

# **HEALTH AND SPORT COMMITTEE**

Wednesday 23 January 2008

Session 3

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## HEALTH AND SPORT COMMITTEE

### 3<sup>rd</sup> Meeting 2008, Session 3

#### CONVENER

\*Christine Grahame (South of Scotland) (SNP)

#### DEPUTY CONVENER

\*Ross Finnie (West of Scotland) (LD)

#### COMMITTEE MEMBERS

\*Helen Eadie (Dunfermline East) (Lab)

\*Rhoda Grant (Highlands and Islands) (Lab)

\*Michael Matheson (Falkirk West) (SNP)

\*Ian McKee (Lothians) (SNP)

\*Mary Scanlon (Highlands and Islands) (Con)

\*Dr Richard Simpson (Mid Scotland and Fife) (Lab)

#### COMMITTEE SUBSTITUTES

Joe FitzPatrick (Dundee West) (SNP)

Jamie McGrigor (Highlands and Islands) (Con)

Irene Oldfather (Cunninghame South) (Lab)

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

\*attended

#### THE FOLLOWING ALSO ATTENDED:

Margo MacDonald (Lothians) (Ind)

#### THE FOLLOWING GAVE EVIDENCE:

Stewart Harris (sportscotland)

Stewart Maxwell (Minister for Communities and Sport)

Mike Whittingham (Scottish Institute of Sport)

#### CLERK TO THE COMMITTEE

Tracey White

#### SENIOR ASSISTANT CLERK

Douglas Thornton

#### ASSISTANT CLERK

Emma Berry

#### LOCATION

Committee Room 6



## Scottish Parliament

### Health and Sport Committee

*Wednesday 23 January 2008*

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

### Decision on Taking Business in Private

**The Convener (Christine Grahame):** Good morning. I welcome committee members and others to the third meeting in 2008 of the Health and Sport Committee. I remind all members and those in the public area to ensure that their mobile phones and BlackBerrys are switched off. No apologies have been received.

Under agenda item 1, the committee is invited to agree to take items 4 and 5—consideration of today's oral evidence and consideration of the selection of witnesses to give oral evidence at stage 1 of the Public Health etc (Scotland) Bill—in private, as is our normal practice. Are we agreed?

**Members** *indicated agreement.*

## Sportscotland

10:03

**The Convener:** For item 2, I welcome Stewart Harris, who is the chief executive of sportscotland, and Mike Whittingham, who is executive director of the Scottish Institute of Sport. Further to the ministerial statement on 9 January on the future of sportscotland, we will take evidence from both gentlemen today on how they are affected by the announcement. Their evidence will be followed by an evidence session with the Minister for Communities and Sport.

Do Mr Harris and Mr Whittingham want to make a few opening remarks?

**Stewart Harris (sportscotland):** From our perspective, the minister's announcement that the review of sportscotland had concluded that the Scottish Government should retain the national agency for sport was welcome. The announcement was welcomed not only by the board and staff of sportscotland but by many key stakeholders. I believe that the merger of the Scottish Institute of Sport and sportscotland affords an opportunity to improve our strategic connections without any negative impact on our high-performance athletes. In addition, the merger offers us the opportunity to ensure that we maximise the resources available at the point of delivery in sport. Finally, I think that it is time for us to get on with delivering against Scotland's ambitious targets for sport, both in participation and in high-performance sport.

**Mike Whittingham (Scottish Institute of Sport):** We look forward to working for and with the Scottish National Party Government over the next six to seven years which, arguably, will be one of the most exciting periods in Scottish sport. We believe that our confirmed position as the performance arm for sportscotland can send a positive message to our current and future athletes.

During the 10 years in which the Scottish Institute of Sport has been operating, the institute has experienced an unprecedented level of achievement. In fact, we still continue to deliver our targets. Just before Christmas, our curlers won—a first for Scotland—both a silver and a bronze at the same European championships. When we were established back in 1997, there was no English Institute of Sport or British academy of sport or United Kingdom Sports Institute. In fact, the Scottish Institute of Sport was regarded as visionary and well ahead of its time. We believe that that is still the case. We are probably halfway through a journey that the Australians regard as taking 20 to 25 years to

achieve. Our vision for Scotland is winning on the world stage and our mission is to win success consistently by preparing Scottish athletes to perform.

Since my arrival in this post some 18 months ago, Stewart Harris and I have worked together closely to ensure that we are totally aligned and integrated. Many of the recent developments have probably not had enough chance to be implemented. Over the past six months, we have delivered a number of new processes and procedures.

Let me make three points about the merger. The institute thrives on change—we challenge our athletes and our staff at all times—but our athletes need continuity and stability as they prepare for 2012 and 2014. Stewart Harris and I have always agreed that the institute is the performance arm of sportscotland, so we welcome this opportunity. We also welcome the minister's confirmation that we will have an enhanced role in future and that we will be given the responsibility of driving high-performance sport both strategically and operationally.

We believe that Stewart Harris and I should be allowed to drive the change forward. We are the experts and I am confident that we can make it work.

**Rhoda Grant (Highlands and Islands) (Lab):** What discussions did you have with the minister about the merger of sportscotland and the Scottish Institute of Sport prior to the announcement in the Parliament?

**Stewart Harris:** Throughout the process, we had a lot of discussion and input. The most important thing for me was to ensure that the review was given the right inputs. I had only one discussion with the minister directly. We did not talk about the institute. We talked primarily about sportscotland and its role as the national agency for sport. We had a number of significant discussions with officials to input information at various stages throughout the process.

**Mike Whittingham:** I was invited to give a presentation to the previous head of sport and her project team. I have not seen any written reports or papers, so I am not in a position to comment on those. My chairman and I had one meeting with the minister. Bearing in mind the outcome of the decision—which, obviously, my staff were slightly surprised at—I am slightly disappointed that none of the other institute staff was consulted in any way.

**Rhoda Grant:** Were both of you aware of the merger and consulted on it prior to the statement in Parliament?

**Mike Whittingham:** Yes.

**Stewart Harris:** Yes, we were consulted on the outcomes of the review of sportscotland.

**Rhoda Grant:** And were you aware of the merger before the statement in Parliament?

**Stewart Harris:** Yes.

**Mary Scanlon (Highlands and Islands) (Con):** In his statement, the minister said:

“Having listened to and considered stakeholders' views and opinions, the Government has decided that sportscotland should merge with the Scottish Institute of Sport”.—[*Official Report*, 9 January 2008; c 4780.]

Were both of you in favour of the merger, given that you now seem to be embracing it enthusiastically? Prior to the ministerial decision, were your views and opinions in favour of a merger?

**Stewart Harris:** It is probably worth going over a bit of history. The Scottish Institute of Sport was established in 1998 by sportscotland. As Mike Whittingham said, it was an innovative approach to high-performance sport and was funded by lottery money. That is what lottery funding is for—supporting additional approaches and innovation—and the institute has proved its success over the years.

We have always had a close strategic relationship. Indeed, the institute is a subsidiary company of sportscotland. We fund it, we help with its strategic focus, we ensure that it has the right direction, and we hold it to account. Therefore, it seems sensible that there is a stronger, more precise strategic connection, which will mean that we can have a single voice and focus with our partners—particularly the national governing bodies of sports. There will be potential to ensure that we use all the resources available at the point of delivery and eradicate any duplication that may be in the system.

**Mary Scanlon:** Is that what you told the minister when he consulted you? Did you tell him that you thought that there should be no duplication, and did you recommend a merger?

**Stewart Harris:** We have always believed that, for sport to be effective, we should try to get the most effective and efficient structure.

**Mary Scanlon:** With respect, you are not answering my question. When the minister sought your views on a merger, takeover or whatever it is called, did you recommend to him that the best way forward for both participation and elite sport in Scotland was a merger with the Scottish Institute of Sport?

**Stewart Harris:** As part of the process, we recommended that that should be considered, but that was not done directly to the minister in any discussion. The process was conducted by

officials in the main, and it was discussed at that point by officials.

**Mary Scanlon:** So you ensured that the minister was aware of your views in favour of a merger.

**Stewart Harris:** I ensured that as one of the options for the future—bear in mind that we were talking about the abolition of sportscotland—we considered the most effective and efficient mechanism for sport to deliver. In that context, an option was the merger of the institute and sportscotland.

**Mary Scanlon:** I will come to Mr Whittingham in a second, but how do you feel that the merger will benefit both participation in sport and the elite sportsmen and women in Scotland? What benefits did you see prior to the announcement and have you seen post-announcement?

**Stewart Harris:** Mike Whittingham can contribute on this as well, but I think that there are a number of benefits. There will be a streamlining of strategic direction. The change will not have an impact on the elite athletes. It is the job of Mike Whittingham and me to ensure that there is the right focus and amount of resource, that the correct athletes are in the system, and that they receive the services at the point of delivery that they need.

I do not think that it is helpful to separate the pathway. High-performance athletes require special treatment, but we are talking about a streamlining of organisation and a simplification of communication to key partners. I believe that that will benefit the athletes.

**Mary Scanlon:** Given the extreme backlash against the abolition of sportscotland, do you think that it was convenient for the minister to include the Scottish Institute of Sport, save sportscotland, call it a merger, and save face?

**Stewart Harris:** Throughout the process, there has been a lot of comment about the appropriate structure for sport. I welcome the announcement, which has shown that officials, the Government, the minister and others have listened to what stakeholders have said. They have come up with a structure that is to the benefit of sport. That is how I read the situation. The case has been made that there should be a national agency to drive Scottish sport in conjunction with and directed by the Government. In this instance, the outcome has been positive.

**Mary Scanlon:** I just—

**The Convener:** I would like to let Mr Whittingham speak, and I would also like to let in some other members. We can come back to Mary Scanlon later.

10:15

**Mike Whittingham:** There were two or three parts to Mary Scanlon's question. I am upbeat because I came to Scotland to carry out an important job, which I felt was a challenge. I still feel that it is a challenge and I believe in it passionately. I hope that I will be allowed to complete my mission. The Scottish Institute of Sport and its staff, who share my passion, can play an important role. A decision has been taken and, as far as I am concerned, we must get on and make it work. That is why I am upbeat.

This is not a new story. Just before I arrived in Scotland, when I was at UK Sport, a review of the Scottish Institute of Sport was carried out, in which I was involved from the other side of the fence. The issue has been discussed and explored on a number of occasions. Stewart Harris and I built a new partnership. As I have outlined, we made a number of changes, which I hope created a new alignment and a new, integrated relationship. I always saw us as a wholly owned subsidiary of sportscotland—a member of the sportscotland group. Our status is a question of interpretation. Although, technically speaking, we are a company limited by guarantee, I always felt that we had a close working relationship with sportscotland.

**Ross Finnie (West of Scotland) (LD):** First, I apologise to the convener, to other members of the committee and to Mr Harris and Mr Whittingham for my late arrival. I have no real excuse; my plea in mitigation is simply that I awoke to discover that the fridge-freezer in my flat was cooking its contents rather than cooling them. That is not something that I would recommend.

