

FINANCE COMMITTEE

Tuesday 12 April 2005

Session 2

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FINANCE COMMITTEE

10th Meeting 2005, Session 2

CONVENER

Des McNulty (Clydebank and Milngavie) (Lab)

DEPUTY CONVENER

*Alasdair Morgan (South of Scotland) (SNP)

COMMITTEE MEMBERS

*Ms Wendy Alexander (Paisley North) (Lab)

*Mr Andrew Arbuckle (Mid Scotland and Fife) (LD)

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

*Jim Mather (Highlands and Islands) (SNP)

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

*Dr Elaine Murray (Dumfries) (Lab)

John Swinburne (Central Scotland) (SSCUP)

COMMITTEE SUBSTITUTES

Gordon Jackson (Glasgow Govan) (Lab)

David Mundell (South of Scotland) (Con)

Alex Neil (Central Scotland) (SNP)

Iain Smith (North East Fife) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Professor Arthur Midwinter (Adviser)

THE FOLLOWING GAVE EVIDENCE:

Andrew Brown (Scottish Executive Justice Department)

George Burgess (Scottish Executive Justice Department)

Sharon Grant (Scottish Executive Justice Department)

CLERK TO THE COMMITTEE

Susan Duffy

SENIOR ASSISTANT CLERK

Judith Evans

ASSISTANT CLERK

Kristin Mitchell

LOCATION

Committee Room 6

Scottish Parliament

Finance Committee

Tuesday 12 April 2005

[THE DEPUTY CONVENER *opened the meeting at 10:00*]

Management of Offenders etc (Scotland) Bill: Financial Memorandum

The Deputy Convener (Alasdair Morgan): Good morning, ladies and gentlemen, and welcome to the 10th meeting in 2005 of the Finance Committee. I ask that all mobile phones and pagers are switched off. We have had apologies from the convener, Des McNulty, who has hurt his foot in a skiing incident; from John Swinburne; and from Elaine Murray, who has been delayed due to motoring difficulties.

The first item on the agenda is evidence on the Management of Offenders etc (Scotland) Bill, which was introduced on 4 March by the Minister for Justice. At our meeting on 15 March, we agreed to adopt level 2 scrutiny, which means taking written evidence from organisations upon which the costs will fall and taking oral evidence from officials. We have received written evidence from the Association of Chief Police Officers in Scotland, the Convention of Scottish Local Authorities, the Criminal Injuries Compensation Authority, the Scottish Prison Service and Strathclyde joint police board.

The officials we have with us this morning are: Andrew Brown, the bill team leader, who is from the reducing reoffending division; George Burgess, who is head of the criminal justice group projects division; Paul Cackette, who is head of the civil justice division; and Sharon Grant, who is from the community justice services division.

Andrew Brown (Scottish Executive Justice Department): We are grateful for the opportunity to appear before the committee and answer any points that the committee may have on the Management of Offenders etc (Scotland) Bill. The bill has a number of different policy elements, which are aimed at improving the way in which we manage offenders.

My particular responsibility is for the provisions on community justice authorities. George Burgess is the lead on home detention curfew issues; Paul Cackette is the lead for the Criminal Injuries Compensation Authority provisions; and Sharon Grant is the lead on the serious and sexual offenders measures.

One point that came up in the evidence and which the clerks kindly shared with us concerns the consultation on the bill and the financial memorandum. It is true that there was no formal consultation on the draft bill or the draft financial memorandum. That was a consequence of the tight timescales to which we were working. There was, however, considerable consultation on the policy leading up to the drafting of the bill, and there were on-going discussions with the key stakeholders in the drafting of the accompanying documents, including the financial memorandum. On the community justice authorities, that involved the SPS and COSLA. On the serious and sexual offenders provisions, that involved the Association of Directors of Social Work and the police authorities. A degree of consultation has gone on throughout the process.

The Deputy Convener: When you say that a degree of discussion has gone on with the bodies concerned, how does that differ from formal consultation? Would the results have been any different had you been out to formal consultation?

Andrew Brown: The difference is that we concentrated our discussions with the specific stakeholders. In a more formal consultation, we would have gone wider, perhaps to other organisations that had an interest but which would not be considered to be among the key stakeholders. Inevitably, the discussions that we had were fairly intense, but because of the curtailed timetable, to some extent we were unable to develop some of the costs—for example at the SPS—in the financial memorandum as much as we would normally hope to do. The evidence that the SPS provided took that a bit further and showed in more detail where the costs might arise.

