

# **EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**

Tuesday 13 September 2005

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2005.

Applications for reproduction should be made in writing to the Licensing Division,  
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ  
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate  
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

---

# CONTENTS

Tuesday 13 September 2005

Col.

SCOTTISH EXECUTIVE PRIORITIES (UNITED KINGDOM PRESIDENCY) .....	1393
FRESH TALENT INITIATIVE INQUIRY .....	1411
PRE AND POST-COUNCIL SCRUTINY .....	1426
SIFT .....	1428
CONVENER'S REPORT .....	1429

---

## EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

13<sup>th</sup> Meeting 2005, Session 2

### CONVENER

\*Mr John Swinney (North Tayside) (SNP)

### DEPUTY CONVENER

\*Irene Oldfather (Cunninghame South) (Lab)

### COMMITTEE MEMBERS

Dennis Canavan (Falkirk West) (Ind)

\*Mrs Margaret Ewing (Moray) (SNP)

\*Phil Gallie (South of Scotland) (Con)

\*Karen Gillon (Clydesdale) (Lab)

\*Mr John Home Robertson (East Lothian) (Lab)

Gordon Jackson (Glasgow Govan) (Lab)

\*Mr Jim Wallace (Orkney) (LD)

### COMMITTEE SUBSTITUTES

Ms Wendy Alexander (Paisley North) (Lab)

Richard Lochhead (North East Scotland) (SNP)

Nora Radcliffe (Gordon) (LD)

\*attended

### THE FOLLOWING GAVE EVIDENCE:

Lorna Clark (Scottish Executive Finance and Central Services Department)

David Crawley (Scottish Executive Finance and Central Services Department)

Tom McCabe (Minister for Finance and Public Service Reform)

Louise MacDonald (Scottish Executive Finance and Central Services Department)

### CLERK TO THE COMMITTEE

Alasdair Rankin

### ASSISTANT CLERKS

Nick Hawthorne

David Simpson

### LOCATION

Committee Room 6



## Scottish Parliament

### European and External Relations Committee

*Tuesday 13 September 2005*

[THE CONVENER *opened the meeting at 14:02*]

### Scottish Executive Priorities (United Kingdom Presidency)

**The Convener (Mr John Swinney):** Good afternoon. I bring the committee to order and welcome members to the 13<sup>th</sup> meeting this year of the European and External Relations Committee. I also welcome the Minister for Finance and Public Service Reform and members of the public.

I have received apologies from Dennis Canavan, who is attending the Enterprise and Culture Committee in support of the St Andrew's Day Bank Holiday (Scotland) Bill, although he may join us towards the end of the meeting. Gordon Jackson has also offered his apologies. Phil Gallie is serving on the Edinburgh Tram (Line One) Bill Committee this afternoon, and I have agreed that he will open the questioning of the minister on the United Kingdom presidency to allow him to return to that committee, which has been suspended to allow him the opportunity to raise relevant issues.

Agenda item 1 is the declaration of interests by the two new committee members, neither of whom is with us at this stage, so I will hold that item until they arrive.

Item 2 is the UK presidency of the European Union. It is my pleasure to welcome to the committee Tom McCabe, the Minister for Finance and Public Service Reform, who is accompanied by David Crawley, the head of the Scottish Executive's Brussels office, and Jane McCloskey, from the Executive's Europe division.

This is the first of two parts of evidence that Mr McCabe will give us today. The first part is on the UK presidency of the European Union and the second is on the Executive's fresh talent initiative. I will break in between those items to give some respite to all concerned.

Before we proceed, I welcome Jim Wallace, who has joined us as a new member of the committee. To enable him to participate today, I ask him to declare any interests that may be relevant to the committee's work.

**Mr Jim Wallace (Orkney) (LD):** My only interest, which is already on the record, is that, having been a minister, I was party to many of the decisions that the committee is currently looking at

and I have certain remaining obligations under collective responsibility. No doubt due account will be taken of that.

**The Convener:** We note those points, and we may choose to exonerate you in certain limited circumstances. Welcome to the committee.

Mr McCabe will give us an opening statement on the UK presidency of the European Union.

**The Minister for Finance and Public Service Reform (Mr Tom McCabe):** Good afternoon, convener, and thank you very much. I am surprised to see you here; I thought that you were moving on to new responsibilities, in which I wish you well. It is a pleasure to see you still here in your post.

**The Convener:** I am here for a last hurrah; thereafter I will encounter you in different circumstances.

**Mr McCabe:** This is a welcome opportunity to update the committee on the UK presidency to date and, more specifically, on the involvement of Scottish ministers in that work. As members of the committee will be aware, the presidency began with a visit to London by the college of commissioners. The First Minister of Scotland played an active part in the meeting and had the opportunity to meet individually a number of commissioners, such as the justice and regional policy commissioners, as well as one or two others. That was a useful start and the high-profile involvement of Scottish ministers was significant.

You will also be aware that the UK presidency takes place during challenging times for the European Union. Future financing and the debate over the future of Europe are two of the most prominent issues that still rage and remain to be settled.

As is always the case, the UK presidency inherits the business agenda from the demitting country, which in this case was Luxembourg. The UK Government has said that it intends to run an effective and businesslike presidency. Here in Scotland we have committed ourselves to contributing in every way we can to ensuring that the presidency is effective and businesslike. We will also take the opportunity, wherever we can, to promote Scotland and to involve Scottish ministers as much as possible.

I am sure that you are aware that nine events have already taken place in Scotland. Some of the most significant ones are the social services conference, the EU fisheries directors meeting and the chief veterinary officers meeting. More than 30 events are planned to take place here in Scotland. Among them are a number of high-profile ones, such as the better regulation conference, which I know is of interest to the committee and to a large

number of members. The Committee of Permanent Representatives of the European Union will also meet here; the First Minister will host a dinner for it in Edinburgh Castle. In all the events that are to come, Scottish ministers intend to play a full part by attending meetings and hosting receptions, as we have done at the events that have taken place so far. We will ensure that delegates and representatives are made welcome, are professionally supported and get a positive impression of Scotland. We will do as much as we can not only to assist the presidency but to promote our country and the positive things that we think are happening here.

As you would expect, we will of course take every opportunity to promote Scotland. We are providing delegate packs with a range of information that we hope will be useful to the people who visit us here. You might also be aware that nearer the end of the year—in November—Scottish members of the European Parliament are organising a Scotland week in Brussels. The Scottish Executive will do all it can to support the events that the MEPs are organising during that week.

We are satisfied that the Scottish Executive's contribution to and profile in the UK presidency is being well managed. That is not to indicate complacency—there is certainly none of that. We will do the best we can to ensure that our contribution is viewed positively by the UK Government and that those who visit Scotland on the business that I have mentioned take away a positive impression of our country and the legislative and other measures that we are progressing here and a feeling that they have been supported professionally to do the best they can with the specific work with which they are charged.

I will do my best to answer any questions that you have.

**The Convener:** Thank you. We will now move on to questions. Mr Gallie will begin, as he has to leave soon because of other commitments. Before that, I invite Karen Gillon to place on the record any interests that are relevant to the committee's work.

**Karen Gillon (Clydesdale) (Lab):** I do not believe that any of my registered interests are relevant to the committee. If they become relevant, I will endeavour to inform you.

**Phil Gallie (South of Scotland) (Con):** Thank you for recognising my on-going commitments, convener. I apologise to the minister for not being able to stay to the end. I welcome some of the comments that he made. It sounds as though a positive start has been made from the Scottish Executive's point of view.

However, I will start with a slightly negative question. When the minister last appeared before the committee on 22 March, he declined to answer a question that I asked about whether there was a plan B if the European constitution was rejected. He believed that the question was hypothetical and that the constitution was unlikely to be rejected. Given the circumstances that now prevail, does he accept my previous comment that the European constitution is unnecessary in order to ensure greater input of regional government into European matters? Will it be part of the Scottish Executive's plans to promote greater regional input and to ensure that the issue is brought to the attention of the current President of the Council of the EU?

**Mr McCabe:** It will always be our intention to promote greater regional input. We are in constant dialogue with the member state, the UK Government, about ways in which Parliaments with legislative powers can play a greater part in the formulation of their position and in Europe. The First Minister has been committed to that ideal. That is why he had such a high-profile involvement in the group of regions with legislative power—Regleg. I have no difficulty in saying that we are firmly committed to the notion that Parliaments with legislative powers should play a stronger part in the evolution of the European Union.

It would be presumptuous of me to say that the constitution is unnecessary, but Mr Gallie is free to do so. I seldom see Mr Gallie's questions as negative. They are always interesting and I always do my best to answer them as fully as possible.

**The Convener:** You have another opportunity coming up.

**Phil Gallie:** I thank the minister for his comments, which may blunt my next question. The Scottish budget is all-important, given the programme that the Scottish Executive has lined up. The UK Government is digging in its heels on current contributions to the European budget. Europe is seeking an increase of 1.14 per cent, but the UK Government is sticking at 1 per cent. In what ways has the Scottish Executive been able to make clear that, in its opinion, the UK Government has got it right on this occasion? If the UK Government were to backtrack on the issue of the 1.14 per cent contribution, what effect would that have on the Scottish budget?

**Mr McCabe:** We have done all that we can to support strongly the approach that the UK Government has taken. We strongly support the Prime Minister's comments both as Prime Minister and as the current President of the Council of the EU that a root-and-branch review of the way in which Europe is financed is needed and that we need to be realistic.

