

FINANCE COMMITTEE

Tuesday 22 June 1999
(Morning)

Meeting 1

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THE OLDEST MEMBER OF THE COMMITTEE:

*Dr Richard Simpson (Ochil) (Lab)

COMMITTEE MEMBERS:

*Mr David Davidson (North-East Scotland) (Con)
*Rhoda Grant (Highlands and Islands) (Lab)
Mr Adam Ingram (South of Scotland) (SNP)
*George Lyon (Argyll and Bute) (LD)
*Mr Kenneth Macintosh (Eastwood) (Lab)
*Mr Keith Raffan (Mid Scotland and Fife) (LD)
*Mr John Swinney (North Tayside) (SNP)
*Elaine Thomson (Aberdeen North) (Lab)
*Mike Watson (Glasgow Cathcart) (Lab)
*Andrew Wilson (Central Scotland) (SNP)

*attended

COMMITTEE CLERK:

Sarah Davidson

SENIOR ASSISTANT CLERK:

Callum Thomson

ASSISTANT CLERK:

Mark MacPherson

Scottish Parliament

Finance Committee

Tuesday 22 June 1999

(Morning)

[THE OLDEST MEMBER OF THE COMMITTEE *opened the meeting at 09:30*]

Dr Richard Simpson (Oldest Member of the Committee): I now convene the first ever meeting of a finance committee in Scotland. I welcome all members who are attending, and I wish to say how honoured I am to be the oldest member, chairing—briefly—this committee.

The first item is to make sure that everyone got their briefing packs and agendas for today's meeting. Is that the case?

Members: Yes.

Interests

Dr Simpson: The second item is that, under the Scotland Act 1998 (Transitory and Transitional Provisions) (Standing Orders and Parliamentary Publications) Order 1999, members' interests should be declared. Interests should have already been declared on the forms that were submitted to the committee office, and any declaration made today should be based on the declaration already submitted.

Does any member have any interest to declare that might be an impediment to their serving on this committee, or that they wish to have registered at this point for future reference? The declaration does not preclude a requirement by individual members to make an oral statement in the future if any other interest comes up in business. Are there any interests to be declared?

Andrew Wilson (Central Scotland) (SNP): What a dull bunch.

Dr Simpson: There is none.

Convener

Dr Simpson: We move swiftly to the second item: the choice of convener. Under rule 12.1.2, the Parliamentary Bureau has decided from the list of eligible members that the Labour party should convene this committee. I therefore invite anyone of that party wishing to stand for the post of convener to identify himself or herself and confirm his or her candidature.

Mike Watson (Glasgow Cathcart) (Lab): For someone as modest as myself it is difficult, but I

wish to offer my candidature.

Dr Simpson: Mike Watson has offered his candidature. Do any other members wish to offer themselves as candidates to chair this committee?

Mr John Swinney (North Tayside) (SNP): I second Mike Watson's candidature.

Dr Simpson: Thank you. The nomination has been made, and if there are no other candidates, it is not necessary to do anything other than ask that the committee by acclaim appoint its first convener.

Mike Watson was elected convener by acclamation.

The Convener (Mike Watson): Colleagues, I appreciate the honour of chairing this committee—I very much believe that it is an honour. It is important that the committee structure works effectively and that it works, as far as possible—there are, of course, limits to this—on a non-partisan basis. I appreciate John Swinney's supporting of my nomination.

We are, I think, in the most important committee of the Parliament, and we have to work not just for the Parliament and the members of that Parliament, but for the people of Scotland. That is a great responsibility, and is one which we all take on. I look forward to it, as I am sure that you do, and I look forward to chairing the committee and to its being a positive engine for taking the governance of Scotland forward in the four years ahead. I thank members for their support in that and look forward to the committee getting down to work.

Remit

The Convener: The next item on the agenda is the remit of the committee and topics for further briefing. At this stage, I have to ask if there are items or matters on which the committee wishes to be briefed to assist us in carrying out our work. The papers circulated to us a few days ago—I am reading the paper in front of me as I go along—have indicated that committees should consider legislation following the summer recess. We need to bear that in mind, but, at the same time, be mindful of issues that members may wish to raise for consideration. Are there any items that the members of the committee wish to raise?

Mr Kenneth Macintosh (Eastwood) (Lab): In our introductory briefing, possible topics for further briefing are listed. Most, if not all, of them are welcome. Will there be paper briefings or will there be briefings by civil servants?