The Deputy Convener: Are you happy with the costs as contained in the financial memorandum? You say that you were unable to take those discussions as far as you might have done. Does that mean that the costs are incomplete or underestimated?

Andrew Brown: We are pretty happy with what is in the financial memorandum. Because of the timetable, we were unable to refine the figures as much as we would normally hope to do. That is why the SPS evidence is helpful, in that it has refined the costs a bit more and identified where the costs would arise. We were aware that costs would arise, but we had not really detailed out the costs as much as we would hope to do in a financial memorandum.

Mr Frank McAveety (Glasgow Shettleston (Lab): One of the key submissions is from COSLA, which, as well as expressing concern about the in-principle decision, questions whether criminal justice authorities are the appropriate

measure, given the scarce resources in the local government settlement. A critical question that COSLA asks is by what criteria you are demonstrating that the CJAs will be good value for money.

Andrew Brown: I can speak specifically on the community justice authorities. I do not know whether Mr McAveety is referring specifically to those provisions or—

Mr McAveety: If you could speak on that first, that would be helpful.

Andrew Brown: There is quite a history to the process of establishing the community justice authorities, and I do not want to spend too much time going there. The community justice services that we currently have in place are voluntary groupings, which are designed to try to bring about some savings through working together across local authorities. We would expect efficiency savings in scale and in greater consistency in service delivery. Inspection reports on community justice social work services and the reducing reoffending consultation demonstrated that the groupings were not as successful as they might be in delivering those efficiency savings. As a consequence of the consultation and the inspection reports, ministers decided that it would be sensible to invest an amount of money in placing a statutory duty on local authorities to come together in a formal community justice authority to plan and monitor the delivery of community justice social work services in order to deliver a more efficient and consistent service.

Mr McAveety: How is the £200,000 broken down? How did you arrive at that figure? What are the contingencies if that is an underestimate?

Andrew Brown: I can give you the breakdown of the £200,000 per community justice authority per annum. The salary of the chief officer, including national insurance contributions and so on, is estimated at £70,000 per annum. Accommodation costs are estimated at £10,000; administrative support—we expect perhaps two administrative officers to support the community justice authority chief officer—is estimated at £50,000; general running costs, including stationery, information technology and telephones are estimated at about £40,000; and additional costs to support the authority, such as travel and subsistence, planning and consultation costs, are estimated at £30,000.

You asked what provision has been made for that. For the coming financial year and the year after that, £6 million and £12 million have been identified for the reducing reoffending agenda and for court reform measures. Ministers are still to decide exactly how that will be split, but the reducing reoffending agenda has first call on those resources.

Mr McAveety: What outcomes are you setting for the CJAs? Will those new posts be based on performance-related pay?

Andrew Brown: The working conditions for the staff of the community justice authorities will be determined by the community justice authorities.

On delivery, the bill does not attempt to design specific performance targets; indeed, members are probably aware that the minister is looking to establish a national advisory body, one of the purposes of which will be to help the minister to establish national targets and specific targets against which the community justice authorities will be measured.

Mr McAveety: Are you talking about new posts in each CJA area?

Andrew Brown: Yes. By statute, each community justice authority will employ a chief officer, which will be a new post.

Mr Andrew Arbuckle (Mid Scotland and Fife) (LD): The Association of Chief Police Officers in Scotland indicated concern in its written evidence about future costs. Do you have any estimates on future revenue costs? How will costs be settled?

Andrew Brown: Clearly, I cannot say what ministers will decide or what future budgets will be. We considered ACPOS's evidence and got in touch with the association to try to work out its concerns a little more precisely. Its main concern related to some provisions in the bill on serious and sexual offenders, about which I invite Sharon Grant to speak.

Sharon Grant (Scottish Executive Justice Department): We welcome ACPOS's support for provisions in the bill and acknowledge that all the key agencies that will be involved in implementing the provisions in sections 9 and 10, on serious and sexual offenders, are committed to working together to ensure that the arrangements for assessing and managing sex offenders work well.

