

COMMUNITIES COMMITTEE

Tuesday 24 October 2006

Session 2

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COMMUNITIES COMMITTEE

27th Meeting 2006, Session 2

CONVENER

*Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

Euan Robson (Roxburgh and Berwickshire) (LD)

COMMITTEE MEMBERS

*Scott Barrie (Dunfermline West) (Lab)
*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)
*Christine Grahame (South of Scotland) (SNP)
*Patrick Harvie (Glasgow) (Green)
*John Home Robertson (East Lothian) (Lab)
*Tricia Marwick (Mid Scotland and Fife) (SNP)
*Dave Petrie (Highlands and Islands) (Con)

COMMITTEE SUBSTITUTES

Chris Ballance (South of Scotland) (Green)
Alex Johnstone (North East Scotland) (Con)
Christine May (Central Fife) (Lab)
Mike Rumbles (West Aberdeenshire and Kincardine) (LD)
Ms Sandra White (Glasgow) (SNP)

*attended

THE FOLLOWING GAVE EVIDENCE:

Gerry Bonnar (Scottish Executive Legal and Parliamentary Services)
Malcolm Chisholm (Minister for Communities)
David Cowan (Scottish Executive Education Department)
Maria McCann (Scottish Executive Education Department)
Mike Neilson (Scottish Executive Development Department)
Carole Oatway (Communities Scotland)
Mike Palmer (Scottish Executive Development Department)

CLERK TO THE COMMITTEE

Steve Farrell

SENIOR ASSISTANT CLERK

Katy Orr

ASSISTANT CLERK

Catherine Fergusson

LOCATION

Committee Room 5

Scottish Parliament

Communities Committee

Tuesday 24 October 2006

[THE CONVENER *opened the meeting at 09:33*]

Item in Private

The Convener (Karen Whitefield): I open the Communities Committee's 27th meeting in 2006. I remind all those present that mobile phones and BlackBerrys should be turned off. I have received apologies from Scott Barrie, who has a constituency commitment, although he hopes to attend the meeting at some point.

Agenda item 1 is to consider whether to take in private agenda item 5, which is on the committee's work programme. Are members content with the proposal to take agenda item 5 in private?

Members *indicated agreement.*

Budget Process 2007-08

09:34

The Convener: The second agenda item is on the budget process 2007-08. I welcome the Minister for Communities, Malcolm Chisholm, and invite him to introduce his officials. I understand that he would like to make a short opening statement.

The Minister for Communities (Malcolm Chisholm): I am sure that the committee has several issues to explore on the draft budget document. Given the time constraints, I will therefore keep my opening remarks short. I will introduce my supporting officials. To my left is Mike Neilson, the director for housing and regeneration with the Scottish Executive Development Department; to his left is Mike Palmer, the head of the department's social inclusion and voluntary issues division; on the far right is Carole Oatway, the director of investment at Communities Scotland; and on my immediate right is Stephen Sandham, the head of the department's supporting people unit.

As members know, the draft budget document reflects the outcome of the 2004 spending review. The portfolio's strategic objectives and detailed targets remain the same. The key features to highlight for 2007-08 are as follows: first, we are committing the necessary funding to achieve our three-year target of 21,500 new and improved affordable homes; secondly, we are making progress on the regeneration policy statement that we published in February; thirdly, we are implementing the employability framework that we published in June to improve support for those who face barriers to employment; fourthly, we are continuing to tackle inequalities and discrimination; and fifthly, we are continuing to support the voluntary sector and the social economy. On the totality of the funding that is available to the portfolio, it may be useful to remind members that the housing budget that is shown in the document will be enhanced by receipts, which are expected to exceed £30 million this year, and by funds that are drawn from the central unallocated provision.

I have one final observation, on the provision for the central heating programme and the warm deal. As I think we discussed last year, the drop in the budget provision for that from 2006-07 to the following year reflects the expected completion this year of the Glasgow Housing Association's central heating programme and the assumption that was made during the 2004 spending review that less funding would be required by 2007-08 because most of those who require central heating will have had it installed by then. Moreover, the efficiency measures that we have introduced into

the programme will help the funding to go further. However, given the continuing high demand, I assure the committee that we are exploring the scope for further funding and capacity for the central heating and warm deal programmes.

I look forward to discussing the draft budget with the committee.

