

EUROPEAN COMMITTEE

Tuesday 21 March 2000
(*Afternoon*)

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EUROPEAN COMMITTEE

6th Meeting 2000, Session 1

CONVENER

*Hugh Henry (Paisley South) (Lab)

DEPUTY CONVENER

*Cathy Jamieson (Carrick, Cumnock and Doon Valley) (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)
Ms Margo MacDonald (Lothians) (SNP)
*Maureen Macmillan (Highlands and Islands) (Lab)
David Mundell (South of Scotland) (Con)
*Irene Oldfather (Cunninghame South) (Lab)
*Tavish Scott (Shetland) (LD)
*Ben Wallace (North-East Scotland) (Con)
*Allan Wilson (Cunninghame North) (Lab)

*attended

WITNESSES

Mr Jack McConnell (Minister for Finance)

CLERK TEAM LEADER

Stephen Imrie

ASSISTANT CLERK

David Simpson

LOCATION

Committee Room 1

Scottish Parliament

European Committee

Tuesday 21 March 2000

(Afternoon)

[THE CONVENER *opened the meeting at 14:04*]

The Convener (Hugh Henry): I open the sixth meeting of the European Committee this year. I have received apologies from David Mundell. Margo MacDonald also has other commitments and Tavish Scott will have to leave the committee to attend the Rural Affairs Committee.

European Structural Fund Programme Management Executives

The Convener: The first item on our agenda is a review of the European structural fund programme management executives, their relationship with the Scottish Executive and the role of the programme monitoring committees.

Today represents the conclusion of our investigation into the future role of the programme management executives. In January we launched the review of the new arrangements for managing the next round of European Union structural funds and we have taken evidence on that. A draft committee report has been circulated and a copy of it has been sent to the Minister for Finance.

We have the opportunity to hear the minister's reactions to the report and to other observations that have been made to him. I hope that he will also comment on the role of the programme monitoring committees. Today's discussion is not about the objective 2 plans. The minister will come back to the committee on 4 April, when we will consider the finalisation of those plans. Today, we shall concentrate on the PME's and the PMC's.

Having said that we want to comment on PME's and PMC's, I would like to abuse my position as convener to tell the minister that, when he comes back in a fortnight to discuss objective 2, I suspect that the committee will want to ask him about problems that many voluntary sector organisations are starting to develop. They are concerned about gaps in funding between the end of the old programme and the introduction of the new programme. I have had representations from One Plus, Community Enterprise in Strathclyde, the Association of Scottish Colleges and the Scottish Council for Voluntary Organisations. I know that other committee members have also received

representations. Clearly, the voluntary sector is worried about the potential impact of the new programme. Today is not the day to discuss that, but I thought it only fair to tell the minister that we hope to discuss it with him in a fortnight.

To discuss the future role of the programme management executives, I welcome Jack McConnell, the Minister for Finance.

The Minister for Finance (Mr Jack McConnell): I know that there are concerns in the voluntary sector about the gap in funding between the end of the old programme and the beginning of the new. The Executive is actively examining the way in which we deal with that gap in funding, and we have already made provision until May or June for a number of projects and organisations that required funding to continue their work. Although we are considering that positively, it is important to remember that European funding is meant to be additional funding for those groups and organisations. The argument that they cannot survive on their core funding without European funding might call into question whether they are using European funds as added value at local level. If we provide assistance, it must not be as a substitute for the core funding that those bodies should have raised elsewhere. I hope that that is widely understood.

I will first address monitoring committees. We have received a wide range of nominations for places on the five monitoring committees. The committee has been given a copy of the monitoring committees' remit, and has almost certainly heard me say that the committees should have a much more strategic role in the next programme.

Although the monitoring committees in Scotland have performed an excellent role in the European structural fund programmes over the years, it is right that we should develop the committees' strategic role because of changes in the regulations, the new circumstances in which we as MSPs find ourselves and the constant need to justify expenditure of public money. The committees are at the peak of a structure that includes a proper management committee to deal with the operators who use the funds, and advisory groups that give advice on applications that might be successful. I hope that I will reflect that strategic role through the appointments that will be made in the coming weeks.

In seeking nominations, we included for the first time social partners and employers and employees organisations. We also asked the councils to nominate elected members rather than the officials who represented the councils in the past. Such a significant change has been widely welcomed in Europe and throughout Scotland; it is right for the monitoring committees and it puts us

back in the mainstream of committee organisation for European funds.

Unfortunately, the nominations that we sought are not quite as comprehensive as we had hoped, and we need to reinforce the nominations that have been received for the three objective 2 monitoring committees in the south, east and west. We must also seek more nominations. Although the closing date was 22 February, I have asked officials to contact local and national organisations to get a wider range of people. That is partly because of the skills, experience and strategic overview that people can bring to the committee and for other reasons of geographical and gender balance that the Executive has set out as initial objectives. However, we will be able to move quickly to appoint the members of the Highlands and Islands and objective 3 monitoring committees, and I will make sure that the committee is informed of the appointments as soon as they are made.

On the programme management executives, the committee has already discussed the report that was prepared for me by Lex Gold and his working group. The report was excellent—I am very grateful to the group for its work—and its recommendations should be welcomed and acted upon. We are working on more detailed guidance to implement the recommendations, and will obviously keep members informed of any developments. The report clearly demonstrates that the Scottish model of PMEs is good and has served us well in the past, but we can build upon that model by streamlining systems, improving efficiencies, creating better evaluation and monitoring systems and sharing costs and best practice among PMEs. That will make the processes of programme management decision making, monitoring and evaluation more strategic and effective.

In the new arrangements for Scotland, it is vital that the work of the PMEs and monitoring committees ties in with policies at every level. Furthermore, a key aspect of our model is that we will continue to involve partners in decision making and the sharing of costs and organisation. The report shows that we can achieve streamlined costs and improve the quality of our service, which can only be a good thing.

I wanted to mention specifically the proposed Scottish structural funds forum and I welcome the recommendation to consider that in detail in relation to membership. I hope that if that forum goes ahead—as I expect it will—the committee can be involved in it.

Finally, what I assume is the committee's draft report in response to Lex Gold's working group report was very helpful. I would be willing to consider actively all the points that are made by

the committee in that report and any additional points that are made this afternoon.

14:15

The Convener: I throw the meeting open for questions and comments.

Bruce Crawford (Mid Scotland and Fife) (SNP): I do not mind kicking off.

Thank you for your introduction, minister—in particular your comments on the committee's paper. It is useful to hear you talk about it in those terms.

You will probably respond to Lex Gold's material and that of the committee in due course. One of the issues that we discussed in an earlier committee meeting, and with Lex Gold, was the specific role of the Executive as the managing authority of the PMEs and their work, and the means by which European partnerships can continue to play a viable role after 2006. What are your views on the role of the Scottish Executive as the managing authority? Lex Gold said that there was a potential gap in that he had not considered that in the work he undertook. It might be too early for you to respond, but even an indication of how you see that would be useful.

Mr McConnell: Those are important issues—pulling together extra strategies for 2006 is vital. Much of what is said in the steering committee's report about having a mid-term review is useful. The committee was supportive of the idea of an annual review, which could contribute to a mid-term review. We should use the mid-term review to clarify our thinking about what will happen in 2006.

