. That is why, in the face of a difficult budget settlement, which I think is the most challenging since devolution—I have talked about capital, but we are also looking at a £500 million real-terms cut over two years to our budget—we have protected the homelessness budget for the next financial year.

The Deputy Presiding Officer: Broadening the discussion out to the economy more generally, I call Claire Baker to ask questions on behalf of the Economy and Fair Work Committee.

Economy

Tourism (Closure of iCentres)

13:09

Claire Baker (Convener, Economy and Fair Work Committee): Part of the Economy and Fair Work Committee's responsibility is tourism. This morning, VisitScotland has announced that it will close the remaining 25 iCentres. That is after 39 were closed between 2017 and 2019. Did the Government know that that announcement was coming this morning? What discussions has it had with VisitScotland about the closures? Has any evaluation been done of the impact? Five of the centres are in the islands and the majority of them are in rural locations, so I think that there will be some concerns about the impact on the rural economy. Did the Government have that discussion prior to the announcement and has there been an evaluation of what the impact will be?

The First Minister: We have regular discussions with VisitScotland. I fully accept that there will be some level of concern around the announcement. However, there is also a recognition that the way in which we seek information when we travel to tourist destinations has changed. Most of us here will use an app or go online. That is not to say that visitor information centres do not have a place—some people will still find a use for them and have an interest in them—but the way in which people seek and find information on tourist destinations has rapidly and vastly changed.

My expectation of VisitScotland—it knows this—is that it engages with the communities in those tourist destinations to fully reassure them about what is in place for people to seek information about those destinations, even when information centres are closed.

Claire Baker: You are correct in your analysis of why VisitScotland is looking to close those centres and to put more investment into online services. Is it sufficiently funded to improve its current online offer, which could do with a bit of improvement and investment. Are you confident that the resources that would be released from the closures would deliver that?

The First Minister: Yes, I am confident that VisitScotland has the appropriate levels of funding to enhance the digital offer. I would say that its digital offer is very good at the moment. Probably most of us around this table have used VisitScotland's website at one point or another. It has a very good digital offering indeed, but it could be enhanced. Undoubtedly, savings could be made through closure of the centres, as has been announced.

I go back to Claire Baker's initial point, which I think is absolutely right, that in any decision of this nature there should be appropriate levels of engagement and consultation with the local communities, because there will be a number of remote, rural and island communities that might well be concerned about the announcement that has been made. However, I completely understand the rationale and reasons for the decision, and I think that VisitScotland is appropriately funded to improve and enhance the digital offer, which is already quite a good one.

Fair Work Nation (Disability Employment Gap)

Claire Baker: The Fair Work Convention has published its first "Fair Work in Scotland" report, which says that faster progress on fair work is urgently needed if Scotland is to become a fair work nation by 2025.

Although the report recognises areas where Scotland is doing well, there are areas where we need to see improvements, including in relation to disabled workers. You might be aware that the committee did a bit of work on the disability employment gap, and we will return to it before the summer. What has your engagement been with the Fair Work Convention's report? In particular, what efforts have been made to recognise how we can make progress on closing the disability employment gap? We have made some progress but the concern is that unless we fully understand how we have made progress and what else needs to be done, we will reach a plateau and we will not be able to reach the target.

The First Minister: We are still fully committed to becoming a fair work nation. I met one of the chairs of the Fair Work Convention—I think that the other chair was unavailable due to a family engagement. As First Minister, I will continue to engage with the Fair Work Convention and of course I expect the Cabinet Secretary for Finance to do so as well. The concerns around the disability employment gap are ones that I recognise. Claire Baker and the committee have raised the issue on a number of occasions.

Last week, I met disabled people's organisations at a round-table event that was hosted by the Glasgow Disability Alliance—I am grateful to it for hosting—at which access to employment came up as a topic of conversation, as Claire Baker would expect. We will continue to invest in that, but, as Claire Baker will recognise, there have been improvements. It goes back to the issue of skills opportunities that Sue Webber and Richard Leonard asked about. We have to ensure that everything that we do in the landscape of skills, education, training and employment absolutely recognises accessibility issues.