The Convener: I will begin with a question about the overall increase in the communities portfolio budget. The increase of 0.8 per cent in real terms for 2007-08 is considerably less than the overall increase in the Executive's total managed expenditure and significantly less than the increase in other Executive portfolios, particularly education and health. Is there a reason why the communities portfolio appears to have fared less favourably than other Executive departments?

Malcolm Chisholm: I repeat my earlier comment that the budget is actually bigger than it appears in the document—I mentioned the receipts and the money from the central unallocated provision, which will boost the budget next year, particularly the housing budget. It is generally well known that health and education have been the big gainers in the distribution of the budget in the years of the Scottish Parliament. Health and education are ahead of the field and the other portfolios are behind them. In that sense, communities is comparable to all the other portfolios. However, in the forthcoming spending review, I will argue strongly for my portfolio in general and for housing in particular. There are a range of factors behind the situation, but it should not really surprise people, given the general decisions on priorities that have been set during the two sessions of the Parliament.

The Convener: My colleagues have specific questions about housing, so I will allow them to pursue that issue. As you said in your opening statement and as you have just reminded the committee, we do not have a full picture of the communities budget because some matters have not been taken into account. Can the Executive take those into account and give us a better picture of the increase in the communities budget so that we can see the size of the increase?

Malcolm Chisholm: The two points that I flagged up are the significant features. I am not sure whether these are the final figures, but the figures that I have at present are that receipts for next year will be £32 million and that £41 million will come from the central unallocated provision. That is the boost to the published figures that we will get. As I reminded members last year, local authorities invest about £500 million in housing. That will never feature in the Scottish Executive's budget, but it is relevant to housing in general.

John Home Robertson (East Lothian) (Lab): I take the minister back to discussions that we had last year about transfers to the central unallocated provision. We were well and truly baffled on that occasion—maybe we can try again. I seem to recall that there was £26 million for community regeneration and affordable housing, which set alarm bells ringing in my mind. That money was transferred out of the departmental budget, technically, to the CUP. The minister reassured us that the money remained ring fenced for community purposes; however, he will not be surprised to hear that we want to return to the matter. For a kick-off, has the £26 million from the communities portfolio that was transferred to the central unallocated provision last year now been spent?

Malcolm Chisholm: The simple explanation, in relation to the central unallocated provision, is that it is a rephrasing of expenditure in relation to the community regeneration fund. Because the CRF did not start at the beginning of the financial year, the money will be carried over and the programme will run into the third year a bit. The more significant sums are in the housing budget. I have referred to money from the central unallocated provision for housing last year coming into this year's budget, although you are not specifically looking at this year's budget. There is £50 million coming into housing from the central unallocated provision. That is simply a rephrasing. It is money that was granted for housing at the time of the spending review, but the phasing of that expenditure has changed. In other words, it could not be spent in the first year, so it is now being spent over a later period. The total amount that will be spent on housing in the three years is the same, and the total amount that will be spent on the community regeneration fund is the same; however, the phasing is different. That is the basic explanation of it.

John Home Robertson: That sounds alarmingly like the comings and goings in my household budget.

I take it from what you have just said that more is being spent under the housing head. There is the £26 million that went into the CUP, and you are saying that the net expenditure under that heading has increased because you got more out of it. Is that correct?

Malcolm Chisholm: I do not follow what you are saying. It is basically a rephrasing of the expenditure.

John Home Robertson: That is the conclusion that I drew from what you said. The money has now been spent.

Malcolm Chisholm: Which money has now been spent?

John Home Robertson: The £26 million from the communities portfolio that went into the central unallocated provision.

Malcolm Chisholm: The amount that has been spent on the community regeneration fund is the amount that was budgeted. The £26 million will have been spent at the end of the programme; in other words, it will be an extended programme.

John Home Robertson: So it has not been spent. It is still in the ether somewhere, is it?

Malcolm Chisholm: As I say, it is just a rephrasing. The money will be spent over the three-year period. If there has not been an increase in the expenditure this year, the programme will be extended at the other end of the period. Carole Oatway may want to add to that.

Carole Oatway (Communities Scotland): There is a bit of confusion.

John Home Robertson: You bet there is.

Carole Oatway: The £26 million is confusing me, as well. On the housing side, we put just over £90 million into the CUP. This year, we took £50 million back out and there is about £41 million to come out next year, as the minister said in his opening remarks. The £26 million is confusing me slightly. I know what we put in from the housing side.