**The Convener:** That is an extremely distracting thought.

**Ross Finnie:** It was an extremely distracting experience.

I have the same question for both witnesses. I understand perfectly that processes are important, but I want to get clear in my mind the objects and functions of the new, merged body. I turn first to Mr Harris. Are you aware of any proposed material changes to the objects that are set out in the royal charter of sportscotland? Can you advise the committee of any material changes to the organisation's national functions and, therefore, the outcomes that it is expected to deliver?

Mr Whittingham, in your last answer you said that you believed that you could complete your mission. Does that mean that, as far as you are concerned—or as far as you have been advised—no material changes have been made to the institute's aims and objects, or to the general outcomes that you are expected to deliver?

**Stewart Harris:** I have no knowledge of any proposed change to our royal charter status. As regards our objects and outcomes, I believe that, as the national agency for sport, we still have the responsibility to help to drive Scotland's ambition in sport, to work with our local authority partners to deliver on participation and to work with our governing bodies to ensure that the pathway is complete and that athletes can progress seamlessly to high performance, thereby allowing them to maximise their potential.

In my view, the outcome that has been decided on will bring together even more closely two bodies that already had a close relationship, but it will not dilute our objects or the functions that we are expected to carry out.

**Mike Whittingham:** It might be useful to give a bit of background. The Scottish Institute of Sport is funded through sportscotland, normally in a four-year cycle. Since my arrival, we have faced some important challenges, such as the need to do long-term planning for the possibility that Glasgow would host the 2014 Commonwealth games, which I am delighted to say will now happen. Our work had to encompass preparations for London 2012, because we are part of a British system, whereby we contribute enormously to the Olympic and Paralympic aspects of team GB. We have a two-year operational plan, a copy of which I have with me, which is all about Scotland winning on the world stage. Our mission is preparing Scotland's best athletes to perform on the world stage.

We are a performance organisation with a focused, dedicated core business and remit. That allows us to concentrate on performance matters. We have a performance environment that we believe is unique. As a result, we not only deliver medals but are building a world-class network for Scotland. We judge ourselves on those two major factors—winning medals and creating a world-class infrastructure for Scotland.

I hope that there are no material changes with regard to our headline goals or targets. I am led to believe that we are still signed up to the shared goals on which we have worked, including those around the Olympics and Paralympics, the Commonwealth games, and sports that are significant to Scotland. That work is linked carefully to the "Reaching Higher" document, and I hope that we will continue to work with sportscotland to deliver on that on behalf of the Government.

**Ross Finnie:** That is helpful. You confirmed that there will be no material change to the aims, objectives and expected outcomes of sportscotland and the Scottish Institute of Sport. I accept that there will be substantial changes in process but, nevertheless, is it fair to characterise

the change by saying that the only thing that will be retained in sportscotland is its name?

**Stewart Harris:** As I said previously in welcoming the announcement and considering what it means, we will have a national agency for sport that is expected to carry out functions against the outcomes in "Reaching Higher". From the perspective of Scottish sport, it is a good thing that "Reaching Higher" is embedded in Government. Previously, sport 21 was not embedded in Government. We will still have all the functions that we are required to deliver on behalf of Government. The integrated organisation will do its best to deliver on behalf of Government and the people of Scotland in both performance and participation.

**The Convener:** We will have questions from Michael Matheson, Richard Simpson, Ian McKee, Rhoda Grant and Margo MacDonald, in that order. I welcome Margo MacDonald to the committee as convener of the cross-party group on sport.

**Michael Matheson (Falkirk West) (SNP):** Good morning, gentlemen. Will the structural change that is being made inhibit or assist you in meeting your organisations' objectives?

**Stewart Harris:** I strongly believe that it will assist us in many ways. As I said earlier, there will be a single agency with a single, clear front to its key partners, and particularly its delivery partners. In relation to the Scottish Institute of Sport and the performance environment, there will be a single point of communication with the Scottish governing bodies, which are important in driving forward the structure of their sports. Mike Whittingham's team can play an important role in developing that.

I am confident that, when we take that strategic context and some of the operational niceties, we can remove some duplication and ensure that we use all the resources as efficiently and effectively as possible at the point of delivery in sport. The change will help us to deliver on our objectives.

**Mike Whittingham:** I suppose that it is open to interpretation whether one regards the organisation as the same organisation or as a new one. We regard the change as a new opportunity to continue with an enhanced role, because that is what the minister said in his announcement. He said that we will be given an enhanced role to drive performance for Scotland and Scottish sport. That is important, because we have always made the point that, if performance is to meet its outcomes and goals, we must understand how the performance world operates.

We need to have an environment in which we can attract and retain world-class staff. We need urgency, because in competitive sport if we wait two weeks, our competitors will get an advantage



over us. We need to have the ability to make decisions and a degree of autonomy. We also need to protect learning, knowledge and the way in which we operate and interact among ourselves. Many of the minister's comments and announcements have reassured me that that will be delivered to us in the new structure.

**Michael Matheson:** That is helpful. I invite Stewart Harris to comment on one of the specific changes, which is the creation of the four regional hubs. Could you give us more detail on how you envisage the regional hubs operating? How will they assist in delivering your targets?

**Stewart Harris:** Over the years, sportscotland has tried to develop much closer working relationships with its key delivery partners. We have been quite well dispersed as an organisation. Our headquarters are in Edinburgh, the trust company has national centres at Glenmore Lodge and at Cumbernauld, across from Largs, and the Scottish Institute of Sport, which is a subsidiary company, is in Stirling.

The fantastic news that the Commonwealth games will be held in Glasgow in 2014 brings Glasgow, which is already a city with huge ambition in sport, right to the fore. If we are to continue to consider how national agencies can get closer to partners to assist strategically, it is important to remember that, as a national agency, our job is not to interfere in local delivery but to help local authorities and others at a strategic level to make the best of the significant amount of resources that they have to deliver for sport throughout Scotland.

We already have six area institutes of sport spread around the country. In my view, the announcement of the hubs gives us an opportunity to bring some of that together, to co-locate local partners and national agencies, and to ensure that our local delivery becomes even stronger—by that I mean delivery at a strategic level with key partners, not at an operational level. The area institutes have a much more hands-on function. We will therefore have a synergy of strategic context and operational delivery at the highest level.

**The Convener:** Before Michael Matheson comes in again, can you just say, for the sake of the ordinary person who may be following this discussion, who the key partners are as distinct from the local partners?

**Stewart Harris:** I apologise for using jargon.

**The Convener:** I am not a jargon person, so it will be helpful if you can explain.

**Stewart Harris:** When I talk about key partners, I usually refer to the Government's sports strategy "Reaching Higher", which involves the

Government, sportscotland, local authorities and the Scottish Government's sports bodies. Those are the key delivery agencies and partners in the national context.

In the local context, in local authority areas, there are a significant number of other partners: universities, local government departments, clubs and volunteers. All those agencies and resources come together to provide an input into Scottish sport—in fact, they are the life-blood of Scottish sport.

The key partners for us at a national level, therefore, are the national agencies that I mentioned; at a local level, though, a significant number of others play a role in taking things forward: universities and all sorts of different organisations and people.

**The Convener:** Thank you, that is helpful. Do you want to come in on that, Mr Whittingham?

**Mike Whittingham:** Regional hubs are not an area that greatly concerns us. However, just to ensure that everyone is clear on this, the Scottish Institute of Sport works closely with its six area institutes. Together, we look after in the region of 600 to 700 athletes, so we rely heavily on partnerships that are established for the six area institutes.

We have about 60 specialist staff, consisting of doctors, physiotherapists, coaches and physiologists, whom we often redeploy to the six area institutes—they are not all just housed at Stirling. They are redeployed so that they are as close as possible to the athletes and sports that receive the services that we deliver.

10:30

**Michael Matheson:** My final question relates to finance. Both of you will be aware of the London Government's decision to cut sports lottery money in Scotland to help to meet the rapidly increasing costs of the London Olympics. Much has been expressed about the negative impact that that could have on Scottish sport in the coming years, particularly in the run-up to the 2014 Commonwealth games in Glasgow.

For many years, sportscotland has advocated that the Scottish Institute of Sport should not be dependent on the vagaries of sports lottery money, and the institute has also stated that it would like to have Exchequer money. In light of that, do you think that the Government's decision to mainstream the funding of the institute is a positive move?

**Stewart Harris:** It is absolutely a positive move. The additional resources announced by the Government in the recent spending review give us the flexibility to ensure, as part of the merger, that

the Scottish Institute of Sport's budgets all come from Exchequer funding, which is right and proper. The institute is an innovative vehicle that has delivered in high-performance sport, and it is time to put its funding on a much firmer footing.

The switch of funding profile will allow us to put the lottery funding back into the system and make it available for new projects—for example, for facilities and for national and local community projects. The change is cost neutral, but it strengthens the position of the Scottish Institute of Sport as the high-performance arm of sportscotland. It also puts in place a much more solid foundation for the athletes and their services in the future.

**Mike Whittingham:** As I have already mentioned, our job is to motivate and inspire our young talent. They now have a fantastic opportunity: they can look ahead at London 2012, a home-soil Olympics, and at a home-soil Commonwealth games in Glasgow in 2014. The impact of that will probably be felt in Scotland in 2016 and 2020. If we get it right, our newly inspired talented athletes will continue to perform well after Glasgow 2014. I accept the point about funding, but I still think that, for aspiration and motivation, it is an exciting time for young talent.

To deliver that we need stability and continuity. If the Exchequer funding provides that stability—which I think it will—I will welcome it. Having said that, I point out that the institute is unique. It is based on a sophisticated model that is used in Australia, where they tend to get things right sporting-wise. The institute also manages sporting programmes, which also need financing. I hope that any decision on funding allows us to continue to operate in that environment.

**The Convener:** We can probably put that point to the minister.

**Dr Richard Simpson (Mid Scotland and Fife) (Lab):** I am still concerned that, after eight months of sportscotland sitting under the axe, I am not aware of the specific duplications that have been got rid of—apart from the board—or of the problems and barriers that existed between the institute and sportscotland that necessitated the merger.

Mr Whittingham has used words such as “autonomy”, which the Scottish Institute of Sport previously had with its own board; “stability”, which we have not had; and “continuity”, which we are not getting, as we have lost the two chairs. Mr Whittingham, a lot of what you have referred to seems to have been significantly damaged by the interregnum of the past 10 months.

You have both been positive about the future, although you have to be, because the Government has made its decision. If you were not positive, I

suspect that you would be following Julia Bracewell and Dougie Donnelly out the door, so I understand your positive nature. However, before we consider where we go from here, will you give specific details about the duplication that will be removed—apart from duplication in relation to the boards—and about the barriers between your organisations that were not being dealt with by your new concordat, which you praised? That is my first point.

**Mike Whittingham:** Probably 90 per cent of the institute's business is what I regard as operational. Our function is not just to deliver in the performance arena but to deliver operational services. The strategic, policy, decision-management side of things probably sits slightly away from our operational function. All my comments relate to the fact that the minister's announcement suggests that most of my staff, who deliver operationally directly to athletes and sports, will and should be unaffected, which I welcome.

