

EUROPEAN COMMITTEE

Wednesday 18 August 1999
(Morning)

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EUROPEAN COMMITTEE 2nd Meeting

CONVENER

*Hugh Henry (Paisley South) (Lab)

COMMITTEE MEMBERS:

*Dennis Canavan (Falkirk West)
*Bruce Crawford (Mid Scotland and Fife) (SNP)
*Dr Winnie Ewing (Highlands and Islands) (SNP)
*Dr Sylvia Jackson (Stirling) (Lab)
*Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab)
*Ms Margo MacDonald (Lothians) (SNP)
*Maureen Macmillan (Highlands and Islands) (Lab)
*David Mundell (South of Scotland) (Con)
*Ms Irene Oldfather (Cunninghame South) (Lab)
*Tavish Scott (Shetland) (LD)
*Ben Wallace (North-East Scotland) (Con)
*Allan Wilson (Cunninghame North) (Lab)

*attended

PRESENTATIONS:

Mr Jim Millard (Development Department, Scottish Executive)
Mr Owen Kelly (Executive Secretariat, Scottish Executive)

COMMITTEE CLERK:

Stephen Imrie

SENIOR ASSISTANT CLERK:

Eugene Windsor

ASSISTANT CLERK:

David Simpson

Scottish Parliament

European Committee

Wednesday 18 August 1999

(Morning)

[THE CONVENER *opened the meeting at 10:32*]

The Convener (Hugh Henry): Good morning. I welcome you to this meeting of the European Committee of the Scottish Parliament. I hope that everyone has had an enjoyable and restful break, as the coming months are going to be busy and potentially exciting.

Before I start the meeting proper, I need to make a couple of points, the first of which regards fire regulations. The clerks to the committee will support and advise anyone in the event of a fire. There are uniformed attendants in the room who will help in the event of an emergency. We are advised not to stop to collect personal belongings and not to use the lifts.

Secondly, this is the first meeting for Dennis Canavan and Winnie Ewing. I welcome them to the committee and ask them whether they have any declarations of interest to make before we start.

Dennis Canavan (Falkirk West): I recently agreed to write a regular column for a newspaper; in my writing, I may touch on matters that are relevant to the European Union and the work of the committee. Other than that, I do not think that I have anything to declare.

Dr Winnie Ewing (Highlands and Islands) (SNP): I am no longer a member of the European Parliament, but I receive a pension and will receive some kind of severance, which has not yet been disclosed to me. I hope that it is good news—after 23 years, it ought to be.

Scrutiny Process

The Convener: We move on to item 1 on the agenda. A paper on the scrutiny and sift process for European documentation has been circulated. As we discussed at the first meeting, a plethora of documentation and regulations comes from Europe. If we were to try to deal with everything, we would be unable to progress any business. We wish to identify the key areas that need to be attended to. There will be matters to which we need to pay attention and matters that Parliament and other committees need to attend to, but there will probably be much more that needs no comment. The paper that Stephen Imrie will speak to suggests how we might deal with that bulk of

information.

Stephen Imrie (Committee Clerk): Thank you. As the convener suggested, under standing orders rule 6.8.1 it is within the remit of the European Committee to consider and report on proposals for European Community legislation and its implementation. That is what we are calling our scrutiny function. A paper, which was circulated to members before this meeting, was drawn up by the clerks in response to a request at the first meeting that we look at how the scrutiny function might take place. I stress that it is a draft paper on working arrangements. It includes some suggestions from the clerks, but it is down to the committee formally to decide on the procedure.

The suggested options have been developed over the past few months by the clerks, working in conjunction with officials from the Scottish Executive and clerks from the European Scrutiny Committee at Westminster. Our links to the Scottish Executive and to Westminster provide an important forum for your views in your consideration of European legislation.

The key issue that we identified is selectivity, within which there are questions of timing and of depth. Timing relates to the period in which committee members will be able to deliberate on any item of European business so that their views feed into the decision-making processes at Westminster and in Brussels. The clerks will advise members on the time frame for any item of business. On depth, members will be able to consider items of documentation at different levels. The options available to members range from a cursory glance, through holding an inquiry and inviting a minister to answer questions on it, to taking evidence from external bodies.

I remind members that we expect to receive approximately 1,200 documents every year. In paper EU 99/2/1 we have devised a twin-track approach to help members sift and prioritise a selection of those documents. Members have one fundamental choice for each document—to do something with it or to take no further action. It is at members' discretion whether a document is suitable for either category. If members decide to do something with a document, the question is how deeply they wish to scrutinise it and for how long. That is why we suggest a priority approach and a regular approach. If the priority approach is used, that does not mean that an item of business is more significant than one that is scrutinised using a more regular approach; it is just that we have less time in which to try to ensure that the committee's views are heard by the Executive and at Westminster and Brussels. Priority is a question of timetabling.

Whether the committee decides to look at a document on a priority or a regular basis, it has to

choose whether to examine the document itself or, if the document is considered to be detailed on fisheries policy or agriculture policy, for example, whether it refers the document to a subject committee for its considered opinion. The subject committee would then report back to this committee. If the document relates to an item that is significant to Scotland, it can also be referred to the whole Parliament for consideration.

After those decisions have been taken, the clerks will ask the Executive to provide the committee with additional information that relates to policy and legal issues and that looks at the item of business from a Scottish perspective. As described in the annexe of paper EU/99/2/1, the Executive will supply the committee with additional information in the form of an explanatory memorandum. We will also inform the European Scrutiny Committee at Westminster about documents that this committee wishes to look at further.

We have a working arrangement with the Westminster committee regarding items that we select for priority because they are of great significance to us or because the timetable is tight. As soon as we inform the Westminster committee, it will hold back on making its considered opinion until we have been able to deliver ours. That is an important point. I stress that that is a working arrangement rather than a formal one—it has resulted from some good discussions with officials at Westminster. It is entirely up to this committee whether it wishes to scrutinise documents itself, to have an inquiry or to request a ministerial briefing.

To help with the process of scrutinising documents, the proposal is to have an initial sift before a committee meeting. In that sift, the convener and deputy convener—when one has been selected—will look through the documents on behalf of the committee and form a recommendation. A list of those recommendations and all the documents that we have received will be given to members well in advance of the committee meeting to provide committee members with some guidance on the initial thoughts on the document.

In advance of the committee meeting, members will receive a list of every document that we have received, a list detailing the recommendations of the convener and deputy convener and copies of the documents that have been selected for further scrutiny. It is for the committee to decide what to do with each document at the meeting; there may be occasions on which the process is altered. There is a further safeguard—a set of all documents will be received by the Parliament's information centre and a list of all documents received will be published in the business bulletin. Any member of the Parliament can address this

committee and ask for an item to be looked at further, regardless of the recommendation of the initial sift.

The sift is a guideline process. It is for members to decide what to do with the priority document, the regular document or one on which no further action is required. If scrutiny is required, the committee will decide whether to carry it out itself or to refer the document to a subject committee or to the whole Parliament. Finally, there are a number of administrative matters to allow the clerks to deal with the follow-up.

That is all I want to say on the paper, but I am happy to take questions on a factual basis. As the committee clerk, it is not for me to decide the detail; I merely give the committee some suggestions about proceeding with scrutiny.

The Convener: Thank you, Stephen. Before I throw the discussion open, I should clarify that what Stephen is suggesting is slightly different from what the flow chart in the briefing paper implies. The flow chart says that copies of every document will be sent to committee members, whereas Stephen is suggesting that members receive a list of all the documents with a recommendation as to whether we discuss them. If members wish to discuss a document and there is no recommendation, that document can be brought to the committee. The committee has to decide whether it wants a copy of every document that comes in or whether it is happy to receive a list.

10:45

Dennis Canavan: The briefing paper states that the Scottish Parliament will receive a copy of all the documents that are received by Westminster. For clarification, do we get the documents—or does the secretariat get the documents—directly from Brussels or are we dependent on Westminster to forward them to us? As the clerk said, time is of the essence. If documents are to go through Westminster before they are forwarded here, I wonder whether that might interfere with our whole timetable.

About 1,200 documents may be forwarded to us for possible scrutiny; it will be virtually impossible for members of the committee to look through the detail of every one of them. At what stage will members of our staff have access to those documents so that, on our behalf, they can scrutinise them and report back to us?

The Convener: I will answer your second question, Dennis, and leave Stephen to answer the first one. It is suggested that members will get a list giving details of every document that comes in. On that list will be a recommendation indicating which documents we think should be considered.

If we recommend that a document should be considered, members will receive a copy of it. If we recommend that a document should not be considered, but a member believes that it should be, the member and his or her staff will have access to it immediately, as Stephen suggested.

We are trying to help members in the process of sifting out the most important matters. We are also saying that members and the committee have the right to determine whether things that have been missed or ignored should be brought back for consideration. As soon as information comes out, members will have access to it.

Stephen Imrie: Documents that we receive from Westminster are sent to us at the same time as they are laid before the Westminster Parliament. We receive them directly from the Cabinet Office. That is the official route and it is the fastest route. We do not receive documents directly from Brussels, although we may receive working documents directly. We will be able to establish links into networks to get documents—such as reports of meetings, white papers, green papers and draft papers—directly to members. A complete set of the documents that we must officially consider is sent to us as soon as it is received in the Cabinet Office. The Parliament also receives a complete set to store in the document centre. We are not reliant on Westminster clerks to add us to the circulation list—we are already officially on it. As I said, that is the fastest way in which we can get the documents to the committee.

Ms Irene Oldfather (Cunninghame South) (Lab): I think that the list idea is sensible: if we were all to be sent 1,200 or 2,000 documents a year, the system would grind to a halt. I wonder whether, in this age of information technology, those documents could be put on to the internet or on to the Scottish Parliament's intranet. That would allow us and our staff to access a particular document from the list. For those of us who are a little bit away from Edinburgh, that might be sensible.

The guidelines and the criteria laid down in the briefing paper are sensible and suggest a useful way in which to proceed. I can see that timetabling is going to be of the essence. As we work together and gain experience as a committee, we will know what needs to be changed and what does not. Co-operation with Westminster is going to be crucial and I am pleased that proposals for that are in place. It will be important for us to monitor that co-operation; as we gain experience, I hope that we will develop and amend it as necessary. New technology might be helpful in that as well.