Malcolm Chisholm: Carole Oatway is talking about housing, but you are talking about the community regeneration fund.

John Home Robertson: It is both. The £26 million comprises £20 million from the community regeneration fund and £6 million from the affordable housing budget. It might be helpful if the Executive officials could engage with the committee clerks to clear the matter up.

Malcolm Chisholm: Mike Neilson might want to comment.

Mike Neilson (Scottish Executive Development Department): John Home Robertson makes a fair point. The autumn budget revisions, which are due out shortly, will have the full update on money that is going into and out of the CUP. It is at the autumn budget revisions that money moves in and out. That information will be available in the next week or two.

Malcolm Chisholm: The biggest part of this is the funding for housing. The issue with the CRF is just that there was a later start to the programme. It is the housing that matters. I am sure that, as part of your deliberations, you will examine the autumn budget revisions to which Mike Neilson referred. That is when the CUP is presented to Parliament, although we have pre-announced it at the committee, in a way, because that was the

right thing to do. The autumn budget revisions will say how much is coming out of the CUP into housing or whatever.

John Home Robertson: I am relieved to hear you say that housing matters. It matters a hell of a lot, as far as many of us are concerned. You will gather that members of the committee are apprehensive about and a tad baffled by what is going on here. Is it anticipated that any funds will be transferred to the central unallocated provision again this year?

Malcolm Chisholm: No.

John Home Robertson: So, it was a one-off, was it?

Malcolm Chisholm: It was purely for phasing issues. Obviously, we want to spend all the money that is available during the course of this spending review period, and that is what we will do.

The Convener: Minister, Mike Neilson just said that the autumn changes to the budget will be published. I am concerned that the committee and other committees of the Parliament that are currently examining the budget are struggling to come to terms with the issue. It becomes much more complicated when the Executive plans to publish that information after we have questioned you. It strikes me that it would have been better if the Executive had ensured that the publication was made available prior to the Parliament embarking on its budgetary scrutiny, which is a requirement of the standing orders of the Parliament and something that we know that we have to do every year.

Malcolm Chisholm: That issue should certainly be raised with the Executive by the Finance Committee. It is a matter for the whole Executive rather than for my department in particular. There is always an autumn budget revision; who decides the date of its publication, I do not know. I agree entirely with you. I suppose that the document will be available by the time that the Finance Committee addresses the issue.

I am telling you about what is most significant for your committee's discussions. There will also be some money coming to boost the supporting people line, which you may be concerned about and may ask me about later. Money coming from the central unallocated provision into housing and money coming into the supporting people line are the two most significant things. Mike Neilson will correct me if there is anything else.

The Convener: Okay. That is an issue on which the committee will want to reflect in its report.

09:45

Tricia Marwick (Mid Scotland and Fife) (SNP): I want to have another stab at some of the questions that John Home Robertson asked. I preface my questions by saying that I do not have a clue what we are now talking about. The committee probably shares my confusion.

We understood that £26 million was put into the CUP last year. We are now informed by one of the Executive officials that £90 million for housing was put into the CUP. Minister, you are telling us that no money for housing will be put into the CUP this year for next year. Can you confirm that the £90 million for housing that was put into the CUP last year will be spent this year?

Malcolm Chisholm: I do not think that the money was put into the CUP last year; I presume that it was put in the year before. All the money that has been put in for housing will come out for housing this year and next year. It is as simple as that. Every single pound of the money that has been put into the central unallocated provision for housing will come out in this year and next year.

Tricia Marwick: Can you explain to me what that £90 million was made up of, beyond its being for housing? You have talked about phasing. I do not understand why that money has not been spent.

Malcolm Chisholm: Carole Oatway can probably explain that in more detail. It is to do with how housing programmes come on stream. I imagine that some of it was also to do with the profile of community ownership spending. Carole, can you explain that in more detail?

Carole Oatway: I will try to explain it in a bit more detail. The money that we got at the start of the spending review was profiled for a spend in a certain pattern, which is what happens when people are budgeting. The community ownership programme anticipated that it would start to spend more quickly than it actually did. We knew that the community ownership programme had the potential to spend later and we did not want to spend that money on other things; therefore, rather than lose the money, we effectively put it into a deposit account—that is, more or less, how the central unallocated provision works. We put the money in the CUP and said, “Here is the reprofile within which we will draw down that money.” It was anticipated that we would draw down about £50 million this year and about £40 million next year. The full amount that went into the CUP was to do with the different phasing of the work coming on stream.