On strategy and policy, we have yet to discuss the detail, but I hope that Stewart Harris will treat us as his advisers on high performance in the strategic as well as the operational context. That would be a benefit.

**The Convener:** Perhaps Mr Harris can talk about duplication.

**Dr Simpson:** Has there been no duplication? Have there been no problems?

**Mike Whittingham:** The existence of two boards, two chairs and two chief executive officers—or one executive director and one CEO—was regarded as duplication. It is not for me to comment on whether that perception was correct. The decision has been made.

**Dr Simpson:** Did the existence of two boards lead to clashes? Were there significant tensions between the boards?

**Mike Whittingham:** There might have been tensions in the past, but since my arrival Stewart Harris and I have always worked in strong partnership. As far as I am concerned, we have an opportunity to grow that partnership. However, I am disappointed that the Scottish Institute of Sport has lost its chairman and its board. I believe that I have also lost my title of executive director, but I have only read about that.

**Stewart Harris:** As happens in any walk of life, there is always disagreement. It would be naive to think that everyone gets on swimmingly all the time. That is certainly not the case in sport.

**The Convener:** A sports metaphor. It is time for a bit of levity.

**Ian McKee (Lothians) (SNP):** But was the witness talking about synchronised swimming?

**Stewart Harris:** We must always smile.

The existence of two boards was always going to create tension. The institute's board was focused on high performance and sportscotland's board had a much wider strategic focus, which included high performance—members must remember that sportscotland's board did not just hand over responsibility; it was our job to ensure that there was a coherent national strategy, on the high-performance element of which the institute delivered.

Operationally, Mike Whittingham and I spoke early in the process. My style has always been to ensure that the people who deliver have the resources, the clarity, the time and the freedom to deliver. I hold people to account for their performance, as does any senior manager.

There is some back-office duplication, which is normal when there are two organisations. We will ensure that we find duplication and put in place the right resource to support the single agency as it goes forward.

**Dr Simpson:** I would have thought that you would produce merger proposals identifying areas of duplication and specifying the benefits of streamlining, but we have yet to receive such information. We do not know what the advantages of the merger are.

My second point relates to how we go forward. There is no longer a chair of either organisation. There are two chief executives—I use the term loosely—but there is still no single, focused individual. Who will lead the merger? Will the boards be merged? Will there be a larger board? Will the talents on the institute's board, who helped to drive us to unprecedented achievement, be completely lost, or will there be more input to a larger board, which will allow greater focus on elite sport as part of the whole?

**Stewart Harris:** In his statement, the minister mentioned that an implementation team would be put in place that would include representatives from sportscotland, the Scottish Institute of Sport and the Government. For the board, a special meeting has been scheduled for 6 February at which an interim chair will be appointed. We have discussed this morning the fact that the first meeting of the implementation group will take place tomorrow.

Throughout the process, my job has been to ensure that we continue to deliver for our partners. During the process, we did not sit still and wait for a pronouncement on whether sportscotland would be abolished; we ensured that we continued to deliver. Yes, we had to put significant time into

looking at what the process required because, as I said earlier, I was keen to ensure that the review received the right inputs so that proper decisions could be reached.

From my perspective, having a chair and a well-balanced board that covers all the areas of expertise that we need to deliver the Government's strategy will help our strategic direction. I am sure that we will get that in the fullness of time. However, that does not stop me, Mike Whittingham and other senior staff leading our respective staff teams to deliver what is expected of us.

**Mike Whittingham:** As might be expected, we have already drawn up an internal plan of action to ensure that we properly and fully co-operate with the Government's decision. At the same time, we want to protect our staff from any distractions. As we are seven months away from the Olympics, our sports and athletes need our undivided attention. As I mentioned before, time is of the essence if we are to capitalise on the 2014 decision.

My interpretation and understanding of the situation—the minister can confirm this—is that an interim chairman will be appointed to help to lead the implementation process. We hope that Stewart Harris and I will be allowed to drive the implementation process in both our organisations. Initially, we will share the functions and tasks in respect of the interim chair. In other words, any work that needs to be carried out will be agreed and approved by that interim chair. Ultimately, we will have one board and one chair. Many wholly owned subsidiaries operate like that anyway. As I said, we have accepted the merger and we just want to get on and make it work.

**Dr Simpson:** I have a brief final question. It has been stated—the convener will correct me if am wrong—that there are to be no compulsory redundancies.

**The Convener:** That is correct, as I understand it.

**Dr Simpson:** The proposal is meant to eliminate duplication, merge backroom functions and streamline the organisation without—except for the two boards—any staff losses. Unless we are to have a greatly expanding organisation that can absorb those changes, I fail to see the advantages of the proposed merger. Given that four hubs are to be added to an already dispersed organisation and that its headquarters is to be transferred to Glasgow at some point in the future—I hear that there may even be an interim transfer—it seems that a great deal of disruption will be experienced by organisations that need to be absolutely focused on sport and, in the case of the institute, on elite sport in particular. Therefore, the downside is much greater than the upside.

However, that is more of a comment than a question—

**The Convener:** Yes. I was looking for a short question.

**Dr Simpson:** Has either organisation already drawn up the areas in which there might be appropriate staff losses or staff transfers?

**Stewart Harris:** I have been in post for nearly two years. Throughout that time, it has always been apparent to me that we need to ensure that we have a national agency that is fit for purpose and delivers against its expected outcomes. That does not involve standing still or always being in the same shape or form. We currently have a number of vacancies that we will look to fill, but we will immediately discuss what the implications are of merging the two organisations. Our job is to try to make the merger as seamless as possible, to ensure that there is no impact—or as little impact as possible—on our staff and the people we serve. That is what we will do.

10:45

**Mike Whittingham:** As an organisation, we work within small margins. The difference between fourth place and a medal position is often a hundredth of a second. As you would expect me to say, I constantly look to provide enhanced services, which often involves staff development or consideration of new coaches, new projects or new innovations. That is the environment in which we have always operated and in which we will continue to operate, to ensure that Scotland constantly wins on the world stage.

Redundancies are not necessarily the issue; we are talking about achieving efficiencies and effectiveness, which we always strive to achieve. In the future, there might be opportunities for some of our staff whose work could be covered by the umbrella term “backroom”—although I do not like that expression, because we are all front-line people who deliver front-line services—to work together more closely to provide a better service to our area institutes and to staff who live outside Stirling and the major conurbations.

**The Convener:** We will hear from Ian McKee and Margo MacDonald, who have not had questions yet, then Rhoda Grant and Mary Scanlon. I ask members to keep their supplementaries short, so that we do not overrun.

**Ian McKee:** I am extremely impressed by your positivity, gentlemen. I am sure that it is a gross calumny to suggest, as Richard Simpson did, that your outlook is synthetic and is due entirely to fear of losing your jobs, in the event that you do not appear as positive as possible. I am sure that people realise that you have made an enormous

contribution to sport in Scotland during your tenure.

However, as has been said, there is no doubt that recent events have been a bit unsettling for staff. We are in a situation in which the decision has been made that sportscotland will move from Edinburgh to Glasgow, which will involve an enormous amount of upset for staff who are based in Edinburgh, who will suffer considerable domestic disruption of one sort or another. Surely that will contribute to uncertainty. Do the witnesses agree that the transfer of sportscotland's headquarters from Edinburgh to Glasgow will be beneficial to sport in Scotland, given the disruption that it will cause?

**The Convener:** I have a feeling that that might have been Margo MacDonald's question, but no doubt she will have one of her own. You are quite entitled to ask it, of course.

**Ian McKee:** My second question is on the same theme. I appreciate that the argument for the formation of the hubs is one of closer integration and co-ordination at local level, which is definitely a good thing, but is there not a risk that the creation of powerful hubs might, in the long run, cause tension between the hubs and the centre, as the hubs become more politicised and local people realise that the hubs can support their activities? I am a bit concerned that, rather than getting rid of previous tensions, setting up the hubs might actually create four centres of opposition to sportscotland policy, which would lead to more tensions in the future.

**Stewart Harris:** You raise a number of issues. You might have to remind me if I miss out any of them.

**The Convener:** The first issue was the transfer of staff from Edinburgh to Glasgow and the second was whether tensions will be created by the building of little empires elsewhere.

**Stewart Harris:** Relocation to Glasgow is not a new idea. We have been working on a plan to move to Glasgow for a significant period of time; the original plan would have involved the entire organisation moving there. Without being negative about any other part of Scotland—we have a huge commitment to delivering in all parts of Scotland—the bulk of our national agency's partners are based in the central belt, so our headquarters needs to be located somewhere in that area. It will be a significant advantage to be close to one of the most exciting developments in Scottish sport over the next wee while. We will not need to wait until 2014 to get the benefits; the lead-up to 2014 will be fantastic. Having our headquarters and delivery staff based in Glasgow and having some staff still based here, close to our partners in Edinburgh, will have a positive effect.

As regards tension, I would be kidding myself if I said that everyone in sport agrees, but it is Mike Whittingham's job and my job to manage that tension. My view is that sport in Scotland has been fragmented for too long. It is now time to pull it together and work for common goals, and that is what we will strive to do. Tension will arise only if we do not manage that and if we give poor and weak leadership. It is our intention to do the opposite.

**Mike Whittingham:** I would like to comment on the first part of the question, which homed in on staff. On the day of the announcement, I sent an e-mail to all staff, in which I used a Shakespearean quotation:

"There is a tide in the affairs of men,  
Which ... leads to fortune".

I also told them that we are warriors not worriers.

**The Convener:** I am trying to remember which play that comes from—I am totally distracted.

**Mike Whittingham:** "Hamlet".

**The Convener:** I thought it was "King Lear"—there we are.

**Mike Whittingham:** My job is to motivate the staff and reassure them that, by and large, they will be unaffected by many of the structural changes. We have a world-class capability and world-class staff, and we must retain them and attract more. I hope that we will continue to do that. They give up massive amounts of their time in the evenings and at weekends, and we owe a lot to them, because we are a people business—people are really important. I am led to believe that the Stirling Scottish Institute of Sport staff will stay where they are and will not be asked to move, which I welcome.

The second aspect of the question was on potential competition. It is a question of having a shared goal. All the six area institutes, the governing bodies and our partners who work with us to create Scotland winning on the world stage have a simple shared goal. As long as we have that shared goal, there is no tension in or misunderstanding of what we are trying to achieve. We welcome competition, because it means that people raise their standards. We want Scottish athletes in Aberdeen, Edinburgh and Glasgow to raise their standards in striving to get into the Glasgow 2014 team. Our position is therefore slightly different—we think that competition can be good and beneficial.

**Ian McKee:** I understand your stance, Mr Whittingham, but an awful lot of sportscotland's work contributes to the health of the nation—our committee deals with health as well as sport. I am wondering what the legacy will be for Scotland after 2014. Other countries that have hosted big

games have not seen a proper legacy, and tension will come from the division of a small pot of money among the different areas of Scotland in seeking a legacy. I am concerned that you are creating focuses of dissent throughout Scotland that might cause problems in the future.

