

FINANCE COMMITTEE

Tuesday 11 May 2004
(*Morning*)

Session 2

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FINANCE COMMITTEE

15th Meeting 2004, Session 2

CONVENER

*Des McNulty (Clydebank and Milngavie) (Lab)

DEPUTY CONVENER

*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

COMMITTEE MEMBERS

Ms Wendy Alexander (Paisley North) (Lab)

*Mr Ted Brocklebank (Mid Scotland and Fife) (Con)

*Kate Maclean (Dundee West) (Lab)

*Jim Mather (Highlands and Islands) (SNP)

*Dr Elaine Murray (Dumfries) (Lab)

*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

*John Swinburne (Central Scotland) (SSCUP)

COMMITTEE SUBSTITUTES

Mr Adam Ingram (South of Scotland) (SNP)

Gordon Jackson (Glasgow Govan) (Lab)

David Mundell (South of Scotland) (Con)

Iain Smith (North East Fife) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Margo MacDonald (Lothians) (Ind)

THE FOLLOWING GAVE EVIDENCE:

Lisbeth Craig (Scottish Parliament Clerk/Chief Executive's Group)

Richard Dennis (Scottish Executive Finance and Central Services Department)

Paul Grice (Scottish Parliament Clerk and Chief Executive)

Richard Scott (Scottish Executive Justice Department)

Tavish Scott (Deputy Minister for Finance and Public Services)

Peter Wood (Tribal HCH Ltd)

CLERK TO THE COMMITTEE

Susan Duffy

SENIOR ASSISTANT CLERK

Terry Shevlin

ASSISTANT CLERK

Emma Berry

LOCATION

Committee Room 1

Scottish Parliament

Finance Committee

Tuesday 11 May 2004

(Morning)

[THE CONVENER *opened the meeting at 10:02*]

Subordinate Legislation

Budget (Scotland) Act 2004 (Amendment) Order 2004 (draft)

The Convener (Des McNulty): Good morning. I welcome the press and public to the 15th meeting of the Finance Committee in 2004. I remind people to switch off all pagers and mobile phones. We have apologies from Wendy Alexander.

Agenda items 1 and 2 are on consideration of a draft Scottish statutory instrument that seeks to amend the Budget (Scotland) Act 2004. As well as the draft order, the committee has before it the budget documents that set out the background to the proposed revision and a note from the clerk. As stated in the clerk's note, the Subordinate Legislation Committee considered the draft order on 4 May and has nothing to report.

I welcome Tavish Scott, the Deputy Minister for Finance and Public Services, and Richard Dennis, finance co-ordination team leader from the Scottish Executive. We also have with us Paul Grice, clerk and chief executive of the Scottish Parliament, and Lisbeth Craig, the Parliament's financial controller. They are here today because the amendments to the Budget (Scotland) Act 2004 that we must consider and which are contained in the draft order are connected to the budget for the Scottish Parliamentary Corporate Body.

Members will note that consideration of the draft order has been split into two parts. I will first ask the deputy minister whether he wishes to make some brief opening remarks and then I will give members the opportunity to ask any technical questions that they might have. Once any technical questions have been asked, I will ask the deputy minister to move the motion that seeks the committee's recommendation that Parliament approve the draft order.

I should explain that the draft order is an affirmative instrument and therefore cannot come into force until it is approved by Parliament. The committee will therefore debate the motion in the name of the minister that asks the committee to

recommend approval of the draft order. If the committee so recommends, the Parliamentary Bureau will lodge a motion seeking parliamentary approval of the draft order. I will ask the minister to move motion S2M-1231 and then the motion will be debated. According to standing orders, the debate can last no longer than 90 minutes. At the end of the debate, I will put the question on the motion to the committee. I hope that members are clear about the procedure involved. If people are content, I will ask the deputy minister to make a brief opening statement. I remind him that he should not move the motion at this point.

The Deputy Minister for Finance and Public Services (Tavish Scott): Thank you, convener. Richard Dennis has been reminding me all morning not to move the motion until you tell me to, because I understand that that might truncate debate, which would be a dreadful thing.

It is a pleasure to be here this morning to deal with the matters before us once again. The budget revision proposes just two changes to the Budget (Scotland) Act 2004: to increase the cash authorisation and the

"resources other than accruing resources"

for the Scottish Parliamentary Corporate Body.

Both proposed changes are connected to the Holyrood project. Together they represent an increase in the corporate body's budget of £74.5 million as approved in the Budget (Scotland) Act 2004, but that does not represent any further increase in the costs of Holyrood.

The increase is made up of two elements: additional funding from the Executive's contingency fund to cover the increase of £29.4 million in the cost of the Holyrood project that was announced in the Presiding Officer's report to the Finance Committee on 24 February; and £45.046 million of anticipated end-year flexibility. EYF would normally be drawn down in the autumn budget revision once provisional outturn numbers have been agreed. However, with the Holyrood project on target for completion in July, the resource needs to be drawn down early to ensure that the project is not further delayed.

There is a danger that, if we waited until provisional outturn data were available, the project would run out of money and have to come to a halt. The final figure for the corporate body's EYF might be different, but we can make adjustments for that if necessary in the autumn budget revision.

As members know, the Executive is not responsible for the corporate body's budget, which is included in the budget process in order to allow Parliament to consider Scotland's budget as a whole. However, the Finance Committee scrutinises the corporate body's budget

separately. It is therefore not for me to answer detailed questions on those matters. That is why Paul Grice and Lisbeth Craig are here; they will answer any technical questions. I am happy to help with any points of clarification on the draft revision order and on the wider issues if I can.

The Convener: Just before I open up the discussion to questions from committee members, will you clarify that you refer not to Executive EYF, but to EYF in the corporate body's budget?

Tavish Scott: That is correct.

The Convener: So it is transfer spend—unspent money.

Paul Grice (Scottish Parliament Clerk and Chief Executive): The EYF money is a direct consequence of the programme to complete the Holyrood building—it is money that has been carried forward from 2003-04 into 2004-05.

The Convener: So the money was already in the budget and you require authorisation to move it from one budget category into another.

Paul Grice: Yes, it is money that was not spent last year. We wish to roll it forward into 2004-05 under normal EYF procedures. It is not additional money.

The Convener: So it is money that you were unable to spend last year, given progress on the Holyrood project—in other words, it is Holyrood money, if I may put it that way.

Paul Grice: That is exactly right.

The Convener: That is helpful. I invite questions from members. I remind John Swinburne that we are asking technical and not political questions at this point.

John Swinburne (Central Scotland) (SSCUP): I will ask Paul Grice a technical question, as the convener wishes. Can you explain the figure of £45.046 million, which is £5 million in excess of the original estimate? How accurate is that figure? The money was laid aside to pay for certain contracts in the previous financial year. Those contracts were not completed, therefore they should cost us more when they are completed. How much have you allowed for the increase that will undoubtedly take place in all those packages because they were not completed in time?

Paul Grice: I do not understand your first question about the extra £5 million—that does not ring any bells with me.

John Swinburne: The original estimate for the Parliament building was £40 million and we are now discussing £45 million as an add-on.

Paul Grice: That is completely irrelevant to the current debate on EYF. However, in answer to

your other point, the money that was allocated to contracts has simply been rolled forward. The extra £29.4 million, which was reported to the Finance Committee in February by the Presiding Officer and on which we gave evidence at the time, was principally due to prolongation and disruption of costs. One must consider the two sums together. The £45.046 million is simply unspent capital that is already allocated to the project and was unspent last year because of programme difficulties; it has now been rolled forward to the current year.

John Swinburne: Will you guarantee that there will be no increased costs because of the delays caused by the programme difficulties and that there will be no increase to the £45.046 million?

Paul Grice: This is simply a technical transfer. The estimates that we provided in February, which the Presiding Officer reported to the committee, remain our estimates. If the project is finished in the summer, that will remain the cost. That has not changed.

John Swinburne: The report in February related to the £29 million. The other lot of money is for stuff that has not been finished on time, so it will cost more. The procrastination, delays and all the rest of it down at Holyrood cost money and the figures make no provision for that.

Paul Grice: No. The position remains as we reported it in February. The overall estimate that we provided then, which was for a range up to £431 million including VAT, fees and other items, remains the current total estimated cost, provided that we complete the building this summer.

John Swinburne: Can we obtain sight of the contracts that make up the £45 million, or are they covered by confidentiality or something else that prevents us from seeing them?

The Convener: John Swinburne is beginning to stray from the issue. That might be a legitimate question to ask when we receive a Holyrood report, but we are being asked to consider a budget transfer. Technical questions should be based on the budget transfer process.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): We are being asked for a sum of money that is based on the figure of £431 million. Does any witness know whether that remains the total? Since we last received a report, have the minister or Mr Grice received information that indicates an increase beyond £431 million?

Paul Grice: The latest information that I have is that no further Davis Langdon & Everest cost report has been issued. I understand that, provided that we hit the summer completion date, £431 million remains the estimated total cost of completing the building. I have no further

information to report to the committee. Obviously, we will provide a further report to the committee in line with our normal reporting procedures. Any change would be reported through that mechanism but, as of today, I have no information other than the £431 million.

Fergus Ewing: At Holyrood progress group meetings that have occurred since the last report was made to the committee, has no indication been given to the group of an increase beyond £431 million?

Paul Grice: That question would have to be directed to the Holyrood progress group. Nobody has alerted me to anything. I am clear that the position as I understand it is that that remains the current estimated total cost of the building, provided that we finish this summer. If you have a detailed question on that, it should be raised with the progress group.