It might be too early to speculate on a clear role for the European partnerships after 2006, given that it is hard to predict what the political, economic or administrative circumstances in Scotland might be at that time. For example, we will have had another six years of the new structure of local authorities by then. During that time, there might be reviews of some of the partnership organisations, such as local enterprise companies and so on.

However, important lessons have been learned from regional partnerships in Scotland. Those lessons should not be forgotten by any part of the organisation after 2006. In many ways, they could usefully be learned by various other organisations—outwith European funding—between now and 2006. I hope that the lessons will be addressed by the mid-term review and that we will consider how the partnerships between the various bodies that are involved can continue. Whether such partnerships are on the same basis as the European partnerships might be up for

debate—that would depend largely on what replaces structural funds in 2006 or what other funding mechanisms are in place throughout Scotland at that time.

Allan Wilson (Cunninghame North) (Lab): On the mid-term review and the exit strategy, I am keen that the programme, as part of the overall Executive strategy, should address the twin objectives of sustainability and the wider social inclusion agenda. The committee's report recommends that the Executive should look more at extending the finance that is available through public-private partnerships and at its ability to address wider social problems by using venture capital and other sources of private capital. We asked the Executive to introduce plans to that effect—is it your intention so to do?

Mr McConnell: The loan funds that operated in the east and west under the old programme were obviously successful, and I want to encourage that kind of approach across each of the programmes for the next period.

I also met the European Investment Bank, which is keen to invest in such funds in Scotland and elsewhere in Europe in future. We plan to hold further meetings with the European Investment Bank and others so that it can put forward ideas on the sort of resources that it might make available.

The idea of trying to recycle funds and to pump-prime for a longer period is good. It has been successful where it has been tried and it should be a feature over the next six years—the plans allow for that.

The Convener: Before I bring Bruce Crawford back in, I will stay with that point, minister. As well as considering the potential for public-private partnerships and private capital to help boost the available funding, there is an underpinning idea that in many cases we should encourage loans, rather than direct grants, to be given. In that way, money could be recycled and could be available over a much longer period. I know that there will be occasions when that approach is not appropriate and when direct grant aid is still required. However, is the Scottish Executive prepared to consider changing direction? How quickly might that happen? We cannot afford to lose time and we might find ourselves halfway through a programme before that approach is introduced, if it is considered to be a good idea.

Mr McConnell: I have no difficulty with that proposal, if it falls within the financial and accountability arrangements that must be in place. The more flexibly we can use funds, the better. I am not sure whether discussions have been held on that kind of loan financing, apart from in relation to the development of small and medium

enterprises. However, if the opportunity arose to use that approach and the circumstances fell within the financial restrictions, I would have no difficulty with it. Anything that helps to recycle European funds or that encourages the pump-priming, added-value role of European funds, rather than seeing them as simply a contribution to core costs, is very useful.

The Convener: I have received a request from the broadcast staff for everyone in the room to switch off their mobile phones because they are interfering with the equipment.

Bruce Crawford: I will switch my phone from vibrate to off.

Thank you for your answer on exit strategies and on the strategy for getting to that point, minister. How do you view the position of the Scottish Executive as the managing authority? We picked up on some weaknesses when we discussed that matter with Lex Gold—perhaps the role of the Executive was not explained sufficiently in his report. It was not clear how the Executive drove the programme management executives' strategic thinking, nor were the links between the Scottish Executive and the on-going work explained clearly. I am, I suppose, asking for a flavour of how you envisage the Scottish Executive—as the managing authority—overseeing all the work. We did not see clearly from the paperwork how that is being done. I think that I have explained my question as best I can.

Mr McConnell: The table in the steering committee's report helpfully laid out the responsibilities of the partners—that is, the responsibilities of the programme management executives and of the Scottish Executive. Those responsibilities were not specified so clearly in the past, so that is a helpful development. The key to securing good performance from people is to specify clearly in advance what they are expected to do.

The Scottish Executive has a vital overall role. It is responsible for the financial rules; it is responsible for ensuring that the various monitoring committees and PMEs are operating within the policy context that we set; and it is responsible for ensuring that there is accountability in meeting the regulations and plans that have been put in place. The Executive will also hold national reviews annually and halfway through the programmes, and will be involved in setting out the core indicators throughout Scotland. Clarification of the roles of PMEs and the Executive will ensure that the funds are better and more effectively used and that we meet the objectives that we set.

Bruce Crawford: I understand the need to go down the road that you have just described. The

committee is particularly interested in the reviews. Where do you see the committee sitting in the review process? How might our review capacity be brought to bear in a way that provides added value?

Mr McConnell: The annual implementation reports are very much part of the new programme. The reports will not only be about what has happened, but might include recommendations for adjustments to particular programmes and to the balance of resources. I assume that they could also include recommendations for changes to the way in which the programmes are being managed through the PMEs and the monitoring committees, if there are particular concerns or if we want to extend one area's good practice to other areas. I see the European Committee as having a role at that stage. The committee would be firmly involved in commenting on draft reports, for example. That would give members a chance not only to consider what is happening from a national perspective, but to bring to bear their local knowledge. That would not overload the committee with detail on an on-going basis, but would give it a strategic role in the process—a role that it would, presumably, welcome. I would certainly welcome that.

The Convener: Paragraph 54 of our report addresses that issue. Your officials might want to reflect on the suggestions that we make.

Dennis Canavan (Falkirk West): My question relates to paragraph 54 of the report. I do not know whether the minister has had an opportunity to study it, but would he care to respond in some detail to the suggestion that is made in paragraph 54 about the European Committee's involvement in the annual review of the programmes? It is proposed that the Executive should be asked to submit a short paper stating what it has managed to achieve during the year and where it has fallen short of its objectives. It should also be asked to submit a plan for the forthcoming year. At the same time, the European Committee should have the opportunity to question the minister and his officials and to make suggestions about what could be done and, if things have gone wrong, how they could be improved.

Mr McConnell: I have no difficulty with that. As part of the annual implementation report, it would be possible for us to produce a summary that could form the basis for discussion in the committee. The committee might enjoy reading the huge documents that occasionally land on my desks. It might, however, be more productive to focus on a summary of the key points—what we were trying to achieve, what we achieved and any discrepancy between those aims and what was planned for the following year. I am sure that we can come to an arrangement on that between now and next year.

14:30

Irene Oldfather (Cunninghame South) (Lab): The minister will be aware that in other regions—in England, for example—Government departments, rather than programme management executives, undertake a lot of this work. I accept what the minister says about the effectiveness of the Scottish model, but duplication was highlighted throughout the report.

Minister, you mentioned the importance of best practice in streamlining and sharing costs. How would that take place in practice and what sorts of tasks would be shared?

I talked with Lex Gold about my concern that partners in the projects also play a role in evaluating the projects. That seems incestuous and I wonder whether the report has tackled that. How can we ensure that partners do not have a dual role and instead address the wider strategic objectives? That seems hard to ensure, given this system.