**The Convener:** I think that Mr Harris dealt with that in his answer, but did you deal with it, Mr Whittingham?

**Mike Whittingham:** As I said at the beginning, the difficulty is that my role and our remit are performance orientated. I am happy to offer an opinion on the health of the nation and other aspects of sport, which I also passionately believe in. As you say, success will be measured by the legacy, and we have an opportunity, particularly with Glasgow, to create the right legacy: a healthier nation, a greater medal haul and, in 2016 and 2020, a sustainable structure. I think that we can achieve all of that.

**The Convener:** You mentioned six area institutes, and we have been talking about hubs. Are those the same thing or are they different?

**Mike Whittingham:** They are different.

**The Convener:** Is the institute not involved in the satellites?

**Mike Whittingham:** Our structure is this: the Scottish Institute of Sport is based in Stirling, and it reaches out to and partners six area institutes that are located around the country. My understanding is that there is a potential to link the new regional hubs to where the area institutes are.

**The Convener:** Just for the record, where are the area institutes?

**Mike Whittingham:** Edinburgh, Glasgow, Aberdeen, Dundee, Stirling and Inverness.

**The Convener:** I ask for clarity's sake. Are you content with that description, Mr Harris?

**Stewart Harris:** Again, it is important that we have some background. It is important to understand that sportscotland, as the national agency, funds the Scottish Institute of Sport and the area institute network. The connection already exists.

**The Convener:** I understand that. The horrible expression "decluttering the landscape" springs to mind, and the landscape was getting cluttered for me. Has it been decluttered?

**Stewart Harris:** From my perspective, we need to have an organisation and a focus that delivers for sport. It is not about local tensions and competition in the way that Mike Whittingham described; it is about understanding what the roles and responsibilities are. There is a role to deliver for sport in local areas.

I agree with you entirely on the point about a legacy, Mr McKee. Sportscotland will be the subject of Scotland's ambition. What are we trying to achieve, and what is our role in trying to achieve it? Health benefits might require some additional input of resource.

**The Convener:** I will come to you shortly, Margo. I want to clarify the point about satellite organisations. Will the discussions about further integration deal in more detail with how the area institutes will link into the satellites? Have I got that right?

**Mike Whittingham:** I am sure that there will be such discussion. I will offer a slightly different way of looking at matters.

**The Convener:** Please.

**Mike Whittingham:** Stewart Harris has already suggested how one can view matters. On outcomes, let us ask the question, what do we all want from sport? We have reached a stage where different outcomes can be achieved from sport. Clearly, performance outcomes are different from the health of the nation.

**The Convener:** I understand all that. I am sorry, but I am trying to understand organisational matters and the structures.

**Mike Whittingham:** Forgive me, convener. I will explain why I was answering in that way. The ways in which one approaches increasing participation or delivering for the health of the nation are important, because they might be different from the approaches that apply to improving performance. That detail must be discussed in the context of regional hubs.

**The Convener:** I think that I am getting some clarity now. I call Margo MacDonald.

**Margo MacDonald (Lothians) (Ind):** I apologise for being late. I was at the doctor.

**The Convener:** At least your freezer was not cooking. I will explain that later, Margo.

**Margo MacDonald:** Thank you.

**Ross Finnie:** You can eat the contents, you know.

**Margo MacDonald:** Let us keep to the sporting métier.

I give the witnesses three points for presentation and nul points for content. I do not blame them at all, however. They have not yet worked out exactly what relation the new hub structure has to the regional institutes of sport—but why should they have done so? They have only just had a chance to start thinking about it. They must decide whether to share one property or have two offices.

Different geographical locations will be involved. With reference to the timing of the matter, I say that in their defence.

**The Convener:** I did not think that I was attacking the witnesses; I have just been trying to get clarity—and I understand things better now.

**Margo MacDonald:** I feel that they were ready to take the fifth amendment.

**Ian McKee:** Wrong country.

**Margo MacDonald:** Same sport.

I am concerned about the split and the dual role—the excellent elite performance role and the community involvement role which, I must admit, is closer to my own heart. I do not wish to lecture anybody on this, but the two gentlemen in front of us have worked out the difference between the roles, and where the two roles touch. I am concerned about whether they will be able to work out a modus operandi to maintain that.

We can take pleasure in the medals that have been won at the Commonwealth games, but we should not forget that, although the swimmers won quite a lot of medals, they could not put together a relay team, because they did not have the necessary strength and depth. Therefore, a great deal of work still needs to be done to encourage more people to swim. That is where sportscotland comes in. I want an assurance that the hubs will get closer to the idea of stimulating greater participation at community level. We will not get elite athletes without that.

**Stewart Harris:** I can give you that assurance. We have been talking about six area institutes and four hubs. We have the opportunity now to bring all that together in one single body. It is not that the different organisations operate autonomously; we operate to a consistent, coherent national plan, which it is our responsibility to drive. I share your passion about all of that. I think that, aside from the details that undoubtedly remain to be worked out, we will be able to use our past experience to drive us forward in the future. Communities will benefit.

**Margo MacDonald:** I have one other question, which is on sport itself and future policy. A few years ago, as you will recall, an attitude was set at UK Sport level that the awards to particular athletes or sports should be determined in advance of their winning medals. For example, if it was decided that someone should be able to win a medal at cricket, but they could not guarantee that they would do so at the world championships, they would not get the money that they asked for. Is that attitude still pervasive in Scottish sport?

11:00

**Stewart Harris:** Mike Whittingham can add to this, but Scotland's ambition on the world stage is clear: we want as many Scots as possible to win medals. We do that by working with the governing bodies of sport to identify the right talent and then attaching the resources and services and making the pathway clear for those athletes to give them the best chance.

**Margo MacDonald:** You are not locked into the medal-winning criterion.

**Stewart Harris:** Not every athlete whom we fund wins a medal.

**Margo MacDonald:** That is fine.

**Stewart Harris:** There is a huge development process, which I think we will connect up even better in the future.

**Margo MacDonald:** I have a short final question. If you find out that you are going to spend far too much money moving to Glasgow, will you recommend that you just stay in Edinburgh?

**Stewart Harris:** As I have said, Margo—I have spoken to you about this—we are working up what the costs will be of moving the entire organisation to Glasgow. We will put those costs on the table, after which, from my perspective, it will be a matter for the Government to decide how it is funded.

**Margo MacDonald:** But the Government will need to hear from you how much it will be.

**Stewart Harris:** Yes, exactly. It is my job to provide that information, so I will tell the Government how much the move will cost.

**The Convener:** We are obviously not going to get that information today.

**Stewart Harris:** I can give you some detail, if you want it, on where we have reached in our deliberations.

**Rhoda Grant:** I was going to ask for detail on that, if it is possible.

**The Convener:** In the interests of getting on, because the minister is giving evidence next and the detail may be lengthy, I ask you to give us the detail in written form, so that we can put it into the public domain.

**Stewart Harris:** We can do that.

**The Convener:** That will be helpful, because we are short of time. We will get that information from you, but I am sure that we can ask the minister about the matter when he gives his evidence.

That covers what Rhoda Grant wanted. Mary Scanlon can ask a short question.

**Mary Scanlon:** The voice that has been fairly silent on the process since 3 May last year has been that of the athletes. At the weekend, an Olympic gold medallist spoke out strongly and critically on the merger. She said that she feared that the merger of the Scottish Institute of Sport with sportscotland would dilute the excellent work that the institute has done over the years. I wonder, Mr Whittingham, whether you are now turning warriors into worriers. Will you take this opportunity to tell our elite athletes that they have got it wrong and misunderstood the implications of the merger—if that is the case—and why you feel that it will be of greater benefit to them in the future?

**The Convener:** I am glad that that was a short question.

**Mary Scanlon:** It was as short as I could make it.

**Mike Whittingham:** Much has been written in newspapers about the matter, but I do not want to comment on articles that we may all have read.

**Mary Scanlon:** You can see that there is a genuine worry.

**Mike Whittingham:** I accept your point, which is why, from the word go, we have done everything we can to assure athletes that they will be completely unaffected by the deliberations that have gone on and the merger and its implications in the next few months.

As I explained, we have an internal document on the issue and Stewart Harris and I have had discussions on the impact on athletes, who are always our first priority. If she is listening, I want to reassure the athlete to whom Mary Scanlon referred that what she fears will not happen. Having said that, I share athletes' concerns and I understand what they are saying. My response comes back to points that I made earlier. We have a unique environment here. As an Englishman, I have always said that the Scottish Institute of Sport is a jewel of which Scotland should be proud. It was visionary and ahead of its time when it was established. My job is to ensure that it stays ahead of its time. We believe passionately in the environment that we have created. As I have said, provided that we can make everything to which the minister has committed work in operational and implementation terms, the merger can definitely work. We need to protect our staff and environment and to recognise that performance sport is different.

**Mary Scanlon:** But, at the end of the day, it is about the athletes.

**Margo MacDonald:** No, it is not.

**The Convener:** I thank Mr Whittingham for those comments. Mr Harris can speak briefly on the point about athletes' concerns.

**Stewart Harris:** Mike Whittingham and I talk to athletes and their partners all the time. There have been many conversations with them—we exist to serve them. We should not always rubbish proposals at the beginning; we should give them a chance and have a go. As I said in my opening remarks, let us try to deliver at this exciting time. I am sure that we will have conversations in the future about how successful we have been, but let us have a go at it first.

**The Convener:** The committee will have every opportunity to ask questions of the minister and to follow the development of the merger. The committee can take that on later. I thank the witnesses for giving evidence. It was interesting, and their passion and commitment were obvious.

I suspend the meeting for five minutes, after which we will hear from the minister.

11:05

*Meeting suspended.*

11:14

*On resuming—*

**The Convener:** I bring the committee to order. I should have a bing-bong button—that is a technical term—to press to bring members to order, but I do not.

**Ross Finnie:** Good.

**The Convener:** That is unfair. I always wanted such a button.

I welcome to the meeting the Minister for Communities and Sport, Stewart Maxwell, who will give evidence. He has been able to hear 99 per cent of what we have just heard. He is accompanied by Kate Vincent, who is deputy director for sport at the public health and wellbeing directorate, and Steve Paulding, who is branch head of the sport division of that directorate. I invite the minister to make some opening remarks. In line with the usual procedure, members may then ask questions.

**The Minister for Communities and Sport (Stewart Maxwell):** Thank you, convener. I am grateful to the committee for giving me the opportunity to discuss the decision to merge sportscotland with the Scottish Institute of Sport following the review of sportscotland.

I am sure that I do not need to tell committee members that Scotland is passionate about sport. Our country's fervour for all things sporting recently won us one of sport's most prestigious

prizes—the Commonwealth games, which will come to Glasgow in 2014. However, Scottish sport faces significant challenges, perhaps the most important of which is that of fulfilling our duty to increase participation in sport and physical activity, especially among our young people. The Government is absolutely committed to that goal.