It might be helpful to give some context. The aim is to put in place a statutory framework around the existing administrative arrangements, which were originally developed under the Sex Offenders Act 1997. At the moment, protocols are in place for the police and local authorities to manage and assess the risk that is posed by sexual offenders, but we aim to develop and extend arrangements to cover violent offenders. ACPOS's concerns are probably mainly to do with violent offenders, because they are not actively managed in the same way as sex offenders are.

We have had preliminary discussions with ACPOS about the issue and have agreed that the main aim should be to get into place provisions on the sex offenders side, then move to a staged process and consider issues relating to violent

offenders. We also plan to consider resource implications at that time. We are working with the tripartite group—which involves the Scottish Executive Justice Department, the Scottish Prison Service and the Association of Directors of Social Work—and have invited ACPOS on to that group to work through the practical issues.

Mr Arbuckle: I can see that there will be additional costs in some areas, but you have given us no indication of the possible scale of recurring costs.

Sharon Grant: Andrew Brown mentioned the lack of time for thorough consultation. We were unable to sit down with ACPOS, the Scottish Prison Service and local authorities to gauge the extent of the costs, but we are about to do so through the tripartite group.

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): I have a couple of questions about the powers to release prisoners on licence or under home curfew arrangements. In its submission, Strathclyde joint police board states:

“The Financial Memorandum does not address the, perhaps unquantifiable, costs of re-arresting persons released early under the new arrangements on licence”.

Why are costs for re-arresting prisoners who are released on licence not included in the financial memorandum?

10:15

George Burgess (Scottish Executive Justice Department): They are included in the financial memorandum—or at least the memorandum acknowledges that they exist. Like Strathclyde joint police board, we cannot quantify what the costs might be, but to set things in context, we are talking about perhaps 300 offenders a year throughout Scotland. In general, Strathclyde will execute more than 2,000 apprehension warrants in a month, not to mention the much larger number of fine warrants. In that context, we are talking about a very small number.

Monitoring is important, and new arrangements will come into place under the national and local criminal justice boards to monitor levels of business and performance on warrants. Through those arrangements, we can have a closer look at what is happening in practice. The arrest warrants in question should be easier to execute, because in most cases we will know precisely where the offender is. Therefore, matters should be simpler than they would be when we do not know where the offender is.

Mr Brocklebank: Yes, but Strathclyde joint police board states that if the figure of 300—the estimate that you have mentioned and which is mentioned in the financial memorandum—

“becomes a gross under estimation then the financial inequity of suggesting that the cost can be absorbed into the police service becomes even more untenable.”

George Burgess: It is highly unlikely that the figure is an underestimate. The figure is based on several years’ experience of the system that operates in England and Wales. If every offender who was released under the scheme failed to comply, the very upper bound would be a figure of 2,000 a year throughout Scotland. However, if the figure got anywhere close to that, we would have to consider seriously the operation of the system. Based on our information from the operation of a similar scheme south of the border, 300 is a pretty good estimate.

The Deputy Convener: Frank McAveety asked about the value for money of CJAs. In its evidence, COSLA states that the sum of money—I presume that we are talking about just under £3 million if there are 14 CJAs; I have seen that figure banded about—

“represents a significant sum of money that could perhaps be more effectively directed elsewhere”.

Do you have any comments to make about that?

Andrew Brown: I have a couple of comments to make about what COSLA says. First, there are likely to be fewer than 14 CJAs. I think that that number has been arrived at from the current number of groupings in unitary authorities, but it is expected that there will be significantly fewer CJAs. Indeed, the consultation document on CJAs, which was released last week, proposed two models. One model had four CJAs covering Scotland and one had six CJAs covering Scotland; that represents a fair reduction in the number of CJAs.

There is a genuine case to be made that the proposals will be value for money, given the evidence that has arisen from the consultation on reducing reoffending and the inspection reports on criminal justice social work services. All the messages that we have received are about the need for joined-up services, greater consistency, better communication and better integration of services, which is precisely what the community justice authorities will aim to do in their role. Local authorities will be brought together and there will be delivery against the weaknesses that have been identified in the reducing reoffending consultation.

The Deputy Convener: I do not want to stray into policy matters, as it is not in the Finance Committee’s remit to do so. However, it strikes me that if the authorities are to be called community justice authorities and there are only four of them for Scotland, they will cease to be community justice authorities and will become almost national justice authorities.