Mr McConnell: It is difficult but not impossible. If we clearly set out the terms of reference of the monitoring committees and ensure that the membership of the committee is more widely based than it was before, that strategic overview can be provided. I will not appoint to a monitoring committee anyone who has been nominated by one of the representative bodies of the partners in the project unless that person is firmly committed to taking a more strategic overview and will not simply represent their own sectoral interest or organisation. I would expect to become aware during the year-on-year review of the function of the programmes if that commitment was not being demonstrated.

The issue is also important in relation to advisory groups. It is vital that we make it clear that members of the groups are there not to serve their sectoral interest but to take a wider perspective. We need to monitor that to ensure that it happens in practice.

It would be wrong to move away from the partnership-based approach, which in many respects has served Scotland well. However, we must keep in mind the fact that, although there are advantages to the partnership approach, some people who are not involved in the process feel that the system has reflected only the interests of those who are involved in it. None of the evidence that I have seen since becoming a minister points to that being the case, but I am conscious that the suspicion is there. In questions of public money, perception is sometimes as important as reality, so it is vital that we continually review the process to ensure that it is independent and strategic at all stages.

Irene Oldfather: Why did we not simply introduce clear criteria and appoint independent experts? That would have removed any potential for suggestions of abuse within the system.

Mr McConnell: We did not do that because there was no evidence of abuse within the system. I am aware that it might be said that some people whose organisations benefit from the funds that are available are involved in the decision making and so must be looking after their own interests. However, it is important that the process is seen to be strategic, independent and transparent. Our job—ultimately, this comes down to the elected politicians—is to ensure that that is the case.

It would have been wrong to have moved away from a system that has, I think, had a good record on expenditure and on projects and that is viewed elsewhere in Europe as a success. We should build on that system and build fresh assurances, particularly given the transparency of the democratic system under which we are now operating in Scotland. Things are different from in the past.

Irene Oldfather: Do you envisage a tightening-up of the criteria in relation to project assessment? That might go some way towards ensuring more transparency.

Mr McConnell: Yes—there should be tightening-up and consistency across the various PMEs. The use of technology will bring a simplification and a reduction in the duplication of effort. We may be able to share best practice a bit more across the various PMEs. We can streamline the process in a number of areas and we can specify the criteria. The report mentions that the criteria would be more clearly specified in advance to the organisation, so that there could be no accusation that some people had the advantage of knowing what the criteria were when others did not.

All those mechanisms, as covered in the report, are welcome and I want to ensure that they are carried through. It is all very well to have identified the issues and to have made recommendations—the steering committee has done a very good job in a short space of time—but we need detailed guidance on how that will operate in practice in the local bodies. That is the stage that we have now reached.

Irene Oldfather: Could you answer the point about duplication, minister?

Mr McConnell: Criteria and project definition represent one issue, and efforts can be made to examine the compliance requirements. The process of area-based strategies could provide us with an opportunity to consider composite applications so that people do not have to make lots of almost identical applications to various

bodies. The use of compatible information technology systems would enable us to streamline costs, the applications process and parts of the financial process while still providing the necessary accountability and ensuring that the PMEs retained their role. A more unified approach to business planning is important across Scotland—not just between the various PMEs but within each one.

In all the areas that we have discussed—and more—the report throws up issues that should be tackled. On each of them, I have asked officials to prepare more detailed guidance, which can then be given to the monitoring committees and implemented when those committees are in place. The PME is then appointed.

Irene Oldfather: Would those measures result in a reduction in management costs and in the top-slicing of 1.25 per cent?

Mr McConnell: I am wary about setting specific targets at this stage and of making specific predictions. Any organisation whose total funds are decreasing by a significant percentage—I am thinking of the whole European structural fund package in Scotland for the next seven years—should be expecting to streamline its administrative and overhead costs. If that does not happen, I will be commenting on that, as I am sure this committee will, too.

I expect a reduction in overhead costs, perhaps over a period of time—not necessarily right away. There will be some setting-up costs. We need to ensure that the reduction occurs when systems are improved. I would be disappointed if we were not working with a more efficient system in terms of value for money.

Dr Winnie Ewing (Highlands and Islands) (SNP): Thank you for coming along, minister. I wonder whether I could take you up on your preference to meet the EIB, which interested me a lot. You said, I think, that you will meet EIB representatives again, so you must have plans to do so regularly. Its help—cheap money to local authorities—has been of considerable assistance to Scotland in the past. I wonder whether that is still the case.

My other question is whether you can find out if the programme is still in operation whereby, if banks chose to make loans on more favourable terms than the usual commercial terms, they would receive a guarantee from the EIB. As I recollect, only English banks volunteered to enter that system, which was the source of considerable complaint from people such as myself. In the end, Scottish banks entered the system, too, and that was very advantageous. Banks were still independent, making commercial assessments interview by interview, but they could give more

favourable treatment knowing that the EIB was a guarantor. I thought that that was a practical hand-out to help business. The problem was that the loans were usually given to larger rather than smaller businesses, although at some point the scheme was extended to smaller businesses.

I have not been able to find out whether that scheme has stopped. I never read about it and I do not hear about it. Could you inquire whether that excellent scheme is still in operation, and whether our Scottish banks are participating or leaving it to English banks?

Mr McConnell: I would be happy to undertake that inquiry and to give you that information. My general understanding is that the EIB is considering direct support for small and medium enterprises rather than for national banks.

The first issue that you raised is also important. Although I have had one meeting with the EIB, the plan for the next meeting is to give the bank an opportunity to speak directly to those who are involved in SME support and other forms of assistance throughout Scotland. The bank is keen to do that, so that it can outline what it might make available at a European level, the sort of schemes that it has supported in the past and those that it would be prepared to support in the future. Such a seminar could be productive, and I would encourage it, although I would not necessarily be involved in it personally.

In the meantime, I shall check whether the scheme to which you referred is still in operation and will get back to you.

Ben Wallace (North-East Scotland) (Con): The draft report makes clear our fears about co-ordination. We are told that the PMC is to be chaired by the Scottish Executive. Who exactly will chair the PMC? That position will be vital in terms of co-ordination. I know that we are not going to go into objective 2 funding too deeply, but one of our fears is that there is a duplication in aims for objective 2 and objective 3 funding. In my view, there is already duplication in the three plans that have been submitted; in several areas, some issues are being pursued that might come under objective 3.

The plans also contain a great deal about training and enterprise. I would like to know whether there will be co-ordination in the PMC between the Minister for Enterprise and Lifelong Learning and the Minister for Finance and how that will impact on the enterprise and lifelong learning strategy. Who will co-ordinate the plans within the PMC?

Mr McConnell: There is co-ordination within Executive departments and at ministerial level. I am also keen to take up the point that the report makes about co-ordination between the different

monitoring committees and management executives. That is essential. Clearly, an element of the programmes might appear to lead to duplication, as different parts of the plans are framed in the same terminology. However, it is important that we have enough co-ordination between the management executives to avoid duplication. The report urges us to examine that issue, and we will do so.

The Scottish Executive will continue to chair the monitoring committees, but we have not yet announced whether the person who does that will continue to be a civil servant or somebody from the list of nominees that we have received.