One of the keys to putting money into the central unallocated provision is that we must tell people when we will want to take the money out again. It is not a case of putting money into the CUP and

leaving it there in the hope that we will need it at some point in the future. When we put money into the CUP, we have to say when we are going to need to take the money back out, and that is what we did within the housing investment programme.

Tricia Marwick: Okay. Was some of that money related to the Glasgow Housing Association stock transfer?

Carole Oatway: Yes, some of it was.

Tricia Marwick: The vast majority of it?

Carole Oatway: Not the vast majority of it. Some of it was.

Tricia Marwick: How much of the £90 million related directly to the GHA?

Carole Oatway: I am sorry, but I am not exactly sure of the figures. We will have to come back to you on that. It is not that the figure is unknown, but I do not have it to hand at the moment.

Tricia Marwick: Okay. I will leave the matter for the moment. However, I would be grateful if the minister would write to the committee to advise how much of the £90 million relates to the GHA and the stock transfer.

Patrick Harvie (Glasgow) (Green): Carole Oatway compared the CUP to a deposit account. Is it an interest-paying account? If not, is the money not worth less when you bring it back down in future years?

Carole Oatway: It is not an interest-paying account. Technically speaking, when it is brought back down it is worth less money in real terms. However, we have been successful in getting additional moneys each year into the housing investment programme over and above what we put in the CUP. We anticipate—we hope—that that will be the case again this year. There has been no material loss in terms of what we can do for the money.

Dave Petrie (Highlands and Islands) (Con): In the spirit of the current confusion, does the minister agree that it is somewhat premature to discuss 2007-08 budgets in the absence of the outcome of the independent budget review group?

Malcolm Chisholm: No. The independent budget review group did not even look at budgets for 2007-08; it was asked to look only at budgets in the next spending review period. In terms of next year's budget, what the budget review group came up with is entirely irrelevant.

Dave Petrie: Even though the Minister for Finance and Public Service Reform said that its report would be made available to members on completion.

Malcolm Chisholm: That has been discussed in the Parliament. The First Minister made the Executive's position on the matter clear at First Minister's question time a week or two ago. The purpose of the review group was to consider the next spending review period. Obviously, its work will be considered and examined in that context.

Dave Petrie: Okay. I turn to the subject of new resources and transfers. Obviously, the money that has been allocated is most welcome, but what are the implications of the new resources and transfers that are listed in the communities budget?

Malcolm Chisholm: The new resources and transfers are of little significance. In the main, they are things that we are moving between different departments. The most significant of them is the affordable housing investment programme, where money for capital grants to housing associations is coming from the Scottish Executive Environment and Rural Affairs Department. As the member will see from pages 31 and 32 of the report, the other sums of money are very small. Basically, they are movements in and out of different budgets.

Dave Petrie: Will you explain how the increase in the affordable housing investment programme will be used?

Malcolm Chisholm: As we discussed earlier, the increase in the affordable housing investment programme is significant. As the member will see from page 35 of the report, it runs to about £56 million. We have explained the considerable resources over and above that that will come into the programme next year. That is why the actual starts next year will be at record levels. We are on a very welcome rising profile in terms of the number of new affordable homes that we are building each year. I think that the number will rise from a total of 7,100 or 7,400 this year—

Carole Oatway: It is 7,100.

Malcolm Chisholm: It will rise from 7,100 to 8,000 next year. The amount of new build that is going on is significant. Of course, that increase is necessary. One of the main things to say about the housing budget is that we have two incredibly ambitious housing programmes. I am sure that the committee will want to ask me more about the supply issues in homelessness, which is an issue that makes us strongly committed to increasing the number of new affordable homes. Simultaneously, we also have to ensure that the current housing stock is modernised. Given the area's great investment needs, it was a tragedy that tenants in Renfrewshire voted marginally against stock transfer last week. That decision piles further pressure on to our housing budget. The problem is serious. However, the resources that are going in next year are a significant

increase. I hope that that continues into the next spending review period.

Dave Petrie: You are comfortable that those new properties can be serviced by the likes of Scottish Water. You do not see any barriers in that respect.

Malcolm Chisholm: Obviously, there have been problems in that regard and a great deal of work has been going on to try to iron them out. When I was in the Highlands over the summer, people involved in housing drew my attention to the issue. Over the past few months, a lot of work has been done to resolve those issues. I am not saying that there are no on-going problems. Certainly, in terms of the Scottish Water programme, the money is there. A lot of work is being done on the ground to align housing priorities with our investment in infrastructure, including water.

