

AUDIT COMMITTEE

Tuesday 29 November 2005

Session 2

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AUDIT COMMITTEE

17th Meeting 2005, Session 2

CONVENER

*Mr Brian Monteith (Mid Scotland and Fife) (Ind)

DEPUTY CONVENER

*Mr Andrew Welsh (Angus) (SNP)

COMMITTEE MEMBERS

*Susan Deacon (Edinburgh East and Musselburgh) (Lab)

*Margaret Jamieson (Kilmarnock and Loudoun) (Lab)

Mrs Mary Mulligan (Linlithgow) (Lab)

*Eleanor Scott (Highlands and Islands) (Green)

Margaret Smith (Edinburgh West) (LD)

COMMITTEE SUBSTITUTES

Chris Ballance (South of Scotland) (Green)

Mr David Davidson (North East Scotland) (Con)

Marlyn Glen (North East Scotland) (Lab)

Mr John Swinney (North Tayside) (SNP)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Robert Black (Auditor General for Scotland)

Caroline Gardner (Audit Scotland)

CLERK TO THE COMMITTEE

Shelagh McKinlay

SENIOR ASSISTANT CLERK

Joanna Hardy

ASSISTANT CLERK

Clare O'Neill

LOCATION

Committee Room 2

Scottish Parliament

Audit Committee

Tuesday 29 November 2005

[THE CONVENER *opened the meeting at 11:01*]

Items in Private

The Convener (Mr Brian Monteith): Good morning and welcome to the 17th meeting in 2005 of the Audit Committee. I am pleased to welcome everyone, not least the Auditor General for Scotland and his team, members of the committee and those who have joined us in the public gallery. There are two apologies: Mary Mulligan and Margaret Smith are unlikely to be able to attend the meeting.

Item 1 is to consider which items on the agenda we will take in private. I seek the agreement of the committee that items 4 and 5 be taken in private. Under item 4, the committee will consider its approach to the Auditor General for Scotland's report "Leadership development", which is part of the "How Government Works" series. Under item 5, the committee will consider arrangements for its oral evidence session on the Auditor General's report "Overview of the water industry in Scotland". Do we all agree to take items 4 and 5 in private?

Members *indicated agreement.*

"Leadership development"

11:03

The Convener: Item 2 is on the Auditor General for Scotland's report "Leadership development". I invite Robert Black to brief the committee on the report.

Mr Robert Black (Auditor General for Scotland): This is the second report in our "How Government Works" series, in which we consider aspects of the business of the public sector that cut across a range of organisations. The aim of the series is to identify good practice so that improvements can take place in public services and, through the reports, to encourage sharing of such good practice. The intention is also to set a baseline against which future progress can be demonstrated.

The need for effective leadership of public services is widely accepted and there are some excellent Scottish examples of leadership investment programmes. To the best of our knowledge, the report is the first to consider objectively what is happening throughout the Scottish public sector in leadership development. There are some examples of good practice; however, the picture is variable, and a more rigorous approach needs to be taken to tracking investment and evaluating whether it is improving public sector organisations. We estimate that the Scottish public sector spends at least £5 million a year on leadership development. That is probably a low estimate, because one in five organisations are unable to identify all their expenditure. There are clear examples of good practice and collaborative working, particularly between the national health service and councils locally. However, three quarters of bodies are unable to say what impact their spending on leadership development has on their organisation's performance.

The Scottish Executive is investing substantial sums in a range of leadership development initiatives. Both the NHS and local government are adopting national frameworks to guide local policies.

Part 3 of the report highlights seven areas of significant activity. We mention the NHS leadership development framework, which was endorsed by ministers this year; the action plan for the social services workforce, which has led to a national programme for leadership development; the Columba 1400 head teacher leadership academy; the mainstream Scottish qualification for headship; the Leadership Foundation for Higher Education; the Scottish Further Education Unit, whose programme covers all college principals;

and, finally, the workforce development plan for local government, which involves the recent creation of the Improvement Service for local government.

All those initiatives are funded partly or wholly and directly or indirectly by the Scottish Executive. We find that there are significant differences in costs; some examples of that are given in exhibit 7 on page 19. Therefore, we suggest that there may be questions about the coherence of the planning. In particular, the links between the mainstream health and social work leadership development programmes are not clear, although effective health and community care depends on partnership working between those professionals.