The Convener: I understand that there can be oral or paper briefings. It is up to members to decide.

Mr Swinney: One of the issues highlighted in the briefing paper relates to the Scottish Office budget. I am particularly anxious to ensure that we have access to the appropriate range of information about the Scottish Office's past, current and future expenditure commitments. One of the severe constraints which I have found in the work that I have done in this area has been on access to detailed information. It has not been on a level allowing one to form a picture of the patterns of public expenditure and of the lessons to be learned from the way in which public expenditure has been allocated within the Scottish Office.

To allow us to engage the Executive in a debate—which I assume we will do in due course—on the direction of its commitments on public expenditure, it is important for us to have a full understanding of the components of public expenditure within Scotland. Some of the publicly available information, including “Serving Scotland's Needs”, which was published by the former Secretary of State, and which will, I assume, be published by the Scottish Executive, gives some headline information about the patterns of public expenditure, but I have never felt that it provides all the answers or mechanisms to find the answers to public expenditure questions that one may be seeking. I hope that it will be possible for the committee to access much more of the detail underpinning that presentation of public expenditure than has been available until now.

The Convener: As a committee, we can request greater detail. I note what you say, John. Is it agreed that we should seek greater detail in that regard?

Members: Yes.

George Lyon (Argyll and Bute) (LD): To reinforce what John Swinney said, if this committee is to work effectively, it is important that, before we start to move forward, we understand where the finances stand at the moment. We need some of the historical data—explanations of how allocations were made over at least the past year—so that we can conduct scrutiny from now on. It is important that we are brought fully up to speed before this committee starts its investigative work.

Mr David Davidson (North-East Scotland) (Con): May we also have an update on the changes that are likely to flow from Chancellor Brown's activities mid-term? Some bits and pieces are about to roll out and it would be helpful if we could be made aware of those in advance.

I heard at a seminar that I attended that we will be inventing a new language of accountancy. We must get that show on the road pretty early on,

and we look forward to receiving soon the handbook and phraseology book that we will have to work from.

The Convener: Under the standing orders we do not normally meet in the recess, but we may want to do so because of the amount of information to which members have referred. I suggest that it would be helpful to meet—at a time that fits in with members' holidays and so on—to consider that information, after we have had time to digest it.

Mr Keith Raffan (Mid Scotland and Fife) (LD): I have only a couple of points to make. It is important that we all take an immersion course in the Scottish budget, in particular to familiarise ourselves with some of the fairly odd accountancy measures that the Government has taken to disguise the extent to which spending in different areas has increased. The budget is not easily absorbed, and it should be presented more simply, not only to us but to the electorate at large. In the lead-up to and during the Scottish election campaign many of us had great difficulty working out what was being spent in particular areas and how much spending had increased. We must find out exactly what accounting techniques the Government is using.

I should like the convener's guidance on another point. I see that we are meant to be having a joint meeting with the Audit Committee. How do you and the committee see us relating to the Audit Committee? That is particularly important for those of us who are not members of the Audit Committee, but want to be kept fully informed of what it is doing.

The Convener: The meeting with the Audit Committee is scheduled for next week and is separate from the meeting that I suggested we have during the recess, which would be of this committee only. I do not have a clear idea of how this committee's relationship with the Audit Committee will develop. We will have to take the advice of the clerks on that and make the necessary preparations.

Andrew Wilson: I want to endorse John's point about the openness and accessibility of the public spending round. Obviously, historical spending is more easily accessed because it has happened. It would be useful if the convener could make representations on our behalf to the Minister for Finance, so that the subject can be opened up and we can be provided with a decent database, via the clerks if possible.

Another issue is the Scottish Office spending database, which is Byzantine in its complexity. We will require advice on how that should be modernised. I suggest that, now that there is a legislature to examine the Scottish Office spending

database, this committee will want to review its operation, how it performs, and the information that it provides. For example, it is my understanding that no provision is given to ministers, but that the entire block is taken and broken down into a sum that becomes the eventual budget; it seems to be compartmentalised and not summed to total. From our investigations over the past year or two, I have not found any logic to the system's workings, so it would be useful if we could open it up. That is a non-partisan point; I wish merely to improve the information that is available to us.

The detail of plans as they are announced is also important. Past experience has been that Governments tend to make a series of spending announcements that add up to far more than the total that is being spent, because there is tendency to announce and then re-announce, if you know what I mean. We would like a running total to be kept.