14:45

Ben Wallace: It will not be a minister.

Mr McConnell: No.

Ben Wallace: So it will be an official or an appointee.

Mr McConnell: Until now it has been a civil servant. I am yet to be persuaded that that needs to change, although we have not confirmed that it will continue. The option is open to us to appoint somebody who will represent the Executive and chair the committee with civil service support.

Ben Wallace: You are happy with that level of accountability.

Mr McConnell: Yes.

Ben Wallace: I know that the convener asked you about the gap in the core funding for some voluntary groups. You assured us that they should not be relying on European funding, past or present. That is another area where I feel that there may be a lack of co-ordination. The funding priorities in the draft plans for the west and south of Scotland give a clear indication that the partnerships will continue to fund organisations in the same way. Therefore, if the gap is bridged, the organisations that have written to us to express fears about the gap will continue to be funded in the same way as they have in the past, contrary to what you have just said. An immediate role for the PMC might be to examine the draft plans, because some of them continue that motion.

Mr McConnell: I think that I may have been slightly misunderstood. The point that I was trying to make is that the funding of all the various projects across Scotland from the European structural funds is meant to produce added value in the organisations that receive it. Based on that understanding, it is not easy to justify the argument that it is vital to maintain funding because the organisation or complete projects might fold if there is a three or four-month gap. People who make that argument should be

cautious, because the schemes should add value. That does not mean that there is not a good case for providing support in some cases, such as the need for continuity of project participants, facilities or staff. We will genuinely consider the matter very seriously and I am happy to talk about it in a bit more detail in two weeks' time, as the convener requested.

I want to make it clear that, increasingly—given that European structural funds have a limited lifespan and that we are in the business of providing added value to the organisations and projects that are in place—the funds should not be seen as providing base support to keep organisations going.

Dr Sylvia Jackson (Stirling) (Lab): First, I want to say a little bit about the gap in funding. Continuity of staff is a big issue at the moment. I thought that there had been some sort of guarantee that the issue would be examined to ensure that nothing untoward happened.

Secondly, I want to go back to co-ordination between the PMEs, which strikes me as an area where sharing of best practice could be really valuable. I understood from what you said that you do not quite know how that will be operationalised, but that you will take the idea away and consider it.

Mr McConnell: Absolutely. A key element of all this is to ensure swapping of best practice. You are right to say that there was a guarantee that we would consider filling gaps to try to ensure continuity for organisations. The point that I am trying to make is that it is vital that European structural funds are not seen as part of general Government funding—they are a limited part of our overall budget and have a very specific purpose. It is critical that organisations across Scotland do not come to rely on them too much, in their own interests. Those who have known for some time that the gap was coming should have been preparing for it. I am keen to ensure that that has been the case before we make some final decisions.

Dr Jackson: Another point that was mentioned in the steering committee's consultation process was the training of staff in PMEs, particularly in relation to sustainability and the horizontal themes in general. Has that been taken on board? To get any benefit, that would have to be done early on.

Mr McConnell: That is being taken on board in a number of ways. We are keen to improve training and to share training across PMEs. There are issues about the training of staff to assist with organisations and about planning for the longer term. Scottish Natural Heritage will be involved with training on sustainable development and the Equal Opportunities Commission will be involved

with training on equality aspects. Those are key themes in the new programmes and discussions on them are taking place.

Dr Jackson: The lack of representation on the monitoring committees from higher and further education was mentioned. Will that matter be addressed?

Mr McConnell: I would imagine that each monitoring committee will have some representation from the higher and further education sector. It is critical that the people on the monitoring committees represent the wider interests of their whole area or the whole programme, rather than their sectoral interests; it is also critical that the right people serve on the committees. I am considering nominations carefully because it is important, particularly in the geographical programmes, that the nominees from higher and further education have a wider geographical interest rather than a specific sectoral interest. I am not keen on the idea of appointing to a monitoring committee someone who is an Executive official or a representative of a higher or further education institution that is outwith the geographical area—I do not think that that will happen.

Dr Jackson: Finally, how will the Scottish co-ordination team co-ordinate across the system? Will it do that at the start of the process or all the way through? How does it relate to the monitoring committee, to the Executive and to this committee?

Mr McConnell: We are considering the remit of the co-ordination team and will review that alongside the idea of a structural funds forum. In due course, I will be delighted to provide members with a note on the outcome of those discussions.

The Convener: I have two points, one of which follows from what Sylvia Jackson said about the involvement of the higher and further education sector. You have said that you will examine matters closely to ensure that there is transparency and an equitable use of funds. In its review, the committee will want to ensure that there has been no disproportionate allocation to those who have been involved in the process—I think that that was the point at which Irene Oldfather was driving. We have an opportunity to ensure that there is complete objectivity. Secondly, who do you expect will chair the Scottish structural funds forum?

Mr McConnell: The recommendation is that I will chair the Scottish structural funds forum. That is one reason why I will have to think about it before I make the final decision. I imagine that the forum will be chaired by the minister who is responsible.

The Convener: Thank you for your attendance,

minister. This meeting has been very helpful. If there are any substantive points that will change the gist of our draft report, I will ask Stephen Imrie to incorporate them into the report, but I do not think that I have heard anything that fundamentally changes our view. Is the committee agreed that the draft report should be taken forward as the committee's report?

Members *indicated agreement.*

The Convener: We look forward to seeing the minister again in a fortnight.

Mr McConnell: Or even next week in Brussels.

The Convener: Quite possibly.

Ben Wallace: I want to raise one point about the chair of the PMC. I am unsure whether an appointee or an official will chair the PMC. The PMC is the authority that implements the strategy for European structural funds across Scotland—it is accountable for the financing and the co-ordination of the Government's policy across all departments. I do not think that an unaccountable, appointed chair would provide sufficient protection for the use of that money.

The Convener: I would be interested to hear other thoughts on that. In discussions that I have had with a range of organisations, this has not been raised as a major issue. Many organisations are fairly flexible and are not unhappy about someone other than an Executive official chairing those committees. I have been told that, if there is to be any change, people must be given time to prepare for it. The committee chair must be someone who has the expertise and the time to make the system work properly. Whatever we suggest, we must be careful that we are not changing things for the sake of it. We must ensure that any change will enhance the process.

Irene Oldfather: I want to pick up on a point that the minister made on technical assistance budgets and management costs. Lex Gold's report has identified duplication in some areas. The minister spoke about the way in which that duplication can be resolved to some extent—

The Convener: Can we stick with Ben's point? I will come back to your comments. Are there any other views on who should chair the committees?

Dr Jackson: I may be showing my ignorance, but I thought that there would be a PMC for each of the five areas. I agree with Ben, but in practical terms it would be impossible for the minister to chair all those committees.

Irene Oldfather: I do not think that the intention was for the minister to chair all the PMCs.

The Convener: Ben's point is that an official from the Scottish Executive would chair the committee and that it might be better for another

organisation to undertake that role.

Ben Wallace: No. I would prefer an elected representative or an official. I thought that there was only one PMC, but five PMEs. Is that right?

Irene Oldfather: No, there is a PMC in each PME.

Ben Wallace: In that case I would rather a Scottish Executive official than an appointee chaired the committees.