In his opening address to the European Parliament, the Prime Minister gave a wide-ranging explanation on record of his view of how the future of Europe should develop. We have no difficulty with what the Prime Minister said and will continue to do our best on the issue, both in the interests of Scotland and to ensure that we are a supportive voice for the UK Government. Of course, we will also take part—often in a private capacity, as members will understand—in dialogue with the UK Government to influence its view and to ensure that that view is in the best interests of Scotland.

**Phil Gallie:** If the UK Government were forced to capitulate on the issue of the 1.14 per cent increase, has consideration been given to the effect that that would have on the Scottish budget?

**Mr McCabe:** At the moment we are not considering the notion of capitulation. The UK Government has given no indication that capitulation is its plan B or, for that matter, its plan C. We would prefer to proceed with things as they are, in a positive frame of mind, rather than to consider other developments that might take place.

**Phil Gallie:** That is music to my ears.

As is well known, in the past I have been fairly critical of the wide-ranging effect of the Lisbon strategy. It is now recognised that the strategy is not working and takes too much of a broad-brush approach to economic development, social implications and so on. What representations is the Scottish Executive making in respect of the Lisbon agenda? What plans does the Executive have to address the major problem of overregulation for business?

14:15

**Mr McCabe:** Phil Gallie raises several points. Better regulation is a large question that is being considered in great detail. One presidency event that will take place in Scotland is the Cabinet Office's better regulation conference and we want to ensure that we have input into that.

I hear what the member says about the Lisbon strategy. The UK Government, supported by the Scottish Executive, has made it clear that we support a competitive market. We support a market that is as free as possible from unnecessary regulation while accepting that on occasion—particularly in relation to social policy and health and safety—regulation is required not only to ensure a level playing field but to protect properly the interests of people who work in this country or any other part of the EU.

The UK Government has made it clear that it is in favour of open markets and free competition. Its

view is that that approach will guide economic growth. The British economy provides ample evidence that we have produced a set of economic indicators and an economic position that are the envy of some of our colleagues in other parts of Europe. Therefore, the UK Government commends the fiscal and monetary policies that it has pursued to other parts of the EU.

**Phil Gallie:** I thank the minister and the convener. I apologise for leaving now.

**Irene Oldfather (Cunninghame South) (Lab):** I will cover many subjects that Mr Gallie covered but—funnily enough—from an entirely different perspective. It is a pity that he will not be present to hear what I will ask.

The constitutional treaty process would have provided Scotland and the Scottish Parliament with input into the better regulation agenda. Notwithstanding the stalling of the treaty, can Scotland still play a role in that agenda to improve policy making and achieve greater consultation? The Scottish Parliament does a good job on that. Can we continue to play a role that we can highlight?

**Mr McCabe:** The drive for more appropriate and more focused regulation will not stop just because difficulties have been encountered with the treaty. That drive was an important part of EU business before the treaty came about and that remains the case. We will continue to do our best to influence that agenda in the same way as we did before any of the issues that relate to the treaty arose. That is an important aspect of the work in the EU. From representations by business, we are aware that if our approach to regulation is wrong, it can be extremely damaging to competitiveness. Given our often-stated number 1 priority of growing the Scottish economy, we do not want to engage in anything that would be detrimental to that.

We will continue to take a vibrant and vociferous approach to the debate on better regulation. The treaty is one aspect of the overall debate, but by no means does its stalling halt our input into the issue.

**Irene Oldfather:** I will ask a little bit about future financing. One issue that Mr Gallie did not mention is the budget rebate. Will the UK Government continue to link the rebate to common agricultural policy reform? We in the Scottish Parliament want consideration of a review of the sugar regime, which I have mentioned many times. That has been identified as a UK presidency priority. The tobacco subsidies are also inconsistent with the agenda that the Scottish Parliament promotes.

I see a clear case for CAP reform, but I am under no illusion that it will be easy, given some other member states' positions. Are we still trying to progress the CAP reform agenda? Are we

looking to do a deal on the budget rebate? What support do we have in the UK and in Europe for holding on to the rebate?

**Mr McCabe:** Sometimes politicians can be accused of being less than explicit about what they mean. No one could have accused the Prime Minister of that when he spoke to the European Parliament at the beginning of the UK presidency. He made his view clear that there is a need for a fundamental reform of the way in which the EU is financed.

Fundamental reform would obviously involve such critical elements of the programme as the common agricultural policy. Therefore, amid that debate about future financing, it is clear that the UK Government feels that it is extremely important that there should be a root-and-branch review of the way in which the Union is financed. However, it would be wrong to suggest that those issues will be resolved during a six-month presidency, because they are long-term issues. It will take considerable work to deal with them and application from every state in the Union to try to reach a resolution. The UK Government has been very clear about its view that the rebate is important to us and that before any consideration is given to that, it should be accepted that there must be a root-and-branch review of the way in which the Union is financed.

The question of CAP and the sugar regime is important. It is important to the third world because people believe that it is being disadvantaged, but it is important to our economy, too. We have people involved in these industries here and they need to have some surety and a better idea of how they will be treated in the future. The impact of such problems on people who live in more challenging circumstances is important, but the impact that they have on people who work in these industries in this country is important, too.

**Irene Oldfather:** I am pleased to hear that the minister accepts the need for reform of the sugar regime. The committee raised that matter with a number of people who gave evidence to us. We have not had a commitment on that. The problem is often identified with the third world, which is an important agenda to which we all subscribe, but there is a genuine issue to do with sugar prices and the export refund system for manufacturing industry in Scotland. From what the minister says, that will be actively pursued and I very much welcome that.

**Karen Gillon:** The minister mentioned the rights of workers in this country. What representations are being made by the Scottish Executive to the UK Government about the services directive, particularly in relation to the country of origin principle? We fought hard to establish a national

minimum wage in this country and there is some concern that that and workers' rights could be undermined by the services directive.

**Mr McCabe:** We would certainly not stand by silently if we felt that any action by the EU was about to undermine some of the significant advances that we have made in this country. That said, the view of the UK Government and the Scottish Executive is that the services directive is important in opening up markets. It has the potential to create a considerable number of jobs, but that has to be done in the right way. If those jobs exploited individuals, whether in this country or in any other, that would be unacceptable.

The Scottish Executive's representations would be to the effect that the principle of the services directive is sound and the more we open up markets and competition, the better. We have confidence in the industry in our country and think that opening up markets can be to the good, but it must be done in a way that ensures that people are properly protected and not exploited.

**Karen Gillon:** The recent experiences of Ferguson Shipbuilders have shown the potential difficulties for us where we have high labour costs—although we have such costs for the very good reasons that we enforce high standards of health and safety and provide our workers with a decent day's pay for a decent day's work. There are genuine concerns that the services directive could move us in the wrong direction with the new member countries. We need to have a closer look at the Executive's position on that and at how we protect Scottish workers' employment terms and conditions.

**Mr McCabe:** I take the point. However, it may be inappropriate to go into the Ferguson's issue in any detail at the moment, because it might take the meeting off at a tangent. Obviously, in cases that involve the services directive or other such issues, state aid rules always apply. In the new Europe that we have created, it is simply a given that different countries and different economies are at different stages of development. That will occasionally impact on any issues that might crop up.

**Irene Oldfather:** That could be an example of where better regulation could work in our favour. Is there any value in carrying out an impact assessment on the directive's effects on Scotland and the Scottish economy? For example, I read in a report that

"this Directive came to symbolise all that the French disliked about the Anglo-Saxon approach to economic liberalisation".

As far as the directive is concerned, things are very much in a fluid state. I understand that more than 1,000 amendments have been lodged to the



European Parliament's report. The ground is shifting and changing all the time and I think that it would be helpful if we could be a little bit clearer about the directive's implications for Scotland and Scottish local authorities. Perhaps there is a case for asking Scottish Enterprise to examine the matter.

**Mr McCabe:** No one in the Scottish Executive or the UK Government disputes that regulatory impact assessments will form an important part of implementing the services directive. If people want to express views on the directive's impact either on their own or on behalf of their nation state, that is up to them. I should say that, because of our system of liberal economics, a higher percentage of people in Scotland are in work than at any time in the past. As a result, in considering their statements on the subject, people might want to look at our experience.

**The Convener:** At what stage in the passage of the services directive do you expect a regulatory impact assessment to be undertaken?

**David Crawley (Scottish Executive Finance and Central Services Department):** The directive is currently with the European Parliament and its first reading is expected to be concluded by the end of October. As members have pointed out, many amendments have to be discussed before then. While it holds the presidency, the UK Government will have to progress the issue through the Council of Ministers.

I cannot say exactly when during that process any impact assessment will be carried out. As I understand it, the UK Government has taken evidence and advice from many sources to establish the directive's overall impact and its view is that the overall economic impact of the directive is extremely positive. That is all that I can add at this point.

**The Convener:** I raised the point because it has been accepted that we need to influence the discussions and deliberations at the appropriate moment in the European Union and that doing so later on is a waste of time. It is essential that substantial concerns such as those raised by Karen Gillon or those that other sectors of the economy might express are addressed very early in the directive's passage. The boat will have been well and truly missed if particular sectors of the Scottish economy express concerns about it only when it emerges from the parliamentary process and the Council of Ministers. I hope that the minister will reflect on the point that any sectoral issues that are identified in Scotland should be factored into the process at the appropriate moment without allowing the process to lose any impetus.