Andrew Brown: As I said, we are talking about proposals in a consultation document, and I do not want to pre-empt the outcome of that consultation. However, there is certainly a need to balance the manageability of a CJA, its relative size and the number of local authorities. All those issues are discussed in the consultation document. I do not want to comment further on the consultation.

Mr McAveety: I accept that you do not want to prejudge things, but is it true that there will not be 14 CJAs?

Andrew Brown: It was generally accepted, even by COSLA, that there would have to be a reduction in the current numbers. That is not a controversial point.

The Deputy Convener: Did Andrew Arbuckle have something to say about the database?

Mr Arbuckle: Not just now, convener.

Jim Mather (Highlands and Islands) (SNP): What provision has been made in the Executive's budget for unforeseen or higher costs following implementation? How will such costs be coped with?

Andrew Brown: Some £6 million has been identified in the budget for community justice authority provisions this coming year and £12 million for the year after. That money has to be directed towards the reducing reoffending agenda, but also towards the various measures on court reform. Ministers are currently deciding how best the money should be split. I cannot answer on the other provisions in the bill. Were you addressing those wider provisions too?

Jim Mather: Indeed I was.

Andrew Brown: In that case, I will hand over to the respective policy leads.

George Burgess: Resources have been identified in the budget for the costs that we foresee for the home detention curfew. There is an indication in the memorandum of the margins of error in those estimates. We are adequately covered for the ranges that we are likely to get.

Sharon Grant: Having originally put up £375,000 for the implementation of the violent offender and sex offender register—the police intelligence database—the Executive has increased that amount to £475,000. Additionally, we have agreed with ACPOS that the secondment from the local authority criminal justice social work department—currently £15,000 for two days a week—will increase to five days a week while we scope and look at measures to implement VISOR in the Scottish Prison Service and local authorities.

Jim Mather: How will the Executive review the costs post-implementation and will that include an assessment of direct and indirect cost savings?

Andrew Brown: The community justice authorities will be under an obligation to report annually on services delivered and we would expect a financial annex to be attached to those reports to explain costs.

As regards costs that might be incurred by other organisations, we do not think that there will be significant increases. Most of those organisations are already involved, or seek to be involved, in the planning process for community justice service delivery. However, let us say for example that there is an unforeseen cost that the police find an additional burden. We expect that the usual reporting cycle of annual reports from the police would identify those costs that are associated with the new obligations. It would be for ministers to consider that as they look at the new spending round.

Jim Mather: I alluded in my questions to savings. You said earlier that the key benefit would be a more efficient and consistent system. When the parliamentary group went to the States for tartan week, it visited the New York police department where there is crisp evidence of savings being made through the clocking up of a lot of community service hours, of a markedly reduced rate in reoffending and of a lot more people being in work and therefore paying taxes rather than receiving benefits. Is any attempt being made to capture the benefits that could accrue in those areas?

Andrew Brown: I wonder whether you are talking about the Red Hook community court in New York.

Jim Mather: I think that I am.

Andrew Brown: We are aware of that model and the minister has been out to visit it. Much of the community work that flows from that court is done very quickly, so an association is made by the offender between crime and punishment. There is a lot to be said for that. I do not want to stray into that policy area, because it is being considered by the Executive under the auspices of the on-going court reform work, but we are conscious of that initiative.

Jim Mather: Nevertheless, without straying into that area, can you say what efforts will be made to capture the cost benefits that could accrue from implementing the bill?

Andrew Brown: I will speak about my area; others might want to come in afterwards. Each CJA will handle set money that is given to it under section 27 of the Social Work (Scotland) Act 1968, which provides that the money must be used on criminal justice services. We expect that the savings that will accrue from the greater integration of local authorities will simply feed back into delivering more and better services.

There is undoubtedly a resource need. For example, once prisoners who are considered to be short-term prisoners are released, there is no obligation on local authorities to support them. Therefore, there is no obligation for a substantial proportion of offenders who leave prison to be given any support. Community justice authorities might be able to use some of the savings to deal with such people.