As the convener mentioned, there is a great deal of demand-led pressure on this committee and the schedule will be very heavy indeed. I therefore support your suggestion that we meet during the recess. However, we cannot allow ourselves to be purely demand-led and must ensure that interests raised independently of the Government's agenda are followed through.

09:45

Before I make some suggestions on that point, I want to raise the issue of research back-up and advice. We are fortunate to have an experienced and able clerking team attached to the Finance Committee, but although they can brief and access civil service advice to some extent, they cannot provide independent advice. I am strongly of the opinion that we should seek independent advice where possible. We should not only take such advice ad hoc, but discuss permanently co-opting people on to the committee who are independent and whose advice we can all agree is independent of party.

I agree with Kenneth that we should take all the further briefing that is available, in the form of written briefing to begin with. We can then make representations to the convener as to whether we would like someone from the finance division of the Scottish Office to give us oral advice.

I want to raise three issues at this stage. The first is covered under funding rules and concerns the Barnett formula. It is absolutely necessary that we examine the implications of the current funding mechanism for the progression of the Scottish budget over the coming four years. There is no clarity in published public documents about how the Barnett formula operates, and that must

change. We need to know exactly how the calculation is made in the relevant English spending departments. That will involve representations to the Treasury, which I hope the convener will be in a position to make. The Barnett formula also has implications for the relative levels of public spending in England and Scotland over the coming four years, which need to be examined and exposed at the earliest possible opportunity.

The second issue, which was raised in advance of the European elections, is European structural funding. It is clear from my research into this question that the additionality that the Treasury allows to the Scottish budget needs to be examined. European structural funding is a substantial and changing area of public expenditure. We need to examine whether the Treasury gives Scotland its correct allocation and matches that with the relevant additional funding. That is important, given the changes to the objective 1 status of the Highlands and Islands that are taking place. I am sure that Mr Lyon and Rhoda Grant will have something to say about that.

The final issue concerns the private finance initiative and public-private partnerships. Once again, I am not making a partisan point so much as seeking to open up the issue of confidentiality. For example, last night on television the former Paymaster General made the point that, while he was at the Treasury, he had sought to open up the commercial confidentiality of private finance deals. This committee ought to know exactly what is being spent and where, and the rates of return that both the private and public sectors have discounted in private finance deals. Initially, that may require that we meet in closed session, but, in the long term, we should consider making public the private finance deals that the Scottish Office and the new Scottish Executive are involved in, for the sake of openness and clarity. The key point underlying that is that all public spending should be open. From early discussions with the Minister for Finance, I am sure that the Executive is behind that.

My final point concerns the location of the committee, but I will leave it to the convener to bring that up later.

The Convener: In regard to that last point, the issues that Andrew has raised are obviously important. We want the Minister for Finance to appear before us at an early stage, although I am not sure whether that will be possible before we break for the recess or whether it should happen at the meeting during the summer recess. Is it agreed that we should invite the Minister for Finance to appear before us at an early opportunity?

Mr Swinney: Before we see the Minister for

Finance—and I would certainly welcome that opportunity—we should have an informal opportunity to examine existing public spending in more detail. There is a danger that we would have a discussion with the Minister for Finance that was a little too theoretical—I am sure that he would be able to handle that with no difficulty. Such a meeting would be more valuable if we had a better understanding of the information that underpins the Executive's current public spending commitments. It would enable us to engage the Minister for Finance in meaningful dialogue about the direction in which public expenditure is headed.

Andrew raised the issue of private finance initiatives, about which there is genuine unease across all parties. A number of questions about the transparency of private finance agreements need to see the light of day to allow us all to make a more informed judgment about the commitments that have been entered into.

Mr Raffan: I support John Swinney on that point. Until we are properly briefed, I do not think that there is much point in having an early meeting with the Minister for Finance, other than a superficial get-together.

Mr Swinney: A cocktail party?

Mr Raffan: It would be more sensible to have an in-depth briefing, which will make our meeting with the minister a lot more productive. We should meet him as soon as possible after the recess.

Andrew Wilson mentioned advisers. My inclination is to appoint advisers for individual inquiries. Permanent advisers to the committee may emerge at some stage, particularly when we come to discuss budgets. However, from my experience of the House of Commons, I think that it is far better for individual inquiries to have a specialist in the particular area that is being considered.