13:15

Although Claire Baker has, very understandably, asked me about the disability employment gap, there are other people who, through no fault of their own, are still struggling to get into the workforce due to the institutional barriers that exist. Therefore, as well as the disability employment gap, we seek to ensure that there is full access to the employment market for anybody who faces institutional barriers.

The Deputy Presiding Officer: Claire, I know that you have more questions. I will bring in other members, but I will come back to you at the end, if I can.

The next question, which is on the issue of child poverty, is from Collette Stevenson, on behalf of the Social Justice and Social Security Committee.

Child Poverty

Tackling Poverty (Interventions)

13:16

Collette Stevenson (Convener, Social Justice and Social Security Committee): Good afternoon, First Minister.

The Scottish child payment has been the Scottish Government's flagship policy for tackling child poverty. Do you expect that it will be the central policy for meeting the 2030 targets? Will you talk about other actions that the Government will take to reduce child poverty?

The First Minister: The Scottish child payment will always be a central policy. It is rightly lauded and praised by stakeholders as a game-changing intervention, and it will increase next year.

There will be organisations, charities and non-governmental organisations that want us to go even further in relation to the Scottish child payment. However, the Scottish Government has to get absolutely right the balance between providing a level of intervention that will help us to reduce child poverty and providing a level that ensures that we create the appropriate incentives in relation to work. We think that we have got the balance right, but we will always keep it under review, when we can.

It has been modelled that the Scottish child payment alone will lift 60,000 children out of relative poverty in 2024-25. Estimates suggest that the other interventions, taken as a total, will lift 100,000 children out of relative poverty, which is significant given the headwinds that we face in the cost of living crisis.

There are interventions that we can and should continue to make, and many of those are in the social security space that Collette Stevenson and her committee regularly look at. However, there are levers that are not in our hands. For example, experts have suggested that lifting the two-child limit alone would lift 250,000 children out of poverty across the UK, and that introducing an essentials guarantee and changes to universal credit could also make a significant difference.

We will do what we can within our powers and budget, but I urge the UK Government to make the appropriate changes that could overnight—quite literally—help us to reduce poverty in Scotland and across the UK.

Collette Stevenson: That was really helpful.

The next area that I will ask you about is the minimum income guarantee. Although the final report is, I understand, not due out until the end of

this year, can you comment on progress thus far and on any interim findings?

The First Minister: Collette Stevenson is right: the expert group is due to publish its recommendations in this calendar year.

We know that support for the minimum income guarantee is building, which was shown by the recent Poverty Alliance annual conference. Delegates discussed the need for a transformational change in priorities, towards a minimum income guarantee. The expert group is considering the policy's delivery's potential impacts on households, the wider economy and society. The recommendations will consider costs, legislative powers and delivery mechanisms, because we want to ensure, in taking forward such a policy, that it is deliverable. That is why the work of the expert group of independent stakeholders, on considering feasible steps towards delivering a minimum income guarantee, is so important.

There is probably little more that I can say ahead of publication of the recommendations later this year.

The Deputy Presiding Officer: We move on to constitution and culture, and I call Clare Adamson on behalf of the Constitution, Europe, External Affairs and Culture Committee.

Constitution and Culture

13:19

Consensus and Co-operation Post-EU

Clare Adamson (Convener, Constitution, Europe, External Affairs and Culture Committee): Good afternoon, First Minister.

Following the publication of the committee's report, "How Devolution is Changing Post-EU", the committee held an event with the University of Strathclyde law school to consider the report's findings and recommendations. Participants were drawn from a wide range of professional backgrounds and included politicians, Scottish Government and Scottish Parliament officials, private and public sector lawyers and academic lawyers, political scientists and PhD students from across the United Kingdom. The note that was prepared by one of our committee advisers talks of the "chilling" effect of the United Kingdom Internal Market Act 2020 on devolved policy making and the shadow of parliamentary sovereignty that gives the UK Government an upper hand in any dispute with devolved Governments.