We all know that elite athletes—the athletes who represent us on the international stage—do not get to the podium overnight. They start as young as possible so that they can achieve their potential and they need years of nurturing at grass-roots level. Recognition of that has helped to guide the review of sportscotland and our final decision.

The new organisation will result from merging the existing sportscotland and the Scottish Institute of Sport; a single body under the name sportscotland will be created. It will have a single board, a single chair and—crucially—a decentralised structure to give it greater contact with sports throughout the whole country. We are talking about a radical change that will make the organisation deliver even more effectively.

Since the Government came to power, it has made it clear that we intend to declutter the public sector landscape in Scotland by removing unnecessary layers of bureaucracy. That is exactly what we will do with sportscotland. The eradication of back-office duplication wherever possible and the focusing of our energies on the front line is good news for the Scottish taxpayer and for the organisations themselves.

However, we have also said that we want to be a Government that listens. Again, we have fulfilled that pledge. Sports governing bodies told us that they wanted to retain a national governing body for sport in Scotland, and we have taken that on board. Indeed, the outcome of the review process has been widely welcomed in the sporting community, not only because that outcome reflected its expressed wishes, but because it means that a structure will be put in place that has the best interests of sport at its core.

Let me dispel a myth about the future of elite sport. I give a reassurance that that future will not be compromised in any way. I will be absolutely clear: the Government will not allow existing world-class support for elite performers to be threatened in any way in the new organisation. That is why we will leave the institute's functions intact, preserve its base in Stirling and safeguard the jobs of its dedicated staff. However, we will go further than that. By removing the institute's reliance on unstable lottery funding and replacing that reliance with direct Scottish Government money, we will protect it from the whims of Westminster, which only last week approved the plundering of £675 million of lottery money to pay for the Olympic games, the costs of which are spiralling out of



control. The institute has asked for such an approach for years. We are now delivering it.

The new sportscotland will have the huge advantage of symbolising in its structure the continuum from grass-roots participation to elite performance. We believe that bringing the two ends of the spectrum under the same umbrella will translate into clearer, more integrated pathways to success for our budding sports stars. That approach makes logical and practical sense.

The new organisation's headquarters will be in Glasgow. Eighty to 100 staff will relocate to Glasgow as soon as is practicable. That is the right move; it reflects the paramount importance that the city will have over the next few years as we get ready for the Commonwealth games.

That does not mean that the rest of the country will miss out. We will create three other regional hubs: in Edinburgh for the east, where there will be 30 to 35 staff; in Stirling for the central region, where there will be five to 10 staff in addition to the institute; and in Aberdeen for the north, where there will also be five to 10 staff. On a like-for-like basis, our plans will be significantly less costly than the move to Glasgow that the previous Administration planned, and we are committed to keeping the costs to the taxpayer to an absolute minimum. We recognise that the restructuring is in the best interests of all the people of Scotland.

In the very near future, we will have a streamlined organisation that is even more focused on delivering for sport across the board, that is on a more secure financial footing and that is closer to its users. That is a sensible and positive outcome of the review process, and I am confident that the enthusiasm that many people in the world of sport have already expressed for what we have proposed will continue to grow in the coming months and years.

**The Convener:** Members are eager to ask the minister questions. I do not want to curtail questions, but they should be short. Supplementary questions may be asked, so members should not feel anxious that they will not get a bite.

**Ian McKee:** I will ask the same questions that I asked the officials. There has already been a bit of turmoil and uncertainty about what is going on. You plan to move the sportscotland headquarters to Glasgow—I appreciate that that move was planned by the previous Government, too. However, to do so just to be near the Commonwealth games does not seem to be a huge advantage, given that people are going to suffer more turmoil and stress with the move. Can you justify the move further?

On the regional hubs, I presume that the Scottish Institute of Sport's peripheral divisions will

be associated with them and that local authorities will figure in them. Do we run the risk that, over a long period, the hubs could become focuses for, if you like, rebellion against decisions that sportscotland takes centrally? They will have a much higher public profile in their areas and local authorities might see them as being a means through which to achieve their objectives.

**The Convener:** That did not fit the definition of a short question, but it will do.

**Stewart Maxwell:** I disagree that the creation of the hubs will somehow have a negative impact and might lead to empire building or small empires—to use a phrase that I think was used earlier—or to rebellions. The six area institutes throughout the country have been in place for some time and have worked well. They co-operate with local partners and are part of the structure that the Scottish Institute of Sport heads up, which has worked extremely well. The area institutes have worked in partnership to help deliver for elite athletes throughout the country.

The hubs will do exactly the same: they will, in effect, be sportscotland's delivery arm throughout the country. They will take staff to the area in which they work, whether in the east, west, central or north regions, and allow them to operate in those areas. For example, at present, if a member of staff who is based in Edinburgh supports people in the north-east of Scotland, a lot of time and effort is wasted on travelling and other such matters. In the future, that staff member will be based in the north-east of Scotland and will be able to deliver on a daily basis for the people in the north-east. The hubs are a positive move, because they will be much closer to the people who are supported and to delivery.

Ian McKee is right that the previous Administration intended to relocate sportscotland to Glasgow from Edinburgh. That was a different relocation, in that the plan was to take a large centralised bureaucracy from Edinburgh and shift it to Glasgow. On its own, that move would have done little for sport. However, there is some advantage in such a move after the successful bid to host the Commonwealth games, although the previous Administration took its decision before the announcement on the games. The new move will involve smaller headquarters based in Glasgow, along with the regional hub. That will be done as soon as possible—certainly by April 2009. The headquarters will then move into the national arena when it is built in 2011. The move will provide benefits in the build-up to the Commonwealth games and in relation to the legacy that we hope to gain from the games. It will also assist in regeneration of the east end of Glasgow. I believe firmly that that should be our

focus in the next six or seven years. It is the right place for the headquarters to be.

**Ian McKee:** I have a quick supplementary. Will the area institute structure—I believe that there are six at present—be slimmed down so that it relates to the hubs?

**Stewart Maxwell:** No. The six area institutes throughout the country will remain. The change that will affect the area institutes is that, at present, each has two boards: in the future they will have one. We will merge the two boards of each area institute. If we include the sportscotland and Scottish Institute of Sport boards, there are 14 boards at present. That number will go down to seven, which will provide a huge saving by reducing duplication and unnecessary bureaucracy.

**The Convener:** Ross Finnie has the next question.

**Ross Finnie:** Thank you, minister.

**The Convener:** I thought you were referring to me for a moment.

**Ross Finnie:** I would not wish to dampen your ambitions in any way, convener. That is not part of my function, but the minister will have heard what you said.

The evidence that we heard this morning from Mr Harris and Mr Whittingham was in effect that they are unaware of any changes to sportscotland's charter—the document that sets out the aims, objectives and functions on which the board is obliged to deliver. There was no suggestion of any major change to the national functions that sportscotland discharges and, equally, no change to the functions, aims, objects and outcomes of the Scottish Institute of Sport was suggested. The witnesses also had enormous difficulty in providing for the committee any clear evidence of duplication between the two organisations.

You were at pains in your statement to Parliament to imply that the name was all that would be retained and that a completely new organisation would be created. You have said that explicitly or implicitly. Notwithstanding the organisational and back-office changes that will be made, according to the two earlier witnesses the overall objective, the national objectives and the outcomes that are sought will not change, so it is going a bit too far to suggest that all that will be retained is the name "sportscotland". The organisations' fundamental functions and roles will be retained, so more than the name will be kept.

**Stewart Maxwell:** I say with due respect that two issues are being mixed up. As far as I am aware, every political party is signed up to the aims and objectives, which are to increase

participation and to improve performance. They have never been in doubt; we are signed up to them, as are other parties. The aims and objectives will remain the same.

The issue that is at question is delivery and the ability to achieve the aims. It is clear from the review of sport 21 that the organisations were failing to deliver on their targets. Virtually none of the targets under sport 21—other than two, it could be argued—was being met.

We have signed up to the "Reaching Higher" targets and the aims and objectives under that strategy, but it is one thing to say that we are signed up to and will not change the aims and objectives—that is true, because we agree across parties and sporting bodies that they are right—and another to talk about the ability to deliver, which we will change radically. I am confident that, by changing the structure, we will ensure that we deliver on the objectives, aims and targets. The review's function was to ensure that we had an organisation that would achieve the aims and objectives and not to alter radically those aims and objectives, on which everybody agrees.

Several functions of the organisations overlap and are duplicated and will be dealt with by the merger, which will produce efficiencies. The merger's aim is to drive the organisations to the delivery end of their work rather than the more administrative and back-office functions. I will give one example of efficiencies that can be achieved by removing duplication. Both organisations undertake media and communications activity, so when we complete the merger in the next couple of months, we will no longer need to support two media and communications teams. That means that we will free up staff to give many governing bodies and other organisations throughout the country what they have cried out for—help with their media and communications activity. Staff will be able to be transferred to help other organisations with their work on delivery mechanisms and with their support for communications and media activity. That is not about removing staff, but about making them work to create a more efficient system. Bringing together the two organisations will free up those staff.

**Ross Finnie:** I have a quick supplementary. Stewart Harris and Mike Whittingham were at pains to say that the overwhelming majority of the staff who are at their command are engaged in delivering the objectives. They did not suggest that they had a vast army of communications officers or of people who deal with administration. The impression that they gave the committee was that they are at the front end of promoting and encouraging the development of sport on the ground and, in the institute's case, of dealing with

performance. Those witnesses did not disagree that the lesser functions could be improved and made more efficient.

You seem to be suggesting that the merger will bring about a great change, but the evidence that we have heard suggests that the overwhelming majority of staff will remain in post and perform the same functions. It is slightly fallacious to claim that an entirely new organisation will be created when the organisations' core functions and people will be retained.

11:30

**Stewart Maxwell:** At no point have I—nor, I believe, did the previous witnesses—mention “a vast army” of anything. Ross Finnie suggested in his first question that I could give no examples of duplication, so I gave an example. I could give other examples of such functions. I have never said that vast armies of people will be swept away by the reorganisation. That was never the intention and will not be the outcome.

The fact remains that there are overlaps and duplication and working those out of the system will free up staff to deliver assistance both to the local bodies and organisations on the ground and to the national sports governing bodies. Efficiencies can be cash savings, but they can also be time savings, if people are used for different and more effective purposes. Many of the efficiencies will be about using staff more effectively and ensuring that they are closer to sports organisations. The regional hubs will allow them to be physically located closer to the organisations that they support. I believe that we will have a much more efficient organisation by removing areas of duplication and overlap from the two organisations.

**Ross Finnie:** I have a quick question on the board's structure and personnel. A board provides a strategic overarching aim and view; its purpose is not to deliver the nitty-gritty of reducing duplication in back-office functions. You have stated that it is your belief that, because the merging of the two bodies into one will produce an entirely new organisation, it is self-evident that you had to get rid of both chairs. However, I put it to you that, in the 18 years that I spent in the financial services sector, it was never self-evident to me when I was engaged in any merger or acquisition that only one solution could be proposed when creating a new board.