The Convener: That is what happens now. We have not recommended a change.

Ben Wallace: The minister said that he had not decided yet; he said that the chair might be an appointee.

The Convener: We could recommend that the present system continues or we could suggest a change.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I thought that the minister said that he was yet to be persuaded of the need for a change. I took that to mean that the current arrangement would continue unless someone persuaded him otherwise. I do not think that there should be change.

Allan Wilson: I am not exactly sure what is being proposed, but it would be folly to break what seems to be a strategic connection between the Executive, the implementation of the overall strategy and the appointment of the chairs of the PMCs. If the arrangements were altered, the Executive would have no direct involvement in the PMCs and their role in overseeing the implementation of the strategic agenda.

The Convener: I suggest that our report should say that we see nothing to suggest that the current arrangements should change but that, if a change were to take place, care should be taken to ensure a strategic overview, continuity and accountability.

15:00

Irene Oldfather: I wanted to make a point about overhead management costs. Paragraphs 41 and 42 and the subsequent section on funding mention duplication and co-ordination. It might be helpful to follow up on the minister's point, which was that, as we are streamlining costs and systems, we would expect a reduction in management costs over time. We might want to strengthen that point.

The Convener: The minister has already indicated that that is his expectation.

Irene Oldfather: That is also the expectation of the committee.

The Convener: We could say that we agreed with the minister's view that there was an

expectation that management fees should be reduced when funding was being reduced.

Irene Oldfather: That is important for organisations on the ground. Some organisations do not access the PME's when compiling their applications as much as others do, and yet they are still top-sliced for a significant amount. It would be helpful to reinforce the point that, because organisations will be sharing costs, we would expect the amount that is top-sliced to be reduced. That would send a message out to people on the ground that we support them.

The Convener: We will incorporate a careful form of words that reflects the aspirations of the minister.

Are we agreed on the report?

Members *indicated agreement.*

European Structural Funds Inquiry

The Convener: The next item on the agenda is the remit for our inquiry into structural funds and their implementation in Scotland. Members have received a briefing paper that contains some suggestions. Before I open the meeting up for discussion, I will make a couple of general points. The issue of who should take the inquiry forward—and, indeed, the way in which that should be done—has still to be finalised by the Parliamentary Bureau, which is debating the matter this afternoon. I presume that we will find out after that meeting exactly what will happen.

A remit has been proposed, and some suggestions have been made—but not set in stone—about people who might participate. A time scale has also been suggested. The dates have been included to give members a rough idea of the time scale within which we want to operate. We are not saying that it must be those people on those dates; we want simply to give members some understanding of how the process will work.

Bruce Crawford: I appreciate those comments, and we wait with bated breath the outcome of the bureau meeting.

To help us to gain a clear understanding of the structural funds—how they affect the Barnett formula, how the Barnett formula affects them, and so on—and to help us to understand whether the funds are truly additional, it might be useful to have three people to advise us, to ensure that we can fulfil the remit.

One person in particular has come to mind while I have been sitting here. John Usher is the head of the European office or secretariat—I am not sure of the exact title—in Edinburgh University. When I met him last week, before the publicity surrounding the European Committee's visit to Brussels, he said that he was interested in additionality and that he might be prepared to come and speak to us. That would be useful.

Under the heading "Key Issues", the briefing paper asks

"Is there a difference from the Welsh situation?"

It might be useful to have a view from Wales that is as dispassionate as we can get. We could invite Gillian Bristow, who in conjunction with Nigel Blewitt produced a report on this issue for the Institute of Welsh Affairs.

The list suggests witnesses from the Scottish Council for Voluntary Organisations and the Association of Scottish Colleges, and I understand why they are included. It might also be useful to find out the Convention of Scottish Local

Authorities' view on additionality and any problems that have arisen in the way in which the funds have been managed. I may be taking a risk in suggesting that we invite COSLA, but it ought to participate in the inquiry.

The Convener: I agree. Scottish local government has a broad perspective and can make a significant contribution to the debate. Bruce Crawford also suggested that we add the academics that he named from Edinburgh University and from Wales.

Irene Oldfather: I do not know whether members are aware of this, but last week the Court of Auditors produced a report on additionality. It might be helpful if members of the committee could have a copy of that.

The Convener: It is part of the sift process.

Allan Wilson: Bruce Crawford suggested additional academics, but the list of proposed witnesses already has an overtly academic flavour. I am not sure that adding more academics would add value to the process. We might want to substitute one academic for another. It should be possible to complete the inquiry in a shorter time scale than that proposed; we could combine evidence-taking sessions to achieve that. I am wholly in favour of COSLA coming along to provide balance to the academic input.

Dennis Canavan: I have a few general comments. The first relates to the period that the inquiry will span. It may be an idea to focus on the period since the establishment of the Scottish Parliament and the Scottish Executive, instead of going back into the mists of time.

I agree that we should hear from representatives of the Executive and the UK Government, at ministerial as well as official level. We should be ambitious and invite the Chancellor of the Exchequer. He is, after all, in Scotland more than occasionally and might be pleased to appear before the committee. If not, we will have to settle for another minister from the Treasury team. However, this is an important enough matter for an invitation to be issued to the chancellor himself.

If our remit is to include the Welsh dimension of the problem, we will need a witness or witnesses who can inform us about that.

The paper suggests that on 27 June we finalise and agree the draft committee report in private, and hold a press briefing on the same day, but that seems a bit ambitious. We may well have substantial amendments to consider on that final day, and the draft report would have to be printed before being published and given out to the press. However, I agree that we should try to encapsulate the inquiry in as short a time as possible.

I endorse strongly the recommendation that we should have an adviser. The subject matter is complex, and there is a lot of Eurospeak and gobbledegook that lay persons find difficult to understand. If someone could take us through that minefield and explain it in lay person's terms, that would be helpful. I note that at least three academics are listed as proposed witnesses. Perhaps one of them would be a suitable adviser. That is just a suggestion; I do not have any detailed knowledge about their expertise.

I would like the clerk to explain why the Parliamentary Bureau is considering the matter. Is there a potential turf war between us and the Finance Committee? Did the Finance Committee refer the matter to the bureau? It seems to me that the European Committee also has a legitimate role to play.

The Convener: Both committees put the matter on their agendas, and there is potential for duplication. The bureau will try to determine which committee would be more appropriate to lead. It may well decide that there are some things that it would be appropriate for us to consider and other things that it would be appropriate for the Finance Committee to consider. The bureau could conclude that, if there are implications for the Barnett formula or for the calculation of the Scottish block, the Finance Committee might want to consider those issues in more detail.

It would not be appropriate for the European Committee to get involved in that level of detail. We may start something that ends up elsewhere. The Finance Committee is certainly interested in examining the implications for Barnett and the Scottish block. We are trying to determine the legitimate perspective for the European Committee and how we can work in partnership with, and complement the work of, the Finance Committee. I do not know what the bureau will decide this afternoon, but we should try at least to confirm our remit.

It would do no harm to invite the chancellor. It will be for the Government to determine which minister, if any, should attend, but we should extend that invitation; that was a useful suggestion. Once we have covered other issues, I shall come back to the question of the adviser. I shall also return to the Welsh situation, as there may be other comments.