As the committee knows, the normal process is that before we appear to talk to the committee about costs in detail, we receive a report from the progress group, which allows me to tell the committee what the group's advice is. When we next have a discussion with the committee, I will have had the benefit of that report and I will be happy to answer such questions. Today, we are dealing with a more technical issue, so I have not received a report from the group. However, I am not aware of any change to the figure.

Fergus Ewing: I will ask the minister the same question. Mr Robert Gordon has given evidence that he reports approximately monthly either orally or in writing to the Executive—to the Minister for Parliamentary Business or the First Minister—on the Holyrood progress group's discussions and the information that it has received. Does the Deputy Minister for Finance and Public Services have access to those reports?

Tavish Scott: Mr Gordon's submission to the office of the Minister for Parliamentary Business is circulated in the Scottish Executive.

Fergus Ewing: Will you therefore please answer the question that I asked Paul Grice? We are being asked for a sum of money today and I am concerned about whether we will be asked for another sum of money in a late summer budget revision.

Tavish Scott: No. I can say—

Fergus Ewing: With respect, can I finish the question? From Mr Gordon's most recent reports, has the minister received any indication of an increase beyond £431 million?

Tavish Scott: No.

Dr Elaine Murray (Dumfries) (Lab): The business that is before us is whether to

recommend approval of the draft order. The draft order has two purposes. It covers an increase that was reported to us in February, which prompted universal severe disappointment in the committee—and, I am sure, in other places too—that the cost had risen again. We are also being asked to recommend approval of a transfer of moneys from the previous financial year to this financial year to cover the cost of some contracts. As it is our job to decide whether to recommend approval of those provisions, will you advise us what would happen if we did not recommend approval?

10:15

Paul Grice: The simple answer is that that would create a significant risk that we would run out of cash on the project. If we hit the timetable for the summer, our judgment—in line with the report that was made to the committee in February—is that that amount of cash will be required to settle accounts for work that has been undertaken on the project. Without the transfer and the finance to support the bid that we made to the committee in February, the risk is that we would run out of cash.

Dr Murray: I presume that construction or contracts would cease.

Paul Grice: Work would be disrupted. No public body can put itself in the position of being unable to pay for works. The Parliament is no different from the Executive or any other public body. It is prudent and responsible for us to ensure that we have the finance in place. As I said, within the overall total that has been reported to the committee, it is simply a question of ensuring that the finance is in place to support that. The judgment is—I am advised—that if we do not take the finance now but wait until the autumn, there would be a significant risk of our not having the finance to meet the requirements.

Dr Murray: I presume that if that happened and construction was further delayed, costs could increase again.

Paul Grice: In that scenario, of course that could happen.

Jim Mather (Highlands and Islands) (SNP): I am interested in what will be left in the contingency fund after the £29.4 million is transferred.

Paul Grice: Which contingency fund?

Jim Mather: I understand that the £29.4 million will be transferred from the contingency fund.

Paul Grice: That is probably a question that should be directed to the Executive.

Richard Dennis (Scottish Executive Finance and Central Services Department): That is a question for us. Jim Mather will know that the contingency fund figure for 2004-05 that we published in the annual evaluation report is £55 million.

Jim Mather: So the amount left will be £55 million less £29 million.

Richard Dennis: Yes. That leaves £26 million. We might expect that to be topped up in part from EYF, if ministers choose to operate the same 75:25 rule as before. The Chancellor of the Exchequer is occasionally generous with in-year consequentials, so they might top up the figure.

Jim Mather: What is likely to be added to the contingency fund in 2005-06? Is a standard formula used for incrementing the contingency fund?

Richard Dennis: No. A number has been published for 2005-06 in the annual evaluation report. I think that the number is £180 million, but I can check that and confirm the figure to the clerks.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The figure is £171 million.

Jim Mather: So the fund is being refreshed. To have a clear understanding, it would be useful to have a mechanism for seeing the total budget of the Scottish Parliamentary Corporate Body set against the contingency fund, the draw-down pattern from the contingency fund and the contingency balance. It would also help us to have a view on the percentage of the total budget that is drawn down for the contingency fund. Could that information be provided?

Richard Dennis: Yes—I do not see why not.

Jim Mather: If the worst came to the worst and the Executive was between a rock and a hard place, could money be borrowed to get out of the problem? If the contingency fund were depleted, what would be plan B?

Richard Dennis: In terms of the Executive, members will remember that when we announced the partnership agreement allocations, Andy Kerr said that he had deliberately left some money to one side to cover pressures up to 2006-07. We could simply borrow some of that money in advance. Another spending review is coming up, which will involve considering plans for 2005-06, 2006-07 and 2007-08, so plenty of opportunities for reprofiling are available.

Jeremy Purvis: The contingency fund shows a considerable drop from 2003-04, when it was set at £120.22 million, to £56.95 million in 2004-05, after which it goes up to £171.66 million. Will the information that you provide to the committee in writing give the reason for that significant drop?

Was that due to the increase in the Parliament building's cost?

Richard Dennis: No. The committee may recall that we gave members a technical informal briefing last September, when we explained that the contingency fund numbers were slightly skewed by the fact that negotiations were continuing about the cost of meeting some partnership agreement commitments, so money was temporarily parked in reserve for those. Therefore, the real profile of the contingency fund is not that which one would get from looking only at the numbers. One would expect the contingency fund to get bigger the further into the future one goes because there will be more unforeseen things the further one tries to foresee.

Jeremy Purvis: I understand that many of the transfers are to do with the building and will be reflected in the capital element of the corporate body's budget. However, in looking through and scrutinising the annual evaluation report, I am struck by the fact that it details a number of target areas for departmental spending and activity. I am wondering about something from the minister's point of view. Even without considering its running funds as outlined in the budget, the corporate body is not too dissimilar to the Crown Office, which has 11 performance targets. Does the Executive think that it would be appropriate to have equivalent performance targets for what is, in effect, taxpayers' money? There does not seem to be consistency. A similar pattern does not seem to be followed by which we can hold purse-bearers to account.

The Convener: That might be an issue for the Parliament rather than for the Executive.

Jeremy Purvis: I am sure that the chief executive will answer after the minister.

The Convener: In terms of propriety, I would have thought that it would not be for the Executive to suggest to the corporate body that it might set targets. The corporate body is accountable for financial issues through us to the Parliament.

Jeremy Purvis: We have been provided with evidence of the kind of discussions that go on between ministers, ministers with responsibility for finance and officials on performance—no doubt those gentlemanly conversations have an element of teeth. I wonder why the corporate body has no equivalent targets. The Parliament's officials are accountable to us through a different mechanism, but they still draw down on the public purse.

Tavish Scott: The convener is right. It is appropriate that the corporate body and Parliament's chief executive are responsible to the Finance Committee and to the Parliament for the stewardship of the finances that are available for running the institution. I think that Parliament

would howl if ministers started to impose any kind of target on the corporate body—after all, that is why we elect four members from among our number to serve on the corporate body and to represent our interests, as it were. That is the appropriate manner in which to do things.

Jeremy Purvis: I wonder whether the chief executive has a view. We are considering the AER, which has a number of performance targets per budget. The Crown Office, which has a running budget of only £6 million more than the corporate body, has 11 performance targets, which are published and open; we can receive evidence on those targets and scrutinise them. It would be interesting to know what the equivalent to those are in the corporate body.

Paul Grice: Obviously, I entirely endorse what the minister has said about the relationship between the Parliament and the Executive. Of course, the corporate body has a range of performance measures for the services that we supply to members, including, for example, services to committees such as the Finance Committee. As the committee knows, the corporate body also publishes an annual report, which contains a lot of information, and the Parliament and committees such as the Finance Committee produce annual reports. There is a lot of openness on behalf of the Parliament and its committees in respect of what they seek to do with public funds. Therefore, I would not accept that there is a distinction between the Parliament and bodies such as the Crown Office, although I am not familiar with how the Crown Office operates in respect of its clear performance measures.

If the committee wanted to raise the matter in a wider context with the corporate body, I am sure that the corporate body would carefully reflect on it and come back to the committee. Perhaps the annual budgeting round might be a useful time to discuss the matter. Certainly, I am entirely comfortable that we are clear about what services to the public and members we get from the money that we spend, which is appropriate. Perhaps we could pick up the matter in the annual expenditure round and consider the two issues together.

Jeremy Purvis: As we are seeking to approve a transfer of funds to the corporate body, in relation to other devolved Parliaments around the world—

The Convener: Come on, Jeremy. You are getting way out of the area that we are discussing.

Jeremy Purvis: I want to ask about the internal reporting practices for accounting within the corporate body.

The Convener: That is a legitimate matter to ask about in a different context, but we are discussing a specific budgetary transfer. There is a process and a time for discussing the general

budgetary arrangements of the Scottish Parliamentary Corporate Body.

Jeremy Purvis: The corporate body will manage the transfer of funds and, therefore, with regard to the internal reporting and accounting practices of that body, I wanted to ask the chief executive how our practices compare with those of devolved Parliaments around the world. I think that that is a legitimate question to ask.

The Convener: I am not sure that it is in this context, but I will let the chief executive respond briefly to it. We must then move on.