Stephen Imrie: At the moment, we receive all papers as hard copies rather than electronically. However, I understand that a database is to be set

up in Whitehall that will allow us to receive electronic copies. I am not sure when that will happen but, as soon as it does, we will try to tap into the database so that papers will be available to members in the electronic medium.

Bruce Crawford (Mid Scotland and Fife) (SNP): I agree that using the electronic medium is a useful idea.

I thank Stephen for his opening remarks, which helped to clarify some of the issues that I was going to raise. In a list of the various pieces of legislation or documents for consultation flowing from Europe, it would be very easy for us just to be given a headline. However, that would not tell us much. Some of the stuff can be obscure, so it would be useful for the list also to include a couple of sentences outlining the thrust of the paper. That would help us to understand things a bit better.

The relationship between us and Westminster is obviously an issue of keen interest. I am glad to see on page 4 of the briefing paper on the scrutiny and sifting of European documentation that an informal relationship has already been established and that Westminster is treating us, at this stage, as a parallel body on areas of particular Scottish interest—although I am not sure exactly what the hell that phrase in the paper means, because if stuff coming out of Europe is going to affect the United Kingdom, it is going to affect Scotland as well. I need a better definition of what is of particular Scottish interest.

The same paragraph in the briefing paper talks about the requirement for an agreement between the two Parliaments or between committees of the Parliaments. Westminster committees have an opportunity to put their views on matters before they are discussed by the Government. I hope that we will manage to get ourselves into that position, because that will be important to the standing of this committee and of the Parliament. I would like to hear some views on that from my friends and colleagues around the table.

A couple of smaller issues need to be teased out. There is a reference on page 3 to the way in which Scottish explanatory memorandums will be structured. There is also a pro-forma for SEMs and I am grateful to Stephen for that. However, having looked at the Treaty of Amsterdam, at some of the issues that will be raised because of that and at some of the main thrusts of the European Community over the next few years, I think that it might have been useful to committee members if the memorandums contained mandatory information both on the environmental impact of consultation, directives or regulations coming out of Europe and on the issues of equality that they raise.

Finally—this is a very small point—the business

bulletin seems to grow and grow. It is an important document for us as MSPs and I need to get to the nitty-gritty of what business is going on. I see that it has been suggested that the list of European documentation held in the Parliament's document centre be published in the business bulletin. The Parliament should find a different way of notifying us of that; if it does not, the business bulletin will lose what it is really about. I realise that that is more of a housekeeping issue, but I thought I should raise it here.

The Convener: I will ask Stephen to comment on that last point. The point about our having a view before decisions are made and legislation is passed is absolutely right. It relates to some of Irene's comments about timing—we cannot afford to consider things after the event. We need to ensure that our procedures are properly sorted out so that we can get in with our views as early as possible.

I think that a descriptor, to go with the title on the list, is included in the template, but Bruce makes a useful comment, which will be attended to.

David Mundell (South of Scotland) (Con): I certainly agree that it is vital to have a description of the documentation in the list. I also agree with what Irene was saying. I am happy to sign up to what is being recommended, but only on the basis that we are flexible and accept that—as we move forward and gain experience—we must be willing to adapt. I especially do not want to get into the Westminster scenario where something agreed today becomes the “Erskine May” for all time for all procedures.

Perhaps Stephen can clarify the relationships we will have with other committees. The Rural Affairs Committee in particular has a heavy agenda, and we cannot simply punt things on to other people and tell them to come back to us within six weeks. How will the relationship work, in terms of the turnaround and quality of input, especially as we could find that there is so much volume that people do not have an input at all?

The Convener: Before I ask Stephen to comment, I will say that, because the timetable is determined elsewhere, we will occasionally have to ask committees to respond within a very short period. That is unfortunate but, rather than lose the opportunity, we need to filter things out and tell people that they need to look at matters in a hurry. Generally, however, David's point is well made: people need time to give adequate scrutiny to business.

Stephen Imrie: We have thought about how the committees will interact. I will explain a couple of ways in which we hope we can smooth the process. When I, as the clerk, initially receive documents, I can at least—without prejudicing any

decision that this committee may make—say to my fellow clerks that the document has been received, that it is a detailed subject and that it is likely that this committee will treat it as a matter requiring scrutiny by other committees. The clerking staff therefore have some early warning that an item has been received and may—I stress may—follow that path; the clerks can look at timetabling issues as early as possible and alert other committees.

I perhaps did not stress sufficiently that, if an item has an extraordinarily tight timetable, this committee can deal with it even if might normally have been a matter for a subject committee. A matter does not have to be referred to a subject committee, even if it is detailed. I have been advised by clerks at Westminster, who are more experienced in such a role, that it is not often the case that they have only a few weeks in which to deal with business.

Members of this committee are also members of other committees, although not, interestingly enough, the Rural Affairs Committee. However, members can of course use their experience from other committees and any member of the Parliament, including members from one of the other subject committees, can come along to this committee to give their considered opinion on a particular document. We are trying to facilitate the interaction between committees in a number of ways. The process may not be easy and we will have to be careful about timetabling.

David Mundell: The Parliament has a tight timetable so, if we decide to refer something to it, what will happen?

Stephen Imrie: If a matter is referred to another committee or more rarely—I hesitate to say that—to the Parliament, we have to advise the other convener, the other clerks or the whole Parliament of the timetable within which we would request them to report back to this committee to allow us finally to take a view. If a matter is to be referred to the Parliament, we would have to work closely with the Parliamentary Bureau to enable it to be fitted in. If the matter is of extraordinary importance and relates to a very short time scale, we would have to liaise with the clerks and the business managers so that it could be taken as business for the whole Parliament.

We will have to advise the subject committees of timetables and dates and when they need to reply to us, in time for us to consider their views and get back to the Executive and to Westminster. There are systems in place, but we will have to monitor them when things have started to run; we will have to be flexible.

11:00

The Convener: Will you comment on Bruce's question about the pro-forma?

Stephen Imrie: In the pro-forma, which is shown in annexe 1, as well as listing all the documents that we receive and the recommendation from the convener, we will try to insert a short explanation of what the document is and some of the issues around it, the timetable according to which we will have to take decisions, and any other notes.

The Convener: There is also the issue of whether we should be commenting in the Scottish explanatory memorandum on environmental impact.

Stephen Imrie: That is not within the explanatory memorandum, but if the committee wishes that, I am happy to suggest it to the Executive.

The Convener: How has the pro-forma been developed? Where did it come from?

Stephen Imrie: The pro-forma contained in annexe 2 is a suggestion by the Executive on how the Scottish explanatory memorandum would look.

The Convener: Would that be a standard document for every committee?

Stephen Imrie: The explanatory memorandum will be received by our committee; that will be the standard.

The Convener: I wonder, given that every committee might concentrate on different issues, such as equal opportunities or a whole range of things, whether there is another route by which we could have that document looked at, so that it is not the Executive that determines how it should come before the committees.

Ms Margo MacDonald (Lothians) (SNP): With respect, I was signalling that I wanted to introduce that point. We are trying to work out how to manage an impossible amount of paper, never mind electronic mail and so on. All the committees of the Parliament link to this committee, and the Parliament is the managing agent for the structural funds that feed into the affairs of all the committees.

This committee should say to the other committees that it is in their interest to do as Irene suggested and keep their eye on what is coming up. I think that Winnie could help us with guidance on how we could have a direct route to the initial consideration of what is about to come up in Europe, so that we can link into that. But it is up to the other committees to decide which of their members will keep an eye on the European dimension.

The Convener: That is a slightly separate issue and we have covered it to some extent. You are right that there must be an early warning system; it is not enough just to wait until things come out. Certainly other committees will have to look at who will take the lead and how they pay attention to European issues.

Bruce raised a specific point about whether the pro-forma should state whether environmental issues had been considered. There might also be other matters that are relevant to every committee. Given that it will be a standard document and every committee will have a similar page, rather than every committee having a debate about designing a form, is there a more appropriate route?

Ms Oldfather: It is important that we take into consideration equal opportunities because, as committee members know, in Europe the two key factors for reports are attention to the environment and equal opportunities. If we included the environment, I would want to ensure that attention was given to equal opportunities.

The Convener: I do not want to waste time today trying to design a form, because we will never get agreement. Is there somewhere we can send it to say that some things have been missed out and it should be looked at again?

Allan Wilson (Cunninghame North) (Lab): Might the Procedures Committee wish to look at the matter?

Ms MacDonald: It might not wish to.

Allan Wilson: We could ask it to look at the matter.

Bruce Crawford: I am not sure that similar committees will have this type of paper, which relates to the Scottish dimension and Europe. This is about our needs as a committee. Other committees might have a particular interest in other issues, but Irene is right that the two main platforms of the Treaty of Amsterdam are the environment and equality and they must be considered. It is not just about us but about influencing the way in which the Executive, including the officials, works and thinks.

Dennis Canavan: Perhaps the clerk will advise us, because my understanding is that our committee is unique in the Scottish Parliament, in our role of scrutinising European legislation and documentation. Therefore, the pro-forma is unique to our committee. Surely it has not gone out, even in a similar form, to any other committee. It is up to us as a committee to decide whether to refer documentation to any of the other committees of the Parliament, whether on the environment, equal opportunities or whatever.

The Convener: I suggest that we send the

documentation back to the Executive and ask it to consider some of the broader points that have been made and to come up with another template for our consideration.

Dr Winnie Ewing: If we want to influence the decision-making process, as mentioned on page 4 of the briefing paper, we must get into it as early as possible. The documents that we shall get will not necessarily achieve that. What would achieve it is the agendas of the meetings of the European Parliament's committees.

An example is the document that gives the dates for various councils in which relevant matters will be decided, such as the Fisheries Council. Already we have lost the opportunity to influence it. Once the European committees start again at the end of the month, they will have an agenda of topics for which rapporteurs will be appointed, and that is where the early discussions will take place in which we want to be involved—before they harden into a report, when it is difficult to make changes.

Flexibility arises when a committee is still discussing a subject. The committees are non-political in the sense that there is rarely a left-right confrontation—except perhaps in economic and monetary matters. Mostly anyone with a good idea has the chance to submit it at the early stage.

If we do not get the agendas for what is happening at that time, we might lose our chance to influence the form in which issues are put to the European Parliament. Usually the Parliament passes what the committees propose because the committees, after all, are formed of all the different political groups, with the different skills and points of view. The flexible stage is when the committees first discuss the topics; what we need, and will not get unless we ask for it, is the agendas of the committee meetings from now on.