15:15

Ben Wallace: From the European Committee's point of view, the two sides of the debate are the Treasury's and the European Commission's interpretation of the way that Britain, the Treasury and Scotland monitor European spending. It is a fine balance whether the Finance Committee or

the European Committee handles the inquiry, because in one way the European Commission polices, whereas the Treasury interprets.

The list of witnesses is excellent. One of the vital components is a Treasury minister, or Treasury officials; whichever committee addresses the matter, a witness from the Treasury must be a priority. If the request for such a witness were to be turned down, that would be a great handicap to our investigation. From what I have seen, the Treasury is the key.

I wonder whether the order of witnesses is correct; perhaps the European witnesses should come before the academics. This is a matter of interpretation, then discussion, of policy; perhaps we should have the policy makers first before we have the discussion and the argument.

Irene Oldfather: Ben Wallace is right. He said that the European Commission polices us. The European Court of Auditors polices the Commission. The Court of Auditors has been quite scathing in its annual reports on European Commission and member-state spending. I am not referring specifically to additionality, but to a wide range of areas, such as agricultural spending. I would have thought that that court would be a good starting point, because we could use its information to question people.

The Convener: Is there general agreement that we will be flexible in the structure that we employ—Ben Wallace is right to suggest that we invite the witnesses in a different order—and that we will proceed as quickly as possible? Dennis Canavan is right about 27 June. That was an indicative date, rather than a specific commitment. We can determine how we handle that matter nearer the time, once we know how the work is going. Allan Wilson's point about moving as quickly as possible is valid, and I would like to come back with further suggestions.

Cathy Jamieson: I want to pick up on a few points. First, with regard to the list of witnesses, there is a danger that we will become too bogged down in the academic side of things. The inquiry should not be just an academic exercise. Whichever committee proceeds with making recommendations on how we get best value out of European funding for people in Scotland, I would be loth for us to sit for weeks and weeks, taking evidence from only the academic side. I support the notion that COSLA be involved, and I hope that we issue requests for written evidence to a wide range of organisations and individuals.

On evidence taking, I hope that we can get some papers well in advance. Perhaps each witness who is invited to give oral evidence could be invited to submit a paper in advance, so that when we get down to questioning and engaging in

discussion, we can use the time productively. That would be better than witnesses repeating information, or giving us information for the first time when we do not have an opportunity to assimilate it.

Ben Wallace said that the inquiry was a priority. If we are to take on the work, and resolve it as a priority, it will not be helpful if the inquiry kicks around for a long time without any progress being made. At the risk of making myself unpopular, I wonder whether there is scope to shorten the timetable initially to take evidence, and then to allow us some time to consider and discuss it, and produce the report? That might mean more meetings, which members might not like, but we should consider that in order to get things moving.

Dr Sylvia Jackson: My first point is similar to the point that Cathy Jamieson made about the academics. I know, from Bruce Crawford's comments, that more academics may be added to list. Could we receive written information from them? Some of the academics might not be as prolific in this area as others. We might need only one paper, which would reduce the work a little.

I am concerned about which matters will be dealt with by the European Committee and which will be dealt with by the Finance Committee. While I take fully on board what you say, convener, we should keep an overview of the process. If the work becomes divided, we should ensure that we have some representation in the other committee or that we have a joint committee, so that we do not lose sight of the overall structure.

The Convener: That is a valid point.

I suggest that we agree the process generally and try to get the work completed as quickly as possible, although we can come back with revisions to the remit. We can take into account Ben Wallace's suggestion about the order in which we see people and try to refocus the structure. We can consider from whom we should invite written submissions, which might help the process, and try to give ourselves sufficient time, as Cathy Jamieson suggested, at the examination stage. Then we will have the opportunity to consider the evidence properly during the deliberative stage. We can add in COSLA as well.

Maureen Macmillan (Highlands and Islands) (Lab): That covers just about everything that I was going to say. I was concerned about the number of academics on the list. At the risk of offending them, I do not know what their areas of expertise are, except that those areas will be generally European. Are they economists? Do they share the same point of view? I am concerned that we might end up having academic debates rather than getting proper information out of the exercise. I agree with Cathy Jamieson. We should ask for

written evidence, rather than taking oral evidence, from the academics, particularly if they have opposing points of view.

The Convener: We had attempted to include people who, from press coverage, might have slightly different perspectives, in order to have a balanced debate. Following members' comments, we will reconsider that approach and try to work out one that is more tightly focused and that takes into account the suggestions that have been made.

Before I talk about the experts, are there other general points?

Bruce Crawford: It is a difficult balance to strike. I understand the points that members are raising, but while the experts—or academics—might bring a more esoteric level of debate to the table, they are also people who can be independent from the committee process. They will be able to give us their interpretation of the situation in the UK and, at sub-state level, in Scotland. From that perspective, they are important and we do not want to lose too much of their input.

I accept that we can receive some written evidence, but perhaps one or two of them should come to the committee to speak to us, so that we can get beneath what they are saying and ensure that that balance is achieved. I am quite happy for someone like John Usher to come in and for some of the others to move over. I was quite taken with Dennis Canavan's suggestion that we might be able to use one of the academics to advise us on how to progress the debate and to facilitate the discussion around the more technical issues. That might be a useful approach.

The Convener: It would be difficult to agree that approach now. As Maureen Macmillan said, we are not quite sure what the experts' areas of interest are. We attempted to pull together a list of names of people who had strong views one way or the other. As far as having an expert, reporter or adviser is concerned, it might be inappropriate to bring in someone who has a particular perspective on either side. I think that we should caannie on that and rework what has been proposed.

Bruce Crawford: I mentioned John Usher, who might be able to do that job. He was non-committal about his views. Allan Wilson can sit and smile all he likes, but John Usher was genuinely non-committal.

Allan Wilson: Call me old-fashioned.

Bruce Crawford: We will call you cynical. John Usher has an open mind and Stephen Imrie can confirm that. He might be of use to the committee.

The Convener: We will return to the issue of an adviser in a minute. First, we should discuss some

of the broader issues of structure.

Irene Oldfather: I think that we should consider the written evidence and then decide who should come to the committee. That would streamline the committee much more as a number of people could be saying the same thing. It is not a good idea for us to hear the same thing again and again.

We have to be clear about what we are looking for from an adviser. I do not know what experience the various people have. I know that Tom Kelly of the Association of Scottish Colleges is involved in the overall delivery for the further education sector. I do not think that we would be looking for someone with that kind of experience, given that we are analysing additionality. We want someone who has a great deal of research experience, knows the European system and has an understanding of the European Commission and the European Parliament. It might also be useful if they had a financial or accountancy background.

Organisations such as the European Parliament have independent research departments attached to them. Such departments have examined issues like this before and we might get assistance from them.

Tavish Scott (Shetland) (LD): I apologise for missing the introduction to this item. I do not want to be involved in academic exercises. If I did, I would not be in this Parliament. We are examining a political question so we should deal with the politics of it. We should deal with the relevant politicians and civil servants before the summer recess.