Paul Grice: I confess that I am not particularly up to speed on the accounting practices of other Parliaments. What really matters is that we are governed by the budget acts and the Parliament's arrangements, and I assure the committee that we operate within those terms. If there are wider issues relating to budgetary processes and acts, those are almost matters for the committee to consider, if I may make that suggestion. We conform with the requirements that are set out by the Parliament and are obviously governed by the committee. That is why we are here today. Comparing our arrangements with those in other Parliaments is a separate exercise, which the committee might want to consider. I am afraid that I cannot shed any more light on the matter than that.

Margo MacDonald (Lothians) (Ind): I would like to return to something that the chief executive said. I think that he has qualified his confidence that the draw-down figures are correct three times, by saying "if" we hit the completion target in June. I noticed that what he said was conditional. I suppose that my question is half technical and half real. What is plan B if the target is not hit?

Paul Grice: I have nothing more to say than what I said to the committee previously.

Margo MacDonald: Where will the money come from? What will be transferred? If you do not hit the target, will you run out of money? What will happen?

Paul Grice: I explained the position of the programme last time.

The Convener: I think that the chief executive said to us at the previous meeting that the financial plans for Holyrood were dependent on achieving the timetable and the target, and that the current assumptions were the only basis on which there could be planning. If I understand what has been said, I presume that the programme for draw down is projected on the same basis.

Paul Grice: I am very much following the Presiding Officer's lead, which has been backed by the corporate body, that we should put all our

energy and effort into completing the building by the summer. That is why we are here today. As I said at the previous meeting, it is not the view of the Presiding Officer or the corporate body that speculating on what might happen is helpful in that context.

I was down on the site on Friday and earlier in the week with the Presiding Officer. There is an enormous challenge ahead, but enormous progress is being made. The Presiding Officer has worked hard to get such momentum behind the work and it is not helpful to distract people's efforts away from that work.

The Convener: Do you have a question on a technical matter, Margo?

Margo MacDonald: I want to see the building finished as much as anybody else does, for all sorts of reasons. However, all I want to know is whether, if there is a doubt, the draw-down money that the committee is considering covers all contingencies, or would more money need to be drawn down from the £26 million that is still in the contingency fund? The Parliament will be in recess and I am simply asking about the mechanism.

Paul Grice: I refer to the Presiding Officer's letter to the committee of 24 February, which made it clear that the £431 million—of which the money that we are talking about is, of course, part and to which it is not additional—is predicated on finishing the building this summer. That is what we are focusing on. There are mechanisms, including the autumn budget revision process, for any matter for which there are not funds in any public body, including the corporate body. That would be the process to which one would look, if that was necessary.

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): I wonder whether I could persuade you to be a little more specific about what will happen with the £45 million that will be drawn down. As John Swinburne said, the sum that we are talking about is not inconsiderable—it is £5 million more than the original estimates. We are being asked—for what I am sure are perfectly valid reasons—simply to sign away yet another £45 million, although I accept that that is not on top of the £431 million. Can we get a breakdown of that £45 million? Without it, what elements would be delayed? Where will the money actually go?

10:30

Paul Grice: I hope that you do not mind, but I must challenge the idea that the committee is being asked to sign away money. In a sense, the money has already been approved and is now simply being transferred. Forgive me for making that point, but it is important that we do not give any such impression to the wider public.

I am not equipped with all the details on that today, but I can refer you to the Presiding Officer's letter of 24 February and to the discussion that we had with the committee on the back of that a month or so ago. The Presiding Officer's letter explained the issues of prolongation and disruption and I think that the project director explained how some key fit-out and cladding contracts were severely hit by that. You would be right to expect that the money that we are seeking will go to those areas. I cannot give a detailed breakdown just now, but I will be happy to give that when I next appear before the committee, when I will have with me my team, who are more up to speed with the details.

However, you would not expect a difference in the breakdown from what we reported to the committee previously. Essentially, the money will be spent on the same major contracts, such as cladding, fit-out and glazing. The money was allocated against those contracts last year, so the expectation is that it would be rolled forward to this year.

Mr Brocklebank: At the risk of sounding lavatorially obsessed, I seek clarification at least on the question that I raised with you two months ago about the massive increases for these wretched toilets and on why, apparently, no Scottish firm was allowed to tender for the contract. At the time, I was promised a detailed breakdown of what had happened, but I have heard nothing since then. I raised the matter again last week.

Paul Grice: I thought that you received a letter.

Mr Brocklebank: Last week, I got a note from you saying that the reply would come soon, but I have still not seen a breakdown of those costs.

Paul Grice: I have seen a draft of the reply, which I thought had been issued—otherwise I would have ensured that it was sent before today. However, I will chase that up. The draft reply that I saw explained the detail of the contract, which was part of a wider package.

Mr Brocklebank: Will any part of the £45 million that is being sought go towards toilets fit-out?

Paul Grice: Quite possibly. As was explained previously, the toilets fit-out is part of the wider fit-out package. Given that the fit-out work continues and will continue right up till the end of completion, it is reasonable to expect that some of the money that we are seeking today will be part of that. However, let me repeat that we are not seeking additional money. The money was allocated against the package last year and has been rolled forward to this year because, like other packages, the fit-out package has been subject to prolongation and disruption.

Mr Brocklebank: May I presume that the complete breakdown of that package will be on my desk when I get back to the office?

Paul Grice: The minute I leave this meeting, I will find out where the reply has got to and chase it along.

Fergus Ewing: We are agog with anticipation about the unravelling of the great Shanks & McEwan mystery—coming soon to a convenience near you, no doubt.

The topic of today's meeting is not the increase in costs but how we pay for the existing financial provision for the Parliament. It strikes me that we have moved away from that point somewhat. I want to return to that issue by probing the consequences of not agreeing to the budget revision order. Paul Grice said that if the budget revision was not made, it would cause disruption to contracts. However, the contracts continue to exist irrespective of whether or not payment is made. Is there not a more obvious practical consequence of the revision not being made? I presume that all bills that are due must be paid within 30 days. Is that right?

Paul Grice: We have targets for that. I think that 30 days is the target that we work to.

Fergus Ewing: The target will be 30 days or some other specified period. I think that payment within 30 days is the Executive's recommended practice for public bodies. Is that broadly correct?

Lisbeth Craig (Scottish Parliament Clerk/Chief Executive's Group): Yes.

Fergus Ewing: If bills are not paid on time, the contractor is entitled to interest for late payment. Is that correct?

Lisbeth Craig: Yes, under the Late Payment of Commercial Debts (Interest) Act 1998.

Fergus Ewing: Therefore, if the SPCB did not have the money to pay bills within 30 days, it would incur additional costs as a consequence. The SPCB would then need to ask that those costs be paid for from some other resource, such as the Executive's contingency fund.

Paul Grice: As accountable officer, I simply could not sanction works being undertaken if I was not confident that we had the funds to pay for them. That applies to any accountable officer. In other words, we cannot allow contractors to undertake work if we are not confident that we have the money to pay for them. To do so would be irresponsible. You make a fair point that we could also be liable for additional costs on top of that. The responsible thing to do is to ensure that we have the finance to meet the contractual obligations of which we are aware.

Fergus Ewing: So, no matter what our personal views may be of the Scottish Parliament building

project—let us put them to one side—the effect of refusing the budget revision today might be to add to the project's costs.

Paul Grice: Yes.

Fergus Ewing: Fine. Thank you.

The Convener: In the absence of any further technical questions from members, I invite the minister to speak to and move motion S2M-1231, in the name of Andy Kerr.

Tavish Scott: I have nothing to add to our previous discussion and the questions that have been answered on behalf of the Scottish Executive and the Scottish Parliamentary Corporate Body.

I move,

That the Finance Committee recommends that the draft Budget (Scotland) Act 2004 Amendment Order 2004 be approved.

Motion agreed to.

The Convener: We are required to report our decision to Parliament. Such reports are normally very brief, so I propose that we seek to agree the text of our report by e-mail correspondence. Is that agreed?

Members indicated agreement.

Budget Process 2005-06

10:37

The Convener: The next item is further consideration at stage 1 of the budget process for 2005-06. I am pleased to welcome back to the committee Peter Wood, who is from Tribal HCH Ltd. Members have a copy of the submission that he has kindly provided. I invite him to make an opening statement before we move to questions.

Peter Wood (Tribal HCH Ltd): Good morning, ladies and gentlemen. I am recovering from a slight cold so, if I am more incoherent than usual at any point, that may explain why.

The committee's letter asked me to comment on stage 1 of the budget process and, in particular, on the system of objectives and targets surrounding the "Annual Evaluation Report 2005-06". Bearing in mind that request, I commented briefly in my submission on the treatment of objectives as set out in the AER and the relationship between objectives and targets. I also made some suggestions on how the process might be improved.

I was asked to comment specifically on the replacement of the five priorities and two themes that appeared in "Building a Better Scotland" with the four challenges that appear in the AER. The four challenges—growing the economy, delivering excellent public services, building stronger communities and revitalising democracy—are clearly high-level fundamental objectives, so it is appropriate that they should be set out. Arguably, the four challenges are much more statements of objectives than the initial five priorities because they are clearer and more succinct.

However, it appears to me that that change is largely presentational. I am sorry if I am wrong on that, but most of the specific objectives that were found in the earlier documents remain. The objectives have simply been restructured or regrouped under the four challenges. For example, the specific targets that appeared in "Building a Better Scotland" are replicated. I make these comments only because I was asked about the issue, but it is not clear to me that there has been any fundamental change connected to changes in decisions about resources. However, that is an issue to which we could return.