Given the difficulty that the aims and objectives on which the new board is to provide a strategic overview will remain by and large the same—the merger is about demanding delivery—and given your apparent undertaking that institute staff will enjoy a degree of autonomy, did you simply say,

“We need one new body, so get rid of the two chairs” or did you give any consideration to trying to provide greater continuity by retaining the chair of sportscotland in that capacity and retaining the institute's chair in some form—perhaps a vice-chairmanship or something—whereby he would be given specific responsibility to ensure that autonomy for the institute within the new structure? You should have at least given serious consideration to such a proposal rather than sweep away two people who had considerable experience. They could have overseen the merger and brought stability to the organisation in what is—and will continue to be, given the need to relocate elements of the business to Glasgow—a difficult time.

**Stewart Maxwell:** I do not accept the pejorative terms in which many Opposition members have described the decision to merge the two boards and the consequential decision to ask both chairs to stand down. Clearly, when two boards are merged into a single board that will have a single chair at its head, the process for appointing the new board's chair must be open and transparent. That is what we are ensuring. It was entirely correct, logical and reasonable to ask the two current chairs to step down. The standard process that is laid down in the guidance on public appointments will now kick in—it has already started—and, in the interim period, a chair will be appointed before 15 February.

**Ross Finnie:** With respect, minister, I did not challenge the need for the public appointments system or suggest that it should be abolished. I asked whether you gave any consideration to any model other than the one that you have posited. You have suggested that, in a merger of two bodies, both existing chairs must be got rid of, a new post must be created and things must simply be done that way. I put it to you that there are other ways of proceeding, as is perfectly clear from the commercial world. I simply ask whether you gave any consideration to an alternative model in which retention of the experience, knowledge and understanding of the current post holders might have been accommodated.

**Stewart Maxwell:** We are retaining the experience and we are ensuring continuity. The board of sportscotland will remain. Those who are due to stand down from sportscotland's board will stand down.

We are discussing with sportscotland co-opting members of the institute onto the new board in the short term, but they would then have to go through the public appointments process to apply for the upcoming vacancies on the new board of sportscotland. There were a number of considerations. I still believe that the fairest solution is to treat both chairs in exactly the same

way. Ross Finnie is suggesting that we should pick one or other of the chairs to be the chair of the new board rather than have an open and transparent process to appoint the new chair, as is the right way to do it.

**Rhoda Grant:** I am keen to know about the “radical” changes to the structure that will make the difference to delivery. From your evidence, it appears that you are looking at sending five people to Aberdeen and five to Stirling, which is the sum total of the radical change. Moving the headquarters was already in train, so I fail to see where radical changes come into your proposals.

**Stewart Maxwell:** Perhaps I can explain it to the member. The previous Administration planned to take an organisation with a large centralised bureaucracy in Edinburgh and put it in Glasgow. Moving an organisation from one city to another does not deliver for sport. We have removed layers of bureaucracy from the boards. We have reduced the number of area institute boards from 12 to six, which makes an overall change from 14 to seven boards. That is quite a change.

We are delivering future stability of funding for the Institute of Sport, which has lived under the cloud of lottery funding for years. It made several appeals to the previous Administration over some years for direct Government funding from the Exchequer. The previous Administration failed to act to support our elite athletes; we have delivered for our elite athletes by giving them stability and the ability to plan into the future through Exchequer funding. That is an important piece of information that has been lost in all the fog around the issue.

We are not just moving from Edinburgh to Glasgow; we are creating regional structures throughout the country that will allow the people who work in delivery to support the organisations that work in those areas. I heard both Stewart Harris and Mike Whittingham talk about the partners with whom they would be working on the ground—the local authorities, the local clubs—to support, advise and help them to deliver increased activity and improved performance. That seems to be a very different organisational structure to the one that we currently have. People being out in the country and working with partners has been welcomed throughout the country—in the north-east as well as in Edinburgh and Stirling. It is now a different organisation.

The decision has also been welcomed by people throughout the sporting world, including a large number of governing bodies and well-respected individuals. So the decision has been widely welcomed and the structure that we are putting in place is very different from the current one. By doing that, we will begin to deliver for sport.

**Rhoda Grant:** That is obviously not true. Are you saying that sportscotland never worked with local government previously?

**Stewart Maxwell:** I do not remember saying such a thing.

**Rhoda Grant:** Well, you are saying that the new structure means that sportscotland will be working with local government.

**Stewart Maxwell:** Yes, it will work much more efficiently and effectively than at present. Those who carry out the delivery, support and advisory functions for Aberdeen, but who are based in Edinburgh, will in the future be based in Aberdeen. I thought that Rhoda Grant might welcome basing someone in the north of Scotland to support the people in the north of Scotland. Those who will support the east of Scotland will be based in the east of Scotland; those who support the west of Scotland will be based in the west of Scotland; and those who support central Scotland will be based in central Scotland. They will be close to the people whom they support and will be able to work much more closely with the individuals in local government, the governing bodies located in those areas, the local organisations, the clubs, volunteers and all the other people who are involved in supporting sport throughout the country. That will be much more effective and efficient than maintaining the current distance between the Edinburgh headquarters and the rest of the country.

**Rhoda Grant:** You are talking about five people—that is a minimal number in relation to the total number of staff. I think I need to give you a geography lesson: five people in Aberdeen do not bring sport closer to the people in Shetland and the Western Isles.

That brings me to my second question—

**Stewart Maxwell:** Perhaps I should answer that question before we move on, because the issue here—

**The Convener:** Before we have a little spat—

**Stewart Maxwell:** I am not having a spat; I just want to clarify this point.

**The Convener:** As I was saying, before we have a little spat, I ask Rhoda Grant to finish her second question.

**Rhoda Grant:** Given the huge opportunity that is presented by the reorganisation, why has half the land mass of Scotland been totally ignored in the distribution of the hubs? The evidence that we have received this morning plainly points to the places that will have a hub and a focus. The whole of the Highlands and Islands will be served by only five additional staff based in Aberdeen, who will have to cover Grampian, Aberdeenshire and, I

gather, areas of Perthshire. It seems to me that the new set-up is very biased towards the central belt.

**Stewart Maxwell:** I heard Stewart Harris's answer to a similar question earlier. Without any disrespect to any part of the country—after all, this is about delivering for all parts of the country—the bulk of the governing bodies and other forms of support are currently located in the central belt. As a result, that is the obvious place to locate most of the staff.

Perhaps I can give Rhoda Grant a lesson in geography. Aberdeen is actually much closer than Edinburgh or Glasgow to the Highlands and Islands. Your party had planned to keep the organisation in the central belt; our Government plans to disseminate and distribute support throughout the country. I am amused to hear members of the Labour Party complaining about the lack of a hub in Inverness when it had planned to have no one closer to the Highlands than the central belt. We are moving staff to the north and central parts of the country to deliver for people in the north of Scotland, and if the member is going to complain about the lack of support in our plans, I look forward to her condemnation of the previous Executive's plans. After all, it had no intention of providing any staff at all in the north of the country.

**Rhoda Grant:** There is already an institute based in Inverness.

**Stewart Maxwell:** That will remain in place. The fact is that additional staff will be going to the north of Scotland. As I say, I look forward to your condemnation of the previous Executive's plans.

**The Convener:** I do not want to quash debate, but I think that the two of you are arguing different points. You might get the chance to come back on that later, Rhoda, but I now want to move on to other questions.

**Mary Scanlon:** I want to give the minister a lesson in travel time. It takes two and a half hours to get from Inverness to Aberdeen, the same time to get to Stirling and precisely three hours to get to Edinburgh. I know, because I do that journey every week. However, I will not pursue that question.

**The Convener:** Let us move on, please, Mary.

**Mary Scanlon:** Travel time is important—in his opening remarks the minister talked about the waste of time and effort.

The minister also said that the reorganisation is good news for the Scottish taxpayer. How much money will be saved by the merger? Secondly, we still have an institution called sportscotland, which you could argue has been strengthened by its taking on the Scottish Institute of Sport. Will you now admit that your manifesto commitment to

abolish sportscotland was wrong? Is the fact that it will now take over the Institute of Sport simply a way of saving face, because it will allow you to say, "We've got rid of one more quango"?

**Margo MacDonald:** Just say yes, minister.

**Mary Scanlon:** That will save us a lot of time.

**The Convener:** I ask members to speak through the chair. In any case, I suspect that we all know what the answer to the second question will be.

**Stewart Maxwell:** On taxpayers' money, I have said repeatedly that this move was never about cutting the amount of money for sport. There will be no reduction in that funding; indeed, as the budget announcement made clear, the amount of money for sport will substantially increase over the next three years. The point is that we need to use taxpayers' money very efficiently and ensure that it is invested in the delivery of sport, not in other areas of the organisation where there has been a certain amount of duplication.

**Mary Scanlon:** Let me get this clear. It is not really good news for the Scottish taxpayer, because the money will be spent on sport rather than on administration. Is that what you are saying?

**Stewart Maxwell:** Speaking as a taxpayer myself, I think that that is good news. I would prefer that my money be spent on the delivery of sport, rather than on unnecessary bureaucracy.

**Mary Scanlon:** Are you saying that, by merging the two organisations, you are taking staff out of what you have called "unnecessary bureaucracy" and putting them into the front line of sport? That is not what we have heard this morning. Will backroom administration staff be redeployed, for example, as coaches?

**Stewart Maxwell:** The intention is to push the new organisation more towards delivery and away from some administrative tasks and the duplication of effort in the former two organisations. Any money from the efficiencies that will be made by removing duplication or overlap in the system will be kept by the organisation and reinvested in delivery.

**Mary Scanlon:** So there will be no redundancies.

**Stewart Maxwell:** There are no compulsory redundancies.

**Mary Scanlon:** There are no compulsory redundancies, but the good news for taxpayers is that staff will be redeployed from bureaucracy and administration to front-line support for sport.

11:45

**Stewart Maxwell:** Yes. We will redeploy staff within the organisation where we can. If staff do not wish to remain, they will go; that is up to them.

There will be no compulsory redundancies. Staff tend to move on if they wish, although I expect that to be minimal. We will free up staff to do more delivery and less administration. They will also have less travelling time. As I have already said, if someone who was based in Edinburgh supported the north-east of Scotland, they would waste a lot of time travelling up and down.

A lot of time is also wasted by people having to attend the meetings of the 12 area institute boards that currently exist. By halving the number of boards, we will halve the number of meetings. That will create 24 days of working time when staff would otherwise have been involved in meetings. The time will be freed up for them to do what they are supposed to do, which is assisting with delivery.

**Mary Scanlon:** That will be very convenient for all the staff who travel between Edinburgh, Glasgow and Stirling, but has any consideration been given to the travelling times for the minimal number of staff who will remain in the Highlands and Islands, or how the new structure will benefit sport there?

