

EUROPEAN COMMITTEE

Tuesday 28 September 1999
(*Afternoon*)

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EUROPEAN COMMITTEE

5th 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

PRESENTATION:

Heather Koronka (Scottish ESF Objective 3 Partnership)
David Chalmers (Development Department, Scottish Executive)

COMMITTEE CLERK:

Stephen Imrie

SENIOR ASSISTANT CLERK:

Eugene Windsor

ASSISTANT CLERK:

David Simpson

Scottish Parliament

European Committee

Tuesday 28 September 1999

(Afternoon)

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

The Convener (Hugh Henry): Good afternoon and welcome to this meeting of the European Committee.

Objective 3

The Convener: The first item on the agenda this afternoon is a discussion of the objective 3 draft operational plan. To help us with our deliberations, we have invited Heather Koronka, from the Scottish ESF objective 3 partnership, and David Chalmers, from the Scottish Executive development department. I stress that this is an informal and factual presentation. Any questions on the content of the draft plan will not be considered here. The Minister for Finance, Jack McConnell, will brief the committee on that, hopefully on 19 October. I will come back to that later.

David Chalmers (Development Department, Scottish Executive): Good afternoon. I will begin by introducing myself and my colleague. Heather Koronka is the programme director for objective 3 and the member of the plan team that has prepared the document that is before the committee today. I am from the European social fund branch of the Scottish Executive development department. I am convener of the Scottish objective 3 and objective 4 committees. More relevant for your purposes today, I am convener of the Scottish objective 3 plan team.

With your permission, convener, I propose to ask Heather to provide the committee with a brief outline of the plan and its strategic context. Before doing so, it may be helpful if I preface her presentation with some preliminary remarks. After the presentation, I suggest that we discuss some of the emerging issues relating to the plan.

Even though I am the convener of the plan team, the draft plan is not a Scottish Executive document. It has been prepared by and remains in the ownership of the objective 3 plan team. The plan team comprises representatives of the key partners, which include the Convention of Scottish Local Authorities, the Scottish enterprise network, the voluntary sector, the Scottish Council of National Training Organisations, the further and higher education sectors and the Equal Opportunities Commission—with occasional

additional participation by the Scottish Trades Union Congress, the Confederation of British Industry for Scotland and the Scottish Council Development and Industry.

The plan team has been meeting since February, mostly fortnightly, to develop the plan. That has entailed a massive commitment of time and effort from the individuals involved, particularly as we all have proper jobs as well. I want to put on record my appreciation of the constructive and assiduous way in which the team has engaged with its task.

Over the next month, the plan will be formally submitted to ministers of the Scottish Executive. When Mr McConnell comes before the committee on 19 October, he will discuss the Executive's objective 3 plan.

I should say that at present the plan is a draft and incomplete. I appreciate that the committee would have preferred to see a complete version; I apologise that our timetable was such that that was simply not possible. After it had thrashed out the priorities and measures for the plan, the plan team considered that it was appropriate to seek the views of the wider partnership, even though we had not yet developed the accompanying financial tables. The plan team recognises not only that the plan is incomplete, but that improvements need to be made. I will be happy to explore those if we have time.

Nevertheless, I am satisfied that the broad strategy of the plan is about right. If we wanted to have meaningful consultation with the wider partnership, the plan had to be brought into the light of day.

I offer a further caveat. The draft plan has been written with one audience in mind—director-general V of the European Commission. It has not been written with a view to telling a general audience or even the wider partnership what we propose to do with European social fund assistance. The composition and structure of the plan follow the various pieces of guidance that we have had from DG V and the result is not a particularly reader-friendly document.

Finally, I should perhaps pre-empt one of the committee's first questions by saying something about the financial value of the proposed programme. The amount to be allocated to the new programme has yet to be finalised. Scottish Executive ministers and Scotland Office ministers, acting in co-operation, are still discussing with their Whitehall counterparts the Scottish share of the UK allocation under objective 3. That UK allocation is more than €4.5 billion. Whatever the outcome of the negotiations between ministers, it is clear that we will have less European social fund expenditure under the new programme than

is available through existing programmes. That reflects the overall reductions in structural funds expenditure.

As a result, we need to maximise the impact of ESF in the new programme, which is why we have put so much effort into designing and developing the plan before the committee today. I will now ask Heather to give her presentation.

Heather Koronka (Scottish ESF Objective 3 Partnership): Good afternoon. As time is tight and the committee might want to ask questions about detailed issues, I will keep my presentation on a relatively broad level by highlighting areas of likely interest.

I will give a brief background to the plan, outline the objectives behind it and describe how they translate into priorities and measures for action. I will then talk about how we have arrived at where we are. The details of target groups and scope of activity have been helpfully laid out in the paper that has been circulated to committee members.

The committee has had a detailed presentation on the Treaty of Amsterdam, which revises the Treaty on European Union and now includes a chapter on employment. That issue is now at the top of the European agenda and has had a knock-on effect in different ways. We now have a European employment strategy at EU level, which requires each member state to produce a national employment action plan.

The plan sets the frame of reference for the European social fund and for employment in general. The preparation of ESF programmes from 2000 to 2006 will be based on the UK policy frame of reference, which informs all ESF interventions, and the community support framework, which informs the three operational objective 3 programmes. We are charged with producing the Scottish operational objective 3 programme, of which the committee has seen the draft plan.

The plan has five vertical priorities which reflect the five key ESF policy fields for the new programming period across the EU and which will recur as I go through the plan's priority and measure structure. Those priorities are active labour market policies, inclusion, lifelong learning, adaptability and entrepreneurship and positive action for women.

In addition to those five key themes, there are five horizontal measures—as we say in Eurospeak—which are sustainable development, equal opportunities, lifelong learning, support for local initiatives and the information society. We have to make sure that such measures are integrated in the plan.

In putting the plan together, the plan team has had to translate the requirements of those key

themes into an overall aim of supporting economic growth by contributing to sustainable development of a competitive economy with a flexible labour market and ensuring equal access to training, employment and income-earning opportunities.

My next slide is not a test of members' eyesight; a full-size version of the diagram is attached to the hand-out that has been circulated. The five operational objectives have been translated into our overall aim and inform our priorities, which are the five key themes put into a Scottish-specific context.

The plan is structured in terms of priorities and measures. The first priority—raising employability—addresses the theme of the active labour market at EU level. The aim of the priority is to reintegrate various unemployed target groups back into sustainable employment, allowing them to fulfil their potential and to move away from the risk of exclusion.

In considering that theme, the plan team decided that three main groups needed to be targeted: the short-term unemployed, young people and the older unemployed. The majority of people leave the unemployment register within six months, so we need to focus on skill development and the accreditation of skills that those people already have. We want to increase the number of people with the skills that are required by the economy, so that it becomes more competitive.

There are national schemes in place for young people, but the plan team felt that there were still many young people with little or no work experience who were becoming serially unemployed over a relatively short time. We need to assist 15 to 24-year-olds in developing skills for the work place. We must also take a preventive approach by addressing the needs of young people who have not yet left school.

The objective for the older jobless is to help them back into secure employment through appropriate guidance, counselling and training. That focuses on the 40 to 50-year-olds. The needs of the over-50s and the longer-term unemployed are covered in our next priority, which addresses exclusion.

The second priority addresses the theme of an inclusive society that is open to everyone. It is obvious that the priority complements current policy direction in terms of addressing exclusion at different levels. The plan team recognised that some disadvantaged groups tend to be geographically targeted in urban and rural communities. Two measures pick up on those geographically concentrated groups. We also recognised that that did not always happen and the thematic priority is designed to catch the groups that are not geographically targeted. The

focus of the priority is on meaningful partnerships, which ties in with the aims of the social inclusion strategy. We would like all project sponsors to be able to demonstrate true partnership, both within and across partner agencies, in schemes that work towards those objectives.

The thematic measure is designed to engage excluded individuals, raising aspirations and changing the perceptions of training held by groups such as the ethnic minorities, the disabled, the homeless, ex-offenders and young people leaving care. In terms of support targeted on urban areas and forging effective links between employment opportunities and areas of need, we are focusing on workless households, older long-term unemployed and people who are recovering from substance abuse, for example. We are trying to encourage flexible and innovative solutions for people in rural areas, where accessing transport can be a problem.