Two things seem to be emerging: the question of in-depth briefings to understand the Scottish budget; and specific inquiries. The Scottish National party also has a clear desire to examine closely the private finance initiative, which I support. Sooner or later we need to start considering a specific area and I think that we should be able to do that soon after the summer recess.

Andrew Wilson: We need both permanent and specialist advisers. The consultative steering group's report made a strong case for having permanent members of the committee who were independent. They would not vote, but would be there to understand the culture of the committee and to experience fully what is being discussed in the committee.

We need to come to a consensus on individuals. There are people out there who are independent experts on the Byzantine area of public finance in Scotland whose advice we should seek. I totally agree that on specific areas—for example, the PFI, the structural funds or even the Barnett formula—we need specific advice. We should be open-minded and consider both options. The CSG report strongly supported that.

Mr Davidson: I support much of what has been said. We certainly need to be brought up to speed at a reasonable pace. We need to speak to the Minister for Finance before the Parliament gathers again in the autumn, but we need to sort a few things out before we get to that stage. A meeting a week or ten days before the Parliament starts again would give the minister an opportunity to do some of his work.

I am particularly concerned about the need to put a clear agreement or protocol in place between the Executive and this committee so that information about spending plans does not bypass the committee and come out in the chamber or outside the chamber. That has happened in the south, which is most regrettable.

The committee should also have an indication of measures that are likely to be announced in other subject committees. If we are to be accountable and to act on behalf of the people of Scotland, we need to be involved at the beginning of the information flow. Such protocols need to be agreed between the committee and the Executive and must be in place before the Parliament comes back.

Mr Swinney: The key point that David has made is that we need to ensure that there is a shared awareness between this committee and the Executive of the contents of the public expenditure round. That would avoid some of the difficulties that David raised, because when an announcement was made, we would at least understand the context in which it was made.

Ministers—and I would probably do the same if I were in their shoes—are able to make many announcements about public expenditure, but it is difficult to get to the bottom of which pot the money is coming from and in what context announcements are being made. The key point is that we need to have an awareness of the components of the public expenditure base within the Scottish Office and the Scottish Executive so that we can understand the context of the discussions.

Mr Davidson: When I talked about a protocol, I did not mean that at formal committee meetings we should ceremonially be given the details of an announcement. I meant that all members of this committee should know, the evening before an

announcement, what the minister is likely to say so that we have an opportunity—through an emergency process that we will no doubt also need to develop—to determine whether or not the matter has been handled correctly.

Mr Swinney: I accept that, but this committee also needs to take a retrospective view of some of the initiatives that have been taken. I am anxious to bring the concept of generating optimum value in public expenditure into the committee's discussions. We need to guarantee that, as a committee, we do not assume that ministers are going about things in the best way, just because they make an announcement about a particular aspect of public expenditure. We need to ensure that we have an opportunity to say how we think that public expenditure could have been utilised more effectively to deliver the outcome sought by the ministers. I do not imagine that there is one authoritative view on how to deliver optimum value from public expenditure.

Andrew Wilson: A few issues have been raised in this brief discussion. First, there is the issue of the advice that we get in advance of meetings with the minister. The obvious source for such advice is the head of the Scottish Office finance division. However, there is the question of how independent that advice would be. I do not doubt the professional independence of the civil servants involved, but given that such a dialogue would almost inevitably mean briefing back to the minister, we need to have another point of view. We therefore need early on to consider having someone from outwith the civil service to advise us on the Scottish block.

Secondly, there is the issue of knowing in advance what the minister is going to say. We are faced with that problem this Thursday, when the minister is making a statement on financial issues. The information should perhaps have been available to us at this meeting, although it may not have been possible to schedule that. I have already written to the head of the civil service to ask for an informal briefing with the finance division. Perhaps the committee should also seek a 10 or 15-minute briefing on what is going on. Thursday's statement is procedural, but it would be useful to know what will be said.

Can the convener also clarify where we, as a pre-legislative committee, fit into the legislative process? Will we see bills in draft before they go before Parliament? Can we influence the drafting of bills at that stage? Perhaps the clerks could advise on that now or in writing.

The Convener: A number of points have been raised and the committee will want to take them forward. I am not sure where we stand on that final point about bills.

Both you, Andrew, and John have raised the issue of independent advice. Who did you have in mind? Academics?