An academic exercise would not be complete until next year, and there may be some who want the political exercise to take that long. However, we need to deal with the question quickly because there is a public perception that all is not right. It is important that we give ourselves time to consider the evidence. We should give ourselves that time, even if it means adjusting the final date.

Has there been any clarification from the Parliamentary Bureau as to which committee is doing what?

The Convener: No. We should know later this afternoon.

Dr Winnie Ewing: There are some distinguished Scots who have retired from positions in Europe—David Miller, for example. There are others who worked in the structural administration for the European Commission. We could consider using someone like that. I cannot name many at the moment, but I am sure that there are three or four.

The Convener: It would be helpful if members could suggest the names of possible advisers to

Stephen Imrie. We will bring a short list to the committee for discussion. Can we agree to endorse the suggestion to obtain an adviser?

Dennis Canavan: Who will draw up the short list?

The Convener: The deputy convener, the clerk and I will bring the list back to the committee.

Irene Oldfather: Winnie Ewing's suggestion was a good one. David Miller used to be head of the European Parliament's research unit.

The Convener: We already have a number of names. If members would like to suggest others, they should let Stephen Imrie know so that we can draw up a short list to bring back to the committee.

Dr Sylvia Jackson: I do not often disagree with Tavish Scott, but I hope that we will not lose the academic side altogether. Even if most of the evidence that we receive is written and we invite only one or two people to appear before us, it could be useful.

15:30

The Convener: We must still secure approval for the appointment of an adviser. If we agree that we would like to pursue that, the clerk can draw up a list.

Dennis Canavan: Are there financial implications? Are advisers paid?

The Convener: Yes.

Dennis Canavan: Do we have to get approval from the Scottish Parliamentary Corporate Body before we can appoint one?

The Convener: Yes.

Dennis Canavan: If the SPCB does not approve our incurring expenditure, there may be retired people who have worked in the European Commission—the sort of people Winnie Ewing was talking about—who would be prepared to do the work on a voluntary basis, particularly if they live in Scotland. If the worst comes to the worst and the corporate body does not approve the appointment of a paid adviser, I suggest that we suss people out to see whether they would be prepared to do the work on an unpaid or expenses-only basis.

The Convener: I do not anticipate there being a problem. There is a budget for this, and we have been very sparing in our demands. We will address the problem if it arises and bear Dennis Canavan's comments in mind.

Some helpful points have been made. There is more tidying up to do, and we will revise the paper in the light of the discussion that we have had so far. We seem to be agreed on the key issues and

on the fact that we want to proceed as quickly as possible. We will follow up on Irene Oldfather's point about seeking written evidence early.

Progress Reports

The Convener: We have a report from Sylvia Jackson on her seminar on the sixth environmental programme.

Dr Sylvia Jackson: I want to start by putting this in context. We have had several meetings, of which this was just one. With the help of Helen Christie, who is on a placement from Edinburgh University, and my researcher, Paul Godzik, we arranged a meeting with the Scottish Executive to get an overview of this area. Stephen Imrie was also very involved.

Last Friday we held a seminar in Stirling, at which representatives of COSLA, Scottish Natural Heritage, the Scottish Environment Protection Agency, the Royal Society for the Protection of Birds, Scottish Enterprise, Friends of the Earth, Agenda 21, council representatives and councillors were present. We also invited representatives of community councils in the area, to get their views. It was Stephen Imrie's idea to conduct the meeting as informally as possible, so that we could get contributions from the floor. That went down quite well. Tavish Scott, who may want to say something about the agricultural side, was present, as was Robin Harper, who is the link person with the Transport and the Environment Committee and has been very useful. Tavish has been to most of our other meetings as well.

From our meeting with the Scottish Executive, we began to get a feel for the area, which, as members will appreciate, is massive. Narrowing it down to the sixth environmental action plan will be no mean feat. Yesterday I saw the environment officer from Scottish Power and Southern Electric, Dr Martin, to get a view from the energy industry. No doubt we can pursue that later. As members will know, there is a cross-party group on renewable energy. Rob Forrest from the forum of renewable energy came along to the meeting on Friday, so that sector was incorporated too. Today, we had a meeting with Robin Harper and WWF to consider the biodiversity aspects of the issue.

At the moment, we are trying to bring together all the information that we have for the meeting at the Commission next week, so that we have some big messages to discuss with the Commission. When we return, we want to pursue several areas, one of which is the academic side. We also want to consider housing, which is an important issue in terms of energy efficiency and fuel poverty. We may also want to pursue the industrial side a little more, particularly the energy industries.

Another big issue that has been highlighted all the way through, and particularly by WWF this

morning, is the importance of education, not only in schools but in terms of community-wide lifelong learning, so that we can start thinking about changing behaviour and attitudes. From the evidence that we have collected, it seems that education is a major aspect, which has not been highlighted as much as it might have been in the Commission's recent report.

The Convener: Thank you, Sylvia. You have done a huge amount of work, which seems to have generated a significant amount of interest already. That is very impressive.

Tavish, would you like to add anything?

Tavish Scott: I endorse Sylvia's remarks, particularly those with regard to last Friday, which was an excellent morning, although I had to disappear early to catch a flight home. What was most startling was the fact that we were able to put together in one room people who had a very practical point of view—memorably put by a farmer in relation to fertiliser—and people from environmental organisations and to have a decent discussion. It is good for people from environmental organisations, who are usually eloquent, university-educated people who can really get their point across, to be tackled on down-to-earth issues. We contrasted the vision with what that means at grass-roots level, the practicalities. That was a useful exercise.

The Convener: Good. Are there any other questions? If not, I thank Sylvia Jackson. We look forward to receiving the final document.

The first meeting of the European elected members liaison group has been scheduled for 25 April. It will be a discussion forum comprising the Scottish Executive, members of the Scottish Parliament, Scottish MEPs and members of the Committee of the Regions. We will circulate information as it becomes available. Members should pencil 25 April into their diaries.

Dennis Canavan: Will the meeting take place in the morning or the afternoon?

The Convener: We do not know yet.

The last item under this heading is a meeting with EU agricultural attachés, which I believe Tavish Scott, Maureen Macmillan and Sylvia Jackson attended.

Maureen Macmillan: It was quite daunting, because the three of us sat at one end of the table with a horseshoe of agricultural attachés in front of us, whom we had to ask questions. It was very interesting. We got the best response from the Irish agricultural attaché, probably because his English was better than the others' and he was a more confident speaker. Also, many of the problems he talked about were the same as those we face in Scotland, at least in terms of crofting. It

was a useful exercise. Tavish will perhaps want to add something about what he got out of it.

I certainly got the feeling that everyone had the same agenda and the same complaints about the European Union. Farmers everywhere seem to feel that they are being done down and that other people get off more lightly than they do. What is new? I probably should not have said that.

Tavish Scott: Maureen is absolutely right. That was the most useful piece of information for me. We made some useful contacts at the meeting, which will be helpful for my work in my inquiry.

Scrutiny

The Convener: The next item is the scrutiny of European documentation.

For the following document, the recommendation is for priority scrutiny:

SP 857 (EC Ref No 6206/00)

We recommend that we appoint a reporter for that document, to deliberate on it and to bring back recommendations to the committee. Are there any volunteers among those who have already been involved in such matters?