**Stewart Maxwell:** We will support the Highlands and Islands. We cannot have a hub in every part of the country—that would be illogical—but the staff who are supporting the Highlands and Islands will be closer to that region. There will always be some travelling. If someone has to go to Shetland to support a person who lives there, that is where they will have to go. Travelling will still be part of the job; it cannot be completely eliminated but it will be vastly reduced.

**Mary Scanlon:** Did your manifesto get it wrong?

**Stewart Maxwell:** No, it did not. Our objective was radically to alter the structure of sport. The organisation was failing to deliver; that was clear from the enormous number of missed targets. We wanted to ensure that it would deliver support for sport across the country and would focus more on supporting the grass roots. That is what we wanted.

As part of our review, we went out and spoke to a raft of organisations and individuals who said that they wanted to keep the national agency and a single door to funding mechanisms. They were also keen to have close to them the support and advice that they get from the sportscotland experts. We have delivered those three things, which achieve our objectives.

**Mary Scanlon:** I am sorry, but for the record your manifesto did not say that you would radically alter the delivery arm of sportscotland. It was absolutely clear that you would abolish sportscotland. You have now listened to people and I commend you for that. You have changed your mind and kept sportscotland and strengthened it. So your manifesto got it wrong.

**Stewart Maxwell:** No. The objectives that we set out to achieve have been achieved.

**The Convener:** We will leave that there. I am mindful that some members told me that they need a short meeting.

**Margo MacDonald:** The minister will be relieved to hear that I never read his manifesto, so I do not really care whether he got it right or wrong. It is important that he gets it right from now on in.

As far as I can see, the big issue will be funding. Although I take issue with some of the things that Rhoda Grant said, everything will come down to how much it will cost to fund the new organisation, which will still have two distinct focuses: elite sport and community sport development. Who decides on the balance of funding?

**Stewart Maxwell:** The sportscotland board will decide that.

**Margo MacDonald:** When do you expect to start appointing people? Before you answer that, to hark back to some of the conversations we had at a previous meeting, has anyone else taken umbrage and said that they want to resign?

**Stewart Maxwell:** I have not had anyone take umbrage and say that they want to resign.

**Margo MacDonald:** Okay. When do you start to appoint the new board?

**Stewart Maxwell:** The process under the public appointments procedure is already under way. The board of sportscotland will meet on 6 February to appoint an interim chair, who will take over from 15 February. The advert to appoint a chair and replace current board members who have come to the end of their tenure—there will be three vacancies this year—will go out in the next few weeks. That process could take anything from two or three months to six months, depending on the number of applicants and the length of time for which the advert is in the press and so on. It will be around three or four months before a new chair is in place and new people are appointed to the board. In the meantime, we are discussing with sportscotland co-opting people from the Scottish Institute of Sport board—the experts who have the best interests of elite athletes at heart—on to the sportscotland board.

**Margo MacDonald:** It is important that you do not lose the expertise that has been built up—but you will know that already.

If there is to be one source of funding and one budget heading, it will be subject to the same pressures as other budget headings. This is where the money comes in. If the indications from the work done by the executives in sportscotland and the Scottish Institute of Sport are that it will cost too much to transfer to Glasgow, is there still some

flexibility about that? We know perfectly well that we will not be flowing with milk and honey in relation to budget handouts, so that might be one area in which you could save a bit of money if the budget is under pressure.

**Stewart Maxwell:** At the moment, the budget for the Scottish Institute of Sport is set by sportscotland—it goes through sportscotland. That would remain the situation. Pressures between the different parts of the organisations—as they are and as they will be—will remain roughly the same. I do not think that there is an issue about pressures increasing or decreasing for different parts of the organisation.

**Margo MacDonald:** Sorry, I just want to correct you, minister. I meant that there could be pressure from the Scottish Government. If there is to be one budget heading—the same as for anything else—it will be subject to the same pressures.

**Stewart Maxwell:** I understand that. The budget that we have announced for sport over the next three years has increased substantially. I believe that there is in the region of a 44 per cent increase over the next three years. That increase is partly to take account of the Commonwealth games decision that was made on 9 November. There is an increase in pressure. There are always pressures on budgets, but we believe that the increased resources that we have allocated to sport will allow the organisation to move forward in a positive manner. I heard Stewart Harris say that earlier.

The second part of your question was about relocation costs. I have had officials working hard over the past few weeks to ensure that I could provide the committee with information on the costs. By way of a like-for-like comparison, the previous Administration's plans to move the whole organisation from Edinburgh to Glasgow would cost £15 million at today's prices. There was no allocation or pot of money to pay for that relocation. The plans that I have announced to relocate from Edinburgh to Glasgow and the other elements of the decision will cost approximately £7.9 million.

I am happy to say that sportscotland will be allowed to retain the money from the sale of its headquarters building in Edinburgh; current estimates put that at up to £6 million. On the total costs to sport as a whole, the previous Administration's plans would cost £15 million, but our relocation will cost somewhere in the region of £3 million.

**Margo MacDonald:** Thank you very much, convener.

**The Convener:** Not at all. It is a delight to have you here, Margo. You are always interesting—as

are the rest of the committee members. I am not saying that Richard Simpson is not interesting.

**Dr Simpson:** Ross Finnie has already dealt with the general subject of my question, but I want to ask something specific. Minister, you gave the example of media and communications. I would be somewhat concerned if the specific requirements of the elite athletes in respect of media and communications were simply to become part of a general media and communications centre.

I do not want to be too critical, but you have accepted that there is no army of staff working in backroom bureaucracy and that most people are already involved in delivery, so I fail to see what significant savings there will be in terms of diverting funding to front-line staff. Would you agree to ask Audit Scotland to examine, in the future, the various funding elements and changes that you have outlined to see if those savings actually come to pass? Do you see another mechanism for reporting back to us on the detail of the changes, and the removal of those duplications—of which we have had only one example? I would have expected a much more detailed analysis of all the areas over which there were concerns about duplication before we came up with the solution, rather than coming up with the solution first and then looking for the duplications. I have a small second question—

**The Convener:** We will just have that one first.

**Stewart Maxwell:** Just to clarify, your indication that we somehow did things the wrong way round is incorrect. Part of the process involved looking at duplication and overlap—that did not come after the decision and the announcement. Mr Finnie asked for an example and I gave him one. There are, of course, other examples of duplication—over 20 staff are involved in marketing across the organisations, so it seems that there is room for improvement there. There are also other areas of the organisation, such as finance, in which we could improve matters.

This decision has never been about cutting staff, compulsory redundancies or cutting money. It is about ensuring that the organisation and the staff involved are working towards, and focused on, delivery for sport and supporting sport, and there are clear areas for improvement. At the moment, the Scottish Institute of Sport is the performance arm that supports the elite athletes, but there is also an elite performance team within sportscotland. Again, it does not seem to be entirely sensible that we have an elite performance team in sportscotland and an elite performance unit in the Scottish Institute of Sport. When those two come together, that will be an area for major improvement.

**Dr Simpson:** I think that one unit is strategic, while the other is mainly operational. With regard to my next question, I declare an interest as I have an honorary chair at the University of Stirling. In all the reorganisations that the minister has come up with, is there still any intention to create a university centre of excellence in sport to mirror what has happened in both England and Wales, or is that now on the back burner?

**Stewart Maxwell:** Just to let the committee know, I visited the University of Stirling and discussed the proposals with them. We are still discussing the matter—it is not on the back burner, but there will have to be detailed discussions on that particular suggestion. I want to ensure that, whatever comes out of those discussions, Scottish university sport—in all universities—is not damaged. That is important—there are some very good athletes who might wish to go to Aberdeen, Glasgow or Edinburgh for their studies, and they should not be somehow disadvantaged by any particular decision in that area. We are still engaged in discussions about that particular idea, and as soon as we come to a conclusion I will be happy to announce it and share it with the committee.

**Michael Matheson:** At the time that you made the announcement about the changes that are being introduced, the outgoing chair of the Scottish Institute of Sport raised concerns about what he viewed as a lack of consultation with his organisation and with him. Last week, Dougie Donnelly raised concerns about the way in which he was asked to stand down from his post—in that famous two-minute phone call, if the reports in the press are to be believed, which, as ever, they are. Can you explain what level of consultation took place with the Scottish Institute of Sport? Will you also explain the way in which the decision to ask Dougie Donnelly to stand down was handled?

12:00

**Stewart Maxwell:** A range of consultation initiatives were conducted directly between the Government and the Institute of Sport at a high level—including with the executive director, Mike Whittingham, and senior staff in the institute. The forms of consultation included written correspondence, e-mails, phone calls, phone conferences and face-to-face meetings between Mr Whittingham and senior officials in the sports division. In addition, I met Mr Whittingham and Mr Donnelly on 22 November to discuss their concerns, their issues and their suggestions. I put to them a number of scenarios and proposals for how to take things forward to gauge their reactions and push them on their views about the way forward.

I am glad that I have the opportunity to correct some of the misinformation that has been in the press about the issue. There has been a wide range of consultation between the Government and the institute on the review process.

You asked about the press reports about Mr Donnelly being asked to stand down. We contacted both Julia Bracewell and Dougie Donnelly and asked them to come in for a face-to-face meeting to discuss the future, what was happening with the merger and, in particular, their posts. Julia Bracewell was happy and able to do so and she came in for a meeting. Mr Donnelly said that he was unable to attend such a meeting but that he was more than happy to discuss matters on the phone. On that basis, I decided to go ahead with the phone call to Mr Donnelly. I would have preferred to have a face-to-face meeting, which was my original intention.

You said that the phone call lasted for two minutes. To my recollection, the phone call lasted for something more like 15 minutes and ranged across a number of areas. At the end of the phone call, I asked Mr Donnelly if there was anything else he wished to say, if there was any point that he wished to make and if he had any problem with our discussion or the announcement. He reiterated his position, which was that he disagreed with the merger and felt that it was the wrong decision, but he accepted that it had been made and that we must move forward on that basis. That was how the phone call ended. I would have preferred to have a face-to-face meeting. That was my intention, but Mr Donnelly said that he was unavailable but was happy to take a call.

**Michael Matheson:** That provides helpful clarification on those two issues.

My final questions are on the issues that have been raised about the robustness of the consultation that was undertaken prior to the decision. It has been suggested in some quarters that the consultation was extremely limited. How do you feel the consultation was conducted? Are any potential lessons to be learned from the consultation that your department undertook in considering the changes?

**Stewart Maxwell:** That is an important question. Certain people have raised questions about the breadth of the consultation. The consultation exercise was undertaken on the basis of us trying to engage with the sector, so that sport could have a voice in the review process.

I apologise in advance for boring the committee on this point, but it would be helpful if I listed the organisations that we consulted so that we are clear about who was consulted and who took part in the consultation. For accuracy, bodies who responded to us were: sportscotland; the Scottish



Institute of Sport; Scottish Universities Sport; the Scottish Golf Union; the Scottish Rugby Union; Scottish Hockey; Scottish Boxing; Scottish Swimming; Scottish Athletics; the Scottish Sports Association; the Scottish Institute of Sport Foundation; the Convention of Scottish Local Authorities; VOCAL—the voice of chief officers of cultural, community and leisure services in Scotland; Glasgow City Council; the Commonwealth Games Council for Scotland; and the Scottish Equestrian Association.