Andrew Wilson: I do not have names at the moment, but we should have—

The Convener: I do not mean names. Where would they come from?

Mr Swinney: Over the past few years, many people have been involved in the debate on the devolution settlement—not the debate on further constitutional change—who have said a lot of contradictory things about the nature of the settlement and of the devolved block. However, in the *mêlée*, there is a lot that is of substance. A lot of research on public expenditure has been done by individuals in the Scottish academic community—I do not want to destroy anyone's reputation by mentioning them by name today—and we have an opportunity to engage with a lot of good opinion. We should get the views of the people who have done that research on the composition of public expenditure and public finance. It is a case of identifying who would be best placed to give us advice that would help us in our dialogue with the minister or with civil servants.

Dr Richard Simpson (Ochil) (Lab): We need to make a clear distinction between three different situations. First, all of us must agree on someone to sit on the committee—I mean all of us. The difficulty is that there are not that many individuals whose view is not influenced by their political opinions. That is my experience, although I am not that experienced in economics. We must ensure that we are all comfortable with the individual whom we appoint to sit with us.

Secondly, we might want to invite individuals on an ad hoc basis to help with particular issues. Agreement might not be quite as necessary in that situation, although it would be useful if it were obtained.

10:00

The third option is to call individuals who have produced research. Some interesting papers were produced before the election, which attacked similar problems from apparently opposing points of view. We would certainly wish to call people to be questioned and examined in those situations. It seems to me that there are three different groups on which we need to agree.

Mr Raffan: Richard Simpson said what I was going to say, so I will not reiterate it. John Swinney talked about academic papers and so on; we might take evidence from their authors acting as witnesses.

I agree with Richard Simpson about permanent

advisers. There is a distinction to be drawn between advisers for a specific inquiry—who might present themselves as fairly obvious candidates—and a permanent adviser or advisers to the committee. It may well be that there should be more than one adviser. We would need to see a number of people's curriculum vitae and interview several potential advisers before deciding whom we should pick.

Mr Swinney: One particular individual would be appropriate. I accept absolutely Richard's point about a permanent adviser who would command the confidence of all parts of the committee because of the distinction of the academic work that they had carried out. It is inappropriate to raise it now, but I will mention the person's name to the convener after the meeting.

In some of the more detailed inquiries, there will be competing points of view. In the PFI debate, five people could give five different opinions.

Andrew Wilson: If there were three economists, one would hear seven opinions.

Mr Swinney: Exactly. That is the point at which we must apply judgment. Some individuals in the academic community in Scotland could give us permanent and very good advice on some of the more fundamental points about our remit and the way in which we look at public expenditure.

George Lyon: Other issues arise from what Andrew Wilson said. What sort of relationship will we have with the scrutinising bodies in Westminster and Brussels? An awful lot of the money that flows into the Scottish block grant is European money, and decisions taken south of the border are paramount in regard to the size of the Scottish block. What will be our initial interaction with the scrutinising bodies south of the border, and do we have the right to scrutinise Westminster decisions here in Scotland? What right do we have to examine European decisions? Are we getting the full benefit of those decisions on many issues, such as fishing and agriculture?

We must look closely to ensure that we get everything to which Scotland is entitled, that the money is well spent and that we are getting value for money.

Mr Swinney: Another aspect arises from what George said. You were with us, Mr Convener, during the passage of the Scotland Act 1998 through Westminster. This committee has the power to command an individual to give evidence. To follow on from David Davidson's point about UK decisions, at some stage we might wish to invite the Chancellor of the Exchequer to explain in a wider context the impact on Scotland of some of his budget measures. Could we have some guidance from the clerks on our entitlement to do such things and on the process? That would

guarantee a wider discussion of some of the issues of importance to Scotland's public finances.

The Convener: The Barnett formula was mentioned earlier, and we should have Treasury advice on how it operates, perhaps even from Lord Barnett himself. The clerk will write a note for the committee on that issue.

Andrew Wilson referred to the location of committee meetings. I believe firmly that we should not be tied to Edinburgh and that the committee should go out and about. I am comfortable with the CSG proposal that the committee should go to the people of Scotland and engage with them. We should not set ourselves up here in Edinburgh with only a public gallery to enable public involvement. I am open to suggestions as to how we might do that. I would also like the clerk to let us know what finances are available to us to go to different parts of the country. We will get a note on that from the clerk. Is it generally agreed that we should be peripatetic?