**Mr McCabe:** The general premise behind your comments is that it would be beneficial to sort out

issues before the die is cast, rather than with hindsight. We will do our best to ensure that representations are made to the UK Government.

**The Convener:** We really need a strategy for getting particular sectors' concerns into the mix before it becomes too late to do so.

**Mr Wallace:** I understand that part of the UK presidency's remit in the field of better regulation is to review the impact and outcomes of existing legislation. I think that you were present for some or all of the business in the Parliament conference on Friday, where you heard pleas about the Executive's procurement policy. In many respects, that policy is circumscribed by European regulations. When you look into the impact of existing European legislation on procurement, do you intend to consider whether we are implementing that legislation too stringently and therefore putting up a barrier—not least for our small and medium-sized enterprises—to accessing Government contracts?

14:30

**Mr McCabe:** Absolutely. We are keen to open up as many opportunities as we can for our small and medium-sized enterprises. At the moment, the limit above which contracts must be advertised in the *Official Journal of the European Union* is just over £100,000. In many instances, that excludes companies. Some public sector organisations have a select list of five or six tenderers, and for tenders below the limit they will tender among those five or six tenderers. The contract still goes to competitive tender but it goes to a very closed sector of the market. We are therefore interested in how the limit can be reduced, so that we can encourage the public sector to advertise for contracts of a value far below the present limit. That would open up the market to a far greater range of possibilities.

**Mr Wallace:** We pride ourselves on being good at staying within the parameters of European law. What investigations can we make into how well other EU countries report on the outcomes of their procurement exercises? That would allow us to know the balance of work that is generated among all the EU countries.

**Mr McCabe:** We try our best. We harbour constant concerns that we work to the letter of the law whereas other people look at different letters, if I can put it that way.

We do our best to make representations. Any time that an inquiry has been made, the answer always seems to be that other people are complying, although anecdotal evidence sometimes suggests a different answer. If I am being frank, there is a concern that we are perhaps too rigid in our interpretations and other

people are a bit more flexible. We need more investigation into such issues.

**The Convener:** You mention the divergence between formal information and anecdotal evidence. Has that been a factor in the Government's thinking on the contract at Ferguson Shipbuilders?

**Mr McCabe:** It would always be a factor if there were a concern that people were interpreting the rules in different ways. As far as I know, there is no concrete evidence that that is the case with regard to Ferguson's. However, the issue is being examined.

**The Convener:** There is plenty anecdotal evidence, and some more formal evidence, on the concerns about the Polish shipyard that is involved in the Ferguson's case. Indeed, this committee asked me to write to ministers on the issue some time ago, and we will be discussing that later. If there is anecdotal evidence, was that evidence the subject of discussion in the Executive? The Minister for Environment and Rural Development has now confirmed to me in writing that the contract was properly and fully awarded to the Polish shipyard.

**Mr McCabe:** You know as well as I do, Mr Swinney, that anecdotal evidence does not hold a great deal of water when it comes to examining the legalities of the way in which any member state acts. If concrete evidence could be produced, a representation would be made to the European Commission. However, as far as I know, no one has produced any concrete evidence.

**The Convener:** The point that this committee raised was that there had been a lot of concern—not all of it anecdotal and some of it pretty substantial—and that that concern should be considered. Material was brought by Ferguson's, among others. Many organisations have shared that concern, as have some members of the Parliament.

I was quite reassured by what you said to Mr Wallace—that if anecdotal evidence came forward you would look at it, and that there is a difference between anecdotal evidence and evidence that sometimes comes back formally. I am concerned that the formal line is that everything in this contract is fine, but that there are some—let us use the word—anecdotal concerns that everything in the contract is not fine.

**Mr McCabe:** Yes, but we need to be careful that we do not mix up issues—there is a difference between anecdotal evidence and reality. Anecdotal evidence causes concerns, which cause people to raise those concerns and ask for them to be investigated. However, if no formal misuse is discovered as a result of that investigation, I am afraid that people are in a

difficult position. We would never adopt a view that other member states would obviously not operate in that way and that we should just accept them at their word. We do not assume that other states operate, as we do, strictly to the letter of the law; we always question, worry about and test such anecdotal evidence. If we found that it might have substance, we would obviously take action on the matter. However, at present, the anecdotal evidence that you mention has not produced the formal basis that would justify a complaint to the European Commission.

**Mr John Home Robertson (East Lothian) (Lab):** I mention in passing that I look forward to Caledonian MacBrayne putting in a competitive bid to provide ferry services in French Polynesia or wherever. I wonder whether the opportunity will arise to turn the matter around like that, but I will leave that sticking to the wall.

The fundamental issue, whether in relation to the fishery protection vessel or other issues, is how difficult it is to apply fair competition between different parts of the European Union, some of which, including Scotland, have relatively high wages, while others, such as the accession states, have relatively low wages. That is a problem for Ferguson Shipbuilders and for the food processing industry in my constituency and elsewhere, which I have been going on about. Clearly, the answer is for wages in Poland and the other accession states to come up to somewhere near the levels here, because then we would have fair competition but, in the meantime, the matter is difficult. The issue is how the whole of the Union lives with the present disparity between the economies of different parts of the Union.

**Mr McCabe:** Of course, true competition will be achieved when all the economies in Europe are comparable, but let us not forget that that has never been the case. Indeed, there were darker days when our wage rates were more competitive than those of other countries, which was not a situation that we wanted to be in, so we fought hard to get out of it. We do not want to compete as a low-wage economy. We said in "A Smart, Successful Scotland: Ambitions for the Enterprise Networks" that we want a high-growth and high-wage economy. As I said, the economies of the member states in Europe are at different stages of development. Our economy is continuing to develop and has developed well away from the situation that we used to be in—we did not like that situation and we are glad that we have moved on.

People in Europe are sanguine about the matter. The European Commission constantly polices competition and has said strongly and publicly that it will take action if any evidence of malpractice is found so that the situation does not continue.

However, that is entirely dependent on individuals finding a way to break through the bureaucracy and to bring to people's attention what they consider to be malpractice. The Commission constantly carries out a policing operation in relation to competition.

**Mrs Margaret Ewing (Moray) (SNP):** The minister said that we are perhaps too rigid in the application of regulations and that others are more flexible. On what does he base that comment and how does he define the flexibility of the other European Union states?

**Mr McCabe:** You would have to ask them about that, but I can define the position as I see it in our country. We are resolute in ensuring that we apply European law and directives properly, which is how everyone should operate. Sometimes, one wonders whether everyone is as resolute as we are on that matter. When we enter into any partnership or arrangement, it is important that we act in the right spirit and meet our obligations. We hope that other people meet theirs and if we think that they are not doing so, we do our best to ensure that action is taken.

**The Convener:** I have a final point on the Ferguson Shipbuilders issue, about which Ross Finnie wrote to me in my capacity as committee convener on 2 September. He said:

"Scottish Ministers are fully committed to ensuring that Scottish companies can compete on fair terms across Europe. It is, however, for the Commission to determine how it will handle Ferguson's complaint"—

which I assume was about anti-competitive practice in Poland—

"and our understanding is that the Commission is currently assessing whether there is sufficient evidence to warrant launching a formal enquiry. If the Commission finds aid to have been given illegally, it can require the aid to be repaid, with interest."

That would suggest that the Commission has still to address the complaints that a major manufacturing company in this country has made about the competitive position of a Polish shipyard. I find it strange that the tender was awarded at a time when the minister responsible was signing off a letter that suggests that there is still some doubt on the issue.

**Mr McCabe:** With respect, convener, I do not think that the letter suggests that there is any doubt on the issue. I have no knowledge of the letter, but from what you have relayed to me, it is my understanding that it said that the Ferguson yard had submitted information to the Commission and that that information was being considered. The mere fact that Ferguson's or any other organisation had made representations would not normally be sufficient to stop the awarding process automatically. I think that the Commission should

react by taking seriously the representations that have been made and investigating them.

**The Convener:** It is quite clear from the letter that the Ferguson yard has made a complaint to the Commission and that

"the Commission is currently assessing whether there is sufficient evidence to warrant launching a formal enquiry."

If the Commission had come out and said that it was not launching a formal inquiry because the evidence was insubstantial, that would have been a reasonable ground for the Government to say that it had no alternative but to award the contract in question to the Polish shipyard. However, given that the Commission has not come out and said that, which means that the issue is still hanging in the balance, the Government's awarding of the contract seems premature, at the very least.

**Mr McCabe:** You may well say that, but I do not agree. We could easily find ourselves in a position in which the entire business of the European Union comes to a grinding halt because competitors decide to make complaints, the Commission feels obliged to investigate them and everything comes to a stop while those investigations take place. After all, we are not in the EU simply to manufacture complaints and investigations; we hope that, at some point, someone will manufacture a ship.

**The Convener:** Wait a second. A moment ago you said that there were concerns about the way in which other countries operate. If we do not raise such concerns or pursue matters such as those that Mr Wallace mentioned, how can we guarantee that

"Scottish companies can compete on fair terms across Europe",

to the achievement of which aim, according to Mr Finnie's letter, Scottish ministers are "fully committed"? How are we to deliver on that if we do not question what on earth is going on?

**Mr McCabe:** You seem to have made a quantum leap. I do not quite know how you got to the point of saying that, if we do not complain, Scottish companies will not be able to compete. No one is saying for a second that people should not complain. The opposite is true—we would encourage people to complain on every single occasion on which they feel that there has been malpractice or inappropriate interpretation of the rules and regulations.