Sharon Grant: Over the past three years, the infamous tripartite group has been working on what is known as a throughcare initiative—that is where the SPS and local authorities have got together to look at how enhanced throughcare provision or assistance can be given to prisoners prior to release, on release and following release. That support falls into two categories. For long-term prisoners, local authorities have now been funded—and we have amended the law—to allow them to appoint a supervising social worker from the community at point of sentence. That social worker has responsibility throughout the prisoner's term to visit at least once a year and to engage with the social work unit in the prison, the prison staff and the prisoner to see what progress has been made throughout the sentence. The social worker also makes contact with the offender's family where appropriate, and where it is agreed with the offender and the family, to try to address any issues that the family has about the prisoner's imprisonment or preparation for release.

For short-term prisoners, in the Criminal Justice (Scotland) Act 2003, with support from the Scottish Prison Service and the Association of Directors of Social Work, we gave local authorities a statutory function to offer advice, guidance and assistance to short-term prisoners prior to and on release. To enable that to happen, we have contributed an additional £3.5 million in the past two years to build the capacity of local authorities. The Scottish Prison Service is looking at building its capacity so that the local authorities and prisons meet somewhere in the middle. We stopped duplication of work that has already been undertaken and we will develop what we hope will be a more seamless transition from prison into the community. We will address the issues that the majority of prisoners want to be addressed, such as housing, education and employment.

Jim Mather: You mentioned removing duplication. Have the savings accruing from all that effort been quantified?

Sharon Grant: The task has been a big one for the local authorities and the Scottish Prison Service to undertake. At the moment, prisoners are being allocated supervising social workers. We are working with the Scottish Prison Service to consider how we can build into the existing prison sentence management procedures processes that

will assist prisoners to move into the community. So far, we have not been able to quantify the savings.

If we reduce reoffending, the Scottish Prison Service will be able to concentrate on its tasks of providing interventions in prison for prisoners who require them and of joining up with the community. Identifiable financial savings might not accrue, but the Scottish Prison Service and local authorities will be allowed to do their job better.

10:30

George Burgess: The costs and savings in respect of the home detention curfew provisions are the clearest. The financial memorandum shows that electronic monitoring has obvious costs but will produce savings by joining up with other uses.

The estimated reduction of about 300 prisoner places will produce savings for the Scottish Prison Service. The SPS's evidence contains a range of estimates that depend on the extent to which the SPS can adjust the use of the prison estate, but substantial savings are possible. Once the scheme is in operation, we will know exactly how many prisoners have been released on it at any time, so we will be able to quantify costs and savings directly.

Mr Arbuckle: I will return to revenue costs. I welcome the help for the standardised database, but it is strange that no estimate has been made of revenue costs or the cost of the inputting that will have to be undertaken. That is very unbusinesslike.

Andrew Brown: Are we talking about the database?

Mr Arbuckle: Yes. No estimate has been made of the training or inputting costs to police budgets.

Sharon Grant: Does that relate to VISOR?

Mr Arbuckle: I am asking how police budgets will be affected.

Sharon Grant: The figure of £475,000 will fund initial training and roll-out costs. To support that, we have provided an additional £150,000 for training in risk assessment tools. For local authorities, training in risk assessment tools will continue as part of the 100 per cent funding that is provided to local authority criminal justice social work departments.

I will have to come back to you about VISOR. All that I can say is that I take it that the Justice Department has allocated funding or made allowances for VISOR's continuing upkeep. Most of the costs in introducing the VISOR system in police forces are up front. Thereafter, I understand that the upkeep cost is relatively low. I can write to you with further information.

The Deputy Convener: That would be helpful. Members have no further questions, so I thank the witnesses for their helpful evidence.

If members want to highlight particular issues in our report, the draft of which we will discuss in a fortnight, they can let me know now or e-mail the clerks.

Budget Process

10:34

The Deputy Convener: Agenda item 2 is consideration of a paper from our budget adviser, Arthur Midwinter, and from Ross Burnside of the Scottish Parliament information centre. Members will see—I remember it, as I was a member of the committee at the time—that Arthur wrote a paper for the session 1 Finance Committee that assessed the scope for change in the Scottish budget. He now asks for our views on updating that report. Would Arthur like to speak to his paper?

Professor Arthur Midwinter (Adviser): Yes. The proposal is for a background paper for the next spending review. Members might think that they have just got rid of the last one, but it is important to be prepared for the next spending review. The committee's approval would allow me to work on the background paper over the summer.

The proposed paper would update and develop the material in "The Real Scope for Change: Appraising the extent to which the Parliament can suggest changes to programme expenditure", for which we were asked to identify the degree of ring fencing in Executive budgets. I suspect that that element has grown, so it will be important to track ring fencing in the five years since that report was produced.