Mr Davidson: Some of us campaigned on that issue, and the Scottish people expect the committees to visit them where reasonable.

Andrew Wilson: The case for that is strong, and there is consensus across the parties on it. There is less apparent public interest in mandatory committees, but finance is—as you said, Mr Convener—important. We must set the tone and should not be constrained too much by finance. I say that with a heavy heart. These issues should depend not only on finance, but the costing should be kept tight. We should consider issues with respect to staffing and staff conditions, as well as the broadcasting of committee meetings. There are issues that we must examine immediately if possible.

The Convener: What did you have in mind on broadcasting? The committee is being filmed, as you can see.

Andrew Wilson: What I mean is this: if we were to go to another location, would not the meeting need to be filmed or at least recorded there? Broadcasters might decide to do that at some stage. My suggestion is that, as an appropriate first step, we should—given the convener's background—have an initial meeting in Glasgow. After that, we should be open to other suggestions. I am merely trying to accommodate the convener.

Mr Davidson: I remind the convener that two of Scotland's cities are in the north-east. That aside, it is important that we establish the principle. What we need from the convener and from the clerks during the recess, as part of our homework and bedding-in, is an idea of our programme and its time scale. We will need to sort out some of the

venues well in advance of meeting there. I hope that the meetings will be well publicised, so that people have a reasonable opportunity to arrange their diaries so that they can get to them. That is vital. If we do anything, we must do it openly; I think we all agree on that.

Mr Raffan: I support the idea of moving around, but we should not do it just for the sake of it. It is important that we get a note on the costs, particularly because this is the Finance Committee. We might otherwise become the subject of an inquiry by the Audit Committee. It is important that we are careful.

For example, it would make sense to have hearings near a PFI project, but visits are also important.

Dr Simpson: Many of us sit on other committees, and we will have to be careful about the complexity of organising a meeting in Inverness or Aberdeen, although I would welcome that. We must be careful that meeting elsewhere does not preclude any members from appropriate attendance at other committees.

The Convener: it is likely that committees will meet on Tuesdays and on Wednesday mornings if the parliamentary programme follows the pattern that has been suggested. I take it that there is no difficulty in our meeting on a Monday or on a Friday, if that is necessary when we go to some far-flung place.

Members indicated agreement.

Dr Simpson: I would like to refer to the pre-announcement of ministerial statements, or prior information on them. We need some advice in detail on how that will work. Ministers' first responsibility is to report to the chamber. Although it is appropriate that we should get prior information, that must be handled in a way that the announcement comes first in a public setting. I am not quite sure whether I picked up Andrew correctly, but the suggestion that we could have looked at a statement today when we are in public meeting does not seem to be altogether appropriate. That undermines the authority of the Parliament. I am not saying that we should be against that, but we must discuss an acceptable protocol with the Executive.

The Convener: That is a fair point. There has been some well-aimed criticism on occasions when announcements by ministers have been made privately or in a political meeting outside the House of Commons. I know that Madam Speaker has been concerned about that.

I regard this committee as part of the functioning of Parliament, and I am not sure that I want to draw too fine a line between this committee and Parliament itself. I think that a minister, in making

an announcement to the committee, would be making an announcement to Parliament. In most cases, that would be preferable to some kind of public statement in a political setting.

We should regard ourselves as a fundamental part of the Parliament and as a suitable receptacle for such announcements.

Mr Swinney: I welcome what you have just said, Mr Convener. The distinction that you made between announcements outwith Parliament—such as a minister addressing a conference—and those within its precincts is correct.

A suggestion that we could helpfully make to the Minister for Finance and his team is that they should not assume that the only way to address Parliament is by making a statement in Parliament. The minister could come to the committee to make an announcement about public expenditure or some other process and be questioned by committee members on his announcement. That would begin to address some of the issues that Keith Raffan raised earlier, about trying to make ministerial announcements a little more meaningful to the general public.

That format—a move away from the set piece of the chamber—would give us an opportunity to pursue a line of argument with the minister, which might involve four or five questions before the nub of the point was reached. Regardless of our politics, we will all have to use that technique to get to the heart of our areas of interest. That would be a useful way in which to examine the work of the Executive.