My point is that simply because a complaint has been made, it does not automatically follow that the whole process should be brought to a grinding halt. In his letter, Mr Finnie has related information to you about the actions of a particular company. He has done you the courtesy of explaining his knowledge of the actions of the Ferguson yard.

**The Convener:** Mr Finnie has done me the courtesy of replying to a letter in which I raised the committee's concerns, but in my view the letter raises a question about the wisdom of ploughing on with awarding a contract when there was still an investigation to be carried out. We are obviously not going to have a meeting of minds on that point.

**Mr McCabe:** Such matters are important and it would be in no one's interest to be flippant, but perhaps, as in most situations in life, it is important to put oneself in the other person's position. I wonder what our view would be if the situation were reversed and the contract had been awarded to Scotland. If someone in another member state then made a complaint, would we feel that that should bring the process to a halt or would our view be that we won it fair and square and that the contract should go ahead?

14:45

**The Convener:** It would be entirely up to the Government to decide what to do in such circumstances.

**Mr McCabe:** Therefore it is the Government's decision rather than your opinion, convener.

**The Convener:** Obviously, the Government has made a decision. I may not think much of that decision, but the Government is entitled to make it. However, I find it unusual that the Government has already decided on a public sector contract when a major factor in that contract has still to be resolved. Mr Wallace told us that businesspeople at the business in the parliament conference went on at length about procurement difficulties. Surely we should have put more of an obstacle in the way of this contract being awarded to a Polish company when there is a question mark over whether it is receiving hidden subsidies. That is my opinion. The committee will give its opinion of Mr Finnie's letter later this afternoon.

**Mr McCabe:** An unkind person might suggest that if the situation were reversed and the Government decided to halt a contract that had been awarded to a Scottish company, you might not think very much of that decision.

**The Convener:** That would be unkind without a doubt—extremely unkind.

Let me move on to the final issue that I want to raise with you. The UK Government has made its view on the future of structural funds pretty clear and, as far as I am aware, the Scottish Executive has supported it in its view. Notwithstanding the separate and on-going discussion on budget issues in the European Union, what is the Government's estimate of the likely shortfall in structural funds in Scotland in the next structural funds programme?

**Mr McCabe:** It is too early to assess what the level of funding might be. Clearly, the discussions on structural funds have a link to future financing. The discussions are still going on, although they are taking much longer than people expected or would like. However, it would be premature of me to start making estimates of what the figures are likely to be.

**The Convener:** I should stress that I am not asking about the budget process, as the debate on the future of structural funds is a consequence of enlargement and not a consequence of the budget debate. I am trying to get an idea of how great an effect enlargement will have on structural funds in Scotland. Many projects and programmes depend on structural funds. When the changes to structural funds kick in, there will be a consequential reduction in public spending in Scotland unless the Government makes up the difference.

**Mr McCabe:** I do not have a figure for that at the moment. As I say, it may be premature to start guessing at figures, but if I get any more information, I will send it to you in writing.

**David Crawley:** We estimated that approximately £1.1 billion of structural funds were available in 2000-06.

**The Convener:** Would you repeat that figure?

**David Crawley:** In the structural funds spending period that is about to conclude, the figure was £1.1 billion. Work has been done on what the Commission's proposals might mean. Although we cannot predict the figures exactly, the Commission's proposals will cause a drop of about £300 million or £400 million. Those are not precise figures, but they are broadly in the right range.

The outcome will depend on the balance of the future financial deal. Many of the partners involved in structural funds spending and programming have been looking at this issue in partnership with the Enterprise, Transport and Lifelong Learning Department.

**The Convener:** I take it that all those figures are in sterling. Is that right, or are they in euros?

**David Crawley:** They are in sterling.

**The Convener:** So as a result of the Commission's proposals, it is envisaged that there would be a likely reduction of £300 million to £400 million. Has any calculation been done of what the implications would be if the UK Government's proposal on the future financial framework were to prevail?

**David Crawley:** As president of the Council, the UK is having to stand back from that at the moment. It would be wrong to speculate on what position it might take.

**The Convener:** Has any progress been made on the financial framework?

**Mr McCabe:** Discussions are on-going.

**David Crawley:** The UK presidency is holding a series of discussions with the member states this month. It is the UK's clear intention to reach a conclusion by the end of its presidency but, at this stage, it is not able to say how much progress will be made. There will obviously be difficult negotiations through October and November leading up to the final European Council of the UK presidency in December.

**The Convener:** Let us assume that we are dealing only with the Commission's proposals, and a reduction of £300 million to £400 million in structural funds. What are the Government's plans for dealing with the consequences of that, commencing in 2007? Will the Government fund the difference, or is it saying that the money will be lost and we must move on from that?

**Mr McCabe:** The United Kingdom Government's original position was that it wanted to repatriate the funds, as I think you know. If that were done, the understanding would be that we would be in a neutral position. If we find ourselves in a position where the overall sum is reduced, proposals will be made, but it is too early to know the exact nature of those proposals.

**The Convener:** So if repatriation is successful, there will be no £300 million to £400 million reduction in the available funds for projects in Scotland.

**Mr McCabe:** I cannot say that for definite, but we would do our best to protect the Scottish position as far as we could.

**Irene Oldfather:** I have a final question about the Lisbon strategy. As part of the refocusing of the strategy, the Commission has produced new integrated guidelines that specify:

"Member States and the Community should take every opportunity to involve regional and local governments, social partners and civil society in the implementation of the integrated guidelines, hence in the preparation of the National Reform Programmes".

I know that the guidelines were produced only in April, but does the Executive have any plans to involve the Parliament, local authorities and social partners in Scotland in taking the agenda forward? Perhaps the minister could come back to us with proposals in due course.

**Mr McCabe:** I cannot honestly say that it has occupied my mind greatly over the past few months, but I will certainly look into it and come back to the committee or give you our thoughts in writing as early as possible.

**The Convener:** That would be helpful.

**Mr Wallace:** Given the long lead times for programmes under the structural funds and that there will be some arrangement coming from Europe or a repatriation of funds, what advice or encouragement has been given to partners about looking forward and identifying which programmes they might want to take on beyond 2007?

**Mr McCabe:** It is fair to say that partners are making estimates at the moment. They are considering the conversations that are going on in Europe and are assessing where they are. I know that they are drawing up plans that reflect the different scenarios that might come about. We would encourage people to do that; we do not want them to find themselves moving from a standing start, although it is inconceivable that the different partner organisations would do that in any case. The most sensible approach is for people to plan for the best-case scenario, the mid-point and the least desirable outcome of the negotiations. It is sensible for people to be prepared to move on, depending on what the final outcome is.

**Mr Wallace:** Can you confirm that, irrespective of what happens, the Executive is committed beyond 2007 to a regional policy in Scotland?

**Mr McCabe:** Yes. Absolutely.

**The Convener:** Thank you, Mr McCabe. We will draw our questioning on the UK presidency of the EU to a close there. We will follow up a couple of points in writing; we would appreciate your getting back to us at your earliest convenience. I will now suspend the meeting until 5 past 3, when we will address the fresh talent initiative.

14:55

*Meeting suspended.*

15:05

*On resuming—*

## Fresh Talent Initiative Inquiry

**The Convener:** The second part of the minister's evidence is for the committee's inquiry into the Scottish Executive's fresh talent initiative. Before I invite the minister to make his opening remarks, I should say that one of our clerks has contributed to the fresh talent of Scotland. Nick Hawthorne's wife gave birth to a boy, Max, about 10 days ago, and we wish them well. That is one more to add to the population numbers, Mr McCabe, if we are going to scrutinise those today.

Mr McCabe is joined today by Lorna Clark, the head of the fresh talent initiative, and Louise MacDonald, the head of the Scottish Executive international division. I will ask the minister to make some opening remarks and then we will move to questions.

**Mr McCabe:** I join you in welcoming the addition to the Scottish population, but I remind you that we all have a part to play.

**The Convener:** Well Mr McCabe, if you are trying to curry favour with that remark, you will not get very far. I should say that Max has been born into a superb Hearts-supporting household, which will add to the season ticket sales of that great club, which is doing fantastically well at the moment. I had better stop indulging myself.

**Mr McCabe:** That child is destined to be disappointed. [*Laughter.*]

**The Convener:** Perhaps we will wait until the end of the season before making that judgment. I think we should move on.

**Mr McCabe:** I thank the committee for the opportunity to explain fresh talent from the Executive's perspective. I know that the committee has been conducting an inquiry and this is a welcome opportunity for the Executive to make its contribution to that.

I do not intend to go into any great detail on the rationale behind the fresh talent initiative. The reasons have been well rehearsed and the committee is well aware of the thinking behind it. As members know, we seek to attract a diverse range of individuals to contribute to the economic and cultural development of Scotland. It is well known that the country faces demographic challenges, but it is important to say that the fresh talent initiative is only one strand—albeit an important one—of our attempts to address those challenges.

One of the distractions that we have faced as we have gone about explaining and implementing our

policy is that some people have been determined to claim that we set a target for numbers relative to fresh talent. That has never been the case and anyone who makes an objective analysis of the things that we have said would know that. Of course, objectivity is sometimes lost.

The fresh talent initiative continues to form an important strand of our attempts to tackle demographic challenges, to increase cultural and educational diversity in our society and to give us a more diverse economic base from which to grow our economy.