Christine Grahame (South of Scotland) (SNP): I turn to efficiency savings. My first question addresses an historic issue. Will you remind the committee of the target for efficiency savings in the communities budget and tell us what has been achieved to date?

Malcolm Chisholm: The target has been met. I am not sure what the overall figure was, but it has been slightly exceeded. The bulk of that came from the efficiency savings that were made in Communities Scotland and within the supporting people programme.

On a recent visit to Aberdeen, I was pleased to see one practical example of the way in which that is working on the ground. Several local housing associations in Grampian have come together to procure new builds. They have not lost any of their independence as separate housing associations but, by coming together, they have managed to secure a 10 per cent efficiency saving. In other words, they are getting 10 per cent more new-build houses for the same money. Good examples of efficiencies are being seen in the Communities Scotland programme for new build and throughout the supporting people programme. Those are the two big items in terms of efficiency savings. As I said, we exceeded our target by a small amount.

Christine Grahame: I agree that major cuts—or should I say, efficiency savings; one must not use that other word—have been made in the supporting people programme. Anecdotally and from the evidence in our in-trays, we hear and see that those savings are having a practical effect; people on the ground are not being supported in the fashion that they were in the past. They are neither having services delivered to them nor being given the support of carers and so on. Some are now even being charged for services that previously were delivered free of charge. Are you

concerned about that? Do you have any evidence that that is happening?

Malcolm Chisholm: Obviously, we are watching that very carefully. As it happens, my next meeting in about an hour's time is with community care providers. No doubt, they will raise those issues with me. I sent the first returns from the local authorities under the "Supporting People Service review & Budget change impact Monitoring" to the committee in the spring. Without going through all the returns in detail, at that point—which was April—the authorities reported that there was only limited evidence of service reductions, no strong evidence either that particular client groups were being disproportionately affected or of job cuts across Scotland, and no evidence that authorities were increasing the proportion of income that they raise from charging.

We have another report to make; it will be finalised in a week or two's time and I will look carefully at it. There will be negative effects in some parts of Scotland; I am not denying that. That said, when I came into office, I slowed down the process a bit. Of course, one impact of the spending review formula was that some local authorities would be significant gainers whereas others would lose significantly. Obviously, the changes will have had different effects in different parts of Scotland, but the first monitoring report did not in general indicate what Christine Grahame suggests.

Christine Grahame: Will the report to which you referred be published, minister?

Malcolm Chisholm: Yes. When it is ready, I will send it to the committee, just as I sent the last one.

Christine Grahame: I have a question on an issue that was raised at a meeting of the Finance Committee. I think that we all concede that, at times, it can be difficult to measure what happens to the money in the communities budget. An improvement in a community may result from something tangential; with our budget, it is not simply a case of putting £5 in and getting £5-worth out at the other end. That is the difficulty, and we are talking about large sums of money.

As Caroline Gardiner said in an Audit Scotland report to the Finance Committee,

"efficiency savings cannot be measured through changes in expenditure alone."

The word "cuts" comes to mind. The Executive is taking £25 million out of the supporting people budget. Will the money be used more effectively? In "Efficient Government—Efficiency Outturn Report for 2005/06", the Executive admitted that it did not have the systems in place to measure the

results of its efficiency savings. It is not just a case of saying, "I have given you £25 million; I have saved it."

10:00

Malcolm Chisholm: Obviously, we continue to look at that issue. All that I can say is that the published report that the committee received showed that significant savings had been achieved from the remodelling of services and improved contract values. However, I am not complacently saying that we will not keep an eye on the situation. If genuine cuts were made, of course I would be concerned and I would want to ensure that those were addressed in due course. I say without any spirit of complacency that I think that a significant amount, or a majority, of those savings were genuine efficiency savings.

Christine Grahame: I want to pick up on the issue of getting the data. The efficiency outturn report states:

"Measuring and validating efficiency gains has been and will continue to prove a difficult challenge because the information systems that support public sector organisations were not always designed for this purpose."

What are you doing to ensure that standardised systems are in place to allow the Executive to measure what is happening? I accept that the forthcoming report will deal with the monitoring of the impact of the changes to the supporting people budget, but what is being done to ensure that the data and information are rigorous?