In addition to receiving responses from those organisations, we held three discussion workshops between 2 and 11 October. Twenty-three Scottish governing bodies were represented at those discussion groups. There was also further correspondence with organisations representing angling, archery, badminton, canoeing, cricket, disability sport, Highland games, karate, mountaineering, netball, snow sport, squash, subaqua, target shooting, tennis, volleyball, water-skiing and yachting. There were further phone calls, e-mails and personal meetings with organisations representing curling, cycling, gymnastics and shinty. I apologise for giving such a long list, but it makes it clear that there was consultation with a large number of sports bodies in Scotland. We ensured that as many people as possible could input into the consultation and express their views about the future of sport in Scotland.

**Margo MacDonald:** You missed out water polo.

**Michael Matheson:** I was going to raise that issue.

**Stewart Maxwell:** We would be happy to receive submissions from any organisation.

**The Convener:** I have just realised how much sport I do not take part in. You did not mention tiddlywinks. Members have two more tiny questions for the minister.

**Rhoda Grant:** My question is very short. You mentioned that you will return to sportscotland the money that is raised from the sale of the headquarters. Will you also fund structural change, so that the money for that does not come out of front-line sport?

**Stewart Maxwell:** Currently the costs of what is proposed are estimated at approximately £7.9 million, compared with £15 million for the Labour-Liberal proposal. In addition, we have promised sportscotland, with the agreement of the Cabinet Secretary for Finance and Sustainable Growth, that receipts from the sale of the building, which are estimated at between £4 million and £6 million, will be retained by sportscotland, to be invested in sport. The overall cost of structural change will come down to approximately £3 million, depending on what happens with the various bits of the

puzzle. The good news is that a £15 million plan under the previous Administration has been replaced by a proposal costing approximately £3 million under this Administration.

**Rhoda Grant:** Will you fund—

**Stewart Maxwell:** The £3 million will be spread over the next five years. All members, including Labour members, welcomed the fact that those costs are associated with the relocation of sportscotland to Glasgow. They supported that move because they want us to deliver the best ever Commonwealth games in 2014. There are costs that arise from the relocation. The difference is that the cost of our proposal will be approximately £3 million, whereas the cost of the Labour Party's plan would have been £15 million.

**Rhoda Grant:** Will you pay the £3 million out of central budgets, rather than out of sports budgets?

**Stewart Maxwell:** I will discuss with sportscotland, the Cabinet Secretary for Health and Wellbeing and the Cabinet Secretary for Finance and Sustainable Growth how we will pay the £3 million. I point out yet again that the previous Administration made no allocation to meet the cost of its plans, which was £15 million—there was no pot of money for that. A direct comparison on a like-for-like basis shows that sport would have lost £15 million if the previous Administration's plans had been implemented.

**Dr Simpson:** No.

**The Convener:** I do not want us to go over old ground. The member has received something of an answer to her question. She can pursue the matter in parliamentary questions. I want to move on, as we have other business to get through today. We will take a short question from Helen Eadie.

**Helen Eadie (Dunfermline East) (Lab):** I apologise for arriving late. As I explained to the convener, this morning I was attending a meeting between the chief planning officer and Rosyth community members.

I continue to be concerned about the consultation aspect of the review. How many responses did you receive, and where may we read them? MSPs were concerned that they had only one week to respond to the consultation. There was no website document, and no timescale was specified. Normally there is a consultation period of three months before Government changes any aspect of policy. All MSPs found it strange that this matter was just thrown at us.

**Stewart Maxwell:** For your convenience, convener, I will not read out again the list of organisations from which we received responses.

A wide range of organisations took part in the consultation.

**Helen Eadie:** I accept that you read out a full list of organisations. However, I asked how many responses you received.

**Stewart Maxwell:** I have indicated which organisations responded.

**Helen Eadie:** I am not asking you to list the organisations again. I want to know what the volume of responses was. For example, on the smoking legislation, we had 56,000 responses. How many letters of response did you actually receive? How many ordinary people across Scotland got the chance to input into the deliberations?

**Stewart Maxwell:** We launched a review process and, as I am sure that the convener remembers, I provided the committee with the terms of that review. At that time, we consulted on that review process. All of the organisations that I listed responded, through a variety of means, including written correspondence, e-mails and through their involvement in workshops and face-to-face meetings.

**Helen Eadie:** Was a website document available for all MSPs to read?

**Stewart Maxwell:** There was not a—

**Helen Eadie:** Was a consultation document produced?

**The Convener:** Give the minister a chance to answer. In the interests of moving our business on, I suggest to members that it is perfectly possible for them to put down written questions on certain matters—we have other business on today's agenda.

**Helen Eadie:** I want to ask about the document. Was a document produced for all of us across Scotland to see?

**Stewart Maxwell:** There was a review, details of which I provided you with. As that review was taken forward, we consulted with all those organisations.

**The Convener:** I am sorry to cut this exchange short, but I want to move on to our other business. The committee cannot have it both ways: we must move on.

I bring this question-and-answer session to a close. I thank the minister for coming. I am ashamed that I take part in none of the sports that he listed. I will not change my behaviour, but I do feel ashamed.

## Petition

### Cancer Treatment (Cetuximab) (PE1108)

12:11

**The Convener:** Item 3 deals with an important petition. I refer members to paper HS/S3/08/3/2.

**Dr Simpson:** As with all petitions, this one raises some general issues and it is those that are important, rather than the specific example.

The petition gives us an opportunity to use the reporter system, if we can find a volunteer to be a reporter—that would not be me. When I was on the Health and Community Care Committee in the first Parliament, I did three reports. The reporter system offers an effective and less time-consuming way of elucidating the principles that are involved in the important issue that is raised by the petition. Perhaps my colleague Dr McKee would be a suitable reporter.

**The Convener:** Ah, you are volunteering Dr McKee.

For clarity, I should say that the petition has not yet been formally referred to the committee.

**Dr Simpson:** That is right; we are being asked for our opinion on it.

**The Convener:** Yes. I call Michael Matheson, to be followed by Mary Matheson—I mean Mary Scanlon. [*Laughter.*]

**Michael Matheson:** Obviously, she has become my auntie. My auntie Mary, in the committee!

**The Convener:** I think that that was unkind—to be referred to as auntie. At least it was not grannie, I suppose.

**Michael Matheson:** Given that time is of the essence in relation to this petition and that it will be difficult for this committee to find the space any time soon to give this matter the consideration that it is due, I would be satisfied if the Public Petitions Committee were to undertake its own inquiry into the matter, if there were a willing volunteer from our committee to act as a reporter who could attend that committee and report back to us. However, I do not think that we should do anything that might delay consideration of the issue.

**The Convener:** Mary, do you have a different view?

**Mary Scanlon:** I apologise for not finding this out before the meeting, but I would like to know whether the drug that is referred to in the petition has been appraised and recommended by the Scottish medicines consortium.

**The Convener:** I cannot answer that.

**Dr Simpson:** My understanding is that it cannot have been because, if the SMC had approved the drug, health boards would have been obliged to fund its use.

**The Convener:** I am advised that that is indeed the case.

**Rhoda Grant:** I am on the Public Petitions Committee and listened to the evidence that was given on the petition. It was moving and quite sad to hear about the human cost of the decision.

I understand that the drug is available in other health board areas. However, the petitioner's husband had to fund his own drug treatment, which meant that he also had to fund treatments that, had he not been taking the drug, would have been funded by the national health service. It was therefore not just the drug that he was funding; it was the whole treatment, including blood tests and the like.

I understand the argument that this committee will struggle to find the time to consider the petition and that we should therefore ask the Public Petitions Committee to go ahead with it. However, big issues arise that relate to our inquiry into health inequalities. With the help of family and friends, this man has been able to raise money, but he made the point—and, given his circumstances, he made it very strongly—that people who did not have access to financial support would be dead already, not having received the drug. He wanted to point out that the system was very unequal. He had access to money, but others did not.

12:15

**The Convener:** This is not an either/or situation. The committee might want to let the Public Petitions Committee deal with this, and a reporter from this committee could attend its meetings formally, or any of us could simply attend informally. That would not prevent us from taking this gentleman's situation into account when we come to our inquiry into health inequalities.

**Rhoda Grant:** That is what I meant.

**The Convener:** We have to remember that this case is urgent. Would any committee member be prepared to be a reporter? Rhoda, could you fulfil both roles—as a member of the Public Petitions Committee and as a reporter from this committee?

**Rhoda Grant:** Yes, it would be a formal reporting role.

**The Convener:** Right, we will have you there in a formal capacity and you will report back to this committee. We will write to the convener of the Public Petitions Committee accordingly, saying that we want that committee to deal with the

petition because of its urgency, and saying that we will consider the issue as part of our wider inquiry into health inequalities. So, we will make three points: the Public Petitions Committee should take the matter forward; Rhoda Grant will be our reporter; and this committee will absorb the petition into our inquiry into health inequalities. A letter in those terms will be sent on behalf of the committee.

**Ross Finnie:** I dread to contradict Dr Simpson—I do so with some fear and trepidation—but my reading of the paper that we have received was that the petitioner's concern centred on both the lack of transparency and the different ways in which different health boards deal with recommendations from either the SMC or the National Institute for Health and Clinical Excellence. The inference to be drawn was that, in this case, the drug has been approved, but different health boards in Scotland took different decisions on whether to fund it and/or allow it to be used in their areas.

**The Convener:** The Public Petitions Committee could clarify that for us.

**Dr Simpson:** That would be important.

**The Convener:** I agree. I will include that point in the letter. We are not clear about the status of the approval of the drug in different boards.

**Dr Simpson:** My understanding—and I could be wrong, because for four years I have just been working in the field—is that, if the drug is approved by the SMC, the boards are obliged to fund it. Therefore, this issue should not have arisen.

If boards are misinterpreting the situation, that is one matter. It is a different matter if drugs such as this one have been approved—in terms of their European and British licensing arrangements—but have not then gone through the NICE or the SMC process. These questions need clear answers before the Public Petitions Committee can proceed.

**The Convener:** In the first instance, we should write the letter to the convener of the Public Petitions Committee, so that the petition can make progress, but we should also ask for a briefing from the Scottish Parliament information centre on the status of the various approvals and the obligations that they place on health boards.

**Dr Simpson:** That would be helpful for both committees.

**The Convener:** That is now on the record for the benefit of the Public Petitions Committee.

**Mary Scanlon:** The confusion was that one member of the committee said that the drug had been approved by the SMC but another said that the drug had not been approved. Going back to

Rhoda Grant's points, I did not understand whether, if the drug was not approved, some health boards were offering it, perhaps through clinical trials. We have to get the SMC appraisal and then move on from there.

**The Convener:** The clerks will refer SPICe to our debate and will ask for clarification on all the points that members have raised. The convener of the Public Petitions Committee will also be aware of our concerns.

12:20

*Meeting continued in private until 12:36.*

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