Several things have happened since the policy was implemented. We now have the United Kingdom's first relocation advisory service. There is now a scheme that allows students to remain here for two years after they have graduated without requiring a work permit. There are initiatives such as the Scottish international scholarship programme, which is currently funding 22 places. There is the Scottish international students challenge fund; we will announce more details about that in the near future. We have the Scottish networks international postgraduate placements, for which the fresh talent initiative is supplying approximately £75,000 per year for the next three years. There are programmes such as the dare to be digital programme, which operated this summer at the University of Abertay Dundee, and I had the opportunity to visit and speak to a range of the students from around the world who took part in that very successful programme. There are other programmes such as the encouraging dynamic global entrepreneurs programme, which was focused around the University of Glasgow and was for American students. Again, I had the opportunity earlier in the summer to visit and speak to those students and to help to launch the programme.

Those important initiatives have spun out of the fresh talent initiative and contribute to encouraging young people who are studying in Scotland to consider the benefits of a life here and of spending at least part of their career improving their personal development and contributing to our economic development.

I will wind up with a couple of points. First, while we are promoting the fresh talent initiative for all the reasons that I outlined, we are by no means neglecting our home-grown Scottish talent. Other parts of the Scottish Executive, and indeed the UK Government at Westminster, are working hard to ensure that we make the most of the talent that is already here in Scotland, and that we produce as many opportunities as possible for the skilled and able graduates that we produce.

Secondly, on occasion, considerable comment has been made by politicians and the press about our relationship with the Home Office. I assure the

committee that our relationship with the Home Office is positive and supportive. It continues to listen and we will continue to press Scotland's best interests. As you know, the Home Office is currently consulting on the new points system, on which it will hold an event in the near future in Edinburgh. We will continue to input to the development of the system. I stress that we view our dialogue with the Home Office as extremely positive. We will continue to discuss with it new aspects that will, in our view, be in the best interests of Scotland and of promoting the policy.

That is enough from me. The subject has been discussed much in the past. You may find it more beneficial to move to the question-and-answer session.

**The Convener:** You mentioned discussions with the Home Office. Over the summer, there was media comment about relations with higher education institutions south of the border which, according to a newspaper report, were considering taking legal action over what was considered to be the advantage given to Scottish higher education institutions by the fresh talent initiative. Can you shed any light on whether there has been any discussion of that, or should we all have disregarded that news report?

**Mr McCabe:** I do not think that we should disregard it. The issue was raised on behalf of English universities. Indeed, some work has been done on behalf of an English member of Parliament with regard to a private member's bill—or at least there was an inquiry about the comment from the universities. We have stressed that fresh talent is very much a response to the demographic challenges that we face in Scotland. There are specific reasons for the initiative and we will continue to press them.

It is wrong to portray the policy as being promoted in the interests of Scotland while saying that there are no other instances in the UK of specific sectors being given special treatment. For example, there are schemes that apply only to the teaching profession south of the border. It is not the case that Scotland alone is being chosen for preferential treatment. When one considers the overall impact of United Kingdom policies, one finds that different things apply in different areas. Perhaps the universities' comments failed to take that into account.

**The Convener:** So the Government is entirely comfortable with the legal foundations of fresh talent. If legal action were pursued by the universities, there is no prospect that it would have any chance of success.

**Mr McCabe:** We do not consider for one moment that we are pursuing the initiative in any way that leaves us vulnerable to legal challenge,

although it is not for me to comment on any challenge, because it is impossible to predict. However, we are absolutely confident that the legal basis on which we are progressing the scheme is sound.

15:15

**Irene Oldfather:** When considering migration policies, we find that people tend to be attracted to cities, although in evidence we have found that some of the skills shortages are in more rural areas. Have you given any thought to how we can address that problem and encourage people to come not just to Edinburgh and Glasgow?

**Mr McCabe:** Especially recently, over the spring and summer, I have come into contact with a large number of students who are studying in this country. Sometimes it would benefit us to see ourselves as others see us. Universally, students who study here have an extremely positive impression of Scotland. They have a very high regard for this country and are strongly considering the possibilities that may exist for them here at the end of their studies. I often find that they are far from focused only on cities. When one hears about their experiences of Scotland and the places that they have visited, it is clear that they see a wide range of attractions in this country. One young student from Jordan asked me in all seriousness why we are so concerned about rain here in Scotland—he thought that it was wonderful that we get rain. That reminds us that our perception of our country can be very different from that of those who visit us and look at Scotland from the perspective of their experience.

**Irene Oldfather:** Professor Joan Stringer told the committee:

"Scotland has started to think about these issues earlier than many other countries".—[*Official Report, European and External Relations Committee*, 10 May 2005; c 1269.]

We also took evidence from Professor Robert Wright. I asked him whether he could think of any other regions in Europe where an initiative of this kind is being undertaken. He could not, although he cited the federal system in Canada. From discussions that you have had with colleagues across Europe, do you have an impression that we are ahead of the game on this issue?

**Mr McCabe:** I certainly hope that we are ahead of the game. It is only right that we have reacted in the way in which we have, because we face particular challenges. Any Government is obliged to assess the challenges that it faces and to construct responses to them, and that is what we have done.

The responses that we are getting to the fresh talent initiative and to the relocation advisory service are extremely positive. That indicates to us

that what we are doing here is very well regarded in other parts of Europe. Perhaps other parts of the United Kingdom and Europe do not face the same challenges as we face. However, other parts of the world are starting to consider their situation and how they can draw different skills and abilities into their economy. If we are ahead of the game, we are pleased about that. We want to try to ensure that we stay there, but we are conscious that other people will always consider what we do and whether it would have merit in their country.

**Irene Oldfather:** You spoke about Scottish graduates. We have high retention of graduates—one of the highest figures in the whole United Kingdom. Can we continue to work on that issue? Is it a central part of the policy? In the area that I represent, people are concerned about how we can ensure that local graduates have jobs.

**Mr McCabe:** You are right to say that Scotland has a particularly high graduate retention rate, which is very pleasing. One way of ensuring that that is not only maintained but improved is to produce the economic opportunities that allow graduates to further their careers here in Scotland. The more that we produce a competitive, growing economy, the more exciting opportunities there will be for young people to use the talents that they have gained here in Scotland, rather than elsewhere.

**Irene Oldfather:** In my view, languages play a big role. It is important that we continue to work in schools and universities on language development, because that is one area in which we are a little behind some of our competitors in Europe.

**Mr Wallace:** My question relates to two aspects of the policy that were set out by the First Minister when he announced it. There is no disagreement about them, but I want to ask about their implementation. First, although fresh talent seems to have been very much focused on encouraging people to come to Scotland, the primary issue is to retain indigenous Scots in Scotland. The second issue is perhaps more problematic. The Parliament and the Executive are committed to an international development strategy. If we take the example of Malawi, how do we ensure that some of the incentives that we give students to remain do not retain in Scotland graduates who have the skills that we would like them to return to their home nations to deploy, such as skills in medicine or water engineering, which would benefit their home countries? How do we ensure that we do not have two conflicting policies?

**Mr McCabe:** The first point relates to the answer that I gave Irene Oldfather about ensuring that our economy and opportunities are attractive enough to retain our young people in Scotland. As we all know, more of our population is graduating than

ever before. If we want to hold on to that population, we must have a diverse range of economic opportunities that excites them and encourages them to stay in Scotland.

Our history and tradition are that people have left our shores to further their careers. That has never necessarily been a bad thing and they have often returned. An important part of the initiative is the hope that, as we take advantage of our new constitutional arrangements, become more focused on our priorities and produce an economy that is relevant to the 21<sup>st</sup> century, we will create the conditions that will encourage people to think about returning to Scotland to further their careers and that encourage young people to remain, further their careers and seek out opportunities.

You also asked about a critical situation. There are two sides to the coin. It can be to the considerable advantage of challenged countries such as Malawi for their citizens to come here to gain education and experience that can be of use in their countries. We want to do all that we can to encourage such circumstances. However, we also want to ensure that, whether through the fresh talent initiative or through general recruitment to our health service or in other spheres, we do not seek gain for our developed economy at the expense of developing economies. That will never be our intention and it is important to construct our approach to avoid that wherever we can. We have done our best to take that approach in the health service, where we have tried as much as we can to avoid recruiting nurses or other medical professionals from countries where their skills could be used far more usefully.

We are conscious of the situation and concern about it is entirely justified. We must be vigilant to ensure that we do not benefit to the detriment of far more challenged areas of the world.

**Mr Wallace:** I am reassured by that answer. It is probably early days, because the regulations that allow the two-year extension came into effect only in June, but does the fresh talent unit plan monitoring to carry through the substance of that statement and approach?

**Mr McCabe:** That suggestion is worth while and we would be more than happy to take it on board—I think that we have already done that. You are right to say that it is early days. As is only right, the monitoring processes are being developed, because we want to find the most appropriate way of monitoring and the most appropriate measurements. We all know what people can do with statistics. We need information about what is happening and its benefit to the Scottish economy. The suggestion is worth while and I think that such monitoring is in the early stages of development, but we will ensure that it is progressed.



**Mrs Ewing:** Before I ask my own question, I will pick up on a response to Jim Wallace. You spoke about attracting back what we might call the Scottish diaspora. Have those involved in the fresh talent initiative examined the experience of the Republic of Ireland, which seems to have been very successful in attracting people to return?