I expect to see changes in the budgetary structure of departments that will have implications for the Parliament's ability to influence budget decisions. I propose to try to break that down into staffing costs, operational costs and capital, which would go beyond what we did before, when we could obtain only the roughest estimate of staffing costs in the budget. They are a major constraint on the scope for change, and it would help to examine them, particularly given the controversy over the extent to which moneys have gone into staffing costs in the past two or three years. It would also help to consider some of the changes in activities as a result of those structural changes—to get a grip on how much money has brought in additional staff as opposed to the increasing cost of current staff, for example.

The third issue that I would like to map out and which we did not cover before concerns new programmes that have been introduced and their costs and old programmes that have been discontinued. We would not get a handle on that in an annual budget process, but it would be useful to bring such matters together at the start of a spending review.

Executive co-operation would be required, so we would need to approach it about access to the

appropriate programme managers. The Executive co-operated last time, so I expect no problem with that. The proposed paper would be useful because it would generate much useful information for the spending review and for the efficient government initiative, and would give me a much better grip on the detail of budget spending.

The Deputy Convener: Spending reviews are not built into legislation. No act says that spending reviews must be conducted; they just result from Government policy.

Professor Midwinter: There could be no spending review.

The Deputy Convener: If the United Kingdom Government changed, a spending review might not be undertaken in the formal way that is used at the moment.

Professor Midwinter: That is true.

Ms Wendy Alexander (Paisley North) (Lab): I have no objection to the proposed paper, which would be a useful piece of work for the autumn. Paragraph 3 of paper FI/S2/05/10/2 mentions efficiency savings. As this is our first week back—

The Deputy Convener: You must mention them.

Ms Alexander: Indeed. If the technical efficiency notes were published during the holidays and the convener had no advance notification, I am astonished. If the convener was notified, I ask whether the information will be shared with the Finance Committee—she said, provocatively. I ask that only because I recall that the Minister for Finance and Public Service Reform has said on various occasions that the Executive would consult the Finance Committee seriously on a procedure for considering such issues. Will the clerk say whether the notes were published in the holidays and whether the minister wrote to the convener? If so, has the convener passed that correspondence to committee members, or are we left to our own devices to reflect on the notes?

The Deputy Convener: Wendy Alexander did not hear me say at the beginning of the meeting that Des McNulty has had to go to the doctor because of a skiing accident. Perhaps he was lost in a snowdrift. The clerk can help us out.

Susan Duffy (Clerk): I will update members. The Minister for Finance and Public Service Reform has not sent a formal letter, but we were alerted that the technical notes were to be published and we managed to obtain an advance copy, which we sent to Arthur Midwinter to read. I apologise that the notes have not been sent to committee members.

The convener has asked the minister to come to the committee's meeting on 10 May, when the

committee will be able to take evidence on the technical notes. We understand that Audit Scotland will examine the technical notes and will report on them towards the end of April. The minister has confirmed that he will attend on 10 May to be questioned on the detail of the technical notes. We now have hard copies of the technical notes—they run to about 150 pages—which we can take to members' rooms, if that would help.

The Deputy Convener: That would be helpful.

Ms Alexander: It is true that the English notes are 150 pages a go, so such documents are voluminous. It would be great for us to have hard copies.

It would be helpful to clarify the Auditor General for Scotland's position on the status of the notes in advance because, as members know, there has been some correspondence on that. The clerk could perhaps check the testimony that was made to the committee about Audit Scotland's role before and after publication and seek clarity about whether it audited the documents beforehand or whether it will audit them only afterwards. That would be helpful.

There is no point in having a discussion with the minister if we have no paper in front of us. We should timetable seeing the minister only if there is an opportunity to have, at a separate meeting, a briefing from our budget adviser on what is in the technical notes. I say that because the sum of money that is involved is in excess of £1 billion, which is a significant part of the budget. We are talking about the Executive's discretionary budget, and we have no sense of £300 million of it.