The Convener: We are beginning to debate a separate matter. We have before us a proposal on how to sift the documents that we receive. What Dr Ewing is talking about is worthy—

Dr Ewing: We are not receiving the right ones.

The Convener: How we influence the process is worthy of discussion at some point. I am aware of the time, because we have other items on the agenda. Today we are talking about sifting documents that are received. Is this a useful mechanism for sifting such documents? I am happy for a future agenda to include an explanation to us of the process whereby Europe makes decisions and how we can influence that process. That would be a useful part of our learning experience as a committee. Let us have that debate, but now let us try to concentrate on the document.

Cathy Jamieson (Carrick, Cumnock and

Doon Valley) (Lab): I welcome the work that has been done as I recognise the sheer volume of paperwork that will come through—we must be clear that we are giving attention to the things that are most relevant and of priority.

There are two points on which I would like clarification. In relation to the initial sift process, with the designations of priority, regular and no further action, are there many matters that would have little or no relevance to Scotland if we are trying to put our perspective on things? What issues are being put in that category—does it include reserved matters? Some things could slip past because of that. My other point is about influence. A paragraph in the paper refers to the committee at a future stage having discussions on direct influence on draft legislation. I would propose that we go ahead on the basis of the process that is outlined, given that if we want to discuss something in more depth, we have the opportunity to do that.

The Convener: On the question that you raise about whether there are matters of no relevance to Scotland, at the first meeting I quoted a couple of examples in that category—Swiss watchmaking and something to do with Burma. If we start to say that all these matters will have relevance to Scotland, we will never get anywhere.

Cathy Jamieson: That is helpful. I wanted to be clear that it would not cover reserved matters.

The Convener: No—only things that literally would have no impact on Scotland.

Ben Wallace (North-East Scotland) (Con): I return to Bruce's point on the relationship with Westminster. Once we have produced the Scottish explanatory memorandum or had an input into the European Scrutiny Committee at Westminster, what procedure or guarantees do we have that our case will be properly presented to that committee? I do not know how many Scottish MPs are on it or how our case will be put to the committee. We have a Scotland Office with a secretary of state, but our case could just disappear into that committee. We need to monitor what happens to our input and how it is made.

The Convener: We need to develop a relationship with that committee, and I will seek a meeting with its chair to discuss how each of us will progress business. We need to make sure that our views are given due consideration; we will discuss that. There are other methods apart from membership of the committee—we will use every means at our disposal, including lobbying the secretary of state. At some point joint meetings or attendance of some of the relevant individuals at this committee might be useful.

I do not want to cut anyone off, but we have spent three quarters of an hour on what should

have been a relatively straightforward document. Is there anything that has not been raised about the mechanism and the process? I suggest that we amend the document to take it into account that we will not circulate all the documents but that there will be a list; that we are sending back to the Scottish Executive the explanatory memorandum; that at some point we will discuss how we influence the policy process—the point that Winnie raised; and that in future we shall consider ways of trying to ensure that our views are properly heard in the Westminster European Scrutiny Committee.

11:15

Bruce Crawford: I do not want to prolong this, but I am confused. I understood that our deliberations would be heard in Westminster at Cabinet level and that we would not necessarily have to go through the European Scrutiny Committee. I would be concerned if that were not the case as it would remove the possibility of there being a parallel system that would allow this committee to have a similar standing to the one in Westminster. I am sorry, Hugh, but I want to press that point. I asked a question at the beginning about whether this committee would be given the same standing as the Westminster committee as regards any parallel agreement. We need to understand how we feel about that issue and work out how hard we want to press it.

The Convener: I will ask Stephen Imrie to explain the process before I bring this part of the meeting to a close. However, if we want to discuss further the committee's relationships with other bodies, we will need to structure our discussion properly.

Stephen Imrie: The procedures allow for this committee to give its considered opinion on any document to the European Scrutiny Committee, which will take that opinion on board, and to the Scottish Executive, which will be responsible for making sure that those decisions are passed on to Whitehall. Our committee will be able to give its opinions to other people, such as the Secretary of State for Scotland, but it is not for me to say whether that should be done; that would be a political decision for the committee to take. As European affairs are a reserved matter, we would not report to Westminster, but would pass our thoughts into the Westminster decision-making process.

Bruce Crawford: It is still not clear to me. I know that our opinions go into the Westminster system, but does that mean the European Scrutiny Committee or the Cabinet Office? If we input to the European Scrutiny Committee, I would be concerned about our committee's standing.

Dennis Canavan: It is my understanding that

Westminster means the Parliament rather than the Cabinet Office.

The Convener: A range of options will be open to us. We will be able to pass our opinions to the European Scrutiny Committee but we will also be able to use the offices of the Secretary of State for Scotland.

We should not duck the issue, but we should come back to it at a later date. If we want a discussion on where items go from this committee and on what our relationship is with Westminster, we can put that on a later agenda.

Bruce Crawford: That would be fine.

Ms MacDonald: We would like that to be on the next agenda.

Dr Sylvia Jackson (Stirling) (Lab): I want to make two brief points. When we refer the Scottish explanatory memorandum to the Scottish Executive, we need to put forward clearly the points that Bruce and Irene made about the environment and equal opportunities and stress that those are important matters.

I do not know whether we will discuss the date of our meetings at some other time, but our briefing paper says that we will meet in the afternoon. Are we agreed on that?

The Convener: As opposed to in the morning?

Dr Jackson: I think that morning meetings were originally suggested.

The Convener: We might have to refer that to the Parliamentary Bureau because other committees have to meet as well. There is a suggestion that, because of the volume of work and the way in which the process works, we should try to meet on a Tuesday. However, that might clash with other business, so we need to be flexible. For example, some of us on this committee are also on the Health and Community Care Committee and are unable to attend some of that committee's business because we are here. It is a bit of a nightmare. We will return to the timing of meetings at another time.

Structural Funds

The Convener: I would have thought that the next item of business, a presentation by Jim Millard of the Development Department of the Scottish Executive, would have been worthy of a long and detailed discussion, but I am looking at the time and I am beginning to wonder when we will finish. Jim will outline some of the issues and try to brief us on where they stand.

Before we start, I stress that this is not the only debate that we will have on those matters but the first of many detailed discussions that we will have

in the next few weeks. As more information comes out and the decision-making process develops, we will have to make our views known, but today's presentation is about some of the broader matters.

Ms MacDonald: I have an urgent matter to raise that I believe is relevant to the subject of Jim's presentation. Will we have an opportunity to talk after the presentation, if not at great length?

The Convener: There will be questions and a discussion afterwards.

Mr Jim Millard (Development Department, Scottish Executive): But please do not ask any hard questions.

I am grateful for the opportunity to offer an informal briefing—the first of many, I am sure.

On my way in to work this morning, a traffic report warned of standing water on the M8. I believe that the report simply meant puddles. European issues, structural funds in particular, sometimes get caught up in unhelpful, misleading or less than clear language, but I will try to avoid that trap.

One of the interesting facets of the process in which we are involved is that European affairs are a reserved matter. However, the Scottish Executive is the implementing authority for structural funds in Scotland. That responsibility will be of key interest to the committee. This morning, I will speak about the structural funds arrangements, the reform of the structural funds, which we are in the middle of, and the way forward for Scotland under the structural funds, in so far as it is clear at this stage.

European structural funds are split into individual funds. The European regional development fund is fairly well known—signs around Scotland show that stretches of motorway, buildings or some kinds of business activity have been supported by the regional development fund. Similarly, the European social fund is readily identified with support for training and learning. The other two funds are less obviously part of the structural funds. The easiest way to put the European agriculture guidance and guarantee fund in context is to say that the guidance section is not the guarantee side and the guarantee side is about price support, intervention and so on. The financial instrument for fisheries guidance, the fourth fund, is fairly self-explanatory.

Structural funds, in a generic sense, are about support for projects to encourage economic and social cohesion across the European Union.

Structural funds are delivered by two means. The first is geographically, through objectives 1, 2 and 5b. In Scotland, objective 1 covers the Highlands and Islands, which are identified as areas lagging behind the rest of Europe; objective

2 covers much of the central belt, which is experiencing industrial decline; and objective 5b covers much of rural Scotland.

Objectives 3 and 4—the horizontal objectives—deliver support for training across Scotland and are not geographically targeted.

Those programmes will run until the end of 1999, when project approvals under them will finish. Project sponsors have up to two years after that to complete their work and claim grants.

Structural funds reform has been on the agenda for a couple of years, first the threat and then the substance. Commission proposals were debated at length in working groups by officials from member states and were signed up to at the Berlin summit at the end of March.

Reform had to recognise that the European Union will get larger, although we are not sure by how much it will do so or how soon. Preparations had to be made for a larger European Union that would embrace countries that are not as economically and socially advanced as us. Leg-room had to be provided through budgetary discipline, and the costs of structural funds, which account for one third of European Union expenditure, had to be constrained.

Reform was also needed to simplify things. Some people say that structural funds are complicated, but they are wrong: structural funds are much more difficult than that. Simplification ought to stretch from the European Commission, through member states and implementing authorities, to the people who deliver projects. I am not quite sure that that is the case, but there is an opportunity for the Scottish Executive to make life as straightforward as possible for project sponsors. I may live to rue these words, but there is an onus on us to absorb the technicalities and to deal in-house with complexities between Scotland and Brussels.

11:30

The other key principle is concentration, to which there are two aspects, the first of which is that the seven objectives under structural funds—I mentioned the five that apply to Scotland—have been condensed into three. Objective 1 remains much as we currently recognise it; it deals with areas that are suffering from economic difficulties or are lagging behind economically and where gross domestic product is 75 per cent or less of the European average. However, that status applies at regional level rather than, in our case, at local authority level.

Objective 2 picks up the need to address both economic development in areas suffering from industrial decline and urban issues. Although a

separate objective—objective 5b—had been established for rural development, objective 2 now contains a rural strand. It also contains a fisheries strand, which is a recognition that fisheries areas are suffering economically, either because fish are less easily caught or because of effort limitations or quotas. In either case, the economics of fishing have become that bit more fragile.