I have said most about how objectives and targets are specified and whether they are useful, particularly to the committee in its scrutiny of how public money is spent in Scotland. It is important that we do not recommend or pretend that we have an ideal model; we must be conscious of the realities with which we work. In a simplified textbook world, the budget would state what our

objectives are, what the outcomes will be and what is being spent on each set of target outcomes. However, the Scottish Executive's budget, like that of every other public agency or Government in the world, is complex and is the result of multiple decisions taken over time. Public spending objectives are complex and variable and priorities are implicit and emerge, rather than being decided in a clear-cut process. The point was raised in our previous discussion about economic development that spending patterns are determined largely by decisions that have already been made. We cannot shift the overall budget very much in any year. In any case, fundamental changes in spending patterns are pretty unusual. We must acknowledge that we do not start with a clean sheet from a zero base every year and there is no point in pretending that we do.

We need to consider how the process can be improved practically and sensibly. Before I talk about that, I want to say a bit about the existing system of objectives and targets. The sets of targets that appear in the AER need to be improved. There are too many targets and they vary from tightly specified targets such as that every patient should have access to a primary care team member within 48 hours—regardless of whether the target is good, it is precise—to vague targets such as that we should enable more older people to live in their own homes. How many more are we talking about? Many targets are scarcely credible as measures of progress against objectives. I have picked out examples of that; I could have picked others. I will not repeat them all, but they include saying that we want to promote social inclusion in public transport, which I take to mean providing better access to public transport for all the community, perhaps especially for those who are less advantaged. To say that we will measure the success of that according to how many people visit a website seems to make a tenuous connection.

I noticed that I have said in my submission:

"Not all targets are amenable to".

I meant to say that not all targets are amenable to measurement—the word "measurement" disappeared. There are ways in which the targets could be improved. It is quite possible that I have that wrong and that all the targets have been chosen carefully, but I have to say that they all give off an air of the ad hoc.

My final points are about the way ahead. I would not recommend the adoption of an impractical ideal, but perhaps the AER and other elements of the budget process might pay attention to certain principles. In considering any spending area, such as education or health, we should start with a statement on the basic aims, which by and large already happens. Then one would like to see

robust data on throughput or output measures, such as how many people are treated in our hospitals, how many people are educated or how many kilometres of rail or road we have built. That would give us a sense of the broad indicators, which we could track year by year, so that we could say, "We have moved in this direction or that direction."

We could also consider the issue of productivity. There should be a statement of the funding required in the forward period to maintain the level of current activity and output—how much we need to increase the budget just to stand still. We should also say where there is a shift and what the rationale is for it. If there is a shift in priorities from one area of spending to another, that should be spelled out. Additional spending that is required not to maintain the current service but to improve it or to provide additional outputs should be specified clearly, preferably with an attempt to outline related targets and measures, to give us some idea of whether it has been successful.

10:45

I am really suggesting that there should be two main thrusts of the budget scrutiny process and two main questions to ask. First, in doing what the public sector has done for many years, are we becoming more or less efficient in our use of resources? Secondly, where we are increasing or reducing spending or shifting it from one area to another, what is the rationale for that and how are the effects to be monitored and assessed? None of that would rule out undertaking from time to time more searching reviews of specific spending areas and asking whether we should be doing something at all, but that would not be routine. My suggestions are for what we might call the regular or annual process.

The Convener: Thanks very much. I must say that I am sympathetic to quite a few of the points that you made in your presentation. I will home in on three specific issues. From a business management point of view, you are quite right that we would end up with fewer and more measurable targets with what you suggest, which is in a sense where management and business have gone. However, there is a political dimension to the budget. If the Government moves to reduce the number of targets, it gets accused of leaving certain things out. It is really a question of how we square that circle. Once targets are set, they immediately become the subject of controversy and debate, in relation not only to whether they are achieved but to the signals that they send about Government prioritisation and so on. Do you see a way in which we can begin to separate out the process of setting targets so that they are more useful to us in the management of

government and less subject to becoming the bargaining chips in a political process?

Peter Wood: There are a number of points there. Perhaps I said rather quickly that the number of targets could be reduced. I am not necessarily suggesting that they be reduced drastically, because the Government's activities are diverse. I am always reluctant to make the comparison between government and business, because businesses generally have relatively simple objectives by the Government's standards, although some people might disagree. I accept that the targets for the Government have to be more complex and that one of the dangers with targets is that they become the focus—there have been enough complaints about that—and people think that we have to play to the targets. I have heard medical spokesmen criticise the target of everyone getting access within 48 hours to a primary care team member as a distortion of priorities, so it is not easy to get the targets right.

However, there is real variability in the suite of targets in the AER. Some of them look terribly ad hoc, as if they were put in because something had to be put in. I return to the principles that I suggested might be developed. One was that for established spending we should perhaps focus our attention on measures that might give us a handle on efficiency and productivity and allow us to determine whether we are getting more or less out of the money that we spend. Secondly, where we set new priorities, such as to improve cancer care, skills in the work force or aspects of the environment, attention should be focused on specifying meaningful targets. I am suggesting that rather than a plethora of targets, we should have targets that fall into one of these two categories: they should be either about measuring on-going performance and productivity or about assessing the outputs of a specific change in spending priorities or similar initiatives.

The Convener: I have a question on the budget horizon or timeframe, whether in an annual context or spending review period. If we were to make significant changes in pushing towards rationalisation in higher education—to pick an example relatively at random—or changing the pattern of health care, to some extent the timescale needed for managing them is more than one year and probably more than a spending review period. There might be a view on the part of Government that, to some extent, because the effects cannot be realised within the timeframe, it is not worth making the change. Behind what you are saying is the idea that we should have a kind of anticipated-needs database, which would take into account the cost increases that are coming through, and a management timeframe for public expenditure that allows us to make decisions in

the context of a realistic timeframe. Is that a fair summary of what you are suggesting?

Peter Wood: I think that you put it better than I would have.

It is commonly accepted that annual budgets are a curse. Even the three-year strategic planning horizon, which is a welcome improvement, is still quite a short period.

When setting out strategies, it would be desirable for Parliaments and Governments to look four or five years ahead in most areas and even further ahead in other areas. A strategy does not bind a Government year to year. We know that the year-to-year budget will be affected by all kinds of things, such as crises that might arise, and that, if there is an economic downturn, a Government has to trim its sails. There will always be changes at the margins, but the broad thrust of spending should be considered over as long a period as is practical. Having five-year horizons for strategic planning would be welcome, although sticking to such priorities would require a degree of discipline on the part of Governments. I am not politically naive and I understand that demands arise and I would not wish to dampen down the political process. We have to be pragmatic, to use that fine word, and accept that events will confound ideal models, but we have seen the benefits in other areas of public life of taking a slightly longer-term strategic view. That is particularly evident when we compare macroeconomic policy management these days with the situation 20 years ago.

In the kind of framework that I was talking about, Governments need to ask what they need to spend just to keep the show on the road; where they are going to make changes to improve efficiency; where they are planning to make changes in their spending priorities; and how they will assess whether they have been successful.

Dr Murray: We need to recognise the fact that, although the challenges have changed, the Executive was obliged to report on the targets that it set at the time of the 2002 spending review. In a way, we should not be expecting the Executive to do more than that.

You said that not all targets are amenable to measurement. Did you mean that some of the Scottish Executive's targets are not amenable to measurement?

Peter Wood: The specification of some of the targets means that it is not clear how it is intended that they will be measured. For example, one target is that more older people should be able to live in their own homes. How is that going to be measured?

Dr Murray: That seems to go against what the Executive claimed, which was that its targets would be measurable and achievable.

Peter Wood: I did not say that none of the targets were measurable; I said that not all of them were. Most of them are. Indeed, one could argue that the targets have been chosen because they are measurable. The bigger problem is that it is not easy to translate some of the objectives into targets. Quite clearly, 80 per cent or 90 per cent of the targets have been chosen with an eye to their measurability.

I take the point that the Executive is obliged to continue with the targets. If they had been abandoned, the Executive would have been open to various accusations. I am conscious that it is terribly easy to be critical of other people's efforts when one is asked to discuss something such as the AER. My comment on the change—which I was asked to comment on—was that it did not seem to mean much at this point. It was not intended as a criticism of the Executive.

Dr Murray: I sit on another committee that is examining the targets in more detail. There is some concern as to what "on course" means. Target 2 in the transport section of the AER says simply what the current levels are without saying whether they are going up or down. We are told that those levels are on course, but we do not know the direction that they are going in.

Peter Wood: I am grateful to you for making that point. I should have said that I think that the "on course" classification is vague and not helpful.

Dr Murray: Obviously, we need to consider the Executive's objectives in relation to the improvement of services in Scotland and so on, but perhaps there should be a few broad targets that are more clearly linked to the objectives and which have within them specific milestones that are reported on annually with some sort of narrative about how they contribute to the broader targets. I know that I am simply throwing that concept into the discussion, but I think that it might provide a different and better approach that would enable targets to be reported in a way that linked the vision and the building blocks.

Peter Wood: I think that there can be a hierarchy of objectives. Let us take the broad objective of improving the health of the Scottish people as an example. That could be measured in the changes in mortality and morbidity rates. For example, we could say that we want death rates from this, that and the next thing to come down in the next 10 years. At the level beneath that, we would have to ask what can be done about that. If the main causes of the death rates have been identified as being related to diet, smoking, alcohol abuse and so on, we would focus specifically on

those areas and try to come up with ways of measuring the success of the programmes that would be put in place to achieve our aims in that regard. Operationally, the departments need ways of determining whether their spending is on budget and the programmes are being run correctly, although that level of monitoring need not necessarily be represented in the AER.