Mr Davidson: We seem to have come to some agreement. Richard mentioned protocol, which I also raised earlier. We need to consider the committee's protocol and raise that with the Executive. Possibly, we should charge you, Mr Convener, with the task of developing some protocols that we could consider during the recess. It is important that such protocols are in place and that the committee and the Executive get used to them before the Parliament reconvenes.

Andrew Wilson: The convener's words are very welcome, but Richard's point is also well made. I would concur with the need for a public meeting of this committee if the Government has an announcement to make in the chamber. However, there must be a channel for committee members to get access to the information in private, as it were, similar to the usual channels that operate for the briefing of front-bench spokespeople before major debates. That would enable us to make a meaningful contribution to Thursday's debate, for instance. If we are not briefed, even anoraks such as myself will struggle to contribute meaningfully to a debate on such a detailed statement on

structure and procedure. We should make the point that it would be useful to see the statement in advance.

The Convener: I am not sure that we will be able to have that opportunity.

Andrew Wilson: We were able to see the statement on the legislative programme in advance.

The Convener: Perhaps the clerk could guide us on whether we would be able to have a private meeting with the Minister for Finance. Obviously, most of our meetings would take place in public. Would a briefing by the minister be possible?

Andrew Wilson: A meeting with the head of the finance division would be more useful.

The Convener: That would not require a formal meeting of the committee. We could simply go along for a briefing.

Mr Swinney: Would it be sensible to leave the issue that David, Richard and Andrew have raised with you, Mr Convener? You could discuss the matter with the clerks and come back to us with a suggestion as to how the tenet that has been widely agreed could be acted on.

Mr Raffan: Anorak or not, I am sympathetic to Andrew's point about the complexity of Thursday's statement. It will be difficult to question the minister effectively in the chamber without a specific idea of what will be raised. It is the kind of statement that would be made much more valuably to the committee—at least initially.

10:15

George Lyon: When Thursday's statement is made, I hope that members of the committee are not in the same position as we are today: completely in the dark on where the finances of Scotland rest. I hope that we will be in a position to understand what the Minister for Finance speaks about. We must be well briefed and in full command of the background information.

Our situation is unique, in that we are starting from scratch. Andrew probably has more detailed knowledge of the finances because of his economic background, but many of us on the committee have come to the subject reasonably cold. We need briefings to bring us up to speed. Once we are up to speed, we will be in a strong position and able to ask the relevant questions of the Minister for Finance and to take him to task when we feel that his words are not appropriate.

The Convener: We will all have to don anoraks.

Mr Davidson: I spoke with the Minister for Finance the other day and realised that even he was having difficulty getting up to speed in time for

Thursday's announcement.

Andrew Wilson: Is that the first attack?

Mr Davidson: I spoke to him outwith the chamber. He suggested that copies of his statement or some sort of a brief would be made available to the Opposition parties. I publicly congratulate him on that commitment and I hope that he sticks to it. The situation as regards Thursday is odd because there has been a short run-up to the debate; nevertheless, I look forward to hearing about the subject before Thursday.

The Convener: We must insist that copies of statements are made available to us.

Mr Raffan: I agree with David. It would be helpful to have a briefing note that gave guidance on the content, if not the full import, of Thursday's statement.

The Convener: I am sure that we can ask for that, but I do not know whether it will be forthcoming.

Mr Macintosh: We are in a unique situation. We will have plenty of opportunity to question the Minister for Finance when he comes before the committee. Regardless of whether we are briefed before Thursday, there will be time for us to quiz him later in meetings of the committee.

Andrew Wilson: There will be a debate on Thursday, not just a statement. We need to contribute to that debate if we are to function as an Opposition.

Mr Macintosh: Yes, but the Finance Committee's remit is quite clear. The minister will appear before us and we will be able to ask him any question we want.

The Convener: The clerk has informed me that, before our joint meeting with the Audit Committee next week, the minister will put a paper to both committees so that we can question him on his plans.

Mr Swinney: The paper that the clerks gave us on topics for further briefing was welcome. How does our meeting this morning affect further briefings? Will a briefing be prepared on all the issues that are in our remit? That would be a rather substantial tome to be delivered to a beach in Torremolinos.

The Convener: Briefings are available on the topics that are in the committee's remit. Members can indicate subjects on which they would like to be briefed. That can be done during the recess if necessary.

Mr Swinney: I will pass on my requests to the clerk.