Objective 3 deals with learning and training objectives that had been delivered under objectives 3 and 4. Interestingly, it is expected that although the majority of training support will come through objective 3, it will still be delivered through objective 1 and accounted for in objective 1 programmes. It is currently possible to support training through objectives 2 and 5b and, indeed, there is almost an expectation that that should happen. Next time round—after January 2000—training support will mostly come through objective 3, although the various programme partnerships will still have the option to use some of their objective 2 resources to support ESF activities.

The second—perhaps more obvious—aspect of concentration was to reduce the percentage of the EU population covered by structural funds. The intention was to reduce the current figure of about 51 per cent to 40 per cent—when rounded down, that figure is still about 40 per cent but, in practice, perhaps 41 or 42 per cent of the EU's population will still be covered by structural funds.

For Scotland, that means that the Highlands and Islands will no longer have objective 1 status because its GDP exceeds—although only just—the 75 per cent threshold. However, to replace objective 1 status, the Prime Minister has secured a special programme worth €300 million for the Highlands and Islands from 2000 to 2006. We can pursue eligibility for objective 2 status under its four strands: industrial, rural, urban and fisheries. Although we face reductions in population coverage, the Berlin summit confirmed that there will be a safety net for the UK so that the new round of structural funds will cover no less than two thirds of the population that is currently covered by objective 2 and 5b. That means that, at a UK level, we will experience a reduction of no more than a third.

The safety net is a recognition that the criteria proposed in the regulations—and favoured by the majority of member states—acted unfairly and disproportionately in UK areas. As very few UK areas meet the qualifying criteria, the net ensures a reasonable degree of continuity and coverage for the coming period.

For areas not designated for any objective status, there are arrangements for transitional support over six years, which is one year less than the length of the next programming round. For the first time, we have very welcome recognition—not

just from the EC but from member states—that it is not a sensible idea to turn the structural funds tap off abruptly. Transitional support offers an opportunity for affected areas to develop exit strategies to wean them off structural funds support.

Objective 2 status is still up for grabs. Early next month, UK ministers will consider how the objective 2 map for the UK might look, which means that, despite what some newspaper reports have said, no decisions have yet been made. UK proposals to the European Commission for objective 2 coverage have to be submitted by the end of September. It is hoped that the Commission will confirm UK objective 2 areas around the end of October or at the end of November.

Objective 3 and the rural development regulation are unaffected by that process and will apply across the piece. Therefore, even areas not designated for objective 2 status will still have access to the regional fund through transitional status, to the social fund through objective 3 and—if those areas are rural—to measures pursued under the rural development regulation.

The Convener: Jim, I will have to cut you short. The next part of your presentation deals with the preparation for the next phase and the plan teams. We can return to those issues at some point. We have limited time, so perhaps we should concentrate on the issue of structural funds and the immediate decisions that need to be made.

That was a very good background presentation on where we have come from and our current position. As a committee working on behalf of the Parliament, we need to influence the process from this time on. I am aware that some critical decisions are to be made soon. I was alarmed at the departmental paper that was circulated, which suggested that there would be a significant detrimental impact on Scotland.

I am glad that the Secretary of State for Scotland has been fighting vigorously to present Scotland's case. I think that we urgently need Jack McConnell to come before this committee to talk about the case that will be presented for Scotland, because issues such as the safety net raise questions about whether the net is protecting Scotland as we would expect. I do not think that the committee accepts that Scotland suffers disproportionately in the population coverage provided by the net when compared with the rest of the UK.

We will have a discussion on Jim's presentation, but is the committee agreed that we should ensure that we get the minister into our next meeting? Furthermore, I also want to suggest writing on behalf of the committee to the Secretary of State

for Scotland to express both our concern and what we expect to happen in the next round of the process. Perhaps we could include some of our more relevant comments and questions in that letter. If we agree on that, we can return to the discussion.

That is agreed.

Bruce Crawford: I think you are right. I certainly need to understand what is meant by

"pressure in Scotland because of the general and relative wealth compared with areas in England"

which is on page 6 of the briefing paper on European structural funds. How are such judgments made? What sort of monitoring figures are used to compare wealth in Scotland with different areas of England? If the minister is coming, will he come armed with answers to those questions?

Ms MacDonald: I ask the indulgence of the chair. I do not mean to make facetious use of this committee. Although I appreciate much of what Jim Millard said, I hope that we will be able to act on his points. If I may draw on what he said in his presentation, there is a desire for simplification following the Berlin summit. We, too, are trying to simplify the whole mechanism.

It is unfortunate that we cannot invite the minister now, because the closure of the Continental Tyres plant in Newbridge, which has been announced today, will have as much of a dramatic effect on east central Scotland as the problems of Kvaerner have had on west central Scotland. I am interested in whether it is possible to use some of the mechanisms that are open to the Parliament—presumably, as this is holiday time, through this committee—to administer the moneys that may be available.

In Jim's presentation, we heard that there is still an opportunity to use some objective 2 funds for training. I am raising the matter now because, at the Continental Tyres plant in Portugal, the company was recently able to ensure that staff were not laid off—saving the attendant costs in welfare benefits—by working with the Portuguese Government to retrain factory workers in situ until the market picked up again. I am reliably informed from all sorts of sources that it is a perfectly valid and viable operation—I accept that, as those sources worked in the factory, management may have another point of view. The problem is the market, which is the same argument that was used about Kvaerner.

I said that I would be looking for your indulgence, Mr Henry, but is it possible to find out from the Deputy Minister for Enterprise and Lifelong Learning whether we can access available funds? If the money is available, I want

to use it in a relevant way to show people that we are doing some good and that there is some point to this committee, to the Scottish Parliament and to the European Parliament.

The Convener: It would be wrong to give the impression that this committee can look at every potential closure and suggest that we can bring to it a European dimension and interest. However, as the issue has been raised, we could ask the minister whether any European funds are available to keep the factory open.

11:45

This issue is complex and it would be wrong of us to suggest that simply accessing European funds will alleviate the problem. If European funds are available, this committee should ask Mr McConnell to give the matter due consideration. I am sure that that will happen—and that it has already happened—but it is not the direct business of this committee.

Ms Oldfather: I am sympathetic to the point that Margo raised. My constituency of Cunninghame South—where 500 Volvo jobs are at risk—has exactly the same problem. If money is available and if we are going down that route I would want to make a case for that fact to be taken into consideration. In my area—which has the fourth highest unemployment in Scotland—those 500 jobs are tantamount to what is happening at Kvaerner.

The Convener: I think that it is valid that such areas of concern are raised, but we will not do justice to this committee if we ask what the minister is doing in terms of European funds every time something like that happens. There are other committees that have greater relevance to that pursuit. We must consider whether European funding is generally being properly and effectively used in areas of deprivation and industrial development. If we set a precedent of looking at every industrial closure, every voluntary group that gets European funding will ask us to become involved. We have enough on our agenda without assuming that responsibility.

David Mundell: I accept what you say, Mr Henry, but I would like you to set out in your correspondence that the particular process of dealing with objective 2 applications has not been satisfactory. Areas that have submitted applications—I cite Dumfries and Galloway as an example—have not been clear about the time scales. They have put much effort into lobbying for their cases only to find that the time scales have changed constantly. As Margo said, that has led to negative speculation and double spin that says the situation is worse than it was originally and that we will get less than was expected but more than the

spin said we were going to get.

The process of dealing with the current round of objective 2 funding has been thoroughly unsatisfactory. We should make that point because many organisations throughout the country have lobbied hard and have produced detailed and complicated documents. They obviously cannot take account of changing circumstances but they have to know what the rules of the game are—and I do not think that that has been the case.

The Convener: We can certainly comment now, and later when we have analysed how this process has worked. We can talk about inadequacies and the things that need to be improved, but for the moment I would prefer to concentrate on making the arguments that allow the Government to give Scotland what we regard as fair in that process.

I do not want a tome discussing what has not happened in the past few months to go to the minister, which would allow him to overlook the fact that we are discussing critical issues such as population coverage and the safety net and what areas will be critically affected.

It is probably too late to influence the process now, but we should discuss the issues and, perhaps, invite some partner organisations in Scotland to give evidence on some of the difficulties that they have faced. If we do not get this right, we will always suffer from it in the future. We should therefore deal separately with the issue of taking evidence from organisations such as those that have been mentioned that are unhappy about the process, and concentrate on the issues that are to be decided in the next five or six weeks.

Ms MacDonald: I apologise and I appreciate that this is not the correct committee at which to discuss these issues, but it is the only forum we have as the Executive is on holiday.

David Mundell: I am quite happy to agree with you, Mr Henry, but I am not clear whether the decision is still open. Are you confident that the decision on objective 2 is still absolutely open?

The Convener: Yes. No decision has yet been made on issues such as the safety net. We must get in and ensure that Jack McConnell appreciates the issues and that the Secretary of State for Scotland is aware of this committee's view of what the issues are.

I am asking that today we agree to invite Mr McConnell to this committee, and that we write a holding letter that gives our overall views to the Secretary of State for Scotland. We will have the opportunity to go into that in more detail at the next meeting.

Dr Winnie Ewing: I have two questions, the first

of which concerns structural operations in the fisheries sector and the fact that only draft regulations exist. Might we have any indication as to when we will get sight of those? We would certainly want to see the draft regulations before they harden.

My second question relates to transitional funding for objective 1 for the Highlands and Islands. In what respect is the approximately £210 million different from what the Commission offered? It was clear that there was always to be transitional funding if we lost objective 1 funding. Mr Millard said that that was achieved at Berlin. I wonder what the achievement was. What is the difference between what had already been offered and what was obtained at Berlin?

Mr Millard: I will answer the easy question first. We understand that fisheries regulation will be approved later this year. The intention had been that fisheries regulation and regulation of other structural funds would be agreed at around the same time but for some reason or another there has been delay. It should happen later this year and, in fact, it almost has to happen later this year if the regulations are to be effective from January 2000.

The special deal for the Highlands and Islands is that the €300 million gives levels of funding equivalent to those of the existing objective 1 programme. Had the Highlands and Islands gone straight on to objective 1 transition funding, the transition arrangements would have been worth less. It is, in short, enhanced transition funding.

Dr Ewing: The mystery that I am trying to solve is whether we know by how much it was enhanced?

Mr Millard: No.