It is quite right for the Executive to say, "Judge us on whether we have achieved this change in 10 years' time," and also to set out the actions that it will take to pursue that high-level objective and how they will be measured.

One problem is that a programme might do everything that it attempted to achieve but not affect the high-level objective. That could happen, but that is just a fact of life. You are right in saying that we need to make a separation between broad objectives and operational targets that relate to specific programmes. At present, there is a bit of a mix of things in the AER.

Jim Mather: I read your paper with interest and share many of your aspirations. I consider your paper to be an accurate and fair assessment. I certainly believe, like you, that there should be fewer targets and that they should be more outcome oriented. In the 1970s, companies managed to get away without having outcome-oriented targets, but that would be utterly unheard of now in either the public or the private sector.

Your paper and some of the recent responses that we have had paint a mildly depressing picture. A couple of weeks ago, Andy Kerr told the committee that he felt incapable of having macro-level targets in certain key areas because he did not have the levers to control the outcomes. Do you have a view on what macro-level targets we could legitimately have?

11:00

Peter Wood: I understand ministers' reluctance to sign up to targets whose outcome they do not control. I would certainly argue that that is right. There is no point in purporting to be able to change something that you cannot change. I can think of programmes—although not Executive programmes—that are simply too far away from the objective to provide a way of measuring it. One has to consider the specific circumstances. The remit and responsibilities of the Scottish Executive and the Scottish Parliament are quite wide-ranging. I know that macroeconomic policy is not controlled in Scotland, but the greater part of public spending certainly is controlled here. That spending has objectives such as improving the health of the population and making people more productive. It is right to have what I would call

quite high-level targets, as long as you are realistic about timeframes.

Let us say, purely for the sake of argument, that the Executive decided that a major priority, requiring a big effort, was to raise the level of productivity in the Scottish economy. If the aim was to achieve European levels of output per head in 10 years, it would be right to come back in 10 years to ask whether the measures taken had worked or whether we were still where we were 10 years ago. In the intervening period, you would need targets to let you know whether you were on course.

I use the analogy of driving down a road. Let us say that I am going to drive from Edinburgh to London. Suppose that I have just landed from Mars and have never done the journey before. The first thing I need is a United Kingdom map showing me where Edinburgh and London are. Then I need a road map to help me to find the road that I will drive down. Then, as I drive along, I need specific instructions about where to turn. At the same time, because I am driving, I need to know how fast my car is going, at what rate it is consuming fuel and, therefore, when I will have to stop. The high-level question to which I need to know the answer at the end is whether I got from Edinburgh to London; but, to have done that, I will have needed lots of information on whether I was going in the right direction, at the right speed and so on.

The same kind of thing applies to the control and use of public expenditure. We have high-level objectives to get from here to there but, in doing so—and the process may take years—we need to be able to measure whether we are on course. We would start by asking whether we have spent the money we said we would on the things we said we would and whether the money is having the effects we expected. I see a connection: there is a rational or logical order between the high-level objectives and the specific information that is needed for management. Specific management targets belong in operational departments; the targets encourage people to get on with things. However, what have to be reported to Parliament or to this committee are the higher-order targets. Those targets are still meaningful. They answer questions such as whether we are on course. They tell us whether, on our journey from Edinburgh to London, we have reached Newcastle this week or Derby, or only as far as Berwick-upon-Tweed.

Jim Mather: I take your point and will take the analogy a bit further if I may. In effect, Andy Kerr told us that he was sitting in a car with no steering, no pedals and a tow-rope pulled by other people.

The Convener: That was a polemical point.

Jim Mather: It is all right; the analogy has come to a full stop.

What Peter Wood was saying on productivity was very interesting. We live in the real world and those points have been very much endorsed by the guest celebrities in the Allander series of lectures—such as Nicholas Crafts and James Heckman. I am interested in the impact of public sector productivity on national competitiveness and productivity in the overall economy. I would like Peter Wood to consider two points.

First, with the presence of a regulator, we have seen dramatic efficiency improvements at Scottish Water. At a Scottish Trades Union Congress event yesterday, Douglas Millican said that the first 20 per cent of savings was actually quite easy to achieve once there was a focus. I might ask a tongue-in-cheek question on whether there would be mileage in getting some civil service personnel to fulfil regulatory functions across all departments.

Secondly, if we consider the “European Competitiveness Index 2004” produced by Robert Huggins Associates Ltd, what worries me is that Scotland is falling behind in competitiveness. How can we remedy that?

Peter Wood: Those were wide-ranging questions. I will say something about your second point but I am not sure what to say about the first. Obviously, improvements in productivity in public bodies such as Scottish Water are very welcome. Regulation and regulatory environments play an important role—in the utilities in particular. I feel that a good regulatory environment in which people can work is a good way of ensuring progress.

On your second point, I considered productivity merely to illustrate one of the issues that Government might address. However, if the Executive and Parliament are concerned that Scotland’s productivity rating is not as high as it should be, I would have sympathy with that. The question that would arise is what we would do about that rating, and answering that question would be a major exercise. However, broadly speaking, there are two, or perhaps three, ways of increasing productivity. First and foremost, we have to increase people’s relevant skills. The more skilled, educated and trained people are, the better able they are—provided the skills are relevant—to do their job, and that will increase their productivity.

The second main way of increasing productivity—one that is not always relevant but is well established—is to increase levels of capital investment. The more capital a worker controls, whether he or she is in a factory or in an office, the more productive he or she is likely to be. The third

main way would be through what we might call better management of the organisation and the process. We have to make engineering processes—as the management consultants say—more efficient.

If you were to ask me where we are falling down the most—in training and skills, in levels of investment, or in the way we organise our work—I could not answer right now. However, I suggest that those are the areas on which we have to focus and those are the questions that we have to ask.

Jim Mather: I accept that, and I would also focus on the retention of skills. Having created the skills, we would have to ask how we would retain them in the economy.

I have a final question. Given the absence of macro-level Government targets, should we pay attention to macro-level indices that other agencies produce? Should we use such information to inform the debate?

Peter Wood: It would depend on what the information related to. As far as the general performance of the economy is concerned, we have talked about measures of productivity, which are relevant, and there are other measures. We have to focus on such measures over the right period of time. I was going to talk about things that take longer to build than expected, but I have changed my mind. Large-scale change does not occur rapidly. I have seen in some documents—although nothing to do with present work—a focus on targets that cannot be expected to change in the period under observation. What is the point of that? We must acknowledge that change takes time.

It is right that the Parliament should concern itself with issues such as where Scotland stands now, where it will stand in five years’ time and how we will measure whether we have made progress in line with our aspirations. It is relevant to consider broad macro-level targets—or indicators, or whatever you want to call them—and to say that we will measure ourselves by them.

The Convener: Those are certainly issues that interest the committee.

John Swinburne: Good morning, Mr Wood. Have you a view on the level of transparency, or—should I say?—lack of transparency in the budget document regarding the use of public-private partnerships as a method of capital asset delivery?

Peter Wood: I would put that question in a more general context. The document as it stands is not very transparent. I do not mean to suggest that anything is being concealed; I am talking about the way in which information is presented. We are told

how much is spent in broad areas but then we get discussion of priorities with variable and not always comprehensive treatment of how those priorities will be tackled. I can think of only two or three instances in which the document says, in effect, "This is a priority and we are going to spend this amount of money." Much of the rest of the time the document does not tell you that and there is no clear spending commitment attached to a particular priority.

Within that, questions to do with the mechanisms of funding would also be relevant. How is a priority to be funded? Is it through what we might call conventional public spending or is it through PPPs of some sort? What resources will be involved? In general, if things are set out as priorities, there should be an indication of the resource implications that will follow.

We have to bear in mind the fact that the initial strategy document is not the actual budget document, and the real detail of the spending is presumably in the main budget document. However, we should be setting out the resource implications and the requirements of highlighted priorities.

John Swinburne: Is there sufficient lateral thinking from the Government about the way in which it spends its money? Let me give you a specific example. Everyone is talking about prisoners who are being escorted all over the country and how that will allegedly cost £127 million over seven years. Can no one take a step back and ask why? Why not just take £10 million of that £127 million and build a little courthouse inside each prison and take the sheriff to the courthouse? That would mean no danger to anyone and it would save £100 million. There does not seem to be any room in the current budget process for lateral thinking.

Peter Wood: I do not know about that example; something like that might be too detailed to appear in this type of document. Work should be being done in individual departments—and one assumes that it is—on the most efficient ways of delivering services.

I commented on two themes in the strategy document. For the past few minutes, we have been talking about the first one—where we are spending extra money and what our new priorities are. The other theme that I talked about was productivity, which I take to mean making good use of money in general. One would expect the strategy document to talk about how a department will use better procurement or various efficiency changes to improve the return on public expenditure by X amount. I would not expect the fine detail to be spelled out in the AER, although there should be an audit trail, so that if the Justice Department decides to become more efficient, for

example, it can be called on to account for the detail of that. One would not expect the operational and managerial level of individual programmes to be discussed in detail in the strategy document.

The Convener: That was an interesting idea, John, especially if advocates were required to stay overnight as part of the process.

John Swinburne: It is not safe for the public.

Mr Brocklebank: Peter Wood's presentation has been impressive, reasonable and very polite. However, had I received his submission when I was a journalist, I would have thought that it was a scathing indictment of the Executive's strategy and targets. He uses phrases such as

"the system of targets has very serious weaknesses"

and

"Many targets are scarcely credible";

I agree with a lot of that.