We give an example of good cross-sectoral working in Fife. Collaborative working in action is clearly an important feature of community planning. Just over 50 per cent of organisations reported that they were engaged in some form of leadership development. The Fife example is particularly interesting.

Under the heading of cross-sectoral investment in collaborative working, we specifically mention the Scottish Leadership Foundation, because it was set up by the Scottish Executive in 2001 and was originally intended to be an expert commissioning body. However, although the Scottish Executive provided the salary for the chief executive on a secondment basis for the first year, the foundation had no committed funding when it was created. Therefore, it has, in practice, been required to operate as a training provider rather than as a strategic commissioner and adviser to various sectors of government.

We suggest a number of ways in which the very significant investment that is being devoted to leadership development might be made more effective. First, we suggest that more rigour could be applied to tracking investment in leadership development and evaluating its effectiveness. Ultimately, the indicator of effectiveness is, of course, improvement in the quality of the management of public organisations and the delivery of high-quality public services. Secondly, we encourage the public sector to consider shared investment, particularly for community planning partners, to improve services. We point people towards some examples of such investment in the report. Finally, we suggest that the Scottish Executive should consider establishing

“a coordinating body to act on behalf of public bodies in Scotland, with the capacity to broker solutions, provide advice on strategic procurement, commission research and spread best practice.”

The Scottish Executive is well placed to develop a clear policy framework. Many of the elements are in place, but it is important to ensure a consistent and effective approach. The report is

intended to inform thinking about how to deliver effective leadership development across Scotland's public sector.

As ever, I am happy to answer any questions, and Caroline Gardner is here to assist me.

The Convener: Is the sun troubling you?

Mr Black: It is all right—it was awkward for a moment.

The Convener: This is the famous room with the blinds.

I will start off with a question. You mention that three quarters of the bodies are unable to identify the impact of their spending on leadership development. It might be acceptable that some bodies are unable to identify the impact of that spending, but three quarters seems an unduly large number. Why is the proportion so large? Further, why does one in five bodies not know how much it spends on leadership?

Mr Black: The short answer is that the problem seems to be that such activity is fragmented. In complex bodies such as local authorities, a number of different initiatives might be sponsored through different departments. Fragmentation was a problem that we encountered when we undertook the report and it is part of the problem that we have identified. There is a lack of a coherent overall policy framework for the whole of Scotland.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): First, I thank the Auditor General for the report, which shines a light on what, for the committee, has been an underlying theme across a range of areas. I will phrase my first question in the way in which members tend to phrase their questions in Parliament. Would the Auditor General agree with me that the report is just the start of a process of further examination of what is happening on leadership in the public sector in Scotland? Is it fair to say that although the report seems to be a pretty good start, it is just a start?

Mr Black: Yes, that is absolutely correct. As I said earlier, we outline in the report seven areas in which there have been quite significant developments over the past few years. The commitment and the investment are there, but now we need a more systematic framework to ensure that we capitalise on that investment and get the best return from it.

Susan Deacon: Thank you. I want to explore some of the background to where we are now. I was struck by the fact that the report makes a number of references to a piece of work entitled “Reinventing Management”, which was conducted some years ago. I declare an interest, in that, in a former life, I was involved in the work on that

study. A conference that drew together a wide cross-section of leaders from across the public sector in Scotland was organised around that project in February 1999. I am sure that the Auditor General will agree that a strong consensus was forged about the way forward for leadership in the public sector post-devolution, because I recall that he took part in that event. That consensus is referred to explicitly in the report.

Why has it taken such a long time to come such a little way in that area? As your report says, it took two years from that point for the Scottish Leadership Foundation to be established, and it is arguable that, since then, that body has gone backwards, not in the work that it does, but in the amount of support that it gets to develop its work. At the end of the conference that I mentioned, I distinctly recall Muir Russell—who at that time was the permanent secretary at the Scottish Office and who became the permanent secretary at the Scottish Executive—making a robust commitment to give priority to developing leadership capacity in the public sector along the lines that were originally envisaged. As far as I can see, your report says that such development still needs to be done. Given that sign-up to the leadership agenda was so strong, can you tell us, from all the work that you have done, why more progress has not been made more quickly?