Dennis Canavan: Could Mr Millard explain to us the difference—if there is any—between development area status and objective 2 status? Last month the British Government forwarded our development area map for the whole UK to the European Commission. The EC can presumably either agree or not agree to that map. What opportunities are there for amending that map at this stage? Will the map that eventually emerges be a map of the UK that will simply be for what used to be called development area status, but will also be used for objective 2? Are the maps exactly the same or are we talking about the possibility of two different maps?

Mr Millard: We are definitely talking about two maps—the development area map and the assisted areas map. The assisted areas map represents areas where the member state's Government can provide support for business development and business expansion. Assisted area status allows higher levels of grants and

support to go to individual companies, to the extent to which an enterprise company or the Scottish Executive through its enterprise and lifelong learning department can support businesses.

The objective 2 structural funds map establishes the areas to which European funds can be brought to bear to enhance, augment and support the efforts that are made by local authorities and local enterprise companies.

There may be an overlap and a coincidence of coverage, but the maps are quite discrete and separate and are for quite different purposes.

Dennis Canavan: Does not the development area map influence the objective 2 map? Is it possible for an area to have development area status, but not have objective 2 status, or, indeed, the other way about?

Mr Millard: All things are possible.

Cathy Jamieson: I am particularly concerned with the situation in Ayrshire, particularly South Ayrshire, part of which is in my constituency. Areas in South Ayrshire have recently lost part of their assisted area help and I am worried about the speculation that South Ayrshire will no longer qualify for objective 2 status.

I have already written to Jack McConnell and a number of pieces of correspondence have gone back and forward. This is relevant not only to South Ayrshire, but to the whole of Ayrshire and its structure plan, and to how we take things forward. I welcome Mr Henry's suggestion that we get Jack McConnell along to this committee, but I also hope that we will do all we can in considering all the areas that are in a situation similar to that in South Ayrshire. There is a real danger that people assume—as Dennis pointed out—that the two maps are interchangeable or that the objective 2 map should follow logically on from what happens in regard to assisted areas.

It would seem to me that under the new categorisation for objective 2—which takes in issues such as industrial decline, rural areas and so on—an area such as South Ayrshire would qualify for more rather than for less.

Ms MacDonald: She would say that, wouldn't she.

Cathy Jamieson: Absolutely—and I will continue to say it.

The Convener: I am aware of some of the problems in South Ayrshire that you have identified, but I do not want this committee to become simply a lobbying voice for the areas that we represent.

Cathy Jamieson: I appreciate that.

The Convener: My area in Renfrewshire is similarly affected. We must, as a committee, keep a wider perspective while continuing to lobby for our areas as individuals.

Cathy Jamieson: I just wanted to ensure that we consider all the areas that are affected.

Allan Wilson: You have made the point, Hugh, that I was going to make about some of the special pleading that may be taking place. There are important issues here and we all welcome the suggestion that we meet Jack McConnell at the earliest opportunity. That way we can clarify some of what has happened behind the scenes in relation to the drawing up of maps and the relationship between them. We could also answer Dennis's question about the correlation between assisted area status and objective 2 funding.

This question might better be directed at the Scottish Executive, given what has been said about the Executive's role in the implementation of structural funds, but I am interested in the method of delivery of those funds and the relationship with the Barnett formula and the block grant. I am also interested in the correlation—if there is any—between increase in population coverage and the sums of money available, given the existence of the safety net. Those are, I am sure, areas that we will want to develop further with the Scottish Executive, but does Mr Millard have any information on those issues?

Mr Millard: No, not at this stage. Much depends on how the map turns out and the relative shares of funding that Scotland, England and Wales secure.

Ben Wallace: I missed, or did not quite understand, your answer to Dennis Canavan's question. You are saying that we are expecting a decision from Europe on objective 2 by about October. How far has the UK presented its case, and are we now in a position to influence it? If the case has been presented, can we see it? The sooner we see it, the better will be our position to address any problems or impacts it may have.

Mr Millard: The UK case on objective 2 will go to the Commission around the end of September. At the moment the most that exists is a range of scenarios using different methodologies and different selection criteria that produce a range of options. Ministers will need to consider those options early next month.

Ben Wallace: So are we in a position to influence it?

The Convener: Absolutely. There are critical things—particularly the safety net—that we need to be involved in just now.

12:00

Ben Wallace: I have a second point. The briefing paper, "European Structural Funds, their reform and their application in Scotland," refers on page 4 to the loss of Community initiatives such as RECHAR II, which helps the coal industry, and PESCA for fishing, and their replacement by single programming. Will Mr Millard expand on what single programming is? Initiatives such as RECHAR II and PESCA have been very good targeted initiatives. Will single programming be more under Executive control? Will the Executive draw up the programme? How much influence will we have on that programme?

Mr Millard: There are currently 12 or 13 Community initiatives. Next time round there will be three Community initiatives, one encouraging interregional co-operation, one similar to the LEADER rural development initiative and one on training. The expectation is that the activities that have been successfully pursued under the other initiatives will be mainstreamed within objectives 1, 2 or 3. The programme partnerships that are responsible for the mainstream programmes will take responsibility for those areas. Indeed, most areas that enjoy support from Community initiatives at present are already eligible for further objective 1, 2 or 5b support.

Ms MacDonald: I apologise if I have not picked this up correctly but, to make it absolutely clear, will Mr Millard confirm that the map has not yet been decided?

Mr Millard: There is no map.

Ms MacDonald: The map has not yet been decided. The function of this committee, as the convener suggested, is to feed in to the secretary of state, but I have three or four sheets of paper somewhere in which the secretary of state is patting himself on the back and saying, "You did well, John; you got us a terrific deal." At what point can we influence the secretary of state by suggesting that although he got a great deal, there might be a better one if we just changed the map a wee bit?

The Convener: When the minister attends, we can go into some of the detail on the map, population and so on. However, at the moment, there should be a holding letter from the committee to the secretary of state to make some of our concerns clear.

Ms MacDonald: Exactly. We might have ideas to add to those of the secretary of state. Brilliant.

The Convener: We will hear from Irene and then I will draw this item to a conclusion.

Ms Oldfather: I have just a few points. It is important to acknowledge the progress that has been made. The UK has won a round at the Berlin

summit. I hope that Scotland will benefit as a result of that. The convener's suggestion of making the secretary of state aware of our views and bringing him to one of our meetings would be a useful way to proceed.

On Jim's point on Community initiatives, I have a brief question on interregional co-operation. Is there any relative balance on that, in relation to transnational and cross-border issues? It will be important for us to maintain a transnational perspective.

Mr Millard: All we have so far are draft Commission proposals on how interregional co-operation initiatives might work. In fairness to the Commission, I can say that it has produced a reasonable mix. We—the Scottish Executive and the UK Government—will need to consider the proposals in arguing for the right balance, so that Scotland and the other constituent parts of the UK get a fair opportunity and fair access. INTERREG is sometimes a bit difficult for us, given our geographical position. To take an extreme example, it is easier in Luxembourg to co-operate with other member states than it is for people in Scotland.

The Convener: I am aware that, as we cut your presentation short, Jim, there are a number of critical issues about the future of the programmes to which we will need to return. Similarly, after we have taken evidence from some of the partner organisations in Scotland, we will have some comments to make, like those that David made, about the inadequacies of the current process, so there will be communication between us in future.

I suggest that we change the agenda: Owen Kelly from the Executive Secretariat will now discuss the role of Scotland House, and we will then cover item 3.

Scotland House

Mr Owen Kelly (Executive Secretariat, Scottish Executive): It is a great pleasure to be before the committee. I will start by explaining why I am here. I am head of the division that deals with the external relationships of the Executive. We are responsible for co-ordinating EU business. We are the sponsoring division in Edinburgh for Scotland House in Brussels. My division did the work on setting up Scotland House, so it might be useful to give members a feel for the process that we went through.

I will briefly talk about the context of the devolution settlement, about the rationale for Scotland House—why it is the way it is, and what some of the other options were—about the practicalities, and finally about how it might relate to the work of the committee.

I will be very brief, as I do not want to bore members with things with which they are already familiar. It is important to recognise the context in which Scotland House will operate. Relations with the EU are reserved under the Scotland Act 1998, but it is fair to say that EU issues are unique in the way in which they are treated in the devolution settlement. They are theoretically reserved, but the UK Government has made it clear that it wants to involve the Scottish Executive and Parliament fully in EU decisions on devolved matters. I put "pre and post-decision" on the overhead slide as an important aspect is implementation, which is one of the most substantial responsibilities of this Parliament.

There will be a single negotiating line in Council in Brussels. There will be a single UK member state. The UK responsible department will be in the lead, with Scottish ministers involved as appropriate. From the Executive's point of view, the relationship between Scotland and Whitehall is very important because the United Kingdom permanent representative to the European Union acts under instruction from the UK Government. It is important that we feed into the UK Government early on, so that Scotland's position is properly taken into account and mechanisms are put in place to reflect that.

The idea of Scotland House has been around since the white paper, "Scotland's Parliament", in which the possibility of a representative office in Brussels was specifically mentioned. Scottish Office ministers decided to go ahead and set it up so that it would be there for the Executive when it came into being. Staff in my division carried out the research. We had two people based in UKREP for about six months. They interviewed a wide range of players—members of the European Parliament, people in UKREP and on the Committee of the Regions, other regional representatives and so on. Their research was the basis on which we set up Scotland House.

What did all that tell us? We looked at some other options, which are fairly obvious, I suppose: the idea of having a desk in UKREP, or having something free-standing and entirely separate from UKREP. However, we decided that some key principles needed to be reflected. The most important was that the representative office had to be inclusive and a focus for as many Scottish interests in Brussels as possible. We were influenced partly by the success of Scotland Europa, which was in some ways the predecessor of Scotland House. Scotland Europa is the organisation that is sponsored and run by Scottish Enterprise. It is basically a subscriber organisation to which public and private sector organisations can subscribe. We were keen to take that model and move it on.

From the Executive's point of view, we were keen that whatever was set up added value—that we were not duplicating work that was better done from Edinburgh by the responsible divisions back here dealing with fisheries or whatever. We did not want people to feel that Europe somehow was over there and that they no longer had to go to Brussels. Likewise, we had to be sensitive to the fact that UKREP is the formal voice for the UK in Council and in dealings with other member states and with the institutions.