Does he agree that the AER is more of a wish list of good things that the Executive would like to happen, but does not have any map for the journey and no way of working out how those good things will transpire?

Peter Wood: I am grateful for your comments. Journalists use such phrases as "scathing indictment", and I was recently accused of slamming something when I thought that I had made some mild criticisms.

It is easy to be a critic, but the work that goes into the production of such documents is impressive; there is a massive amount of work behind them. I also agree that the documents articulate a range of ways in which the Executive seeks or aspires to improve the quality of life in Scotland. I have already talked about the structure and variability of the targets and the ad hoc quality of some of those targets, and I used a flippant metaphor earlier about trying to judge the problems of a car by using very fragmentary data. I think that that is a problem, but I am also conscious of the work that has gone into the document and of how things such as the transparency of the process and the discussions have improved over time compared with what happened in pre-devolution days.

Perhaps the civil servants would say that they are always being pressed to come up with targets and they are doing what they can to meet those aspirations. All sides in the discussion have to agree on what it is appropriate to measure, over what period of time and what they will be content to work on. I am sure that there are already pressures to produce indicators across a wide range of activity.

11:15

Mr Brocklebank: I was intrigued with the example that you gave in your submission about the objective to encourage and support lifelong learning and to widen access to skills opportunities, for which the only target that the Executive came up with was to

"Increase graduates as a proportion of the workforce."

That is at a time when society is crying out for carpenters and plumbers and so on.

Peter Wood: I have to confess that that is how I felt. When I read that target, I thought that it was a bit disappointing. It is not self-evident to me that increasing the proportion of graduates in the work force is the answer, or even that it is the number 1 priority. I thought that that was a particularly disappointing example.

Mr Brocklebank: Since 1999, overall public expenditure in Scotland has increased by 41 per cent, direct spending on primary economic development has increased by 19 per cent and support expenditure has increased by 22 per cent. In the context of the spending review, what do those figures say about the Executive's number 1 priority, which is supposed to be about growing the economy?

Peter Wood: I will probably get into trouble here.

Mr Brocklebank: Oh, go on.

Peter Wood: The spending suggests that the Executive's main priority has been to improve aspects of the quality of life in Scotland, particularly in health and education. I have talked about education being supported, but health seems to have been more of a priority. Some people might say that it should be, but that is a matter of judgment. There is no doubt that priorities change over time.

I think that it is worth doing this. It is right to stand back after several years and ask questions such as, "We said that this was our number 1 priority, but did we behave as if it was?" I am not saying that spending is the only measure, because setting priorities is not just about spending the most money on what is important. We spend the money where we believe that it can have an effect.

People might also say that health spending is driven by the demands of the population and so it cannot be controlled. I would want to make a balanced judgment about that, but health has been a very high priority.

Mr Brocklebank: Compared with other countries, is Scotland's economy over-reliant on public expenditure?

Peter Wood: A bit of a weakness in the structure of the Scottish economy is that it has a relatively large public sector. The answer might be not to make the public sector smaller but to make the private sector bigger, if I can put it that way. We are a bit reliant on public spending, but we are perhaps not so reliant on it as is, say, Northern Ireland.

Jeremy Purvis: I am struck by the analogy that you used earlier. Given that the place of my birth is Berwick-upon-Tweed, I think that a car stopping there would be an indicator of success rather than failure.

Many witnesses have come to the committee and said that there are too many targets, but none has outlined a better system. I accept your caveat that it is easy to be a critic.

Many members of the committee, including Jim Mather, want some macro elements to be brought into the budget. Many of the indicators—for example, on longevity, reducing the number of mental health in-patients, business confidence and start-up businesses—are statistics that might indicate how successful the Government's policies are rather than the qualitative outcomes, and are dealt with by a range of different organisations with varying degrees of quality using various different sampling data. Therefore, there is a lack of consistency and it is difficult to get a picture of how successful we are. Is there a role for Government in co-ordinating those statistics and indicators? Is it an impossible task? You have been working through the AER and have provided a coherent critique, so what are your thoughts on where the starting point would be?

Peter Wood: Data collection in Scotland is pretty good. Data are available from a range of sources, but recent years have seen an improvement in the quality of available data on aspects of Scottish life. The Scottish household survey, in particular, is a welcome innovation that has improved our window on various aspects of Scottish life. I think that more use could and should be made of that data source as it matures and develops.

I am not convinced that the main priority is to invest further money in data collection because, generally speaking, a pretty good job is done on the data side in Scotland, especially by Government statisticians. Everything can be improved—I always wonder why the census results take so long to come out—but the data situation is not bad. A couple of years ago, I was working on a project in Finland and I was struck by the quality of Finnish data, but that is perhaps the result of a different political culture and a different attitude towards the collection of information. By most standards, our data are not too bad, but we should examine specific areas in which we can

improve. As I have said, the Scottish household survey is an example.

The issue is more about how we use the information. I return to the point that target setting in the budget process should be simplified. I suggest that what I would call the detailed targets should be a bit more concentrated on, and show more of a connection to, the things that are being changed. If we say that we are spending X tens or hundreds of millions of pounds more in a particular area, that signals to me that we want to focus our attention on what we are procuring from our expenditure in that area.

Jeremy Purvis: Many targets have different reporting cycles and, even if they are on course to be implemented or have already been implemented, for some of them a much longer feed-in time will be necessary to determine whether we have been successful. For example, although some of the work that is being done on the later start in primary schools may not be reflected in budget documents, in 15 years it could have the most radical impact on school leavers. That is something that it is difficult to quantify in the budget documents. Changing attitudes to public health is a similar example.

I wonder whether an opportunity exists to have an annual indicator. All constituency MSPs have received constituency profiles from the Public Health Institute of Scotland. I have to say that some of the information is highly inconsistent with the other statistical information that I get, which is why I ask the question. Even though the Executive might not be able to add authority to such a document, could it be presented in the same timeframe as the budget documents, to allow us to have a better public debate about where we are in relation to the kind of macro issues that Jim Mather—whose views I whole-heartedly support—has been talking about?

Peter Wood: That is an intriguing idea; I had not thought of it. At different times, people have produced benchmark documents. An annual state-of-the-nation summary might be quite interesting.

Jeremy Purvis: If you had said “state-of-the-union”, Jim Mather and I would have separated in our views.

Peter Wood: I am sure that we can find some acceptable terminology. I find your idea interesting, because I am interested in monitoring over time and benchmarking against reasonable comparators.

The Convener: I have a final question. Last week, we heard extensively from Andrew Goudie about the performance and innovation unit and various other mechanisms within the Executive for drawing together different strands of information and policy. Should there be an administrative

mechanism within the Executive for making progress with the agenda that you have mapped out, which is to simplify, clarify and ensure the appropriateness of the targets that are set, so that the process of target setting and target management is conducive to more effective management of Scottish Government?

Peter Wood: My answer to that is that I am surprised that there is not such a mechanism. I would have thought that that process was going on. We should bear it in mind that other organisations are considering such matters. For example, the Audit Commission does work in that field, so there are public servants in the area. There are lessons to be learned from other bodies, including—dare I say it—bodies south of the border.

In my experience, work of that kind goes on in various bits of Government. Communities Scotland, Scottish Enterprise and the different departments will be doing their own things. I would have thought that it would be beneficial for some work on improvements in that area to be done centrally—if, indeed, it is not already being done—through a task force or whatever. That would be a worthy thing to do.

The Convener: I suppose that there are two issues. The first one that you are flagging up to us is the fact that there is not even proper consistency in the process of target setting. Your point is that the Executive may simply be measuring what is measurable instead of identifying the proper targets that provide the best indicators on a desirable process of change.

Peter Wood: That is my impression. It surprises me slightly, because I can think of—and, if I were given enough time, produce—documents that have been published in various bits of Government at different times about how to measure a particular programme and the principles that should be used in doing so. There is a body of knowledge and even, I would say, of good practice. From time to time, Government produces guidance. For example, one of my bibles is the Treasury’s green guide on project appraisal. Everyone who works in project appraisal knows that guide and knows that it provides a lot of information on how to do it.

I am pretty sure that, in the past, the Treasury has examined good practice in target setting, for example. It seems to me that a considerable amount of work exists, which, if it could be brought together and reflected in the procedures that are used in the budget documents, would help to move us forward.

The Convener: I think that we have concluded the questioning. I thank you very much for coming along today. I remind members that at the next

committee meeting, which is on 25 May, we will be considering reports from the subject committees and taking final evidence from the minister, so we will be able to integrate into that process some of the information that we have received from Peter Wood and previous witnesses.

Emergency Workers (Scotland) Bill: Financial Memorandum

11:27

The Convener: Item 4 on the agenda is consideration of the financial memorandum to the Emergency Workers (Scotland) Bill, which was introduced on 22 March 2004 by Andy Kerr. We have with us officials from the Scottish Executive: Richard Scott is head of the criminal justice division and Gery McLaughlin is the bill team leader. Welcome, gentlemen.

Members will have a copy of the bill, the policy memorandum and the explanatory notes. We also have copies of correspondence from the Scottish Court Service and the Crown Office and Procurator Fiscal Service. I ask the witnesses whether they want to make a brief opening statement or to go straight to questions.

Richard Scott (Scottish Executive Justice Department): We are quite happy to move straight to questions.