Mr Black: I cannot help the committee very much with that question; it might be better to put it to the permanent secretary. However, one of the reasons for undertaking the report was that we were aware—as I am sure that members are—of the emergence of what are, when one looks at them in isolation, a number of good initiatives. Green shoots are springing up on leadership development in Scotland. On the evidence that is available to us, we think that the picture is more fragmented than it needs to be and that a more joined-up approach would yield significant benefits.

If anything, in the years since that conference and the launch of the Scottish Leadership Foundation, the need for a joined-up approach has probably intensified, especially in light of the growing emphasis that the Executive, with the support of Parliament, is giving to joined-up working through community planning, community health partnerships and so on. That points even more strongly to the need for the adoption of a collaborative, cross-sectoral approach. Our report includes some interesting examples—not least that of the Fife multi-agency leading and learning programme, which I mentioned—that show that good things are happening on the ground. However, it appears to us that they are happening in isolation from an overall strategic framework.

11:15

Susan Deacon: On that point about co-ordination, the report makes a clear recommendation on the need for a co-ordinating body. Will you care to elaborate on who should take the lead if that direction of travel is taken? Should the Scottish Executive take the lead in establishing such a body? What might a co-ordinating body look like and where might it be located? Are you able to comment further on that?

Mr Black: Given the Executive's central role in making policy and its vital role in funding the range of initiatives that the report describes, I have no doubt that the Scottish Executive is the key organisation that should take the idea forward. Ultimately, it is for others to determine whether a co-ordinating body is required but, on the basis of the evidence that we have acquired, it seems to me that the Executive should give the matter some serious thought.

Two significant issues could be tackled by such a body. The first is the need for a truly joined-up, cross-sectoral approach to leadership development that would provide—among the other benefits that would flow from such an approach—an improved capacity to plan and deliver in areas such as community planning and community health partnerships. The second is the need for a centre of expertise in commissioning good leadership development training and in properly evaluating such training.

For those reasons, we believe that there is a strong argument for establishing a body that could operate on behalf of all public bodies in Scotland with the capacity to broker solutions, to provide advice on strategic procurement and to commission evaluation and research. We need only look at what is happening south of the border to see examples of significant leadership development programmes, including the reinvention of the civil service college under another guise. Such a body in Scotland could also evaluate best practice and ensure that it is spread and supported throughout the public sector.

We all recognise that the management teams that run our health boards and councils are fully committed to what they are doing, but they will not necessarily have the expertise on board to put together high-quality training programmes or to consider best practice in embedding good leadership development in the management of the board or council. There needs to be some follow through so that leadership development—this is always a risk with any management training—is not simply about sending someone on a course or tutorial. Advice needs to be available on how organisations follow through on the overall development of their leaders and managers of the future, which is a very important issue indeed. In

quite a number of areas, a co-ordinating body could add real value.

Susan Deacon: As a couple of committee members are not present today, I am sure that the convener will allow me to squeeze in one final question, which is on a different tack.

My question is on the role of our academic institutions. The report notes that the Scottish Further Education Funding Council previously provided pockets of funding for work on leadership development, but that such work has been rather limited. In connection with the Enterprise and Culture Committee's inquiry into business growth, at a recent meeting of that committee I asked the Scottish Further and Higher Education Funding Council's chief executive, Roger McClure, and other members of the panel about leadership development. However, Roger McClure drew a clear distinction between publicly funded areas of activity and areas such as business schools, which are not publicly funded. I understand why he drew that distinction, given the funding council's significantly lesser role in areas that do not require direct public funding, but I am concerned by that. Presumably, our further and higher education institutions and our business schools—albeit that courses in business schools are not directly publicly funded in the same way as other courses are—have an important role to play in leadership development. Will you comment further on that?

Mr Black: Scotland is blessed with a large number of management schools in its universities and colleges. A separate issue for me is whether there is critical mass and whether we should bring some of those bodies together more effectively. The leaders in higher education are aware of that issue.