Before we had a building, in our more pretentious moments—and there are not many of them when one is a civil servant—we used to say that Scotland House was more of a concept than a place. I believe that it is important that it is a place in which all of Scottish civic society and the private sector can come together. I hope that it will be bigger than the sum of its parts. The Executive office, which is our bit of the place, is physically a small part. The larger part of Scotland House—physically and in terms of the number of bodies—consists of other organisations: Scotland Europa and its subscriber bodies. There are also a couple of Scandinavian regional representations in Scotland House, which approached Scotland Europa to be in the same place as Scotland. We welcomed that because of our interest in links with Nordic countries.

Scotland House is intended to be a focus for Scottish interests. From the Executive's point of view, we are riding two horses. We want to be a Government office and to be regarded as something official, but, equally, we want to be part of the larger whole. I suspect—I am being slightly speculative—that over time Scotland House will appear in different guises depending on who is looking and with whom they are talking.

As Scotland Enterprise was instrumental in identifying and obtaining the office, I can say that it is in a plum location. It is right in the middle of the key district in Brussels, opposite the Berlaymont. We can see on to the desks of people in UKREP, which might be useful. It is a good place from which to start.

I realise that none of these issues is as pressing as some of the matters that members have been talking about in relation to structural funds, but at some stage members will want to meet Donald MacInnes, the chief executive of Scotland Europa, to talk about its activities and the sort of things that he foresees happening.

Scotland House is a good place to start. It is something to be moulded by ministers, by this committee and by the Parliament. When we were setting it up, we were conscious that we could not prejudice the electoral outcome. We had to set up something that was flexible; I think that that is what we have now got.

The Executive office is part of the Executive Secretariat, which has been set up at the centre of the Executive. One of the lessons from talking to other regional representations was that it was important to be seen by other players in Brussels to be plugged into the centre of the Administration. That explains why Scotland House is plugged into my division. We are also responsible for co-ordinating EU business generally.

It is important to recognise that the Scottish Executive part of Scotland House is not in the policy lead. For many years, the position has been that anybody who has an involvement in European policy does that themselves. Jim Millard, for example, deals with structural funds, works with Europe all the time and is expert at dealing with Brussels. The same is true of colleagues in fisheries, agriculture and the environment. Scotland House is intended to improve rather than replace that. It has been the main stream for a long time. We are all Europeans in that sense. Scotland House is there to facilitate, not to duplicate, the work that goes on. That is true both for us in the Executive and for UKREP.

Scotland House is a new, additional resource for us. We hope that it can support policy development in Scotland and that it can help with practicalities, such as attending meetings to which it is not cost-effective to send someone from here. An important function, which it is easy to discount, is the gathering of intelligence. As we already see, an enormous amount of information comes out of Brussels. It could be valuable to have an intelligence-gathering capacity, as we need to winnow out the things that will be of interest.

We need to stay close to UKREP, which is the voice of the member state. We will have a hot desk in UKREP that can be used by our staff. That is important as it means that we can plug into its information and distribution systems, and it will be helpful for UKREP, too.

Finally, Scotland House will have a domestic role in providing support for people visiting from the Executive or from other organisations in Scotland.

12:15

I will now wind up—I am conscious of the time, convener. The structure of Scotland House gives this committee two—and probably more—opportunities to use it. Scotland Europa and the Scottish Executive office are distinct but make up a whole. The committee has a way, through Scotland Europa and, perhaps to a lesser extent, through our office, to plug into quite a wide range of Scottish interests in Brussels.

We are there to help. I hope that if any committee members are in Brussels they will feel

free to drop in or to ask us to assist in any way we can. Obviously, we have to be conscious that we are servants of ministers. That is a line that I would not wish to make too much of, but there might be occasions when we have to consider carefully ministers' views.

I hope that committee members will go to the minister as the contact for policy issues. As Stephen suggested, it might be an idea in these early days to route communications through him, but if members have questions about the practicalities of Brussels or about things that they want done which are done more easily by someone there, they should feel free to contact Scotland House in Brussels. We will do what we can to help.

The Convener: Thank you very much, Owen. We always get good value from the Executive Secretariat: as well as an explanation on the role of Scotland House, we have had an introduction to philosophy. Is Scotland House a concept or a place? Unfortunately, we do not have the time to resolve that one.

You touched on a point at the end, Owen. It forms part of my learning process and, I am sure, that of other members who have come from a local government background. I still find it hard to get my mind round the concept of the split of the Executive as servants of the Scottish Ministers rather than of the whole Parliament. For me, that raises the issue of accountability.

Ms MacDonald: That is right.

The Convener: It will take me some time to understand where that concept came from. I hope that we have not just mirrored the Westminster model and that, not just in this committee but in others, we will start, over the next few years, to examine how civil servants are responsible and accountable to the whole Parliament, rather than to a particular minister. But that is not for you to resolve, Owen.

Mr Kelly: I think that that is a question for ministers.

The Convener: It is not for you. I certainly do not want to blight your career opportunities at this stage.

I will now open up the discussion on Scotland House.

Ms MacDonald: I should like some factual information. Owen mentioned some Scandinavian countries. Which ones, and are they regions or countries?

Mr Kelly: They are regions.

Ms MacDonald: Which regions, please?

Mr Kelly: One is of Finland and one is of

Sweden. Oulu, I think, is one, but I cannot remember the other.

Dennis Canavan: Ostrobothnia.

Mr Kelly: That is right, yes.

The Convener: Dennis is fluent in it.

Mr Kelly: There has also, I think, been an approach from a region of Poland, but that has not yet been resolved.

Dr Sylvia Jackson: May I ask more about the Scottish Executive office? Owen mentioned intelligence gathering. We have talked about early warning: is that a role that the office could have? If there is a broader role, could Owen tell us more about it?

Mr Kelly: The office could play a role, but I would not want to overstate it. In general terms, the best information flow that this committee and the subject-based committees will get from the Executive will be through people such as Jim who deal with the issues all the time and talk to people in the Commission. They are more likely to hear about specific matters and policy areas than Scotland House. I am not saying that Scotland House will not hear about them. A lot of information goes round in Brussels. Much of it is gossip, but quite important things can sometimes emerge that we get to hear about.

I do see intelligence gathering as a role, but the important thing is that there are people at Scotland House who can see what is important. That is why, in staffing it, we are keen that people should go there for two or three years, bringing with them knowledge of the Executive and of the way in which the Government works in Scotland, so that they can spot the important things and the things that need to be referred back.

Dr Winnie Ewing: Following the combining of Scotland Europa and Scotland House, are all the tenants that Scotland Europa recruited still there?

Mr Kelly: Yes, they all went there. They were all very enthusiastic to go when we moved location.

Maureen Macmillan (Highlands and Islands) (Lab): What are the roles of the MEPs? We have not talked about the relationship between ourselves and the Scottish members of the European Parliament. It is perhaps not an appropriate matter to bring up when we are discussing Scotland House, but it seems to be something to debate.

The Convener: I hope that we can arrange a meeting with our MEPs at some point in the future and also arrange a liaison mechanism. To return to the point that Winnie made earlier about how we influence the process, we need to use our MEPs to best effect—we need to examine that.

Dennis Canavan: Six people are employed in the Scottish Executive office at Scotland House. Can Owen give us an idea of how many people are employed there altogether, taking into account Scotland Europa and other employees?

Mr Kelly: It varies. People come in from Scottish Enterprise on secondment, for example. In full-time terms, Scotland Europa has roughly the same number. In terms of people who are paid for by Scottish institutions, the number is quite small. Most people in Scotland Europa represent organisations such as the Convention of Scottish Local Authorities, Highlands and Islands Enterprise and a couple of private sector companies. They are called residents because they take space in Scotland House, which they use as their Brussels base. That was an interesting matter when we were examining other regional representations. What we set up had to be flexible and alive to the fact that we did not really know what the new ministers would want to do. In relative terms, the representation is quite small. Bavaria has, I think, 16 or 17 full-time Executive-equivalent staff based in Brussels.

Dennis Canavan: With regard to political communication and accountability, would it be true to say that Scotland House is more accountable to the Scottish Executive and the Scottish Parliament rather than to Westminster and Whitehall?

Mr Kelly: Very much so. Its staff are part of the Scottish Executive.

The Convener: Thank you very much, Owen. At some point, we will have to explore these matters further: links with MEPs—as Maureen pointed out—use of the facilities in Brussels and use of the organisations that are resident there. As we progress and develop, we will use those links to better effect.

Fisheries (Structural Assistance)

The Convener: I wish to return to the third item on the agenda: the consultation paper on Community structural assistance in the fisheries sector. It has been sent to the Rural Affairs Committee, which will give it detailed consideration. We have been asked whether there is a wider European perspective on which we wish to comment, and whether we want to comment on broader issues. We do not want to duplicate the work of the Rural Affairs Committee, but we could consider things from a different angle.

Tavish Scott (Shetland) (LD): I want to make a couple of points on the wider aspects. It is self-evident that the fishery-dependent areas of Scotland—I am thinking of objective 1, or rather the new post-objective 1 programme plan for the Highlands and Islands—are those that are in receipt of the great benefits of financial instrument

for fisheries guidance funding. Most of the initiatives of what used to be called PESCA will, I understand, be included in the new programme and are therefore eligible measures.

When examining the economic output of fisheries and aquaculture, it is important to realise that the areas that have most to gain from funding are those that are totally dependent on fisheries as a stable part of the local economy. Therefore, the presumption should be that fishery-dependent areas are broadly expected to receive that funding. We need look no further than the other document circulated to the committee: the Highlands and Islands special programme consultative draft plan, which came in members' post around a week ago. It includes a SWOT—strengths, weaknesses, opportunities and threats—analysis of the Highlands and Islands. One could quote at length on the importance of the fisheries sector to many peripheral areas. I hope that that presumption will be accepted by members.

Of the two other factors that I think are important, the first is the delivery mechanism. What used to be the Scottish Office agriculture, environment and fisheries department, now the rural affairs department of the Scottish Executive, delivered FIGF. As far as the representations that I have received are concerned, that was considered to be an effective mechanism to deliver the programme: it was useful and concentrated on the strength of the argument and on the benefits of the investment in terms of economic output. As that system is working, I would like there to be an understanding that it will be continued. It is clear that the model worked well.

The only aspect that is worthy of further consideration is the integration of FIGF, the European social fund and the European regional development fund. If there is to be integration of the three—which should be achieved by the plans—it follows that if an investment is made in fisheries, whatever it may be, training and infrastructure measures will dovetail into it. If the rural affairs department is to be the lead agency, there needs to be some consideration of the best ways to implement and ensure proper integration of the different funds.