Fergus Ewing: Our job is to consider the financial implications and costs—to the Executive, in particular—of any piece of legislation. I notice that, in paragraph 22 in the financial memorandum, you state:

“It is not anticipated that there will be any significant additional on-going costs”.

You later argue that it is

“anticipated that savings arising from the deterrent effect of the legislation is likely to outweigh the costs of any additional prosecutions for the new offences”,

but you do not give us an estimate of the bill's costs. Can you do that now?

Richard Scott: We cannot really give you any detailed costs. As the memorandum makes clear, to a large extent the bill replicates the existing law—in the case of assaults on any workers, the common law or, in the case of assaults on emergency workers such as the police and fire personnel, the provisions of statutory law. Therefore, we do not envisage—nor does the Crown Office, as the committee will have seen from its submission—any significant increase in the number of prosecutions as a result of the bill.

The bill's main thrust is to highlight the fact that attacks on emergency workers are unacceptable; it is hoped that the bill will have a deterrent effect. It is difficult to project precisely what that deterrent effect might be. However, we hope that the bill will deter people from attacking emergency workers, which will mean fewer court cases, fewer people sent to prison, savings on manpower and loss of days' work, savings on damaged equipment and,

generally, a more effective response to emergency situations. You will appreciate that it is difficult to put costs on that.

11:30

Fergus Ewing: I appreciate that it is not easy. However, although we all wish those benefits to arise, they seem to be speculative. Indeed, paragraph 16 of the policy memorandum seems to acknowledge that by saying that such things “might” happen.

I have a specific question to which I do not know the answer, although I am sure that you do. At present, assaulting an emergency worker is not a statutory offence, although it will be if the bill is passed. Looking at the matter from the point of view of someone who used to undertake defence work, I think that, as with any statutory offence, lawyers will seek to pick holes in the bill to find technical defences. I am thinking in particular about subsections (4) and (5) of section 1 and section 2(6). The state needs to prove that there has been an emergency. All sorts of technical arguments could be advanced to show that an ambulanceman may not be attending an emergency because the person may not be likely to suffer serious injury.

Given that there is always the danger of technical defences, whatever they may be, is it not likely that procurators fiscal will often hedge their bets by pursuing both the common-law offence and the statutory offence in respect of one accused? Is that likely to happen? If it does, will it not mean a duplication of effort and more work required of the police in providing separate precognitions and reports in relation to each offence? Will there not be a doubling of the paperwork and bureaucracy connected with such cases? Have you thought through whether that practice is likely to develop to ensure that a fiscal does not end up with egg on his face because of some unanticipated technical defence to the new statutory offence?

Richard Scott: Yes, we have considered that issue. We have had detailed discussions with the Crown Office on the framing of the offences in the bill. The Crown Office would be better placed than I am to answer detailed questions on that. The bill provides that an emergency situation is one in which

“a reasonable person would have grounds for believing that the emergency worker is or might be responding to emergency circumstances.”

We feel that the matter is fairly clear cut in most cases. However, you are right that there will, inevitably, be borderline cases. In each individual case, it will be for the PF to decide whether to prosecute under the bill—the act, as it will then

be—or under the common law. It is important to retain that flexibility to ensure that no assaults slip through any kind of legal net.

Fergus Ewing: Under section 2(6), would there not be a requirement for an additional witness at each trial in which the statutory offence was pursued? Somebody would have to be able to certify that the person was an emergency worker.

Richard Scott: A person would not necessarily be required. For example, all that might be required would be a copy of the note from the medical register saying that the person was a doctor. It need not be someone testifying in person; it could be written evidence that the person was a doctor, police officer or fire officer.

Fergus Ewing: Fair enough. That is a minor point. A more substantive point is that the whole basis of the bill is that it will have a deterrent effect, which will produce welcome savings—although a reduction in the number of people being assaulted would be the most welcome outcome. Do you have any comparative data from any other jurisdiction to show that the creation of a specific statutory offence of assault of an emergency worker will have a deterrent effect?

Richard Scott: No, we do not.

Fergus Ewing: So that is purely a theory that you have come up with.

The Convener: You are straying into policy areas rather than financial areas, Fergus.

Fergus Ewing: I thought that, if we could point to such a provision being adopted in another country, we would be on more robust ground to consider the thesis that there will be savings because the deterrent effect will arise merely from the fact that legislation has been passed.

In paragraph 4 of the policy memorandum, you state that there may be

“a public awareness campaign, measures to improve training of managers and staff and increased education of children and young people”.

Are not all those items—especially the public awareness campaign—that will have cost implications? If so, why are those costs not estimated in the financial memorandum?

Richard Scott: Ministers are of a mind to put together a wider package of measures separate from the bill although, to an extent, they will be complementary to it. They are currently in discussions with the Scottish Trades Union Congress, various trade unions and employer organisations about putting together that package. As the policy memorandum suggests, the package may well comprise advertising, publicity and an awareness-raising campaign. Other elements within it—particularly educational elements—will

be directed at young people. However, none of those measures has been costed in detail, nor have any financial resources been allocated to them, as ministers have not yet decided what the package will contain.

Fergus Ewing: I appreciate that you cannot deliver policy statements for ministers; I would not ask you to do that. However, we are being asked to look at the bill on the basis that it will have a deterrent effect. Will that be the case if there is not some sort of promotion of awareness? Should we not, therefore, have an allocation for the cost of any public awareness campaign that may be designed to promote the bill? I think that we should know the cost, as the measures in the policy memorandum might be expensive to implement. Moreover, there is a basic question to be answered if we are going to spend money and are being asked to hand over a chequebook, if not sign a blank cheque. There is now considerable doubt whether public awareness campaigns—whether directed towards health or towards stopping criminal behaviour—actually work. Can you point us to any data that show that a public awareness campaign would work?

Richard Scott: No, I do not have such data with me today. I do not have command of that. As I have tried to make clear, we do not envisage that the bill will create any particular cost. When ministers have decided exactly what measures they want to include in the wider package, they will be more than happy to discuss with the committee what the costs and the cost-effectiveness of the package are likely to be.

Fergus Ewing: Thank you very much. I have a few more questions, but I do not want to hog the floor.

The Convener: A technical issue has arisen in the context not just of this bill, but of other bills. It is a moot point whether we can confine the costs of a bill purely to the costs of implementing the detailed items in that bill. If this bill is part of a package of measures, it would help the committee if we had some indication of the parameters of that package. However, we should perhaps take up that issue more generally than just in the context of this bill.

Jeremy Purvis: Have any new offences been introduced in Scotland, since the establishment of the Parliament, on which data have been captured showing a deterrent effect?

Richard Scott: I am sorry, but I am not quite sure what you mean.

Jeremy Purvis: Have any new criminal offences been established in law in Scotland, since the establishment of the Parliament, on which the Executive has captured data to determine whether the relevant legislation has had a deterrent effect?

Richard Scott: Not that I am aware of, but I am not responsible for the entire parliamentary legislative programme. I could make inquiries about that, but I am not aware of any such offences.

Jeremy Purvis: My point leads directly from Fergus Ewing's question. Paragraph 24 in the financial memorandum states:

"It is however anticipated that savings arising from the deterrent effect of the legislation is likely to outweigh the costs of any additional prosecutions for the new offences created by the Bill's provisions."

There must be a reason why you put that in writing.

Richard Scott: Given the provisions in the bill, we—and indeed the Crown Office—do not expect there to be many additional prosecutions, so the cost of prosecuting offences should not rise significantly, if at all.

Jeremy Purvis: You said that savings are anticipated.

Richard Scott: For the reasons that I gave to Mr Ewing, we think that the deterrent effect of the bill may lead to savings. I accept that that is purely speculative. However, if there are savings, we think that they will outweigh the small costs—if there are any—of additional prosecutions.

Jeremy Purvis: Is it acceptable to speculate in a financial memorandum on proposed legislation?

Richard Scott: We were trying to be as helpful as possible and to explain our thinking, in particular in the absence of any firm, detailed costs, which we are unable to provide.

Jeremy Purvis: Paragraph 25 in the financial memorandum says:

"The Scottish Executive believe that the introduction of the new offence will not result in any significant change in sentencing pattern".

Tougher penalties would not therefore be imposed in those cases. Moreover, as you have no evidence that the measures would have a deterrent effect, you cannot prove that public confidence will increase. On what exactly will you spend the money for a public awareness campaign?

Richard Scott: If ministers take forward such a campaign, I understand that the money will be spent on getting across the overarching message that attacks on public service workers in general—including bus drivers, train drivers and social workers—are totally unacceptable. The point of the package is to consider not just emergency workers, but all workers who provide a public service. The campaign will try to change attitudes.

Jeremy Purvis: We do not need a bill to do that.

Richard Scott: The bill focuses specifically on emergency workers in emergency situations. Ministers made a conscious decision to limit the provisions of the bill to those workers.

Jeremy Purvis: You have already said that there are no data that show that the bill would have a deterrent effect, so it is pure speculation to suggest that that will be the case. Your financial memorandum says that you do not expect sentencing patterns to change. You also recognise that people such as my dad, who is an ambulance technician—I suppose that I should have declared an interest—are already protected under existing legislation. The bill will have a cost in legislative and civil service time and a public awareness campaign will have a cost. The bill will generate a lot of additional costs, when the heart of the matter might be dealt with through a public awareness campaign to make it clear that it is absolutely unacceptable to assault or impede an emergency worker.