Although I do not want to single out any particular organisation, I return to the example of the Fife multi-agency leading and learning programme. There are five core elements in the training that it provides, one of which is a formal learning module that is delivered by the University of St Andrews. There are opportunities, but this is an area in which, I suggest, a strategic approach by the Scottish Executive is necessary. We should have a clear policy that is followed through over several years to create the right environment, in which expert training providers—probably from universities and colleges—can develop and flourish.

Any university or other training provider, such as the Scottish Leadership Foundation, must have stability and continuity of funding to invest in good-quality training, so that it can get a return on the contracts that it wins. Such stability and the necessary clear strategic framework do not seem to have been wholly developed.

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): I remember the Health and Community Care Committee in the first session of the Parliament, of which I was a member, looking at community care and finding that there was significant emphasis on cross-boundary training. One of our recommendations was that the first year of training for teachers, social workers, nurses and doctors should be the same across all sectors.

The "Leadership development" report reinforces the point that leadership should reach across all boundaries. A leader in a school or a chief superintendent in the police will have different skills particular to their profession, but the skills that they need to do their jobs as leaders will be common to both of them. The report implies that in certain areas, but does not say it. Therefore, I have a great concern that we may miss the point. There is an issue about professions having to meet the obligations in their own codes for continuing professional development. It would be natural to assume that if somebody follows their professional code they will proceed to leadership in their profession.

That takes me back to the report and the interesting case study on Dalry Primary School in North Ayrshire. Four months after an inspection by Her Majesty's Inspectorate of Education, a new head teacher was appointed, and two years down the line the school is a very different institution. However, the report does not talk about the involvement of the authority in supporting that head teacher. From reading the case study, it is clear that that head teacher is very committed. She says that her colleagues said that she was "mad" to go to Dalry Primary School, which gives us an idea of the difficulties that she faced. However, there is no mention of support from the authority. I cannot find in the report whether she took the Scottish qualification for headship. Perhaps she got her information from the teachers' code of continuing professional development.

That concerns me greatly. We have introduced new qualifications in several areas, of which the chartered teacher qualification is an example. However, most people who go for the new qualification have to do so in their own time and pay for it themselves. There is no pulling together, and matters are left up to each individual authority. We could pull more out of your report to move us forward.

Mr Black: I apologise if in my introduction I did not make it clear that I thought that the point that Margaret Jamieson has now made about cross-sectoral leadership was important. Part 4 of the report is called "Cross-sectoral investment in leadership", in which we start by saying:

"The importance of leadership across organisational boundaries was recognised in the 2001 Cabinet Office report *Strengthening Leadership in the Public Services*".

Therefore, such leadership is recognised at the heart of Government. We started part 4 of the report with that reference deliberately. The Cabinet Office report is challenging, because it says that

"too little attention is paid to the growing importance of leadership across organisational boundaries or learning between different sectors."

There are two reasons why I was keen to encourage the team to introduce a case study. One is that it is easy for a report such as "Leadership development" to be abstract and concerned with process, and it was good that we found the example of Dalry Primary School to drop into the report. The second reason is that there is emerging evidence that, in education in particular, there is a clear match between leadership investment and outcomes.

More years ago than I care to remember, I was in charge of a policy planning group on research and intelligence in the old Strathclyde Regional Council. I remember the publication back in 1979 of a significant report called "Fifteen Thousand Hours: Secondary Schools and Their Effects on Children". Some people in the room were perhaps covered by that study, as opposed to having read it. It was a major study of the progress of children from primary school right through until they left school. It is a massive tome and one of the biggest research studies of its type. The key conclusion from it was that children's behaviour and attitudes are influenced by the qualities of their school as a social institution. It is a short step from there to the Dalry experience.

I also recall in those days doing one of the first pieces of work to look at exam performance in schools throughout Strathclyde, of which there was a large number. We plotted indicators of deprivation, such as free school meals, against exam results. Of course, we found that educational attainment, as measured by exam performance, was significantly better in the more prosperous parts of Strathclyde and much poorer in areas of deprivation. It was interesting that when we put those data through a finer mesh, we found that even in the areas of deprivation, some of the schools were above the trend line and some were below it. When we started to ask questions, it was amazing how often the local councillor or an education department official would say that that was about the quality of the head teachers.