In general, there was broad agreement in the room that the pre-EU withdrawal conditions of consensus and co-operation have broken down. There was much interest in the room in whether and how they can be restored. Can consensus and co-operation be restored post-EU?

The First Minister: I am mindful that the Deputy Presiding Officer will tell me to be brief, so I will do my best in answering this question. In response to the committee's report, Angus Robertson intimated the Scottish Government's view that there is a need, which the committee's overall recommendation included, for a new intergovernmental relations agreement to reflect the complex and evolving post-Brexit landscape. It would be fair to say that.

My concern is that the current UK Administration's approach seeks to undermine devolution, and the UK Internal Market Act 2020 is an example of absolutely that. That is not just my view; it is a view that is shared by the Welsh Government. Although I have engaged only briefly with the Northern Ireland Government, I am keen to hear its views on devolution and the current structures that are in place.

Ultimately, what is happening now is a far cry from how previous Prime Ministers approached the issue. For example, with Lord Cameron's Government there were fundamental disagreements on a wide range of policy issues, including the constitution, but we had two Governments sitting at the table that were able to

get to a position in which the democratic will of the people of Scotland and the devolution settlement of this Parliament were respected.

Let us take the most contentious issue of the constitution. The Edinburgh agreement allowed a referendum to take place, even though we had diametrically opposed views on that issue. We are a far cry from that now, and devolution—in my mind and in the minds of many experts—seems to be being undermined not just by the United Kingdom Internal Market Act 2020, but by the use of, for example, section 35 powers. There is significant concern about overreach. That is why I agree with your committee's overall conclusion that new intergovernmental relations agreements are needed to reflect the very complex and evolving post-Brexit landscape.

Clare Adamson: Thank you for that answer, First Minister. Concerns have, as you rightly said, been raised, and I am involved in a couple of interparliamentary forums. Stormont is back up and running. Those concerns have also been raised by House of Lords committees, and in the recent paper by Gordon Brown. One suggestion is that conventions such as the Sewel convention be put in statute. After the UK general election, might there be an opportunity to examine how to move forward with a review of how we operate post-EU?

The First Minister: I certainly hope that there will be an improved relationship if the incoming UK Government is Labour. If there is—unlikely though it may seem—a continuation of the current UK Government after the general election, I hope that it would not take another general election for there to be a change in approach. I hope that the current party in Government at UK level would look at the damage that is being done to devolution by its actions and by the undermining of our institutions more broadly, and that it would take a different approach. That would be far better than having to wait for an election and a potential new Government.

For me, what has happened regarding the Sewel convention and with the United Kingdom Internal Market Act 2020 are the key examples of the fundamental undermining of our devolution structures. However, it is not just me: the previous First Minister of Wales, Mark Drakeford, regularly raised concern about the fact that the Sewel convention has been breached time and again—often, although not always, on issues around Brexit-related legislation.

I will look at good ideas, wherever they come from. I think that Gordon Brown's piece of work has some merit, but it probably does not go nearly as far as it should. I have a great deal of respect for Gordon Brown and the work that he has done, but that report does not go far enough, and we have

already seen examples of the UK Labour Party rolling back on recommendations from it.

Whichever party is in power, be it in the UK Government or the Scottish Government, it is really important that the appropriate mechanisms are in place for good intergovernmental relations.

Clare Adamson: Thank you, First Minister.

Deputy Presiding Officer, can I ask a question on another subject?

The Deputy Presiding Officer: Briefly.

Arts and Culture Investment

Clare Adamson: First Minister, you committed to increasing the Scottish Government's investment in arts and culture by £100 million by 2028-29. With Covid, Brexit and the cost of living crisis, the culture sector has experienced what has been termed a "perfect storm". Can you give any details or say what your priorities will be for our culture sector spend?