Richard Scott: Ministers' intentions are that the bill—and indeed the wider package, to the extent that it is taken forward—will achieve a reduction in attacks on emergency workers and on public service workers in general. Over time, that reduction in attacks will reduce costs in the justice system and more widely.

Jeremy Purvis: You said that currently you do not capture the number of offences that are committed against emergency workers. I assume that those data are available in the sheriff courts. An incident in which such an attack clearly took place was dealt with in my local sheriff court two weeks ago and received quite a high profile in the local papers, so that incident was publicly reported. I do not understand why you do not have the data.

Richard Scott: Statistics detailing the victims of assault or other crimes are not kept centrally. Records are kept by individual courts, but research would have to be undertaken into those records to gather a sample and that has not been done. One of the advantages that will flow from the bill, if the Parliament decides to enact it, is that specific offences will be recorded and statistics on attacks on emergency workers will be kept.

Jeremy Purvis: We are considering the financial aspects of the bill. Would it not have been better to do the research before bringing the bill to the committee? You would then have had better data so that, instead of speculating, you could have answered our questions.

11:45

Richard Scott: Research on the number of attacks would answer your specific question, but I am not sure whether it would necessarily help in

predicting the effectiveness of the legislation as a deterrent.

John Swinburne: Can you name an offence that is not covered by Scottish law and is not on the statute book but that an offender could be charged with under the bill? Give me one offence that could be committed that is not already covered.

Richard Scott: I could ask Gery McLaughlin to go into the question in more detail, but it is possible that giving a fireman false information or refusing to give him information—for example, about where the keys to a building are kept—might not be prosecutable under the common law. The bill makes it certain that such non-physical obstruction or hindrance of emergency workers will be an offence. That area is not clear at the moment.

John Swinburne: So we are going through all this—I hesitate to call it a charade—paraphernalia to ensure that someone will tell someone where the keys are. Come on. It seems a terrible waste of time, money and everything else, unless we are achieving positive objectives.

Richard Scott: No. You asked me specifically what the bill does that the common law does not do.

John Swinburne: And that is the only thing?

Richard Scott: Ministers have stressed that the bill will have a wider deterrent effect by making it clear in statute that attacks on emergency workers are unacceptable.

The Convener: We are in danger of getting into the business of the subject committee.

Jim Mather: I am keen to build on the points that Jeremy Purvis and John Swinburne have made. It strikes me that it would not be too onerous a task to survey and analyse the current cost of impeding or assaulting emergency workers—for example, the police, fire service personnel, hospital staff, general practitioners and people who work in surgeries—and thereby to set a target for savings. On the cost implications, it is clear to me that the money that is going out is negligible, non-existent or maybe even negative. You should identify the possible savings and have a mechanism by which you could revisit the penalties if the savings were not achieved. That would substantially bolster the bill. Do you have any thoughts on that?

Richard Scott: We can certainly examine particular cases. The consultation paper that went out last year cites a number of instances in which emergency workers were attacked. I am sure that we could revisit some of those cases and work out the costs that were incurred, both in the justice system and more widely as a result of people

being off work, equipment being vandalised and so on. We could try to project that forward to see what savings are achievable. However, I return to the point that the extent to which the bill will have a deterrent effect is speculative and that it is therefore difficult to set targets for savings. At one extreme, if the bill was super-effective, there would be no more attacks on emergency workers.

Jim Mather: That is a worthy objective. However, if the bill has to justify itself as an additional piece of legislation over and above what exists at the moment in order to earn its keep, it will have to prove that it is driving down compensation payments, lost days at work, insurance premiums and so forth. It strikes me that some speculation on that could be entirely useful and that you would be better off with that fig leaf than you are without it.

Richard Scott: Certainly, if the bill is enacted, monitoring will be put in place to see what kind of savings are being achieved in relation to the number of prosecutions, for example. Short of working through statistics on a case-by-case basis, it is difficult to give global figures in this kind of area. Each attack, although it is one incident—and one serious incident at that—will have different cost implications from other attacks.

Jim Mather: I accept that point in the context that it is made from your point of view at the hub. If, however, you were to go to the end of individual spokes—into the office of a chief constable or the chief executive of a hospital trust, for example—you would find that people would be stepping up to tell you about the impact on their budgets and you might secure some co-operation that would add passion to the implementation of the bill.

Dr Murray: Paragraph 5 of the policy memorandum states:

“This Bill provides specific protection for emergency workers similar to that provided for police officers in the Police (Scotland) Act 1967.”

I imagine that you have some idea whether the Police (Scotland) Act 1967—given that it was enacted 37 years ago—has helped to prevent attacks on police officers. Indeed, you should have some idea whether it has provided a deterrent effect and whether savings have been made.

Richard Scott: I do not think that we have firm information on that.

Dr Murray: Surely there must be some reason for the Executive thinking that the Police (Scotland) Act 1967 was an appropriate template for the bill.

Richard Scott: The reason for that was to extend the protection that is currently given to the police—and, to some extent, to fire personnel under the Fire Services Act 1947—to other

emergency workers. The legal view was that, instead of tearing up the relevant provisions of the Police (Scotland) Act 1967, a bill based on that model should be introduced.

Dr Murray: I do not want to get into a discussion on the policy issues, although I am surprised that people could be opposed to the extension of extra protection to emergency workers, which is an extremely laudable aim. I will return to the financial side and the question whether costs or savings could result from the bill. Given that similar legislation has been in place for 37 years, I would have thought that the Executive would have some idea whether a cost could be attached to the bill over the piece.

Richard Scott: I do not have the answer to that question, which members might like to put to the Association of Chief Police Officers in Scotland—I think that ACPOS is to give evidence to the committee. Ministers feel that the provisions in the Police (Scotland) Act 1967 have been successful, although, as I said, I do not have any cost details of how successful they have been.

The Convener: We are not having ACPOS in to give evidence. It is difficult to measure the deterrent effect of the Police (Scotland) Act 1967, but it should be possible to measure the number of prosecutions under the act in relation to such offences.

Richard Scott: Yes. You could certainly find that information.

The Convener: I presume that the Crown Office and Procurator Fiscal Service will have some idea whether, under the bill, it will be able to pursue cases involving attacks on emergency workers other than the police that it was unable to pursue under existing legal procedures. That would give a quantifiable estimate of the additional prosecutions that might be brought as a result of the bill.

Richard Scott: As is suggested in the financial memorandum, the Crown Office believes that it is unlikely that the bill will result in many more prosecutions. Most offences can be pursued under existing legislation—apart, that is, from the fairly narrow point about non-physical obstruction that I mentioned in response to a question from Mr Swinburne.

The Convener: I have one other question, which is probably not on a financial issue but on a policy issue. I seek clarification on the penalties that are mentioned in the bill—I think that the upper limit is nine months' imprisonment. I presume that, if the assault was a serious one, the offence would not be prosecuted under the bill and that another piece of legislation would apply.

Richard Scott: A case involving a serious assault would probably be pursued under common law on indictment.

Fergus Ewing: In the mid-1980s I was in a mountain rescue team and in order to get a first aid certificate we went along one night to Glasgow royal infirmary to assist and observe. What we observed was that most of the customers were out of their minds on drink. I remember one unfortunate chap who had managed to embed a broken pint glass in his bahookie, as they would say in Glasgow. His state of intoxication was so advanced that not only was he unaware of the glass, but he did not know where he was.

I mention that because it illustrates a problem for a public awareness campaign—the sorts of people whose behaviour we wish to have an impact on are the people who are least likely to pay attention to a public awareness campaign and whose behaviour will not be affected. Do you accept that that is a basic flaw in a piece of legislation, whether or not it is accompanied by a public awareness campaign?

Richard Scott: No, I do not accept that. One important provision in the bill that we have not discussed so far is section 3, which deals with assaults on emergency workers in accident and emergency departments. In many instances, the kind of case that you describe would end up in an accident and emergency department. Often, the patient would be accompanied by his friends, who would probably be equally intoxicated. Those are the people who often cause the problem, because they are worried about what is happening to their injured companion and so start assaulting nurses. Ministers believe that section 3 will send out a clear message that attacks in accident and emergency departments are not acceptable.

Fergus Ewing: I understand the point—you have simply reasserted the thesis—but the friends are likely to be as non-responsive to appeals to their good nature as their injured pal is. That is the flaw in the bill.

I have one final point. Dr Elaine Murray said that nobody could be against providing extra protection to public service workers. Everybody would agree with that but, with respect, I argue that the bill will not provide extra physical protection; it will simply create a new statutory offence in the hope that it might impact on behaviour. Some might say that to provide extra protection one could use the money that the bill may cost to put another policeman in a busy accident and emergency department on Friday and Saturday nights. That would have an identifiable cost, but it might be more effective in providing real protection than the proposals in the bill.

The Convener: That is a policy question rather than a finance issue and ultimately it will need to be resolved by the lead committee on the bill. We have exhausted the questions on the financial memorandum. We will make our report to the lead

committee, which I presume will be one of the justice committees. I thank our witnesses for coming along and giving evidence.

Items in Private

11:59

The Convener: The fifth item on today's agenda is to decide whether to take in private at our next meeting items on the draft report on the Emergency Workers (Scotland) Bill and on an issues paper on the committee's inquiry into relocation. Do members agree to take those items in private?

Members *indicated agreement.*

The Convener: Agenda items 6 and 7 are consideration of draft reports on the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill and the Breastfeeding etc (Scotland) Bill. As previously agreed, they will be taken in private.

11:59

Meeting continued in private until 12:05.

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