Finally, the capacity building measure recognises the need to increase the number of organisations that are working towards tackling social inclusion at a local level and to improve the quality of support delivered to the target groups.

The third priority is lifelong learning, which entails promoting employability skills and mobility through lifelong learning, as outlined in the briefing paper. Many initiatives have been launched in support of the lifelong learning agenda—for example, the Scottish university for industry and the national grid for learning, which will use new technology to increase access to learning. The ethos of individual learning accounts, in which individuals are encouraged to take responsibility for their own learning, complements those other initiatives.

As members will know, lifelong learning is a horizontal theme, but this vertical priority picks up areas of activity where the plan team felt that further positive and focused support was needed. We are dealing with increasing the management skills in training organisations, which will increase organisations' ability to deliver training.

There is a need to increase the technical skills that are available. We have reference services available but there is a need to put together the on-line systems and training delivery mechanisms to ensure that learning is accessible to the majority of people.

14:30

Our fourth priority, which we call "Towards a Competitive Economy", picks up the European theme of developing adaptability and entrepreneurship. Evidently, the competitiveness of the Scottish economy is a strategic aim of the overall programme, but it is important to harness

the skills base in the Scottish labour market while trying to create a more entrepreneurial culture in which we will be able to concentrate on the creation of small and medium enterprises.

We stress the importance of those issues by splitting the fourth priority into two parts—our contribution to the EU simplification strategy. In the first part, we have the competitive work force addressing lifelong learning and skills development. We want to raise awareness in companies about the value of training and development. We have split the vocational training that is required into three parts: basic, intermediate and higher level skills. That will allow the programmes to focus on target groups effectively.

The basic skills category deals with the provision of transferable skills and knowledge and is aimed at improving people's employment prospects with the overall aim of preventing workers from becoming unemployed and unemployable.

The intermediate category deals with flexibility in relation to craft-related occupations and with updating the skills of supervisors and technicians in relation to changes in information technology.

The higher level skills category deals with technical and professional skills for higher level management in competitive small and medium enterprises and is a way of reinforcing managers' awareness of the importance of training to them and their work force.

The second part of the fourth priority is entrepreneurship. Our aim is to create a more entrepreneurial culture in Scotland, to increase Scotland's business birth rate and to provide support to individuals who are engaged in the formation of new firms. To do that we need to address underperformance of the business start-up rate, promote and develop an enterprise culture, establish networking events and encourage promotional activity.

We aim to increase the number of new and sustainable companies in Scotland by supporting community businesses and getting people into self-employment through the provision of support, advice and training.

The fifth—and final—priority is addressing gender imbalance. This is a horizontal and a vertical theme. The plan team is keen thoroughly to mainstream equal opportunities in the plan. Equality of opportunity is top of the EU agenda and is paramount in maintaining economic competitiveness.

With regard to the priority of addressing gender imbalance, there are three measures that support positive action. The first promotes positive action with regard to companies and individuals, by

showing the benefits of addressing gender issues and gender imbalances, and implementing family-friendly policies. The second provides support to address gender imbalance in areas in which men or women are traditionally under-represented. It also aims to assist women to take up opportunities in higher-skilled or higher-paid areas. The final measure provides direct support to companies to improve their equal opportunities policies.

The objective 3 partnerships are represented on a steering group, led by the Equal Opportunities Commission, that is putting together an equal opportunities toolkit to help all the plan teams in Scotland take on board equal opportunities issues and ensure that we mainstream equal opportunities across all the structural fund programmes.

I hope that we can deal with detailed issues through questions, so, to finish, David mentioned that the draft plan has been developed in partnership. We had workshops as far back as April, with 250-300 people at them, to try to determine our outline strategy and to work out what we needed to do for what, effectively, is a seven-year employment plan for Scotland. We took what we learned from the partnership consultations to a strategy day for the plan team and put in place a strategic framework. We involved the partners that represent the objective 2, 3, 4 and 5b programmes, and examined the key themes, such as lifelong learning and sustainable development.

We are coming to the end of our first stage consultation process. We are expecting responses from partners by 1 October. We need to consult again on the financial issues, but the plan needs to be with the Commission by the end of October.

I am sorry that I went through that information so quickly, but I was keen to take the members of the committee through our priorities and measures, at least at a broad level.

The Convener: Thank you, David and Heather. I appreciate the constraints that were on you.

Behind the welter of jargon there is a lot that is of direct relevance to communities and organisations throughout Scotland. You touched on some important objectives and policy initiatives that I am sure will be of interest to members and the communities they represent.

I will ask a couple of questions to get the ball rolling. David, you suggested that improvements had still to be made to the document. What are they? When will the financial value of the programme be determined? Heather, where do the policy fields differ from the previous programme? Are you targeting geographically and sectorally in any way? There has been discussion about ensuring that European funding is targeted

to the areas that are most in need, and that the targeting is also consistent with other objectives of the Executive and the Parliament.

The other point that I took from this meeting—I would like to return to it later in the discussion—is that a lot of the information will be relevant to other committees, and practical opportunities arise from that. I would like to work out where we can assist in raising the awareness of those opportunities.

David Chalmers: The plan team recognises that the plan is far from perfect. There are two areas that we must pay particular attention to.

The first is that the plan is supposed to form a coherent whole. The analysis of labour market needs and of what was done rightly and wrongly under previous programmes must feed into the strategy, which in turn must feed into the priorities and measures. The plan team is not sure that all those connections have been made. The plan team has long experience of this sort of matter and has come to the right answers without necessarily demonstrating how it has come to those answers. We need to take another look at all the hooks and ensure that what emerges in the strategy responds to the labour market needs and analysis of previous programmes.

The other area that needs further consideration is the horizontal priorities, such as equal opportunities and lifelong learning. The plan team is not satisfied that those have been fully integrated into the vertical measures. We need to go through each of the measures to determine how they will contribute to equal opportunities, lifelong learning, local initiatives and information technology.

Those are the two areas to which the plan team will give specific consideration, with a view to tidying up the next version of the plan.

The Convener: Can you please answer the other question: when will the financial value of the programme be determined?

David Chalmers: I confess that I had rather expected the financial value of the programme to be known before now, bearing in mind that we have little more than a month to submit the plan to the European Commission. I would expect to have established the value of the new Scottish objective 3 programme within the next 10 days.

The Convener: Before I bring in Dennis Canavan, I want to return to your remarks about integrating the horizontal priorities, specifically equal opportunities, into the vertical measures. Given the emphasis on equal opportunities in Europe and here, it is striking that you feel that they have not been given adequate attention. Surely something like equal opportunities should be absolutely fundamental to everything that is

done.

David Chalmers: That is why some of the measures need to be re-examined. If one looks at some of the measures in the plan, it can be seen that they include a description of the activities that will be involved and of the target population. Frequently, however, there is no mention of equal opportunities or gender imbalance, for example. We need to go back to ensure that equal opportunities are fully horizontally integrated into all the measures of the plan.

The Convener: Does it not strike you as worrying that at this late stage, so close to the finalisation of the plan, which involves so many agencies who are aware of political priorities, that the team has to go back to ensure that equal opportunities are integrated sufficiently robustly? Surely whoever has been responsible for the plan should have been insisting on such integration at every stage.

David Chalmers: In an ideal world that would have been the case, but the fact remains that I am not sure that we did. That is why the plan team wants to have another look. We want to ensure that we have fully integrated the horizontal priorities.

Dennis Canavan (Falkirk West): Priority one is to raise employability. I do not think that anyone argues with that aim. However, when Heather gave her presentation she listed the target groups as young people, older unemployed people and the short-term unemployed. She made no reference to the long-term unemployed. What is the definition of short-term? Is it six months, a year, or what? Why is there no specific reference to the longer-term unemployed? My fear is that they will become more and more excluded—socially as well as economically—unless they are prioritised in objective 3 spending.