Ben Wallace: Without volunteering—

The Convener: Good man, Ben.

Ben Wallace: This goes to the Fisheries Council on 3 April and our next meeting is on 4 April, so the time scale is brief. I would recommend someone who knows a lot about fisheries.

Tavish Scott: As a North-East Scotland MSP, you—

Ben Wallace: But I will not be here on 4 April.

The Convener: From what I can gather, the date of the Fisheries Council might be moved. Do we need to bring a report back to our committee on 4 April? Ben will not be here. Do we have any other volunteers? No one is clamouring. We will ask the clerks to produce a report on that.

For the following document, the recommendation is for routine scrutiny:

SP 837 (EC Ref No 5119/00 COM(99) 654)

It is recommended that the document should be referred to the Rural Affairs Committee. Is that agreed?

Members *indicated agreement.*

The Convener: The following documents are recommended for deferral:

SP 653

SP 659 (EC Ref No 14114/99 COM(99) 608 99/246 CNS)

SP 768 (EC Ref No 5635/00 COM(99) 686)

Dennis Canavan: Can we get a copy of the proposal regarding the European refugee fund? Will a copy be available for any member who wants it?

Stephen Imrie (Clerk Team Leader): I would be delighted to provide a copy to Mr Canavan. Of course, all members can come to me after the meeting and I will take requests for documents. For the record, a complete set of documents is contained in the Scottish Parliament information

centre. Members can always get a copy there if one of the clerks is not available.

Dennis Canavan: Thank you.

The Convener: For the following documents, the recommendation is for no further action, but to copy them to other committees for interest:

SP 804 (EC Ref No 5971/00 COM(2000) 153)

SP 820 (EC Ref No 6054/00 COM(2000) 47 COD 2000/0035)

SP 824 (EC Ref No 6057/00 COM(2000) 56)

SP 829 (EC Ref No 6055/00 COM(2000) 1)

SP 832 (EC Ref No 5643/00 COM(2000) 6)

SP 834 (EC Ref No 6232/00 COM(2000) 42 2000/0040 (COD))

SP 835 (EC Ref No 6273/00 COM(2000) 81)

SP 838 (EC Ref No 5795/00 COM(2000) 26)

SP 839 (EC Ref No 6076/00 SEC(2000) 190)

Is that agreed?

Members indicated agreement.

The Convener: We are recommending no further action on the documents on pages 5 to 8.

Dennis Canavan: Is not SP 840 relevant to our inquiry on additionality? It is the special report of the Court of Auditors, concerning the principle of additionality. Would it be worth while our studying that, in view of our current inquiry?

Stephen Imrie: Yes, that was the recommendation. We recognised that it was relevant to the inquiry. We will circulate a copy to all committee members. The version of the Court of Auditors report that we have received, while it lists the Commission's replies, is not the official version. I will try to obtain the official version and circulate that to members.

Allan Wilson: Document 824 refers to the fourth phase of SLIM—I should know what SLIM is. Given my dual role in the Enterprise and Lifelong Learning Committee and our reference thereto of this item, can somebody advise me precisely what the fourth phase of SLIM entails?

Stephen Imrie: I am afraid that my knowledge of what SLIM means in the initiative may be just the same as that of members. SLIM stands for simpler legislation for the internal market.

Allan Wilson: I am in favour of that.

Ben Wallace: Bruce Crawford may be interested in SP 822 (EC Ref No 5297/00 COM(2000) 57), which is the euro document.

Should SP 695 (EC Ref No 5118/00 COM(99) 664), which is the

"Proposal for a Council Regulation providing for the general rules for a compulsory beef labelling system"

be submitted to the Rural Affairs Committee?

Perhaps this committee will be interested in SP 847 (EC Ref 6344/00 COM(2000) 155), which is the Commission's work programme for the rest of the year.

15:45

Stephen Imrie: We have already alerted the Rural Affairs Committee to SP 695, and it has a copy of the document.

Bruce Crawford, who is the committee's reporter on the euro, should have received a copy of SP 822, but, if he has not, I am happy to provide him with one. We have attempted to make documents in this sift available to members carrying out relevant inquiries. For example, the Commission's paper on environmental liability has been drawn to the attention of Sylvia Jackson.

Dr Sylvia Jackson: The paper on environmental liability suggests that the "polluter pays" principle should be extended to include damage to nature, especially to natural resources that are important for conservation and biological diversity.

The Convener: With those caveats, are the recommendations agreed?

Dennis Canavan: Have we reached the third pillar yet?

The Convener: Yes. We have taken the documents on pages 5 to 8 together.

Dennis Canavan: Does the committee have any responsibility for ensuring that Scottish police forces know about these documents? Can we safely assume that the Executive passes on the information to the police forces?

The Convener: We can check on that and respond to Dennis Canavan directly.

The committee recommended that no further action be taken on the following documents:

SP 678 (EC Ref No 5091/00 COM(99) 717 99/0284)

SP 695 (EC Ref No 5118/00 COM(99) 664)

SP 800 (EC Ref No 12073/2/99 REV 2)

SP 803 (EC Ref No 5966/00 COM(2000) 40)

SP 806 (EC Ref No 6042/00 COM(2000) 49)

SP 821 (EC Ref No 6078/00 COM(2000) 59)

SP 822 (EC Ref No 5297/00 COM(2000) 57)

SP 830 (EC Ref No 6337/00)

SP 833 (EC Ref No 6230/00 ENV 41)

SP 840 (EC Ref No 6133/00)
 SP 842 (EC Ref No 6284/00 COM(2000) 84)
 SP 843 (EC Ref No 6304/00)
 SP 844 (EC Ref No 6305/00)
 SP 845 (EC Ref No 6306/00)
 SP 846 (EC Ref No 6343/00)
 SP 847 (EC Ref No 6344/00 COM(2000) 155)
 SP 848 (EC Ref No 6345/00 COM(2000) 91)
 SP 849 (EC Ref No 6408/00 COM(2000) 74)
 SP 850 (EC Ref No 6459/00 COM(2000) 95 CNS 2000/42)
 SP 851 (EC Ref No 6487/00)
 SP 852 (EC Ref No 6510/00 COM(2000) 90)
 SP 853 (EC Ref No 13835/99 SEC(99) 685)
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 SP 860 (EC Ref No 5485/00)
 SP 861 (EC Ref No 5488/00)
 SP 827 (EC Ref No COM(2000) 34)

Working Procedures

The Convener: I now move that item 6, which is a review of working procedures, be taken in private.

Bruce Crawford: I would like the reason why item 6 will be taken in private to be put on the record.

The Convener: It is an attempt to consider the procedures and processes of the committee. We have been encouraged by the Parliamentary Bureau and the SPCB to deal with housekeeping matters outwith the public forum. This is an opportunity to review what we have done and are doing, and to plan for the future.

Bruce Crawford: I fully accept that, but I think that it is important to give those reasons before we go into private.

The Convener: Is it agreed that we take item 6 in private?

Members indicated agreement.

15:47

Meeting continued in private until 16:46.

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