Andrew Wilson: I suggest that, because

finance is such a live issue, the clerks might want to create a core brief for the committee; a working brief that can be updated where relevant. I also suggest that, where possible, some form of electronic medium should be used, such as a database, but that would be a longer-term project.

The Convener: We should establish whether everyone on the committee is comfortable with e-mail. Are we? [MEMBERS: "Yes."] It is useful for the clerks to know that we can communicate in that way.

Mr Macintosh: We all welcome the briefs. I am happy to take away some light holiday reading on the topics that are in the committee's remit, but all members would find it easier to assimilate the information if someone talked us through the briefs, as questions are always raised when reading them. Will we be briefed individually—something that would take up everybody's time—or en masse?

The Convener: As far as possible, briefings that involve all members of the committee should be the norm. If an individual wanted additional information, I am sure that that would be available as well.

Mr Macintosh: I do not want anything additional, but I am sure that we would all appreciate such briefings, and I ask whether we can have a sit-down briefing quite soon.

George Lyon: Is not that the point of our having a full day's meeting in the summer recess, at which we would be briefed on all the major issues that had been raised this morning? Is that how the working of the committee is envisaged at the outset?

The Convener: I did not think that a formal meeting of the committee would take the form of a briefing—briefings will be less formal. However, if individuals want a briefing on a specific topic, that option should be available as well.

Elaine Thomson (Aberdeen North) (Lab): I support what George Lyon said. Given that some of us will be at quite a distance from Edinburgh over the summer recess, having a half or whole day's briefing, whether formal or informal—whichever is appropriate—might be quite useful.

Rhoda Grant (Highlands and Islands) (Lab): I agree with Elaine. If members do not want to attend such a briefing, that is fine, but an informal briefing of the committee would be excellent, which could be attended by those of us who feel that we would benefit.

The Convener: Perhaps we should organise an informal day's briefing, at a suitable point, which would be accessible to all members, regardless of where our homes are.

Andrew Wilson: On that suggestion, we might want to take up Keith's point and invite some outside folk to address the committee informally. From that meeting we might get a feel for whom we might like to invite in an advisory capacity.

The Convener: With such a meeting in mind, it would be helpful if all members advised the clerk of their holiday arrangements—when they are likely to be away on holiday, rather than when they will not be in their offices. We should all do that at the end of this meeting. I am likely to be away for the middle two weeks in August. If we could find a suitable week when everyone was available, that would be helpful.

Mr Macintosh: I suggest that we do that sooner rather than later.

The Convener: Absolutely.

Andrew Wilson: That is probably wise.

The Convener: We are slightly constrained by time, as the next meeting is due to take place at 10.45 am. Are there any other points that members would like to raise today?

Mr Raffan: I raised with you, Mr Convener, the question how we relate to the Audit Committee. It would be helpful if we could have some guidance on what next week's joint meeting is meant to achieve. It is important that we work closely with the Audit Committee. That committee might choose PFI—about which Andrew and John have spoken—for one of its early investigations. How we relate to and work with that committee is extremely important. The Audit Committee is the equivalent of a public accounts committee and is potentially very powerful. I understand, from discussion with the clerks, that it is likely to be slower in getting going than this committee, but some of its investigations might overlap with ours.

The Convener: I will discuss the agenda for next Wednesday with the Convener of the Audit Committee. That exploratory meeting will not be the only meeting that we will have with that committee; we should meet with it from time to time. I cannot say what we will do next Wednesday, but I will talk to the Convener of the Audit Committee, who will be nominated from the SNP. Do we know who that is likely to be?

Mr Swinney: I could only hazard a guess.

The Convener: We can deal with that after this meeting.

Mr Davidson: On a similar issue, I would like to mention this committee's relationship with the European Committee. We need to set up some sort of information exchange with that committee as well.

Andrew Wilson: We need to establish this committee's relationship with all the committees.

The Convener: This committee's remit touches on all issues and all other committees.

Mr Macintosh: Will we draw up the protocols for this committee's relationship with the Executive and with other committees?

The Convener: We will draft them. I will bring them to the committee for its consideration, if members are comfortable with that.

Mr Macintosh: Yes, indeed.

Andrew Wilson: Very much so.

The Convener: If there is nothing else that members would like to discuss, I thank the committee. We will meet with the Audit Committee next Wednesday at 9.30 am. We have a challenging and interesting agenda, and I look forward to being the convener of a very effective committee of the Scottish Parliament.

Meeting closed at 10:24.

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