There is evidence of the importance of good leadership training and development. I expect that that is equally true in other sectors, but we are not yet in a position to evaluate that well.

Margaret Jamieson: I should perhaps declare an interest in that my daughter is a probationary teacher.

Much is left to the individual and depends on their financial circumstances. It is all very well to talk about what is happening at a higher level and the amount that is being spent there, but down the line, given the work that teachers have to produce for kids daily and weekly, undertaking further study can be forgotten about. The people who suffer are the children and we are not training enough individuals to backfill. We have always talked about backfilling, so that people can move on to the next stage of training while not having to work.

11:30

Mr Black: I agree. On page 14 of the report we try in a series of bullet points to capture the conditions for success. I draw that to the committee's attention to echo Margaret Jamieson's point about the importance of there being a commitment from management at all levels to deliver effective training and to support staff.

In the report, we say that the conditions for success include clarity about the qualities of leadership that are important in a particular environment, whether it is a social work department or a school. It is also important to be clear about how the council or other agency will plan around what it is trying to achieve locally in order to ensure that the skills and experience that it gives its key staff are right for purpose.

There is also a series of bullet points on the need for sustained commitment. Management needs to be committed to leadership development in the long term. It must be committed to high-quality training and support in the work place, but it is also important to bed leadership development down in good performance management, staff development and succession planning; commitment is not a one-off event. There needs to be support at all levels throughout the organisation, rather than—as has happened all too often—management development or leadership training being seen as isolated expenditure on a course.

Caroline Gardner (Audit Scotland): To be fair to North Ayrshire Council, I point out that we identified the case study with the help of HMIE and we simply examined the teacher's experience. We did not look back at the council's role in making support available to her. I want to put that on the record.

Margaret Jamieson: I was not having a go at North Ayrshire Council, given that it is my daughter's employer. I will do that in other forums.

Mr Andrew Welsh (Angus) (SNP): The report does a great service. You were concerned that leadership development is an abstract process, but the report is practical. You have taken a diffuse situation and drawn it together. The report is about the need to get our act together on a range of activities. It points to a practical need—effort and funding are fragmented and there is a need for cross-sector co-ordination. You also suggest the answers, which include tracking of investment, evaluation of its effectiveness, shared investment and the establishment of a co-ordinating body. All that is eminently sensible and I hope that the report will lead to those practical outcomes.

You suggest that there are some precedents in England, but is there a model elsewhere for the proposed co-ordinating body? Have other countries considered the matter and produced practical solutions? If the proposals come to fruition and we get cross-sector activity, there will be more efficient use of energy, effort and money.

Mr Black: There are a number of examples of excellent practice here in Scotland—we must acknowledge that. The challenge of the report is to build on what is being achieved by delivering a more clearly defined strategic framework.

Mr Welsh: The challenge is therefore to turn existing excellent practice into a co-ordinated system. From what you have said, it seems to me that the co-ordinating body will be a catalyst for concentrating effort where it is needed.

Mr Black: One of the significant developments in England—indeed, in the United Kingdom—is the Cabinet Office's initiative to establish a new national school of government as a successor to the Civil Service College and the Centre for Management and Policy Studies. In part, that initiative is designed to promote effective leadership throughout public services. When it was launched, Sir Andrew Turnbull said that a key aim is to achieve a

"better exchange of skills and knowledge between sectors and across the public sector."

It is an interesting model. Of course, the initiative is UK-wide and the Scottish Executive has the opportunity to play into it.

The conclusion of our report is that it will not take a great deal of work to bring together in a coherent framework the good things that are happening in Scotland. We are well along that road, given the investment that has been made.

Eleanor Scott (Highlands and Islands) (Green): Forgive me if I repeat something that has already been said—I sometimes get a bit lost—but I want to ask about the Scottish Leadership Foundation. You have said that it has not worked

quite as was intended, and you have said why that has been the case. Your final paragraph on the foundation suggests that

"If there still remains an appetite for such an independent body",

various things will have to happen. You have not gone as far as giving a view on whether there should be such a body, although perhaps that is a policy decision on which you would not take a view.