The First Minister: There has been an increase in next year's budget for the culture sector. That is the down payment, if you like, of the £100 million that we have promised by financial year 2028-29. In 2025-26, we aim to provide an additional £25 million to the culture sector.

In terms of additionality, we are trying to give the culture sector a forward look to allow it to plan and to thrive. I do not need to tell Clare Adamson about the value of the culture sector—not just at home, but abroad. The budget increase is coming despite a very challenging budget situation, which I have already referenced.

Through that increased investment, we want to drive up participation in creative pursuits, we want to support production of new works and, crucially—as I have already said—we want to ensure that Scotland's cultural output has platforms not just at home, but abroad.

Supplementary Questions

13:27

The Deputy Presiding Officer: We have a couple of brief supplementary questions.

Public-office Holders (Increase)

Kenneth Gibson: The Scottish Parliamentary Corporate Body and the Finance and Public Administration Committee have both expressed concerns about the growth in the cost and number of public-office holders. In the financial year that is about to begin, the commissioners will have significant budget increases that are higher than those for any Scottish Government portfolio, for example.

We are concerned not only about the cost of commissioners, but about the inability to actively scrutinise them. What is the Scottish Government's view of commissioners? For example, do you feel that there should be more or fewer of them? Should we just let the Parliament decide and let the number of commissioners grow organically? Should there be sunset clauses, so that once a commissioner's initial mission is accomplished the post could be abolished?

The Finance and Public Administration Committee is about to undertake an inquiry on commissioners, so it would be quite interesting to hear the Scottish Government's view at an early stage. There is a kind of "We want one" philosophy for organisations that do not—

The Deputy Presiding Officer: You get the drift, First Minister.

The First Minister: I do. We should have a commissioner that looks into those issues. [*Laughter.*] No—I do not think that that is the case.

In all seriousness, Kenneth Gibson's point is absolutely right, and I will broaden it out to the points that the Deputy First Minister has made to Parliament about public sector reform. There is an understanding of the complexity and size of the public sector landscape and of the need to perhaps simplify it and, where necessary, to make further efficiencies—doing so, of course, with our trade union colleagues and the workforce.

It is not for me, as the First Minister, to dictate to the Parliament about members' bills and other bills that would create commissioners. There are a number of bills in the ether or that have been suggested for introduction, and some of those bills have commissioners attached to them. We would, of course, debate their merits case by case.

The proposal that Kenneth Gibson made about potential sunset clauses is well worthy of

consideration and has merit. I reassure him that that is part of the work that the Deputy First Minister is doing in relation to public sector reform.

The Deputy Presiding Officer: Given that Claire Baker raised the closure of iCentres on islands, I will reward her with the final question. Please demonstrate to Kenny Gibson how to do it briefly, Claire. [*Laughter.*]

National Strategy for Economic Transformation (Update)

Claire Baker: Richard Leonard has already mentioned the Audit Scotland report on the national strategy for economic transformation. Although the report talked about the economic leadership group, it also raised issues around transparency and accountability.

We are expecting the NSET refresh in the summer. Will the refresh address the issues that were outlined in the Audit Scotland report?

The First Minister: Yes, we will seek to do that. On the back of Claire Baker's question, I will look at the progress that we are making in relation to that update. My expectation is that we will address those issues through the update.

More generally, I want to give an absolute assurance—not only to Richard Leonard and Claire Baker, but to all the committee conveners at the table—that we take Audit Scotland's reports extremely seriously. We seek to respond to them and to implement recommendations, where we can. For any recommendations that we do not implement, we are up front about the reasons why we are not doing so.

As I said, I will personally look at the update and ensure that it addresses the transparency issue and other issues that were raised by Audit Scotland.

The Deputy Presiding Officer: That concludes our session with the First Minister. I hope that we can repeat the exercise in about six months. Thank you, again, First Minister, for your attendance. Thank you, conveners, for your attendance.

Meeting closed at 13:31.