**Mr McCabe:** We take account of relevant experience wherever in the world it comes from. It makes sense to consider experience as close to home as possible and then to look further out from there. We will take due cognisance of the experience in Ireland. That relates to my earlier point. Ireland is succeeding because it has created an economy that is attractive to people and because economic opportunities exist. We need to create such a vibrant economy in Scotland. We are well placed to do that and are in the process of doing so in several fields, not least life sciences, in which our research is held in regard around the world.

I have personal experience of just how highly regarded we are in the United States. Scientists in other parts of the world pay great attention to what we do here and they are interested in coming here to further their knowledge and research. That is exactly the kind of environment that we need to create and maintain, if we are to attract people back. Ireland has been successful at doing that and we need to ensure that we are more successful.

**Mrs Ewing:** I want to deal now with the relocation advisory service. How many applications has it received? Is there any upwards or downwards trend, or is it steady?

**Louise MacDonald (Scottish Executive Finance and Central Services Department):** The number of applications has been growing steadily, although we have peaks after we do promotions. For example, we did a lot of work on a particular promotion in Poland, which led to a significant surge in inquiries—300 overnight. We have directly assisted just under 6,000 customers with specific inquiries on, for example, immigration. We also track movement to the “Live” and “Work” pages on our website. We have had well over 100,000 visits in relation to various aspects of living and working in Scotland, including finding job opportunities.

**Mrs Ewing:** You referred to Poland in particular. Have you targeted other countries?

**Louise MacDonald:** Yes, we have done a fair bit internationally. For example, we did promotions earlier in the year in India, China and Singapore, which were very much on the back of promoting the fresh talent initiative to potential students. Again, those led to a high level of interest from those markets. For example, we had about 500

inquiries overnight from India following a feature article in the *Hindustan Times*.

We look across the range of customer inquiries to identify common themes and we package a response that will make it easy for people to get the answer to their questions as quickly as possible.

**Karen Gillon:** I have a couple of questions. One is on Jim Wallace’s comments on developing countries. Does the Executive have a commitment not to recruit in countries such as Malawi? I have seen at first hand the potential impact of removing a large part of the workforce there. The Executive’s international development fund would not go far if we were simultaneously removing key staff from health and education in Malawi. Secondly, on the fresh talent initiative, are there selection criteria? Are we seeking to fill a skills gap? Who decides who comes in and who does not, and on what basis?

**Mr McCabe:** On the first point, there is no Executive policy not to recruit particular students. If people from the more challenged areas of the world seek an opportunity to come here to learn and gain an education, we want to encourage that. Such people could make a contribution in their own country at a later time, so it would be counterproductive for us to say that we do not want to encourage students to come here as part of the fresh talent initiative.

On selection criteria, there is no particular skills gap that we are trying to fill. We have not said that the initiative is focused on particular types of graduates or skills; we are saying that we want to increase the overall stock of goods. If someone who had studied and graduated here, and completed a post-graduate course here, made an application, it would be accepted, if they met all the other requirements. Louise MacDonald may want to say a word about criteria.

**Louise MacDonald:** We must engage with the business sector on future skills requirements. Futureskills Scotland’s most recent projection is based on employers’ feedback on their long-term requirements, and the report said that employers do not predict that there will be skills shortages in the future.

Our challenge now and for the coming months is to understand the nature of the recruitment difficulties that companies tell us they are experiencing. We need to ask whether there are specific areas in which we can support and assist them. At the same time, we need businesses to put a face on the nature of the skills shortages, if there are any.

15:30

**Karen Gillon:** My question about recruitment did not relate to students, but to general recruitment for vacancies in the public sector. There is a growing concern in the countries of the African sub-continent that countries such as the UK and Germany are drawing in a large number of their staff and are causing a skills shortage in their health and education services. That is where my concerns lie on that issue.

What will you be doing to address the skills gap for the business community? How can we ensure that the number of Scots who have stayed at home and who are trying to find work are not counterbalanced by the number of people who are here through the fresh talent initiative—in other words, how do we ensure that Scots are not losing out in a job market in which there are skills bottlenecks?

**Mr McCabe:** We most certainly do not proactively recruit in those challenging countries, and we have no intention of doing so.

As Louise MacDonald has already made clear, there is some difficulty with labour market intelligence. At the recent business in the Parliament conference, we heard from employers, who said that they could not recruit for certain types of apprenticeship. We also heard from Futureskills Scotland, whose representatives said that, when it did its horizon scanning four years ago, no one told them what was required. There is undoubtedly a mismatch.

When that situation is improved, we will have improved the targeting of particular skills in the economy. At the moment it is not an exact science and the situation is far from ideal. It is in our best interests to ensure that people whom we are training or graduates are trained or graduate in the areas that are most important to our economy. I do not think that we are currently anything like as good at that as we should be.

**Mr Home Robertson:** I invite the minister to say something about the risk that foreign people who come to work here might tend to gravitate towards less-well-paid occupations. There is some evidence of that happening already in various sectors, as I am sure the minister is aware. I have a problem with that at one particular location in my constituency, where a large number of people from eastern Europe are working at a mushroom farm. There are all sorts of concerns about how long they are being expected to work and how much they are being paid. Clearly, the situation is unfair on the individuals concerned, but it also has an impact on local people, who find their wages being driven down and might find themselves displaced. What, proactively, can be done to protect people coming to Scotland to ensure that

they know their rights when it comes to the national minimum wage, working times, trade union membership and so on to avoid the creation of an immigrant underclass?

**Mr McCabe:** As you would expect me to say, that is exactly the situation that we want to avoid.

**Mr Home Robertson:** I am afraid that, in some areas, we are already there.

**Mr McCabe:** The Scottish Executive and the United Kingdom Government are taking a range of actions to try to ensure that information and protection are available to workers, irrespective of their nationality. That is the important thing. We should not necessarily single out people who come to this country to work; we should establish and bring to people's attention a set of minimum conditions to protect people as much as we can. The kind of treatment, services and support that should be available to people who come to this country to work should not be one bit different from those that we would expect to apply to someone who has stayed in the Borders area all their life. If that is not the case, we would want to examine the situation, through the various agencies concerned.

**Louise MacDonald:** It is difficult to generalise. For example, in the energy sector, which is truly global, people from all parts of the globe work up in Aberdeen at many levels, including in offshore roles and in various managerial positions. We find that in many other professions, too.

We know from companies that tend to take on international graduates and postgrads what the benefits are—especially for companies that are looking to internationalise—of taking on somebody who is not only bright and smart, but who potentially knows the language, culture and business norms of the country that they are trying to internationalise into. They get phenomenal payback. Often, companies will retain such people, either here or overseas, to run their operations. We have evidence from people in many different spheres. On the unlawful practices that you mentioned, we are working closely with our local authorities and so on.

**Mr Home Robertson:** I recognise the fact that there are opportunities for achievers, who will be able to make the most of the situation. That is fine; however, in any system there will be a risk of people being exploited. People with language difficulties or who come from a different culture and who have had bad experiences with officialdom in general elsewhere may be wide open to exploitation. I am just putting it to the minister that there is some concern about that just now.

We probably need to be more proactive in ensuring that workers, students and anybody who

comes to work in any employment sector in Scotland—whom we welcome—is aware of what their rights are. In the catering industry, in food production and food processing and in other sectors like those, in which there are concerns, we should work harder to ensure that people get what they are entitled to.

**Mr McCabe:** I would not disagree with that. The United Kingdom Government, which has responsibility for employment rights, is doing its best to ensure that that is the case. For instance, in the near future there will be a new licensing arrangement covering gangmasters, which will try to limit some of the unacceptable practices in which those people have been involved in the past. The United Kingdom Government is aware of the issue of employment rights, and it is an area that will require vigilance as people come from the new accession states. The number of such people in Scotland is increasing; we are getting at least our proportionate share of those individuals, so the area undoubtedly requires vigilance.

**The Convener:** What is the focus of the fresh talent initiative? What does it aim to achieve?

**Mr McCabe:** The initiative is trying to address the demographic challenges that we face and ensure that we have the appropriate skills mix to meet the economic challenges that future generations will face. It is hoped that greater diversity of individuals from different cultures living and working in Scotland will add to our cultural diversity and help people to open their minds and understand other cultures. It is about creating a more open Scotland that is better equipped to meet the challenges of the future. Given the demographic challenges that we face, if we do not engage in such activity, we may find that we will be poorly judged by future generations because of the situation that will emerge in 20, 25 or 30 years.

**The Convener:** How will we know that the fresh talent initiative has been successful, and when will we know that?

**Mr McCabe:** Fresh talent is a long-term initiative. We are talking about population projections, which are not altered on a weekly basis, but we will know that it has made a contribution. However, fresh talent will only contribute; it is not the sole answer to the difficulties that we will face in the Scottish economy. Equally, there are challenges in getting as many labour-market returners as we can and opening up economic opportunity to people who have been excluded from it for a long time. We want to end the situation in which two, three or four generations in a household have never worked.

All those things will contribute to our ability to compete in a more competitive world in the future.

Fresh talent is one strand of the wider activity to ensure that there is opportunity and the right mix of skills. Future generations, in 2025 or 2030, will live in a Scotland that has a vibrant economy and that is competing in the relevant sectors of the economy at that time. They will know that the living standards that they experience and enjoy are better than those of their forefathers, and they will have confidence in their future and will perhaps feel that the country in which they live is more confident in 2030 than it was in 2000.

**The Convener:** Am I correct in saying that the objectives for making economically active the people who are currently economically inactive—or, to use shorthand, labour market returners—are pursued by Government initiatives other than fresh talent?