Malcolm Chisholm: In addition to supporting people, the other big part of the portfolio that is relevant in this context is Communities Scotland. I have already given one example of efficiency gains where I saw for myself what is happening. I think that it is fairly easy to demonstrate efficiency savings in the housebuilding programme because we can compare what was with what is. Perhaps Carole Oatway can expand on that.

Carole Oatway: We can demonstrate that real savings have been made by looking at our systems to see whether the average amount of grant that is provided per property is increasing or decreasing. On the housing side, we are fairly confident that we can demonstrate efficiency gains.

Christine Grahame: I can understand that those gains are measurable, but that is not what I am talking about. I am asking about how we measure how we lift people and communities out of deprivation. Are systems in place that will ensure that the money that is spent makes a real and thorough change?

Malcolm Chisholm: With respect, that is a different issue. That question is not about

efficiency savings but about the effect of our expenditure on the ground. In "Social Focus on Deprived Areas 2005" and last week's Scottish index of multiple deprivation reports, which contain information on data zones, we have a wealth of new information that will allow us to compare the effect of deprivation expenditure over time. Those systems are being put in place.

Tricia Marwick: I want to move on to the issue of affordable housing. In the draft budget, target 1 for the communities portfolio states:

"By March 2008, increase the quality and supply of Scotland's housing stock by approving 21,500 new and improved homes for social rent and low-cost home ownership, or enabling people to buy in the secondary market."

Is

"new and improved homes for social rent and low-cost home ownership"

the Executive's definition of affordable housing?

Malcolm Chisholm: That has been our definition of affordable housing for a long time. Affordable housing is social rented housing and low-cost home ownership housing into which we put public subsidy.

Tricia Marwick: In relation to low-cost home ownership, what figure constitutes "low-cost"?

Malcolm Chisholm: I have repeatedly asked about that. Through the homestake scheme, which is the flagship policy, we need to ensure that we present to people properties that are affordable. Typically, the recipient will pay 60 per cent of the cost, although the proportion can go as low as 50 per cent in some cases. Clearly, we do not want to offer houses that are too expensive. On that basis, I recently questioned the costs involved in some houses in one part of Scotland and, when the issue was investigated, it became apparent that things had not been done correctly. There must be a ceiling to what is offered through the homestake scheme.

In the other version of homestake that is being offered on the open market and is being piloted in Edinburgh, that issue does not arise in quite the same form because people who are in the correct income bracket can look for a house. In other words, those who are on a sufficiently low income can look for a house of which they could afford 60 per cent of the price. Therefore, that issue does not arise on the open market version of the scheme, although it arises with new build. We are certainly keeping a close watch to ensure that those properties are not offered at too high a price.

Tricia Marwick: In other words, the affordable level is not the 60 per cent or 50 per cent that people contribute under the homestake scheme.

Are people offered an affordable home for which they must meet only 60 per cent of the price?

Malcolm Chisholm: I think that the guidance states that people need to contribute three times their income. Is that right?

Carole Oatway: Basically, the measurement of how much people can afford is the mortgage multiplier that the building societies use. That figure can vary but it is around three times the person's annual salary. By setting what are considered to be modest salary levels, we effectively determine the maximum price that people can afford under the scheme because they can be given only three times their salary plus the homestake grant. We were keen to avoid putting in place a single band for every part of the country given that there are variations across the country. We left it to the local areas to determine, in line with guidance, what those bands should be. That certainly places a restriction on the maximum amount that people can pay for a homestake property.

Tricia Marwick: Is the minister satisfied with the progress that has been made towards the target of "approving 21,500 new and improved homes"?

Malcolm Chisholm: Absolutely. We have more than met our targets each year so far. Given the healthy budget position for next year, I would certainly expect to reach and, possibly, exceed that target.

Tricia Marwick: What are the proportions of social rented accommodation and low-cost home ownership accommodation within that target of 21,500?

Malcolm Chisholm: We are aiming to approve 16,500 units in the social rented housing sector and 5,000 units in the low-cost home ownership sector.

Tricia Marwick: How many units were actually built last year?

Malcolm Chisholm: We exceeded the target. Does Carole Oatway know the exact figure?

Carole Oatway: I think that the total was 6,520. It was an odd figure, but it was over the target by about 120 properties.

Tricia Marwick: What work is being done to ensure that resources are put into tackling the acute lack of affordable housing that exists in certain areas of Scotland?