14:45

Heather Koronka: On the definition of the short-term unemployed in the plan, I mentioned the statistic that, in relation to the proportionate resources that we have, most people come off the register within six months. Therefore, the focus for the short-term unemployed would be on the six to 12-month unemployed.

I briefly mentioned—but probably have not highlighted it as much as I should have done—that our intention is to pick up the longer-term unemployed under priority 2, addressing social inclusion. That will enable us to target them more effectively and to target sufficient resources and associated support services where that client group has particular needs. The focus of priority 1 is a preventive approach, to prevent people falling into the long-term unemployment category and

becoming excluded.

Ms Irene Oldfather (Cunninghame South) (Lab): In terms of social exclusion and equal opportunities, one of the major barriers to women re-entering the work force remains child care. To what extent are European social fund moneys linked to national strategies, such as child care partnerships? Can Heather give us an assurance on how those two programmes are linked?

Heather Koronka: At the moment we are considering the policy context, but I already mentioned that in the detail of the plan, reference is made to both UK and Scottish initiatives on child care. The rationale for the priority of addressing gender imbalance is that that is an area of great need and one of the major barriers. Detailed statistics back up that claim.

When we consider selection-scoring criteria and consider in more detail how we implement the programme, we must ensure—across all the priorities—that each target group gets the associated support services. That means child care across the board, especially when we target returners to the labour market. That comes under the priority of addressing gender imbalance. It is picked up in the plan, and we are aware that we must ensure that support services are in place for those target groups.

Ms Oldfather: I will ask one further question about the small and medium-sized sector. We know that Scotland has a low business birth rate and fewer small and medium-sized businesses per capita than in England and Europe. We have been asking for some time whether targets are in place. How are we measuring whether the money that we are putting in is successfully tackling the problem?

David Chalmers: I know that the Scottish Enterprise network has set itself targets for the number of new businesses to be formed by 2000. They were set three or four years ago. Other than that, I am not aware how that is being taken forward. In the context of the plan, we must provide targets associated with each of the individual priorities. One of those targets will be the number of new businesses created.

I do not deny that there are considerable difficulties in measuring the number of new businesses that are created—two basic measures are used. One uses new value added tax registrations and is, arguably, the more accurate, although it tends to miss out the large number of self-starting companies that are below the VAT threshold.

The second way, which Scottish Enterprise set up with the banks, is to collect new commercial bank account openings. The problem with that is mainly that it is directed at the Scottish banks. I

am not sure whether the English banks, some of which operate north of the border, are included yet. In answer to your question, there will have to be an annual target for the number of new businesses that are created, which will have to be shown in the plan for each year.

Ms Oldfather: It is easy to talk about employability, adaptability, entrepreneurship and equal opportunities, but there must be targets, so that we can measure whether the plan is providing value for money. That is important in the whole plan.

Ms Margo MacDonald (Lothians) (SNP): We are shy about discussing this area, because it concerns the black economy. When people open their first account after going into business, they do not open a business account. People do not live like that—we should introduce some realism.

The Convener: That is personal experience—it is on record. *[Laughter.]*

Ms MacDonald: I am talking about people I know.

Nobody is blaming the Scottish Executive for this. Italy managed beautifully without a plan such as this. We want value for money, so perhaps there could be a couple of wee sectional and geographical pilot projects. What will be judged is employment and consumer spend. I suggest that we think about judging the matter from another angle.

Dennis Canavan talked about exclusion. I am not sure about the priorities, as I thought that the main priority was to get to the folk who are increasingly being classified as the underclass and whose children are stigmatised for being from two or three generations that have not worked. That should be better defined as a priority. How much money will be spent on it? I appreciate that we cannot quantify the exact sum, because we do not know the global figure, but how is the amount that is spent on social exclusion and the employability of folk who have been unemployed for only six months worked out?

David Chalmers: Because of the policy superstructure to which Heather referred—the national employment action plan, the European Union employment strategy, the EU guidelines and the regulation itself—we are relatively restricted in the main priorities that the programme can adopt. In other words, the Commission is saying that it will provide structural funds for matters such as social exclusion, employability and—if you like—the underclass, but that it wants us to organise our programme in such a way that the five priorities correspond to the five policy fields in the regulation, which in turn can be traced back to the four pillars of the EU employment strategy.

Having said that, it is extremely difficult to assess how much should be spent on one priority rather than another. The plan team has had discussions on how we allocate the finance down to priorities and measures. As you will appreciate, it is difficult to complete those discussions without knowing the total value of the programme.

I can provide you with a flavour of the plan team's thinking. First, we have acknowledged that priority 5 on equal opportunities and priority 3 on lifelong learning will be horizontal priorities, spread throughout the programme. There is perhaps less need to devote substantial resources under the relevant vertical priorities, not least because neither of those priorities will involve volume training, if I may put it like that.

We will need to spend substantially more on priority 4, on the competitive work force and entrepreneurship, than on priorities 3 and 5. However, the largest spenders are likely to be priority 1, on active labour markets, and priority 2, on social exclusion. In finalising the proposed allocations, the plan team will need to balance need and opportunity, as well as taking account of the strategic and policy context that Heather and I have discussed briefly.

I hope that that is helpful.

Ms MacDonald: Does that mean that you will give more money to the folk who need it most?

David Chalmers: That would be our intention.

Tavish Scott (Shetland) (LD): I have a couple of questions. If I have understood you correctly, the plan team will work out the priorities on which the money should be spent. Is there a matching funding element, and have you made an assessment of where that funding will come from?

My second question follows on from what Irene said. The indicators and targets for all the measures proposed in the document are said to be

“the subject of a separate indicator, targeting and monitoring review”.

Does that have to be in place by the end of October, when you have to submit the plan to the Commission? How will you achieve that? The point that Irene was making is that measurement is important to assess the progress that is being made.

Heather Koronka: The answer to the second question is a definitive yes. Before we can submit the plan to the Commission at the end of October, we must undertake a detailed exercise to work out performance indicators and targets, and how we will measure what we propose to deliver through the programme. I hope that that assuages some of the committee's concerns about measurement.

This is a phased process, and the draft plan is the first element.

Tavish Scott: Has the methodology already been worked out? Is there a written document?

David Chalmers: I would not go so far as to say that there is a written document, but we know what resources we have put into European social fund projects in the past and what outputs they have delivered. Once we have established how much expenditure we have to play with, it should not be too difficult to make a reasonable assessment of the outputs, targets and indicators.

The real problem for the plan team is that demand for ESF under the new objective 3 will substantially exceed the expenditure available. We will not have particular trouble with match funding, because the range of partners includes further and higher education institutions, local authorities, the Scottish Enterprise network and the voluntary sector, all of which are able to contribute match funding. Indeed, over the years during which the social fund has been in operation, match funding has not usually been a significant problem.

Tavish Scott: Are you quite sure about that?

David Chalmers: It is not much of a problem in relation to objective 3, compared with other programmes—I think that I know which programme you are thinking about.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I wanted to ask a question about priority 4:

“Supporting A Competitive Workforce And Developing Entrepreneurship”.

I was pleased to hear you mention community businesses as part of that. I have a particular concern about areas in which there has been long-term unemployment and where the infrastructure is not as good as in other places. To create sustainable jobs, we might have to look towards supporting and developing what already exists in communities. Have any targets been set for the percentage of funding that might be allocated to supporting community businesses, co-operatives or the social economy? Can you give me some feedback on how a kind of social entrepreneurship might progress?

Heather Koronka: We have to quantify all the elements and target groups in the programme. We need to refer to relevant research and, as part of the consultation process, to sound out key partners about what would be realistic targets and where we should focus the resources.

The types of activities that you mention are not just picked up in one part of the plan. You mentioned priority 4 because I mentioned community businesses, but we have included

capacity building with a community development slant to address social exclusion and the entrepreneurship part of the same priority 4. We want to encourage those who would fall into socially excluded groups to be more entrepreneurial and to take up opportunities in self-employment, for example. That point is taken on board, but actual targets are part of the exercise to which we referred earlier.