**Mr McCabe:** The Scottish Executive and the United Kingdom Government make a contribution.

**The Convener:** I do not dispute that, but that is not what I asked. I want to confirm that there are separate economic programmes. Obviously, the aim of the Government is to complement the work of the fresh talent initiative. I am trying to get at when and how we will know that the fresh talent initiative has achieved its objectives. When and how will we know that the public money that has been spent on the fresh talent initiative has been justifiable or worthwhile public expenditure?

**Mr McCabe:** We already know that it is justifiable public expenditure. People who graduate in Scotland are choosing to stay here and to consider whether they will spend part, or indeed all, of their working lives here. The more that happens, the more we will know that our activities have been worth while. We already know that fresh talent is a worthwhile initiative; the more people stay, the more inquiries we receive and the more people take an interest in this country, the better we can justify the expenditure.

**The Convener:** What are the performance measures so far?

**Mr McCabe:** Lorna Clark or Louise MacDonald will go into the details, but some of the measures that we use to judge the initiative are to ask how many inquiries we have had and how many people choose to stay. We will develop a range of indicators over time so that people can look at them and judge.

However, if people are looking for a balance-sheet approach and to arrive one day at a point when we can clearly tally up the columns and say that we have achieved X per cent success, they are taking entirely the wrong approach. We are making a contribution to creating the right kind of economic conditions and diversity in Scotland, but it will always be only a contribution. In the same way, when will we ever know whether the efforts

that we are making to ensure that fewer people are excluded from economic activity and that more people have the opportunity to join the labour market have been entirely successful? Perhaps we will never know as long as one person remains excluded.

**The Convener:** We will certainly know in relative terms whether 20 per cent or 15 per cent of people are economically inactive. That would be an indication to me that we were making progress. May we hear some of the statistics about inquiries and the number of people who have decided to locate in Scotland?

**Lorna Clark (Scottish Executive Finance and Central Services Department):** We have figures for inquiries to the relocation advisory service. Since we went live in October last year, we have given detailed help to about 6,000 individuals and about 100,000 people have looked at the website, so 6,000 people have had detailed information about moving to Scotland and 100,000 now know more about moving to Scotland than they did.

We will in the coming months have hard information about the number of people who are in Scotland because of the fresh talent working in Scotland scheme. We will keep in regular touch with those people as they stay here, and we will build up a more detailed picture of what kind of work they are doing and what long-term economic contribution they will make. Over 22 students are here under the scholarship scheme. Money that goes into the challenge fund will help to promote Scotland to international students. We either already have or will soon have hard data about lots of different strands of the initiative.

**The Convener:** The database of information about who has come here and what they are doing has not yet been compiled by the Executive.

**Lorna Clark:** That is because the fresh talent working in Scotland scheme went live only in June and people are starting to apply for it now; it will take us a while to gather information on it. We have information about people who have come to the relocation advisory service and a current evaluation of that service will produce results around the turn of the year. As I said, a number of different things are going on. We have hard data for some of those strands now and we will develop others as the initiative continues.

**The Convener:** The minister said that there were three main points to the initiative's focus: to tackle the demographic challenge; to take action on the skills mix in the economy; and the third was a more general point about cultural diversity and openness in our society. If the point that Louise MacDonald made is borne out, and we do not know what the skills mix problem is, and therefore we do not know the baseline position, how will we

know if we have tackled the problem through the fresh talent initiative?

15:45

**Mr McCabe:** We know that the initiative is a good thing and that it will provide a wider pool of talent if we can attract more people who graduate in Scotland to stay here and contribute to our economy. We know that if those people are applying to stay they are obviously finding the economic opportunities to pursue their skills and talents in Scotland. However, no one ever said that fresh talent would rectify at a stroke the management of information on the skills that the economy requires, on where we need to train and on what will be required five or 10 years down the line. No one has ever claimed that fresh talent would automatically solve that problem. There is a difficulty for this economy, as for most developed economies around the world, in that there is no precise match between the people we train in particular disciplines and the disciplines that our economic development requires.

**The Convener:** My point is that we obviously have a demographic problem, which we are trying to tackle by attracting new people. I am trying to get a feel for when we will know whether the fresh talent initiative, on which public money is being spent, has been successful. I am struggling to see definitive benchmarks for when we will know whether the fresh talent initiative has had the impact that the Government expects it to have.

**Mr Home Robertson:** You are not going to get them.

**Mr McCabe:** If you are looking for a definitive answer, convener, unfortunately you are not going to get it. It is just not going to happen that way.

**Mr Home Robertson:** Life is not like that, convener.

**Mr McCabe:** Life is not as black and white as that, and it never will be. The judgments have to be far more general. We must ask for example, whether we have a successful economy and a diverse economy with a wider range of skills and abilities and whether people are enjoying a better standard of living.

**The Convener:** With the greatest respect, minister, we will be able to judge in five years whether we have an economic profile that has a better mix of skills and abilities compared with today. Those are measurable factors. What is the Government's expectation in contributing to that transformation?

**Mr McCabe:** I do not understand your question.

**The Convener:** You have just said to me that we will be able to judge in future whether we have

a better mix of skills and talents in our society. I understand that.

**Mr McCabe:** With respect, convener, I did not say that. I said that in future one of the judgments we can make is whether we have a successful and vibrant economy, whether people's living standards are better than those of their forefathers, whether they are more optimistic and whether we live in a country that competes better internationally. All of those are indicators, and a variety of policy initiatives will contribute to them. Fresh talent is one, labour market returners is another. Of course, there are others. However, if you are looking for a definitive line or a date—let us say April 2016—it will not happen.

**The Convener:** No. I am simply asking for a set of measures that as parliamentarians we can look at and say, "Well, the fresh talent initiative was worth it," or "It wasn't worth it." I am simply looking for the Government to offer a matrix of indicators that will allow us to make that judgment. It is not an unreasonable request in the context of spending public money.

**Mr McCabe:** This is such a cordial meeting that I hate to run the risk of disagreeing with you, but your request may be slightly unreasonable. Life is not as black and white as that, unfortunately. Perhaps in some situations people would like to portray it as black and white, but the reality is that it is far more diverse than you suggest.

**The Convener:** We shall leave that to chew over in future.

If there are no other points, I thank Mr McCabe and his colleagues for appearing at the committee today. The committee will reflect on your points in the course of its inquiry.

## Pre and Post-council Scrutiny

15:49

**The Convener:** Item 4 is another substantial paper on pre and post-EU council scrutiny. There is a lot of it here, which I am sure members have gone through with a fine-toothed comb.

**Irene Oldfather:** But Mr Gallie is not here.

**The Convener:** I would not venture to suggest that Mr Gallie usually does that for us.

**Irene Oldfather:** I refer members to page 14 of the document. My point relates to the post-council report on the competitiveness council and to the services directive. The report reiterates the UK Government's position on the directive and reflects some of the discussion that we have had this afternoon. I do not know how we can do it, but it is important for us to get some kind of analysis of the impact of this major directive on Scotland. Perhaps the committee could in the first instance advance that by writing to request further information.

**The Convener:** The clerks can correct me if I am wrong—I do not have all the relevant papers in front of me—but at our away day we discussed the possibility of examining the services directive in detail. Jim Wallace suggested that we could operate on a reporter basis. One member could do some research into the issue and speak to relevant organisations if the committee was not in a position to conduct a full inquiry. However, the issue is on the committee's radar screen and will be included in information on future work programmes. Even from the discussion that we have had today, it is clear that the directive will have an impact. We need to get a feel for whether we need to be concerned about that. However, if we are to become concerned about it, we will need to do so fairly quickly.

**Alasdair Rankin (Clerk):** The committee can return to the matter at its next meeting, when it considers the options paper. The services directive will be included in that paper.

**Irene Oldfather:** We also have a meeting of the European members information and liaison exchange network this week or next week.

**Mr Wallace:** That meeting will be on Thursday.

**Irene Oldfather:** Members of the European Parliament will be present at the meeting. The Parliament is due to consider a first draft of its opinion on the directive, with 1,000 potential amendments. Is it too late for us to include the issue on the agenda for Thursday's meeting, so that we can discuss it?

**The Convener:** A representative of the European Commission, Roger Liddle, who works for Peter Mandelson—

**Mr Wallace:** He must have some involvement.

**The Convener:** Exactly. He will be in here somewhere—in the nicest possible way. I do not imagine that there would be any obstacle to our discussing the matter on Thursday.

**Irene Oldfather:** Because of the recess, much of the information in the document has come to us quite late. I notice that we have still not received information from the Executive on a number of councils. Those include the general affairs and external relations council of 18 and 19 July, the agriculture and fisheries council of 20 and 21 June and the agriculture and fisheries council of 18 and 19 July. We had begun to receive reports timeously, so this seems to be a retrograde step, especially given that we are normally in a two-week cycle of meetings and it has been nearly two months since our previous meeting. Can the clerk advise us on the cause of the delays? It may be important for us to put down a marker, so that we can return to a cycle of timeous reporting.

**Alasdair Rankin:** We have raised the issue with the Executive and are pursuing it. However, we have not yet received a definitive answer.

**The Convener:** Irene Oldfather makes a fair point. This is the mechanism that enables us to spot whether there are issues of concern on the current political agenda. The committee can reiterate the point today.

**Irene Oldfather:** There are an awful lot of blank pages in the document. Perhaps we cannot today do justice to the issues that are raised.