Mr Black: I think that that would be a policy decision.

Eleanor Scott: You have said clearly that it needs more funding if it is to continue.

Mr Black: I am sorry, but may I ask you to clarify the question? When you ask whether "it" is going to continue, are you talking about—

Eleanor Scott: I mean the Scottish Leadership Foundation. Your report states that

"the SLF was not adequately funded to carry out the original job, as envisaged"

and suggests that

"If there still remains an appetite for such an independent body, the key players ... would need to be less equivocal about supporting such an organisation."

I presume that you mean financial support.

Mr Black: Yes. It would clearly be inappropriate for me to comment on whether the Scottish Leadership Foundation in its current form is the best body to progress matters. It would be equally inappropriate for me to say what the role of the Scottish Leadership Foundation should be, but the evidence is that it currently operates more as a contractor and provider of services than as a strategic procurer of services.

Eleanor Scott: It could, however, be said that if the foundation's role is to be as was originally envisaged, it will require greater funding.

Mr Black: Yes.

The Convener: There are no more questions. We will discuss how we intend to approach the report under agenda item 4. I thank the Auditor General and Caroline Gardner for their help in providing information on the report.

“The 2004/05 audit of the Scottish Prison Service”

11:37

The Convener: Agenda item 3 is consideration of responses to “The 2004/05 audit of the Scottish Prison Service”. Members will recall that we asked for responses from the Scottish Prison Service and the Scottish Executive following the report. We have, in response to our requests for information, received letters from the chief executive of the Scottish Prison Service, Tony Cameron, and Robert Gordon, who is head of the Scottish Executive Justice Department, which we will consider.

Members will recall that we asked for information about the timeline for delivery of two new prisons. Tony Cameron’s letter covers that issue. The planning application for a prison at Bishopbriggs was made in July 2003 but was not fully processed until August 2005. The application was rejected. However, the application for a prison at Addiewell was made some six months later, in December 2003, and was processed by June 2004. Planning permission was granted for that prison, on which Tony Cameron’s letter states:

“Final negotiations are in progress with a view to awarding a contract in due course.”

We are therefore not a great deal further forward in knowing what the completion date for the prison at Addiewell will be. The application for a prison at Bishopbriggs is subject to a planning appeal, so a decision on whether its construction will go ahead is even further away than we might have hoped.

On Robert Gordon’s letter, members will probably find the most helpful information—on workshops, Executive guidance and so on—on its second page.

I invite members to comment on the letters and to say whether they wish to take action other than simply to respond to Robert Gordon and Tony Cameron by sending them copies of the *Official Report* of the meeting, which will include our comments on their letters.

Mr Welsh: The Scottish Prison Service’s response was that one new prison has no completion date until the contract is awarded “in due course”, and that one new prison is now under the planning appeal process, which could take some considerable time. When I ally that to the fact that the SPS has reduced the contingent liability for possible court cases, I am led to wonder whether that is sensible financial planning, given the further delays. Is £68 million reasonable, given the on-going situation and possible court costs, and will the alternative dispute resolution system, if it is introduced, be effective?

Scottish ministers have proposed a scheme for settling personal injury cases out of court, but is that alternative system mandatory or optional, and who would choose? What is the strategy behind it? I am also concerned about the Scottish Executive’s reply, which states that matters are in the process of development by the SPS regarding the preferred option of alternative dispute resolution, but will that not also be a prisoner’s option? That leads me to question whether the financial contingency is adequate. The Scottish Executive’s action consists of one workshop having been completed and one that is planned for next year, and it is offering guidance on procurement contracts.

I wonder, too, about the research mediation project—following the English example—which has a working group that is due to report “sometime in 2008”, and will hold roadshows over the next few weeks. To my mind, that is an admission that more needs to be done. I am concerned about whether the action has been adequate and I think that the matter should be explored further.

Margaret Jamieson: The letter from Robert Gordon makes it quite clear that he and his officials are quite happy to come to the committee if we want more information on ADR. Having heard Andrew Welsh’s comments, I think that it would benefit us to have such a discussion with Robert Gordon and/or his officials.