15:00

Cathy Jamieson: May I respond to the point on self-employment? People who have gone down that route have said that the help that they get at the beginning is very useful—you know what I am going to say—but it is different a year or two down the line when they are struggling. Will there be any recognition of that, particularly in areas where there has been a high incidence of social exclusion? Self-employment is not something that people jump into and are then able to manage within six months. Is any thought being given to a longer-term approach to sustaining people who choose that option?

Heather Koronka: Absolutely. That is one of the lessons learned from previous structural fund programmes and it has been taken on board, as have many other aspects. The aftercare concept is reflected in the detail of the plan. We are talking about a follow-up of about six months' support for people who go into self-employment and for individuals who become employed. It is not only about getting individuals into employment, but about on-going mentoring schemes. That is a very fair point, and it has been made strongly to us throughout the consultation process.

David Mundell (South of Scotland) (Con): Heather, I would like to come back to the measures issue. The committee has discussed before the need for the public in Scotland to better understand the impact of the European Union and its funding on Scotland. I would like to be sure that the measures that you are putting in place will be capable of demonstrating that the programme has made a difference—not that so many new businesses have been created or that we have improved on equal opportunities; after all, the Executive has established targets for itself. How will you show that the programme has made a difference in any of those areas?

Heather Koronka: We will build on the awareness raising that we do and on the best practice information that we disseminate within the current objective 3 programme.

David Mundell: Yes, but will you be able to measure that, because of the programme, there are 120,000 new businesses instead of 100,000?

Heather Koronka: Yes—in a sense it is a

promotional issue; raising awareness of what the programme has actually achieved.

David Mundell: I meet many people who comment on all the European money that has been dispensed and want to know what has been achieved. You can produce a list of projects, but it is difficult to say that they have made a difference.

The Convener: That comes back to the question that Irene asked about whether there would be targets and measurement of those targets, so that you could be held accountable. I think that you said yes.

David Chalmers: Yes.

The Convener: You certainly said yes earlier on; have you changed your mind?

David Chalmers: I must point out that it is very difficult to disentangle the impact of the European structural fund programme from happenings in the general economy. Arguably, the overall economy has far more impact in terms of the number of new businesses created and the levels of employment than anything that the European social fund might do. That does not mean that we do not have to measure what we are setting out to achieve.

The Convener: Yes. That was the question that was being asked, and you said that you would be measuring.

David Chalmers: Convener, you asked a question earlier to which I did not respond. It concerned the geographical weighting that we might want to give in the programme. It might be helpful if I said a couple of words about that.

As you might expect, the new objective 3 programme will have to take into account the new objective 2 areas. Bearing in mind that the scope for programming European social fund expenditure in the new objective 2 programmes will be strictly limited—much more so than under the present objective 2 and 5b programmes—the new structural fund regulations require that the objective 3 resources should be concentrated on the new objective 2 areas.

In addition, we believe that we will be able to have a measure of concentration of objective 3 resources in the areas that will lose objective 2 and 5b status—the so-called transition areas—which will benefit from transitional programmes. Those programmes will not contain any European social fund expenditure.

We have to use objective 3 to pick up the losses in the new objective 2 and transition areas. It is difficult to come up with an adequate statistical rationale to reflect the different ESF needs of the new objective 2 areas, the transition areas and the non-designated areas. We believe that the numbers of unemployed people in the respective

area categories are as good a measure as we are likely to get. Once we know the identity of the new objective 2 areas, we will need to reassess the position, but I wanted to assure the committee that appropriate provision will be made to ensure that the new programme will be focused on geographical areas of need.

The Convener: On areas of need, you said that areas that are in need but do not quite qualify under the new objective 2 will still be eligible for assistance.

David Chalmers: We need to provide special assistance—perhaps a higher level of assistance—to areas that are losing out on objective 2 or 5b status—

The Convener: So that those areas can still qualify for objective 3?

David Chalmers: The entire country, with the exception of the Highlands and Islands, can qualify for objective 3. It is a question of giving higher priority to the new objective 2 areas and a slightly lower priority to the transition areas, while the lowest priority will go to the areas that are not designated.

Maureen Macmillan (Highlands and Islands (Lab): In the draft plan, schools are mentioned only as part of the equal opportunities strategy and in connection with raising employability. We know that equal opportunities issues arise in schools, particularly when children make the wrong subject choices with the result that they cannot access the employment that they had hoped for. That might happen because boys always choose the boys' subjects while girls always choose the girls' subjects. The plan mentions schools, so I assume that you will have some input to that subject. What are your proposals?

Heather Koronka: Two issues are involved. On employability, I mentioned that we would target young people who are about to leave school with a preventive approach. Along with effective mainstreaming of equal opportunities, that should encompass some attitudinal changes. The main focus, as Maureen Macmillan rightly said, will be within the equal opportunities strategy. We are about to include additional research, which is broken down by age and which monitors attitudinal change and where young people go in sectors where, traditionally, there is a gender imbalance. We are building that into the plan and considering what activities will be covered. On gender imbalance, we need to take a preventive and more proactive approach, rather than just addressing what has happened already.

Maureen Macmillan: Youngsters at that age are very conscious of their gender; we have to overcome that when we advise them on career choices.

I notice that you also said that transport difficulties would be taken into account. I know that that does not cover the Highlands and Islands, where transport is a particular problem—I dare say the same applies in other rural areas—but perhaps young folks cannot access the new deal because there is no public transport to enable them to travel the necessary 12 or 20 miles. How do you propose to help?

Heather Koronka: In a sense, the earlier comments about appropriate support measures for target groups apply here. If project beneficiaries who are aged between 15 and 24 or people who are not on the schemes need extra help to access training, they will be eligible for ESF assistance.

We are aware of difficulties in accessing transport in rural areas. I hope that by a combination of those two things that—

Maureen Macmillan: You could make a difference.

Heather Koronka: Yes.

Allan Wilson (Cunninghame North) (Lab): I want to make two points. The first one has been raised by the convener, Irene, Tavish and a few others, and relates to the measurement of achievements. There must be a starting point. To what extent are we able to pinpoint—from information on past successes or failures that we presumably have—where we are now and where we expect to be at the conclusion of the process? Small to medium enterprises are an example of where the Scottish economy is structurally weak. What is the starting point for them, and how are we to measure the success or failure rate of the programme?

My second point concerns the division of strategic objectives 3 and 4. If the priority is to develop a culture of lifelong learning, should not objectives 3 and 4 be combined? That might seem like a tongue-in-cheek contribution to European simplification, but many people—including me—believe that the way to build a competitive economy is to develop the knowledge economy. If you are developing new systems and approaches for training, inevitably workplace training is included with all other forms of training, so the two objectives ought to be combined.

David Chalmers: I will deal with your second point first. The distinction that the plan team has made between priority 3, which is lifelong learning, and priority 4, which is adaptability and competitiveness of the workforce, is that priority 3 is directed mainly at systems development and soft infrastructure, whereas priority 4 is directed at training the work force of the Scottish economy. I admit that the distinction is, to some extent, artificial, but we have organised it in that way so that we can include lifelong learning as a

horizontal priority in approaching the competitive work force, while distinguishing between lifelong learning and competitiveness for the purposes of applicants. That is why we suggested that lifelong learning would not be concerned mainly with volume training, but would be geared much more towards systems development and soft infrastructure, as I said.

Your question on measurement leaves me in some difficulty. In broad terms, at the simple level, we know where we are in the market needs analysis. There is much in the document about market needs, unemployment, sector breakdowns and so on. I do not see any major difficulty in having output targets that reflect the inputs that we will make. There are difficulties of definition and changes are taking place, but I do not see any difficulty in developing suitable indicators and targets that will enable us to measure our performance and that of the programme.

The Convener: The drift of Allan's question and other similar ones reflects a concern that, unless you can tell us what you intend to achieve, and unless we are able to measure what is achieved, the whole process will be wide open, and you could say that whatever you achieved was a success.

15:15

David Chalmers: I entirely agree with that. When the programme comes back to the committee, it will contain annual performance indicators and targets so that, at the end of the first year, we can look at it with the Commission and say, "Well, our target was to achieve so many people into jobs or full-time education. This is what we actually achieved, compared with the target."