The final aspect that I want to cover is overall funding. As I understand it, current FIGF funding was 6.9 per cent of the total budget for the objective 1 programme, or around £14.7 million over six years. The new programme is to be seven years, and there are more measures, so by definition, there is less money, which is to be spread more thinly. It is therefore particularly important that the case is put that more money in this area is spent on fish use and fish-related activities. The records will illustrate that projects

ran out of money. There was not enough money in the pot for the number and range of imaginative projects that came forward from throughout the Highlands and Islands.

In the context of more measures and less money—because it is spread over a longer time—it is important that, within the overall confines of the €300 million available, some consideration is given, when the plan is drawn up, to ensuring that fisheries gains more than the current 6.9 per cent, otherwise we will achieve less with it.

Those are the points that I want to press. In the context of the committee, I think that my points on overall funding and on the way in which decisions are made are the important ones. In the past, the objective 1 programme worked pretty well.

The Convener: I wish to clarify, Tavish, that your third point was on fisheries and a greater percentage, that your second point was on the delivery mechanism, and that the first point—

Tavish Scott: The first point is just the principle that fishery-dependent areas should be those that are mostly in receipt of such funding. The economic output figures for those areas—my own part of the world is highly dependent on fisheries as an overall part of its economy—show that fisheries is the most important aspect to invest in for the future.

12:30

The Convener: Three points have been raised for the committee to consider.

Maureen Macmillan: I want to make a point about the west Highlands that is similar to the one Tavish made about his constituency. There are some fragile communities in the west Highlands which need to draw in investment from objective 1 and other programmes. We should be thinking in particular about conservation, for example of shellfish stocks. That is an issue in the northern isles as well as in the west Highlands and the western isles. We must think about whether the methods used to fish them are the best for conserving them. I am thinking about what is going on—I would hate to say a quarrel—just now between prawn creelers and prawn trawlers. That sort of thing has to be examined in terms of European funding.

Dr Winnie Ewing: I know that we have a fisheries committee, and that it will get a bit difficult to separate our function from that of the fisheries committee.

Maureen Macmillan: We do not want to get into too much detail.

Dr Ewing: The document on Community structural assistance in the fisheries sector is

pretty meaningless without further information. Its easy statement about the

“balance between exploitation and resources”

can be interpreted in certain ways which do not help the Scots but which help the Spaniards.

Ms MacDonald: Narrow nationalist, Winnie.

Dr Ewing: The Spaniards are very good at looking after the small print.

The fact is that we do not know what stage Britain is at with the multi-annual guidance programme. We need to know that before any of this makes sense. We would be entitled to ask for a note about what stage we are at with our commitment to obeying the strict rules on reduction of the fleet. Have we got there yet? I never seem to be told whether we have achieved it.

Maureen Macmillan: The statistics on the reduction of the fleet are very out of date. Perhaps it would be a good idea to ensure that we are working with statistics that are up to date.

The Convener: Those are relevant issues for the Rural Affairs Committee to consider in detail. Do we know when it will examine this issue?

Stephen Imrie: No, I have not had any feedback yet from the clerk or the convener. I just know that Alex Johnstone is aware of the document.

Dr Ewing: We have a crisis—a disease of the salmon—that will be known to any country with fishing areas. The European directive, under which the British directive was passed, provides for compensation, but for some reason ours does not. A case has just been raised in Europe to see if the payment of compensation cannot be obliged. Is that an issue for this committee or for the Rural Affairs Committee? Many of our areas are dependent on aquaculture, and we are sitting here with a crisis that this document looks as if it will not cover. That is just one crisis—there are, of course, others.

The Convener: That crisis is specifically for the attention of the Rural Affairs Committee. I propose that we write to that committee asking it to consider some of the points that have been raised today about fishery-dependent areas, the delivery mechanism and the allocation to the fisheries industry. We can ask it to look at the conservation issues raised by Maureen and some of the matters that Winnie has raised about the crisis in the industry. That is probably the best that we can do at the moment, and we can rely on the Rural Affairs Committee to go into the detail.

Bruce Crawford: I am interested in trying to learn something from these processes, but to be honest some of the gobbledegook and the cross-

references in the paper are a bit lost on me. If we have a paper like this in future it might be useful to be given a short synopsis—even half a page—telling us what the main issues are. That would enable me to understand more about the wider implications. At some stage I would also like to find out more about the views of the people who contribute to this process.

Understanding the outputs in the consultation process could help me learn for later. For example, I am aware that Aberdeenshire and Moray, two councils who are quite involved in this issue and have strong opinions on it, are meeting today to formulate the view that they will put into the consultation. I would like to understand some of the outcomes from that process so that I can be a bit more up to date with such issues.

The Convener: We will try to take those comments into account.

Tavish Scott: It is important that the transitional payments and the moneys that will flow through this programme into fisheries are not used to pay for things that they should not pay for. Under a previous administration, decommissioning costs came out of objective 1 funding and stopped projects happening in many areas. That should not happen with infectious salmon anaemia. It is important that we separate objective 1 funding for new projects in the Highlands and Islands from funding for issues such as ISA, because ISA is a very different issue and area of expenditure.

Ben Wallace: Chapter 8 of the consultative draft for the Highlands and Islands lists the priorities for where certain amounts of money should go, but I am concerned that—because of some the requirements of the Amsterdam Treaty on competitiveness and high levels of sustainable development—the fishing industry has been effectively left out. The priorities listed include light manufacturing, food and drink, tourism, activities based on information and communications technology, and oil and gas. As this is a draft document, do we have a role in influencing its priorities for that money? If we do not, I fear—as Tavish said—that a vast amount of the safety net money will go towards the listed priorities and leave out the fishermen. I think that we have a role in trying to include the fishermen.

Allan Wilson: I would like to pick up on the point that Tavish made. As part of the consultative process that is under way, we were written to separately about the special programme for the Highlands and Islands. There was a suggestion that that would be the subject of discussion at a future meeting. Would this be an appropriate point to determine when that discussion will take place?

The Convener: At the next meeting.

David Mundell: This is a question on a

technical point and I probably should know the answer, but is a document such as this consultative draft in the public domain? For correspondence purposes it would help me to know. I was especially impressed by this document and wanted to give it to Dumfries and Galloway Enterprise as a template for something that it might do in future.

The Convener: I am advised that the document has been sent to interested organisations.

David Mundell: To deal with correspondence that we get on documents such as this, it would be very helpful to know to what extent the document is in the public domain and what we can therefore do with it or say about it.

The Convener: I suggest that we get the committee clerk to speak to members who have raised issues in this discussion to ensure that we have clearly identified their points of view, which we will then try to include in a letter or report to be sent to the Rural Affairs Committee for its consideration. I also suggest that that report be sent to the Minister for Rural Affairs, just for his information.

Seminar

The Convener: I am aware that we are quickly running out of time. We had originally considered an October date for the proposed seminar, but I now think that that is completely unrealistic. I suggest that we put that back, and that we ask members whether they have any views on the document that has been circulated. Any comments or suggestions on how members think the seminar should be structured should be sent to Stephen. We will then try to revise the report, based on the comments received, and bring the revised version to a future meeting.

That is agreed.

Ms MacDonald: I think that we should give Stephen as much notice as possible. I have absolutely nothing against Bruce Millan—he is a former MP for Govan—but, to indicate that we are willing to look outwith this Scottish Parliament, we could perhaps hear from someone such as Peter Sutherland—someone who is working at the pointy end of Europe and can perhaps pass on his experience from his perspective. The Irish have been quite good at it, and the Spanish as well, Winnie.

The Convener: I am certainly quite prepared to listen to those who have not been Members of Parliament for Govan, Margo, but if you make your suggestion to Stephen we will take it into consideration.

Work Programme

The Convener: Stephen, is there anything that you would like to say on the forward programmes of the European institutions?

Stephen Imrie: Only to advise the committee that this was our first attempt at trying to collect some early intelligence on provisional agendas for future Council meetings and Commission work programmes in order to give a flavour, at this stage, of the kind of things that will be discussed.

I would be the first to recognise that the document is far from complete and is of only broad use to the committee. I would certainly be happy to have any feedback from members on the kind of thing that they are looking for. It is an attempt to summarise publicly available information to give an idea of what is coming up in the future.

Ben Wallace: May I ask—Winnie may be able to answer this—how many times a committee of the European Parliament meets on a particular subject? If we are told that the agenda in December is going to be emissions, for example—how many times would it meet on that?

Dr Winnie Ewing: Most committees meet at least once a month, usually for three days. Most are public—there are only two exceptions to that, one of which is the budgetary control committee. A committee would not yet know its agenda for December, although it would know the agenda for September, and depending how it got on with its work that would settle October and so on. Usually, when a rapporteur is appointed, the first discussion is open and without any pieces of paper. The next time the committee meets there is a piece of paper and by then a date is set for amendments and there is another discussion. That is what happens in most cases, although sometimes there is urgent legislation that is short-circuited, when everybody knows that business will be dealt with more quickly. That is all disclosed in the copy agenda, which I will certainly ensure I get whether or not the committee does, because that is where the key lies.

There is another key as well, which is each committee's proposal to the budget committee—if we can get that. It sets out what each committee is really dealing with in terms of its finance. That is where you learn the number of budget lines and where you see under which headings we could winkle in something good for Scotland.

I chaired a committee once. It had a wide remit—culture, education, sport, tourism and information—and many budget lines. When we submitted the committee's demand to the budget committee in November, all the headings and what each budget line covered were explained. That is where we can see whether there is something we

could apply for for the Highlands or Dumfries, for example. That is another type of document that we will not be sent, but it gives the answer to a lot of the questions about where we go as a committee to try to ensure Scotland gets everything that is going—because I assure you, the Irish get everything that is going.

Ms Oldfather: I support what Winnie is saying; the earlier we get in on this the better. It is going to be quite complicated and I wonder whether there is some system that we could work out in co-operation with others, perhaps the Scottish Executive or with Westminster, to track issues. I know that individual regions with offices in Europe try to do that themselves. It is quite a big job and it may well be that we could work in co-operation with the Scottish Executive or Scotland House to put in place some sort of tracking so that we can identify when things are coming up and how to influence them. Clearly the earlier we get in on decisions, the better.