I presume that the committee will not meet on 3 May. If we are not meeting on that date, I wonder whether there will be time to have a discussion on the matter at our meeting in the previous week. That might be the most productive solution all round, rather than trying to absorb a paper and have a discussion with the minister on the same day. I say that partly because of the two issues that arise. First, where has the extra £300 million since December come from? The total is more than £1 billion, which is interesting. Secondly, there is an issue about how that is reported to us. A shift in £1 billion of expenditure is involved, but as yet there has been no clarity about how the reallocations are reported in the budget process. It would be helpful to have a chance to understand the formal position before there is any follow-up.

The Deputy Convener: I take Wendy Alexander's point, which is valid. The committee must be au fait with the documents and it needs a chance to talk them over with its adviser before meeting the minister. For some reason, which beats me, we have not scheduled a meeting for Tuesday 3 May. [*Laughter.*] If the convener is

spared, I will pass those concerns to him and we will see what we can do about it.

Professor Midwinter: We have had preliminary discussions at official level and we are meeting the efficient government team next week for further discussions on the documents. The advice that we were given when I received them last week was that they are not yet the final versions because input from Audit Scotland has still to be made. The documents went to Audit Scotland at the same time as they came to us.

Ms Alexander: Are they publicly available? Are they published documents or draft published documents?

Professor Midwinter: The officials have asked us to recognise that the documents might change again following Audit Scotland's input. My plan for the next week is to examine them so that I can brief the committee before the session with the minister and give my views on the usefulness of the measures.

Ms Alexander: We were given an assurance at a committee meeting that Audit Scotland would agree the documents before they were published. They have been delayed—that is fine—but the paradox is that, although we are now in the period during which the savings are meant to be made, we are still living with interim documents. There is a lot going on, and I accept that we need to schedule the diary far in advance, but the plan for the minister to speak to the committee on 10 May puts a lot of pressure on Arthur Midwinter. I think that we will have a more productive session if—

The Deputy Convener: The point is that the documents have been published, albeit in draft. They have been published publicly rather than privately, so clearly the committee should have them.

Professor Midwinter: If we see the documents before Audit Scotland makes its recommendations, that will give us an opportunity to influence what happens in the final cut and will allow the Executive to take the points on board.

Ms Alexander: Given the undertakings that were given to the committee, I am just astonished that they have not written to us to say, "The procedure that we outlined before has not been averred for the following reasons."

Mr Brocklebank: I am trying to get a feel for the issue from Arthur Midwinter; I am an economic naif, as you know.

Professor Midwinter: I get worried when people say that. I would have said ingénu.

Mr Brocklebank: Or ingénu, as we say in France, but never mind.

I am interested in paragraph 3 of your paper, in which you say:

"In our experience, efficiency savings in budgets which are assumed rather than demonstrated seldom occur".

You go on to say:

"only identifiable efficiency gains should be accepted".

Do you have a feel for whether the efficiency gains that we are talking about are genuine?

Professor Midwinter: I am waiting to examine the technical notes to see to what extent the efficiency gains are genuine. The most recent review was carried out under Mrs Thatcher in the 1980s.

Mr Brocklebank: A fine woman. I will not hear a word said against her.

Professor Midwinter: I say only that efficiency savings never materialised under her. Spending grew in real terms throughout the period of the efficiency review. [*Laughter.*]

Mr McAveety: Those are shocking revelations, Arthur.

Jim Mather: The paper seems perfectly sensible, particularly paragraph 5, but it strikes me that we are stuck in a time warp. We are looking for fairly protracted batch reports from the Executive. My understanding is that the Executive has moved on to pretty sophisticated computerised accounting records, using SAP software, which is mainstream. In organisations in the private sector, a committee such as this would have access to interrogate the data on a read-only basis. Should we not be looking to do that?

The Deputy Convener: I think that the *Official Report* should show that when Jim Mather used the words "sophisticated" and "Executive" in the same sentence, our adviser smiled.

Professor Midwinter: I am not sure about the technology; I am happy to explore the matter with the Executive to find out what the position is. As I understand it, the Executive is in the early stages of developing what I would call sophisticated financial modelling, rather than having its systems fully developed and already in use. I will explore the matter when I go to the meeting about the exercise.

Jim Mather: It is helpful to put that marker down. As the technology develops and the functionality becomes available, there might be ways in which we can get better access to the data.

The Deputy Convener: As there are no further points, do we agree that Arthur Midwinter should update his paper?

Members *indicated agreement.*

The Deputy Convener: We look forward to receiving it.

Meeting closed at 10:46.

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