Bruce Crawford (Mid Scotland and Fife) (SNP): I do not want to talk about targets at this stage, because I am sure that, if the US economy goes into meltdown, the targets will go to hell. I am not sure that we can tell very much from them because of all the outside influences and environmental concerns that will come to bear.

I am struggling with some of this—simplification is the answer for me. I cannot get my head around the paradoxes, in terms of what is happening under objective 3 as compared with objective 2. Throughout the background analysis on objective 3, indicators tell us that the Scottish gross domestic product remains consistently below UK levels, that the increase in self-employment rates is low compared with that in the UK and that there are issues where, in comparison with the UK, we are not doing well.

However, I understand that, in the objective 2 process—which will drive much of the objective 3 process—Scotland will suffer fairly badly

compared with England because of Scotland's supposed relative wealth compared with areas of England. I cannot square that circle, although perhaps there is a way of doing so. In a paper that came to an earlier committee meeting on European structural funds—

The Convener: We will come back to the discussion on objective 2, as we should receive the Scottish Executive's statement soon. We also need to have a further discussion with the Minister of Finance on the points that he raised and that are referred to in the document that you mention, Bruce, as we need further clarification. I do not want this debate to trespass on to objective 2 matters—they must be kept separate. Remember that this is a briefing session and that we will have the opportunity to question the minister.

Bruce Crawford: I understand. My worry is that much of the objective 3 spending will be driven by what happens with the objective 2 maps. That is what David is telling us. There is a paradox somewhere. Perhaps you can explain that to me, David, and make it all lucid.

The Convener: Well, no, Bruce. You are getting into an area about which we need to question the Minister of Finance. The officers are here to talk about the policy parameters in, and the strategic aims of, the draft programme, which is what we should be concentrating on. Your legitimate questions need to be addressed to Jack McConnell, along with further concerns about the paper that has been circulated.

David, can you answer any of Bruce's questions just now?

David Chalmers: I will try not to infringe your ruling, convener.

Broadly speaking, whatever happens on objective 2, the fact remains that, even though objective 2 coverage will be reduced in Scotland, a significantly greater proportion of our population will be covered by objective 2 than will be the case in England.

Bruce Crawford: That helps.

David Chalmers: I do not want to go into objective 2 any further now—this is complicated enough.

Bruce Crawford: I have one final question—it has nothing to do with objective 2, I assure you. The Scottish plan is set in the community support framework for objective 3. How does that link into the UK national plan? That is what I cannot understand. I know that we are still to receive the UK national plan—we have asked for it.

David Chalmers: The UK national employment action plan is a response to the EU's annual guidelines, which are published and available. If

members wish to see it, I am happy to arrange for it to be submitted to the committee.

Bruce Crawford: Please.

David Chalmers: I am afraid that it is a great, weighty document that is fairly general in terms of what it says about the way in which the UK Government approaches employment matters. Below that, there is a community support framework for objective 3, which describes the main priorities of the UK objective 3 operational programmes. Each programme will share the same main priorities. The document is fairly permissive. It does not restrict us in what we want to do. Members have our operational programme in front of them. In this, we are able to pick out what we regard as the Scottish priorities.

Bruce Crawford: I can find where the anchors are now. Thank you, David.

The Convener: I suggest that we ensure that a copy of the document is submitted to SPICe in Parliament headquarters. If anyone wants a copy, they should speak to Stephen.

At the start of the meeting, Heather, I asked about policy fields. Where would they differ from previously?

Heather Koronka: Do you mean in terms of what was previously covered by current programmes?

The Convener: Yes.

Heather Koronka: In a sense, the current objective 3 programme covers activities that combat long-term unemployment, tackle social exclusion and promote equal opportunities between men and women. Those themes are still prevalent in the new objective 3 programme. The current objective 4 programme is about training the work force and adaptability. The objective 2 and objective 5b programmes are about upgrading the current skills base. The new objective 3 programme picks up on all those things, which is why its scope is so comprehensive. The themes are broadly the same, but equal opportunities are highlighted even more strongly in the new programmes.

The Convener: I thank both Heather and David for their contributions, which will help to inform us in the next stage of our discussion. The Scottish operational programme draft plan for objective 3 expenditure has also been circulated to other relevant committees for comment, which will be fed back to us once they have had a chance to consider it.

There is also a longer-term issue. I do not consider our consideration to be a mechanical exercise. A lot of good information was presented by the witnesses and that could take back into

many communities the debate on what funding might be accessed, on what kind of groups might receive support and on what kind of initiatives we could help to develop. I want to see how we can assist in making the programme effective throughout Scotland. No doubt, Heather and David, we will have further discussions with you in future. Thank you.

Scrutiny

The Convener: We now come to the scrutiny of the European documentation. We will go through the sift recommendation note.

The first document is number 295. Is the recommendation, to

“Await explanatory memorandum and consider at next committee meeting”

agreed?

Dr Winnie Ewing (Highlands and Islands) (SNP): No. I apologise, by the way, for being late to today’s meeting. Could we have a time scale for how long we await? The document could be fundamental to any European Union citizen. Many of the recommendations for the documents use the word “await”. I want some guidance: how long do we wait?

The Convener: We are asking for the document to be considered at our next committee meeting. Can you clarify that, Stephen?

Stephen Imrie (Committee Clerk): Now that we are out of the summer period, the explanatory memorandums from Whitehall should appear within 10 working days of each document. The wait for the memorandum should be within a couple of weeks, to enable consideration of the document to be put on the agenda. The summer was a strange period, as we had to wait longer for the documents. They should now follow within 10 days and should always be in time for the following committee meeting.

Dennis Canavan: When you say that the memorandum is not yet received, Stephen, does that mean that it is not yet available? Has it been published yet?

Stephen Imrie: It is not available, it has not been published and it has not been received.

Dennis Canavan: The document concerned was deposited in the UK Parliament on 18 August. It is now 28 September. What is the reason for the delay—the Westminster recess?

Stephen Imrie: It is the Westminster recess and the time that Whitehall is taking to produce the documents. Usual practice would be for documents to be available within 10 days.

Dr Ewing: It is my understanding that, if this

committee wants a copy of a specific Commission communication, we just have to ask for it. I am asking for this one in particular.

Ms Oldfather: Do not we have all the documents?

Dr Ewing: I do not have it.

Ms Oldfather: We do not have the explanatory memorandum.

The Convener: No, we do not have it.

Ms Oldfather: We have the documents themselves, however, and we have had them for some weeks.

Dr Ewing: I do not have the document, and I would like a copy—not by e-mail, by the way.

Stephen Imrie: I can provide Dr Ewing with a copy.

Dr Ewing: Thank you.

Stephen Imrie: I remind members that, as a paper-saving measure, where no further action is to be taken on a document, copies are not sent out. If members want copies, however, they can be provided.

The Convener: We must also ensure that the clerks’ counterparts at Westminster are aware of our concerns about delays.

Do we now agree to the recommendation for document 295?

Members indicated agreement.

The Convener: For document 298, the recommendation is to await the explanatory memorandum and consider the document at our next meeting. Is that agreed?

Members indicated agreement.

The Convener: For document 310, the recommendation is to await the explanatory memorandum and consider the document at our next meeting. Is that agreed?

Dr Ewing: Does that first one concern genetically modified food?

The Convener: Do you mean document 298?

Dr Ewing: I mean the one about health and the minimum standards for the treatment of products. Genetically modified food is a big issue at the moment and I wonder whether that is relevant in this case.

The Convener: Stephen, can you advise us?

Stephen Imrie: I advise the committee that the explanatory memorandum for document 298 arrived this morning. I did not think it appropriate to rush it to members. From a quick analysis of the memorandum, the document did not appear to

concern GM food, but I shall provide copies at the next meeting so that members can look at it.

Dr Ewing: I am asking for another copy.

The Convener: Hold on for a minute.

Ms Oldfather: I seek clarification from the clerk. I have copies not of the explanatory memorandums but of the documents. Perhaps other committee members do not have them, but I certainly have a copy of document 310 on budgetary discipline. I was sent a copy of that—presumably by the clerk.