However, on the two new prisons, there can obviously be no discussion on Addiewell because of commercial confidentiality, and the Bishopbriggs situation is now subject to an appeal, so I do not think that we or the SPS could comment on it. The SPS is caught between the devil and the deep blue sea—it cannot move forward on any of its developments, because doing so is not in its gift.

The Convener: Although I appreciate the concerns that Andrew Welsh and Margaret Jamieson have voiced, I remind members that we agreed not to take evidence or to produce a report on those matters. I say that because we have, given the schedule for our future meetings, probably lost the window of opportunity to have done that, simply because of the time that it takes to get witnesses to come before us. We would be in great difficulty with regard to Audit Scotland’s publication schedule and other reports that I am pretty certain members will want to take up. I wanted to remind members of that background. Although concerns spring from the responses, we need to think about the best way to address them. Robert Gordon’s letter explains that he would be pleased to provide further information, so we need to think carefully and, perhaps, take a step back before deciding whether to call witnesses. If more

information is required, let us consider how we can access it.

11:45

Susan Deacon: As you say, there are clearly questions and concerns raised by the responses. It is right and proper that we note those concerns, but I do not think that it follows that we should pursue the matters further at this time.

I am conscious that these issues, which we have only touched on, are part of a much wider picture. They are important in the on-going debates about the future of the Scottish Prison Service, the prison estate and a host of related matters. It is appropriate for the Parliament to continue to keep a close watch on those important matters, but I am not convinced that this committee is best placed to do that. I confess that I do not know the work programmes of other committees and what they are doing with regard to the Scottish Prison Service. I sincerely hope that one of our justice committees, for example, has the SPS on its agenda. It might be more effective for us to relay our considerations and concerns to the appropriate policy committee so that it can weave our thoughts into its thinking on the broader issue of the SPS and its future operation.

The Convener: I can help you there. We have been copying both justice committees' clerks into our requests for information and the responses that we have received. We will certainly keep them informed of any action that is decided today. We are practicing what we preach by using joined-up thinking and action.

Although I am disappointed by Tony Cameron's letter, I am more disappointed that we are not yet clear about what is happening in Addiewell and do not know when there will be closure on the subject. However, the position in Bishopbriggs is beyond the SPS's determination because the process is slowing development down. I had hoped that we could have had more information about Addiewell; the committee might want to know when a decision on it is taken so that it can be noted.

I get the sense from Robert Gordon's letter that the Executive recognises that ADR has benefits that can be shared; it is finding those benefits itself and is trying to roll them out. I wonder whether doing anything further would be asking it to run before it can walk. That is not to undermine Andrew Welsh's important question about contingent liability. Rather than the committee doing some sort of accounting test, an eye has to be kept on that to see whether the amount is right. We were all shocked with the original amount, and we will now want to see that the current liability is deliverable in its reduced form.

Mr Welsh: Mediation is the chosen strategy, but it is obviously in early development. I am concerned that the original problem will remain in the meantime. I refer to the fact that the SPS has reduced contingent liability from £112 million to £24 million. I would like assurances, perhaps in writing, as to what will happen while the SPS solves the original problem.

The Convener: That approach would be more conducive to the committee's getting closure on the issue. The committee is also concerned not to end up in permanent correspondence—I suggest that members think about that. In the meantime, would the Auditor General or any of his team like to comment on the responses?

Mr Black: The matter was first raised in my report to the committee in which we drew attention to the provisions and contingent liabilities. We will monitor those through the audit process, and the committee will have the opportunity to revisit the matter next year and thereafter.

The Convener: I suggest that we copy Tony Cameron into the record of our discussion and ask that we be informed when decisions about the awarding of a contract and resolution of the planning issue are known. Is that sufficient?

Mr Welsh: Perhaps we should also be assured that the contingent liability sum is adequate for the purpose.

The Convener: I was going to mention that separately. Is the suggestion about Tony Cameron's letter fine? In regard to contingent liability, is it most appropriate for correspondence to go to Tony Cameron or to Robert Gordon?

Mr Black: Such correspondence would go to the Justice Department.

The Convener: Okay—we can draft those letters and issue them accordingly with the *Official Report*.

11:51

Meeting suspended until 12:00 and thereafter continued in private until 12:21.

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