Taking Winnie's point about the rapporteur system, perhaps trying to meet rapporteurs involved in issues relating to Scotland would be useful. Looking over some of the agendas in the briefing paper, it seems to me that there are a number of issues that we would want to be involved in. Just a cursory glance reveals issues such as the knowledge economy, e-commerce and economic and monetary union.

12:45

Given Scotland's peripheral position in Europe, e-commerce, for example, is going to be vital to us and the earlier we can get in on some of these things the better. I do not think that we should underestimate the scale of the task. The first step might be to see whether we can work in co-operation with Scotland House or the Scottish Executive to have in place some kind of tracking system, or whether other proposals on how to track these issues can be presented to us.

The Convener: We need to consider how we influence a number of things, at Westminster and in Europe. Some of it will evolve. Maureen mentioned MEPs. We certainly want to meet them and set up a liaison mechanism. It might be useful to get Dermot Scott, who is the European Parliament's representative in Edinburgh, to give us a presentation and to discuss with him and others from various institutions how we might use some of their facilities. There are a number of different ways we will look at that.

Ms Oldfather: I understand that the European Parliament's independent inquiry into the European Commission is due to report in September. I think we would want to see that report at an early stage.

Bruce Crawford: It is inevitable that we will stray into matters of influence and early warning systems. As you said, Hugh, we will discuss that at a later date. When we discuss it, we should consider how we can influence committees of experts and the possibility of getting middle-ranking civil servants into Europe to influence the people who draft legislation.

Further Briefing

The Convener: Briefing documents on a number of subjects have been issued to the committee. Are there any other topics on which members would like briefing documents? They need not be related to our agenda.

Ben Wallace: A document on relations with Westminster would be useful.

The Convener: That might not be a bad idea, as we will come back to the subject in a later discussion.

David Mundell: I would like to see a note of the European Scrutiny Committee's membership.

Cathy Jamieson: In the briefing papers that we have before us today there is information about the trans-European network, transport policy and the proposals that are likely to come up. I would like to be kept up to date with developments as they arise. It would be also helpful to have information about the Scottish MEPs and the committees they sit on.

Dr Winnie Ewing: I know that it is early days, Mr Henry, but do you have an idea of when we will start specialising and dividing up the subjects? There will be an enormous amount of legislation to scrutinise.

The Convener: We can consider that.

Ms Oldfather: When Jim Millard was here I raised a point about Community initiatives, which might come into our discussion on structural funds. Because Scotland does not have the same opportunities for cross-border projects as it does for transnational ones it is important that, on the INTERREG initiative, we maintain a strong lobby for trans national projects.

The Convener: Do you want a briefing paper on the subject?

Ms Oldfather: Yes.

Dennis Canavan: After this morning's very good presentation, I think that we should have a more detailed briefing on the British Government's submission on objective 2 status. We will need to move quickly on that matter if we are to have any input as the submission will be made next month, I believe.

The Convener: I appreciate your sentiments and I agree that we need to be able to exert some influence, but we are trying to consider briefings that the Scottish Parliament can provide. You are asking for information from the British Government, which is a different matter. I agree that we need the information that you mention. One way to get it would be to talk to Jack McConnell; the other way would be to talk to the Secretary of State for Scotland. I do not know whether our committee staff would be able to produce that kind of information as a Scottish Parliament briefing.

Dennis Canavan: We have to be very well briefed if we are going to put hard, relevant questions and points of view to Jack McConnell and John Reid when they appear before us. After all, they are not coming here simply for a chat.

The Convener: That is right, but you asked for a briefing on the UK's decisions about the matter and, at this stage, we do not know what those decisions will be.

Dennis Canavan: We could have a briefing about the thinking that is going on behind the scenes on the criteria on which such decisions will be made. Perhaps we could also have a list of points to raise when the ministers come before us, which I hope will be soon.

The Convener: We have already agreed that we will ask the minister to come to the next meeting. I think that we can agree to a Scottish Parliament briefing on some of the key issues and questions for Scotland and we can ask the staff to elicit some information about the UK Government's current thinking on the matter. However, I hesitate to consider their chances of success—I think that you have had more experience of trying to obtain such information than many of us, Dennis.

We will produce a briefing note outlining the key points of the structural funds debate and we will also get as much available information as we can from the UK Government, but I will not promise to deliver what the staff cannot access.

Ms MacDonald: I am sorry to take up more time, but I want to emphasise Dennis's comments. We have a time difficulty; if we do not manage to intervene before the decisions on the map are made, we have to take what is handed down to us.

The Convener: We have already agreed to invite Jack McConnell to our next meeting. At this stage in the agenda, we are talking about general background briefing notes that are not necessarily for discussion. You have already received some briefing notes that have not appeared on the agenda, which were to inform you and to help you to appreciate some of the wider issues. We have already agreed our tactics concerning structural

funds. If we can produce a briefing note that gives a Scottish Parliament perspective on some of the main issues, we will do that. However, the briefing note as envisaged in the agenda is not the only way to obtain information that we need and that matter will hopefully be dealt with when the minister comes before us. We will ask whether we can be supplied with the key questions and information that Dennis spoke about, so that we can have a more focused debate with the minister.

Dennis Canavan: I am not just thinking of Jack McConnell but, more important, of John Reid, if the UK Government puts forward the proposals to the EC.

The Convener: At the moment I think it is appropriate for us to ask the Scottish Parliament's Minister for Finance to come before us. We spoke about a meeting on 31 August, which is only two weeks away and I would certainly be keen to see Jack McConnell within the next fortnight, if we can do that.

Dennis Canavan: And what about John Reid? Westminster is not sitting at the moment. If he is sitting around doing nothing, perhaps we could get him more quickly.

The Convener: As you know, there are issues of protocol. We cannot demand the secretary of state to come before us; we can ask whether he is available. We have a different relationship with the Minister for Finance. Before we meet the secretary of state, we have to ensure that the Scottish Executive has signed up to our agenda. There is no point bringing John Reid into a debate between the committee and the Minister for Finance when we have not formulated a point of view. We have already said that we will write to John Reid about some of our general concerns. At the next meeting, we need to talk to the minister and clarify our own views; then we can ask for a meeting with the secretary of state if that would be helpful. We need to get the sequence of events sorted out.

Ben Wallace: It is important for John Reid to meet us, because the European dimension is decided at Westminster—at Cabinet level—and John Reid is the man at Westminster. Although Jack McConnell can put his imprint on the Scottish Executive, the redrawing of the map will be done at Westminster and John Reid is the man there.

The Convener: The problem is that if we do not agree with the Scottish Executive, we could find that the members of the Scottish Executive pay no heed to what we say because we spoke to John Reid before we spoke to them. We need to sign the Scottish Executive up to our priorities and then meet John Reid together—I hope with the committee and the Scottish Executive in tandem. From the Scottish Parliament's point of view, we need to get our act together and our views

clarified. We have said that we will send John Reid a holding letter that expresses our concern. The appropriate way forward is to give the minister his place and then to seek a meeting—if appropriate—with the secretary of state.

Dennis Canavan: With respect, Mr Henry, it would be most appropriate for us to meet the secretary of state because the UK Government will make the submission to the European Commission. I would suggest that this committee instructs the clerk to try to arrange meetings with Jack McConnell and with John Reid. It may very well be that we want to have the meeting with Jack McConnell before that with John Reid, but we are running out of time. If we are to have any influence whatsoever in the drawing up of the objective 2 map we must move very quickly indeed. We were told this morning that the proposal by the UK Government will probably be finalised next month. Next month begins in 13 days.

The Convener: I have no problem with asking for a meeting with John Reid. It is up to him to say whether he is available to meet us. He may want to meet representatives of the committee or he may agree to meet the whole committee. I do not know what his timetable is, but I am more than happy to ask that this committee has a meeting of some form with John Reid. That was always in my thoughts or I would not have suggested that we write to him. Before we do that, however, we need to have Jack McConnell before this committee.

You are absolutely right to say that there must be contact between the Secretary of State for Scotland and this committee in some shape or form.

Dr Sylvia Jackson: I propose that we try to meet Jack McConnell on 24 August as there are such pressures on time.

The Convener: We can check our diaries. We should agree to meet on 31 August and, if possible, as a committee to meet Mr McConnell a week earlier than that. I do not want to start making arrangements that will mean that half of this committee cannot attend, because it is so important that as many members as possible are present. If it is humanly possible, Sylvia, we will try to meet Mr McConnell next week. Failing that, do we agree to meet on 31 August? We must still agree on that and after that it will be appropriate to contact the minister.

Dr Jackson: Whether we meet on 24 August or 31 August, are we now moving to afternoon slots?

The Convener: No. On those dates we can still meet in the morning. There is a separate issue about timing that I want to come to. Would members prefer to have our next meeting in the morning or the afternoon?

It seems that members would prefer the afternoon.

We are agreed that we will seek a meeting with John Reid and that we invite Jack McConnell to the next meeting of this committee, which will be on either 24 or 31 August.

At the end of this meeting, would members give the clerk an indication of whether they will be available on 24 August, as I would not want to go into a meeting such as that with only half the committee.

13:00

A couple of members raised the general issue of whether meetings will be held in the morning or the afternoon. Some have raised the issue of the day on which we meet. Sir David Steel has asked for a meeting with all the Scottish Parliament's committee conveners to discuss areas of common interest and to try to resolve demarcation issues, and so on. Ahead of that meeting a timetable has been produced that suggests times for particular committee meetings. One of our difficulties is that if we decide unilaterally to meet in the morning, and the clerks have put out a timetable that suggests that our meetings will be in the afternoon, that will have a knock-on effect on other meetings. I do not know whether we can, at this stage, get some of those other meetings shifted. I think the meeting with Sir David is next week and I will raise that.

Do members have a general preference for morning or afternoon meetings? There is an even split, so we will clearly not satisfy everyone. Similarly, we will not be able satisfy everyone regarding the day of the week on which we meet. I will try to establish with the other conveners whether there is any flexibility. Each committee determining its own meeting times would create anarchy, because we are often dependent on the same staff and facilities. The decision may be out of our hands, but I will do what I can.

Is there anything—other than the issues that we have identified through this meeting—which members would like to be considered at the next meeting?

As there is not, I thank members for their attendance at what has been a good and fruitful discussion.

Meeting closed at 13:01.

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