Dr Ewing: I was not.

The Convener: Hold on, Winnie.

Dr Ewing: I have to—

The Convener: Hush, Winnie. Let us ask Stephen about this.

Stephen Imrie: When—

Dr Ewing: I am sorry, but—

The Convener: Winnie, Winnie, Winnie. One at a time, please.

Dr Ewing: I am just asking for a copy. Is that all right?

The Convener: Let us take it one at a time; that will be easier.

Stephen Imrie: When the document first comes in and the explanatory memorandum is to be considered at the next meeting, we provide members with a copy. We will therefore have provided copies of the document in question at a previous meeting. When the item has been on the agenda two or three times, we will not provide another copy for each meeting.

Ms Oldfather: I was provided with a copy earlier.

Stephen Imrie: I will certainly provide Dr Ewing with any documents that she needs.

Dr Ewing: Maybe the Hamilton South by-election has taken my mind off things.

The Convener: That is okay. Let us proceed. Do we agree to the recommendation on document 310?

Members indicated agreement.

The Convener: For document 317, the recommendation is to await the explanatory memorandum and consider the document at our next meeting. Is that agreed?

Members indicated agreement.

The Convener: For document 328, the recommendation is that no further action be taken, but that a copy be sent to the Justice and Home

Affairs Committee for interest. Is that agreed?

Members indicated agreement.

The Convener: For document 329, the recommendation is that no further action be taken. Is that agreed?

Members indicated agreement.

The Convener: For document 330, the recommendation is that no further action be taken. Is that agreed?

Members indicated agreement.

The Convener: For document 331, the recommendation is that no further action be taken. Is that agreed?

Dr Ewing: Will document 330 be referred to the Justice and Home Affairs Committee?

Ben Wallace (North-East Scotland) (Con): Not unless Winnie is planning to speak Russian.

Dr Ewing: Well, Russia has a mafia and a lot of people with business interests in Russia find themselves victims of that mafia. Some people from the north of Scotland—

The Convener: If someone can suggest some direct interest for the Scottish Parliament in the common action between the European Union and Russia on combating organised crime then, yes, we should refer that interest to the justice committee. However, until we identify any such interest, I suggest that we stick to the recommendation.

Dr Ewing: Some of my constituents who work in Russia have been held incommunicado and have been lucky to escape with their lives. I just wanted to make that point, but I am happy to leave the matter for the moment.

The Convener: Do we agree to the recommendation on document 331?

Dr Ewing: Does that involve privacy of data?

The Convener: Stephen, can you advise us about that?

Stephen Imrie: I cannot tell you off the top of my head.

The Convener: Shall we come back to document 331 at the next meeting?

Members indicated agreement.

The Convener: For document 332, the recommendation is for no further action. Is that agreed?

Members indicated agreement.

Dennis Canavan: Is there a misprint in the document title? It refers twice to the Republic of South Africa.

The Convener: Presumably, it should say the European Community and the Republic of South Africa.

For document 333, the recommendation is for no further action. Is that agreed?

Members indicated agreement.

The Convener: For document 334, the recommendation is that it should be referred to the Enterprise and Lifelong Learning Committee. Is that agreed?

15:30

Dr Ewing: In my opinion, this relates directly to elementary matters of Scots law. It involves a total change in the burden of proof. I am glad that it has been referred to this committee. It certainly places an arduous obligation on any manufacturer. A 10-year period—our views are asked on that—is a very long time indeed.

The Convener: Is there a role here for the Justice and Home Affairs Committee?

Dr Ewing: It has been referred to the Enterprise and Lifelong Learning Committee.

The Convener: We can refer it to the Justice and Home Affairs Committee as well.

Dr Ewing: Yes. The Sale of Goods Act 1893 is one of the most successful Scottish acts ever passed; it has worked well and has hardly ever been subject to legal challenge. This is a total change, which affects us all. It should go to the Justice and Home Affairs Committee as well.

The Convener: We will refer document 334 to the Enterprise and Lifelong Learning Committee and to the Justice and Home Affairs Committee.

For document 335, the recommendation is that no further action be taken. Is that agreed?

Dennis Canavan: This does not apply to us because we are not signatories to the Schengen convention. The description refers to the enforcement of indefeasible fines—what on earth are they? I could not find indefeasible in the dictionary. Is it Eurospeak? Although this is restricted to the Schengen countries, is there any possibility that in future we in Scotland will be affected by indefeasible fines?

The Convener: We will consider document 335 for further information.

For document 336, the recommendation is for no further action. Is that agreed?

Members indicated agreement.

The Convener: For document 337, the recommendation is for no further action. Is that agreed?

Dr Ewing: Excuse my ignorance on document 337, but how does it relate to the European Investment Bank?

The Convener: Do you mean how does the European investment fund relate to the European Investment Bank?

Dr Ewing: Yes.

The Convener: We will ask for a briefing paper on that relationship. That is a separate matter.

Dr Ewing: I do not understand it.

The Convener: For document 338, the recommendation is for no further action. Is that agreed?

Dennis Canavan: Might the Transport and the Environment Committee be interested in heating systems for the passenger compartment of motor vehicles?

Dr Ewing: Do we know whether our vehicle manufacturers have a view on this? An external body may have a view on this that we should know. We have some vehicle manufacturers.

Ms MacDonald: This is an environmental matter as much as anything. The Transport and the Environment Committee could have a wee squint at it.

The Convener: We will refer document 338 to the Transport and the Environment Committee for the interest of its members.

Dennis Canavan: Similarly, document 339, which is about the

"emission of gaseous and particulate pollutants"

should be referred to that committee.

The Convener: Okay. We will refer document 339 to the Transport and the Environment Committee for the interest of its members. This could be a way of getting back at that committee.

For document 340, the recommendation is for no further action. Is that agreed?

Dr Ewing: I would like a copy of this document.

Ms Oldfather: This might be an important document for this committee to consider.

The Convener: We will put document 340 on the agenda for the next meeting.

For document 341, the recommendation is that no further action be taken. Is that agreed?

Dennis Canavan: I would like the advice of the clerk on this. Our Parliament does not have any direct responsibility for international development or overseas aid, but some of us take an active interest in those matters. Can we obtain copies of this document? Does this committee have any

power to comment on it? If we feel that there are important matters that should be brought to the attention of the people of Scotland, can we lodge a motion in the Parliament, even though the Parliament does not have powers to legislate on such matters?

The Convener: How bulky is the document, Stephen?

Stephen Imrie: It has about 30 or 40 pages.

The Convener: We should put it on a future agenda, not so much for the purposes of the sift process, but to offer the consideration that Dennis is asking for. If something was of interest to the Scottish Parliament, we would be able to offer assistance, advice and support.

Dr Ewing: Almost every church in Scotland has been involved in Jubilee 2000. It is a burning concern for everybody.

The Convener: For document 342, the recommendation is for no further action. Is that agreed?

Dr Ewing: I do not think that this document concerns Scotland much, although we have great forests. Forest fires have been a problem in the south of Europe, but the resulting atmospheric pollution and gas emissions affect us. Should not we refer this to the environment committee? We were blamed for damaging Norway's forests.

Ms MacDonald: We need to get our own back on the Spanish fishermen one way or another.

Dr Ewing: I did not mention the Spanish fishermen.

The Convener: When we refer the documents to other committees we must be careful. Are we genuinely concerned about forest fires?

Dr Ewing: No, I am concerned about pollution.

The Convener: Being genuinely concerned about pollution, forest fires or whatever is one thing, but we are being asked to comment on a specific document. It is the document and not the general issue that we refer to other committees.

Before we refer a document to another committee we should be sure that there is something in it for that committee to comment on. The environment committee will not engage in a general discussion on pollution or forest fires.

Dr Ewing: May I have a copy of the document?

The Convener: Dr Ewing has asked for a copy of the document. Does the committee want to pursue this or to agree to the recommendation?

Ms Oldfather: It is about the legal basis for regulations, which seems to me to be a matter for the UK Government.