**Mrs Ewing:** As I pointed out at our previous meeting, post-council reports on agriculture and fisheries seem consistently to be the slowest to appear.

**The Convener:** In the agriculture sector, many negotiations are under way at both the macro level, in relation to common agriculture policy reform, and at the micro level, in relation to initiatives such as single farm payments and rural development regulations, which are of concern. We will note the points that have been made and pass them on to the Executive.

## Sift

15:54

**The Convener:** Agenda item 5 is the sift of EU documents. Two items have been highlighted for particular attention. The presidency conclusions document from the European Council on 16 and 17 June obviously has the most direct impact on us. Associated with that is the declaration from the heads of state or Government on ratification of the treaty to establish a constitution, which we are all pretty much aware of from media reports.

The second item is the state aid action plan material which, it is suggested, we should pass to the Enterprise and Culture Committee because it is considering that issue, although the matter has some crossover to the Lisbon strategy and into other remits, as we discussed a moment ago.

The committee should note the outcome of the European Council, which we discussed with Mr McCabe earlier, and the state aid papers, which will go to the Enterprise and Culture Committee.

## Convener's Report

15:56

**The Convener:** The final item of business is my report to bring members up to date on a number of issues. First, in a letter of 20 June, Mr McCabe states that the Government does not intend to bid for any of the EU agencies that may be looking for sites, based on the Government's view that we do not have a sufficiently strong background in the matters to justify a realistic chance of success. The agencies were the European Network and Information Security Agency, the European Centre for Disease Prevention and Control, the European Railway Agency, the European Chemicals Agency, the European Agency for the Management of Operational Cooperation at the External Borders of the Member States—I would have thought that we had an interest in that one—and the new Community Fisheries Control Agency which—as Margaret Ewing has just pointed out to me—is going to Spain.

Secondly, as we mentioned a moment ago, the meeting of the EMILE network will take place on Thursday in committee room 2. Members have been sent information on that. The guest speakers at the meeting will be Roger Liddle who is, as I said, a member of Peter Mandelson's cabinet, and Jimmy Hood MP, the chair of our sister committee in the House of Commons. It will be a pleasure to see them. Thirdly, Douglas Alexander, the Minister of State for Europe, will address a public meeting on 22 September at 1 o'clock, as part of an outline of the presidency of the European Union, which is held by the United Kingdom.

Annex B to my report contains the Scottish European structural funds programme annual summary document, which has been passed to the committee for information. Obviously, some of our questioning of Mr McCabe related to the consequences of issues in that.

**Irene Oldfather:** I note that most of the partnerships seem to have met the N+2 targets this year, which is an improvement on previous years. However, the information is not in a readily understandable format. It would have been helpful to have had a table with each of the partnerships and some measures and indicators to allow us to cast our eye along it and get an idea of how well we are doing.

**The Convener:** From Mr McCabe's evidence, it seems that he is against tables, measures and performance indicators—or perhaps that was just me. I am sure that we can feed that comment back to the Executive.

**Karen Gillon:** I thought that you were against tables and measures, too, convener.

**Irene Oldfather:** An annex to accompany the document would be useful.

16:00

**The Convener:** I know that there is a table outlining different partnerships' performance, because I have seen it at the twice-yearly meetings of the structural funds forum. We can certainly ask for that to be added.

The penultimate item in the convener's report is a letter from the Minister for Justice, which is a copy of correspondence that has been sent to the conveners of the justice committees, Pauline McNeill and Annabel Goldie, regarding the Criminal Injuries Compensation Authority. I ask members simply to note the letter.

The final item in the report is Ross Finnie's response to my note of 21 June 2005 on the situation regarding the Ferguson Shipbuilders contract which I had, at the committee's request, sent to the First Minister. The response was discussed during the evidence session with the minister. I do not know whether members have any points to raise on the matter.

**Irene Oldfather:** I note in paragraph 3 of the response that the Executive drew the concerns of Ferguson Shipbuilders to the attention of the Department for Transport and the Department of Trade and Industry and

"received assurances from ... Ministers that there was no evidence of illegal state aids being received by the ... Polish shipyard".

However, Ross Finnie then goes on to say that the matter has been referred to the European Commission, which will be the adjudicator in this case. The committee should keep up to date with whether the Commission feels that sufficient evidence exists to warrant a formal inquiry. After all, in his response, Mr Finnie says that

"the Commission is currently assessing whether there is sufficient evidence to warrant launching a formal inquiry".

I do not know when we can expect to hear from the Commission on that question, but we will want to be kept informed on the matter.

**Mrs Ewing:** On the sentence in paragraph 3 that Irene Oldfather referred to, are there any written documents on this matter that the committee could receive or has all contact been made by telephone or e-mail? Can we access what the DFT and the DTI have said?

**The Convener:** If the committee wanted that material, we could certainly ask for it. I see no obstacle in that respect.

After discussing the response with Mr McCabe and after reading Ross Finnie's statement that

"In addition, I wrote to Commissioner McCreevy ... in Brussels in June this year raising a number of related issues and seeking clarification of the Commission's position",

and, as Irene Oldfather pointed out, that

"the Commission is currently assessing whether there is sufficient evidence to warrant launching a formal inquiry",

I am struck by the fact that two substantial points of inquiry have been left unanswered. In the process, the contract has been awarded.

**Irene Oldfather:** When we meet Roger Liddle from Peter Mandelson's cabinet on Thursday evening, we might be able to find out whether the Commission has concluded its initial investigations and has deemed that no further action be taken or that a more formal inquiry be launched. I am sure that he is reasonably well placed to advise us on the stage that proceedings have reached.

**Karen Gillon:** The last sentence on the first page of Mr Finnie's letter does not entirely clear up the question about the response that the Executive received from Commissioner McCreevy. Perhaps that is what Mr Finnie outlines on the second page, but I am still not clear whether he is referring to the commissioner's response or whether he is awaiting a further response.

**The Convener:** From my reading of the letter, the approach that was made in June has not yet been answered.

**Karen Gillon:** That is how I read the letter, but I am not entirely clear about what it means.

**The Convener:** That is why I am puzzled by the response. I could quite understand it if the Government had exhausted every possible avenue and the Commission had told it, "Look, there's no issue. We're not having an inquiry. No questions have been asked." At that point—regrettably, but understandably—the Government would have reached its conclusion and awarded the contract.

I am just a bit surprised. I do not think that I am misinterpreting the point about Commissioner McCreevy and the fact that two points have been raised on which there appears to be no closure. Why on earth have we awarded the contract if there are still doors left open?

**Karen Gillon:** I certainly agree that we should follow up the matter with the Commission on Thursday night. It would also be worth writing again to Ross Finnie to ask for clarification on that final point. We should ask what Ross Finnie said to Commissioner McCreevy and what Commissioner McCreevy said to Ross Finnie so that we can be clear about what questions were posed and answered.

**Mr Home Robertson:** In addition, the third paragraph of Ross Finnie's letter refers to queries that were sent to the Department for Transport and the DTI. We understand from UK Government ministers that there were concerns that there might have been grounds to challenge those decisions. It is therefore puzzling that the Scottish Executive went ahead and ordered the vessel when there might have been outstanding doubts about the affairs of Remontowa.

**Mr Wallace:** If you read it carefully, that third paragraph relates to a specific contract that was awarded by the General Lighthouse Authority in 2004 and not to the more recent contracts. It is a contract in which the Scottish Executive had no locus, other than to look after Ferguson's interests.

**The Convener:** That is the correct interpretation.

**Mr Wallace:** I was the person who had the dealings with the DTI.

**The Convener:** You can tell us what is in the correspondence then. Waken up! [*Laughter.*]

I take it that you have those letters about your person somewhere.

**Mr Wallace:** We received assurances that there was no evidence of illegal state aid.

**The Convener:** That is about the 2004 contract; there are still questions about where we are now and it would be worth taking up those points by writing to the minister to ask for clarification. The matter will come back to the committee in due course.

That brings us to the close of the meeting. The committee will meet again on 27 September in committee room 5 when, among other things, members will be required to select a new convener as I will no longer be with you. I wish members of the committee well.

**Irene Oldfather:** On that point, it would be remiss of me not say on behalf of the committee that we wish you well in your new position and take the opportunity to thank you for all the work that you have put in over the past year. I think I speak on behalf of all committee members and I know I speak on behalf of the Labour members. You have exercised your role very judiciously and we appreciate that. Thank you.

**The Convener:** Thank you.

*Meeting closed at 16:08.*



Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

**Wednesday 28 September 2005**

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

*Single copies: £5.00*

*Meetings of the Parliament annual subscriptions: £350.00*

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*

*Annual subscriptions: £150.00*

Standing orders will be accepted at Document Supply.

Published in Edinburgh by Astron and available from:

**Blackwell's Bookshop**  
53 South Bridge  
Edinburgh EH1 1YS  
0131 622 8222

**Blackwell's Bookshops:**  
243-244 High Holborn  
London WC1 7DZ  
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh

**Blackwell's Scottish Parliament Documentation**  
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

**Telephone orders and inquiries**  
0131 622 8283 or  
0131 622 8258

**Fax orders**  
0131 557 8149

**E-mail orders**  
business.edinburgh@blackwell.co.uk

**Subscriptions & Standing Orders**  
business.edinburgh@blackwell.co.uk

**RNID Typetalk calls welcome on**  
18001 0131 348 5412  
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

**Accredited Agents**  
(see Yellow Pages)

and through good booksellers

Printed in Scotland by Astron