The Convener: We will agree to the recommendation. Winnie has asked for a copy.

For documents 343 and 344, the recommendation is that no further action be taken. Is that agreed?

Members indicated agreement.

The Convener: For document 345, the recommendation is for no further action. Is that agreed?

Bruce Crawford: This might be a daft laddie question but how much is Scotland involved in the boneless dried meat industry? The Rural Affairs Committee should know what the impact will be if there are to be preferential imports from Switzerland. Our farming industry is hard pressed and we should have a view on that as a nation.

The Convener: We will refer that to the Rural Affairs Committee.

For document 346, the recommendation is for no further action. Is that agreed?

Members indicated agreement.

The Convener: We will move on to item 3 on the agenda.

Consultation Process

Stephen Imrie: At the previous committee meeting, a consultation process was discussed. Members wanted a structured means of receiving material that would allow them to consider the key issues in relation to the European Union. We have drafted a set of terms of reference for the mailshot element of that process so that written evidence can be provided by respondents.

We have begun to think about streamlining both the issues and the organisations that we would approach for informal briefings. We had an element of that this morning. Once the committee knows which issues to examine and has had informal briefings, it can decide how to investigate those issues. Other committees are beginning to think about rapporteurs as a way of exploring issues in greater detail and of having further deliberations with outside bodies.

The paper sets out ideas about how the system of rapporteurs might function in the Scottish Parliament. Some committee members will be aware of how rapporteurs work in Europe, especially in the European Parliament or the Committee of the Regions. However, it is for the committee, not me, to decide that such a system would be a way forward.

The Convener: I have two separate points. First, before our next meeting, we should circulate the correspondence that we intend to send out to external bodies. Secondly, we should concentrate

on the briefing paper on our forward work programme and the use of rapporteurs.

Dennis Canavan: Would the rapporteur report back to the committee as an individual or would there be any advantage in having a small group or sub-committee of members specialising in a subject? Such a group could be convened by the rapporteur to investigate the matter in question and then report back to the committee. In that way, rapporteurs would not be working on their tod, but would be speaking on behalf of a sub-committee.

The Convener: Both options are open to us. As Winnie and Irene will know, rapporteurs in the European system do individual research and present their findings to the committee for the committee to reject, accept or amend. The final product then becomes the responsibility of the committee. Committees can get through a significant amount of work in that way, with members taking an individual responsibility.

On the other hand, we can do what Dennis suggested and have a group of members carrying out investigations. However, that would not be a formal sub-committee, because that would have to be raised with the bureau. For example, the Health and Community Care Committee has set up two sub-groups. Ben Wallace, Duncan Hamilton and I are on the first sub-group investigating smoking and we will return to the committee with a joint report. The other sub-group is considering community care and presumably the members of that group will divide up responsibilities between them.

The committee should determine what its subject priorities are and then allocate work to committee members. If we feel that a number of members should examine a particular subject, so much the better. The presentation on structural funds has raised a number of questions about women, equal opportunities and long-term unemployment.

Bruce Crawford: Flexibility is one of the keys to getting the matter right. We will have to mix and match how we go about our investigations, depending on the subjects that we examine. I am quite relaxed about what has been outlined in the paper.

15:45

The Convener: Just before I bring in Winnie, can we try to identify a range of topics that we would like considered, perhaps not for the next meeting, because I am aware that Jack McConnell will be speaking to us, but for the meeting after that? That is not to say that they will be the final topics, but members should tell Stephen what they are interested in, then we can start to decide what

we can reasonably cope with, what the priorities should be, and who will co-operate on some of the topics.

Dr Winnie Ewing: When the legal basis of a subject is discussed in the European Union, that does not mean that one should not realise that the whole subject is a matter for discussion. To dismiss it and say that it is a question with a legal basis is fine, but the legal basis is not changed unless there is a need to change it in the terms of what the subject is.

The Convener: You have lost me.

Dr Ewing: I was told twice by Ms Oldfather that it was just a matter of a legal basis. One of the issues was forestry, which is a vital matter for Scotland. They do not change a legal basis in Europe—

The Convener: Hold on. Wait a minute. We have gone past that issue.

Dr Ewing: I know that we have gone past it, but I am asking a question about the legal basis.

The Convener: We have finished that item. We have moved on to something different.

Dr Ewing: I am not talking about forestry: I am talking about the issue—

The Convener: It is not on the agenda. The way the standing orders work—

Dr Ewing: Well, I will put it on the agenda for the next meeting.

The Convener: We can consider that, but it is not on the agenda for the meeting this afternoon.

Dr Ewing: The legal basis is mentioned—

The Convener: Winnie, we have finished that part of the agenda and we have moved on. We have a report to discuss. I have asked that we agree that the consultation letter be circulated for comments. I have also asked members to identify what issues they think should be priorities for this committee so that we can incorporate them into the committee's future work. Is that agreed?

Members: Yes.

Dennis Canavan: I have another little comment on the use of rapporteurs. I notice in the briefing paper that there is a caveat:

"Nevertheless, with a reporter/rapporteur system there is a risk that the output of a committee's work could become more biased than it would otherwise have done. The ability of lobbyists to contact directly one responsible member of the committee may result in the work of that committee becoming more vulnerable to outside influence".

The Convener: Dennis, I am sure that you can resist all temptation.

Dennis Canavan: I hope that we would have an

understanding, if not a rule, in this committee that if a rapporteur is approached by a lobbyist, we have a frank declaration of that, so that we all know who is trying to influence us, directly or indirectly.

Ms MacDonald: Dennis, if we buy you a drink, it is alright.

The Convener: Dennis touched on a salient point, which is that when a rapporteur is attempting to produce a report, there will be limited parliamentary resources to rely on. When they are doing research, rapporteurs will have to go out and work with a range of organisations. We should have a procedure so that we know who the rapporteur is working with.

For example, there are people in the Convention of Scottish Local Authorities who have done a lot of work on the subject of European structural funds who I am sure rapporteurs will want to talk to. There are people in the voluntary sector who would have a lot to contribute. Perhaps we should get some guidance for rapporteurs on how they engage others to assist them, because the last thing we want to do is transgress without realising it.

Dennis Canavan: I was thinking more of the influence of people like Mr Beattie.

The Convener: I am not sure that you are on his mailing list Dennis, but if you are, no doubt you will let us know.

Bruce Crawford: Dennis is obviously referring to lobbying companies and not organisations such as Friends of the Earth and Greenpeace, which may have a lobbying activity. It is a balancing act.

The Convener: That is what I mean: there is a fine line.

Ben Wallace: It is all lobbying.

The Convener: I am informed that the Standards Committee will consider the issue tomorrow. We need to be sure that we are operating under agreed procedures when we are working with someone who is—informally or formally—an adviser. We can appoint advisers to the committee with the agreement of the bureau, but we should get clarification about what advice rapporteurs can seek and whether they can appoint someone to work alongside them on an informal basis. It is not as clear as you might think, Bruce.

Ms Oldfather: One of the advantages of the European system is the opportunity to identify an expert adviser to work with the rapporteur. We might need to introduce that here. It could be difficult for members to work on their own, without being able to draw on some expert support.

Allan Wilson: I am not clear, convener. Are you

saying that it is at the discretion of the committee to adopt that system? Is it right that we do not necessarily need to have a Parliament-wide system in which committees have a set approach? We could have different types of rapporteur systems. We have considered the European model, but there are others and it is at the discretion of the committee which model it chooses to adopt. I take on board Dennis's point, but we should be accessible to interest groups. Whether they hire PR firms to represent their interests is another matter. The Parliament should be accessible to and transparent in its dealings with civic Scotland. Those key questions apply to the whole Parliament, not just to individual committees.

The Convener: The appointment of rapporteurs is a matter for individual committees. We could decide not to use that system, but I think that we will get through much more work if we do. Whether the rapporteur works alone or with colleagues is a matter for the committee. Standing orders prevent us from establishing a formal sub-committee without the bureau's approval, but we can appoint a few rapporteurs to work together as a sub-group.

David Mundell: It is important that we use the system, because no minister is directly linked to the European Committee—as happens with the subject committees. When there are conferences and so on, a representative of the committee will be invited, but it is not for them to go in a personal capacity; they must bring back information.

Ms MacDonald: The whole business of having a rapporteur who is going to tap into outside expertise needs to be set straight for the benefit of us all. It is perfectly all right to talk to someone as long as there is a record of who members have consulted and what ground was covered. We will need to talk to some people if we are going to monitor aspects of value for money in the new objective 3 programme.

Some of the people we want to talk to will normally be paid for passing on information and we will not have a budget. What is in it for them? How will we get the best quality advice and information on which to base our reports?

The Convener: The matter is best left until the Standards Committee has considered it, at least in the first instance. We need to clarify some of those issues before we send anyone away to report back. Do we agree that we should get further advice on how the system will work? However, we should start to identify the priorities so that we can establish a relative order; we can think about allocating work thereafter.

Convener's Report

The Convener: I have received an invitation, as the convener of the committee, to attend the opening of Scotland House in Brussels and to participate in a workshop during that visit to act as a rapporteur. The Parliamentary Bureau has approved that, but it is a matter of courtesy to keep the committee informed that I have received the invitation.

Dr Winnie Ewing: Who is arranging the Scotland week in Brussels?

The Convener: I think the Scottish Executive is. It has issued a number of invitations.

Dr Ewing: It is not Scotland Europa, then?

The Convener: No. I have no idea who has organised it. All I am telling the committee is that I received that invitation.

We have a request that members of the committee meet a delegation from the Swedish Parliament. A number of invitations like that are starting to come in. It is important that delegates from other Parliaments realise that there is a difference between the Executive and the Parliament, so I hope that the committee, on behalf of the Parliament, can meet those delegations.

The Swedish group will be in Edinburgh on 16 November and we have been asked to host a reception for it at 6.30 pm that day. The Presiding Officer hopes to be in attendance and we need to know if members of the committee will be available.

Ms Oldfather: It might be useful to have members of other Parliaments come and tell us about their experience of setting up a European committee. We are on a learning curve and a presentation on good practice would be helpful.

The Convener: I would be reluctant to arrange additional meetings just to accommodate that, to be honest.

I have already had a request from delegates from the Basque Parliament who will be in Edinburgh next Tuesday. I considered inviting them to a committee meeting, but that proved not to be possible. Where it is practical, though, it would be useful to have representatives from other Parliaments with us. You are right, Irene.

Are members available at 6.30 on 16 November?

Ms Oldfather: What day is that?

The Convener: It is a Tuesday. Could you check your diaries and let the committee clerk know as soon as possible, please?

Is anyone available next Tuesday to meet representatives from the Basque Parliament?

Ms MacDonald: Gora!

Dr Ewing: Yes.

Maureen Macmillan: Yes.

The Convener: The meeting will be in the morning.

Maureen Macmillan: In that case, I will not be available.

The Convener: So, it will be Margo and Winnie. We will try to arrange something, depending on what the Basque delegation's diaries are like. We have also been asked by the Parliamentary Bureau to decide whether we want to meet on Monday afternoons.

16:00

Members: No.

The Convener: I took the liberty of mentioning it, but I did not think that anyone would want to.

Dennis Canavan: Where did the suggestion come from? Is it part of comrade McCabe's overreaction to the false allegations in certain parts of the media that members are hanging around on Mondays, doing nothing? Most of us have a lot of constituency work to do on Mondays. If the committee met on a Monday afternoon, I honestly believe that the service that I offer to my constituents could suffer.

The Convener: The suggestion was made due to problems that the staff are having accommodating all the committee meetings. Some committees are meeting much more frequently than was anticipated, which is starting to cause a logjam. Staff are considering ways to accommodate committee meetings as well as the Parliament's increased work load. It was always expected that Mondays could be available for committees if we so desired. I have already said that I do not think that members are interested in that suggestion.

The conveners meeting also discussed ways to cope with the increased work load without causing problems on Mondays and Fridays. People are aware of members' significant constituency work load. We will say no to the suggestion.

Briefing

The Convener: I think we should perhaps leave this agenda item, unless there are any specific requests.

Bruce Crawford: We received a copy of a paper, dated 17 September.

The Convener: That is the paper to which I have already referred. Jack McConnell will attend the next meeting.

Bruce Crawford: Will he deal specifically with issues of public expenditure, planning and additionality? I am not talking about the objective 2 issue. I want to talk about the whole issue of structural funds and the Scottish assigned budget.

The Convener: The paper was produced in response to the questions that we asked the minister about whether expenditure in Scotland would change as a result of the objective 2 decisions. I do not think that the paper is clear enough, but that is something that we can question him about at the next meeting.

Bruce Crawford: I am trying to help here with the questions that we may want to ask.

The Convener: I am informed that the minister will be at the meeting on objective 3. We have not had a decision on objective 2. Is there anything on which the clerk can usefully brief us? The briefing paper arose from comments made by the minister, and only he can clarify the points made in it. If members want me to, I will go back to him, as I certainly do not think that the points have been addressed.

Bruce Crawford: My specific area of concern is the paragraph on public expenditure and additionality on page 2 of the document. It is somewhat alarming—indeed bizarre—that, due to the fact that

“In line with UK public expenditure practice, all European receipts are counted against Departmental public expenditure totals”

and to the fact that any money spent is within the departmental expenditure limit, if we successfully increase structural funds in Scotland, other budgets will suffer. That is what the paper says.

The Convener: The chances of structural funds increasing in Scotland are fairly remote.

Bruce Crawford: That does not deal with the principle of the matter.

The Convener: It is a valid point, but let us wait to see what the settlement is. If the problem arises, we will investigate it. There is no point doing so now. We have enough on our plate without getting into areas of theory. Bruce, if you think that a briefing note would help, we will ask for one.

Bruce Crawford: I want a briefing note on that whole area. It is not just about the budget going up and down depending on the structural funds; it is about the fact that that sum is counted in the Scottish block.

The Convener: To help the clerk, what exactly

do you want a briefing note on?

Bruce Crawford: I want a briefing note on public expenditure, planning and additionality.

The Convener: Do you mean how European funding and the Scottish block work?

Bruce Crawford: Absolutely. That will be an issue not only for this committee, but for the Finance Committee.

The Convener: We will see what information we can get on that. Are there any other requests for briefings?

Dennis Canavan: I want to ask about the timing of the next meeting. How firm is the date of the meeting with Jack McConnell on 19 October? I will try to make it, but it will be difficult. Was there any consultation with members of the committee before the date was fixed?

The Convener: That was the date that was suitable for the minister. It is not particularly convenient for me either. We can certainly ask if there are any other days on which he is available, although the indication was that that was the only one. Who is available on 19 October? Seven of us are available. I think that we will need to run with that date unless something untoward happens. The only other option would be to see whether the minister is available later that week, but that may cause other problems. I am informed that there is also an issue about having the time once we have met the minister to turn our comments round and pass them to the Executive, in time for the deadline in Brussels.

Ben Wallace: I do not want to make war with the minister, but the problem of ministers' availability not matching that of members was also raised at the Health and Community Care Committee. Ministers may not quite invite themselves to committees, but often the date on which they are available does not fit in with the committee's work. Do we have the power to summon ministers to a committee? Perhaps that could be clarified at the conveners meeting.

The Convener: We said that we wanted Jack McConnell to speak to us about objective 3 funding as soon as possible. He is trying to accommodate that request. If we had asked for an early date, the difficulty would have been that we would not have had the documents to allow us to give the matter proper consideration. We therefore agreed to delay the meeting, which put it back to the second week of the recess. The minister suggested the Tuesday. We went with that, because that is the day on which the committee tends to meet, but we can suggest another date to him.

Dennis Canavan: If the minister was available for the meeting the following Tuesday, would that

interfere with the timetable for us getting our thoughts into the decision-making machinery?

The Convener: Yes. We must hold the meeting on either the Tuesday or the Thursday of that week, although the Thursday is beginning to look a bit tight as well.

Members: Tuesday.

The Convener: Thank you.

Meeting closed at 16:08.

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