Malcolm Chisholm: A lot of work is being done on that issue, but let me mention the two most significant things. Professor Bramley, who produced some work on the most recent spending review, has been working on housing needs across the country. His report, which will be

published quite soon, will be an important factor in the next spending review. In addition, we have been consulting for some time on the strategic housing investment framework. Ultimately, that framework will lead to a revised basis for distributing housing money to the different local authorities. We have not made final decisions on that yet but, basically, the supply indicator will become increasingly important, particularly given our homelessness target. We need to ensure that areas in which significant supply shortages exist are given enough money to deal with the problem. We are actively looking at a better method of distributing housing money through the strategic housing investment framework. Professor Bramley's work will inform that piece of work as well as our wider spending review considerations.

Tricia Marwick: Will Professor Bramley's review be available before the necessary arguments take place under the comprehensive spending review? Will the report definitely be available before then?

Malcolm Chisholm: Absolutely. His report will probably be published before the end of the year.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I had wanted to continue on that point, minister, but you have pre-empted my question by answering it before it was even asked—how wonderful you are.

Will Professor Bramley's research and the strategic housing investment framework allow the Executive to look at directing moneys within local authority boundaries? For example, in North Lanarkshire we have an acute shortage of housing within the Cumbernauld and Kilsyth area that is not replicated in other areas within the council's boundaries. Will the Scottish Executive be able to support local authorities in targeting moneys at specific areas?

Malcolm Chisholm: Local authorities will still be involved in those decisions through their housing plans and so on. We do not want to direct totally from the centre. Obviously, we will look at local authority allocations in general terms, but shortages within a local authority area will appear in the indicators and influence the distribution. Perhaps Carole Oatway can describe in more detail how the proposal will work for individual local authorities.

Carole Oatway: It is anticipated that the strategic housing investment framework will work by using the indicators to provide a first cut of the resource distribution that will then be refined using a bottom-up approach. By means of their local housing strategies and investment plans, local authorities will be asked to show us where the shortages are and where they need the money to be invested. We may—in fact, it is extremely likely that we will—alter the national distribution based

on that information from local authority areas. That will provide the fine tuning that is needed to deal with the kind of issues that Cathie Craigie has described.

Cathie Craigie: Obviously, the homestake scheme that was discussed earlier is vital to local authorities if they are involved in regeneration programmes—it is vital in helping people who need to get on to the property ladder. Can the minister assure me that the budget will be flexible enough to allow local and individual needs to be taken into account when the financial packages are being developed?

Malcolm Chisholm: Would you say a bit more about what you have in mind?

Cathie Craigie: Everyone's financial position is different. What might be affordable for one person might not be affordable for another, and the scheme has to be flexible enough to take people's individual circumstances into account.

Malcolm Chisholm: There is flexibility between different parts of the country, but you are talking about flexibility within one part of the country. The bits of income that are applied have to be standardised. It is hard to see why we should support discounted childcare costs, for example, for one person and not for another. There would have to be some consistency within an area.

Cathie Craigie: I might get into trouble from the convener for raising this, but in my constituency, the Ainslie Road and Maclehose Road scheme will be involved in a regeneration project in which homestake will play an important part. However, a pensioner on a fixed income is in very different financial circumstances to those of a young couple who have a much greater ability to generate income. Those different needs have to be taken into account to ensure that communities are kept together and that people are not forced out to other areas because of financial difficulties.

Malcolm Chisholm: There is a detailed system and income is obviously the primary factor. Perhaps Carole Oatway will say more about that.

Carole Oatway: I can say a little bit to help members understand how homestake works. It is an incredibly flexible system. It is not designed to have a single application, nor is it designed to hit a single client group. One of its uses—I think that this is the one to which Cathie Craigie is referring—is in circumstances in which we want to encourage existing owners in a regeneration area to be able to take part in the regeneration project. In those circumstances, we do not require the same minimum stakes that people usually put in, but the stake depends on individual circumstances. However, if someone in a regeneration area sells their existing property for, say, £31,000 and that is all the money that they

have, but the cost of a new home is £80,000, we do not expect them to put in any more than the money that they got from the sale of their existing property. That is flexible enough to allow us to deal with a host of circumstances.

There are also variations within the standard scheme, which requires the buyer to pay between 60 per cent and 80 per cent of the property price. We are trying to do that for the open market scheme and the new-build homestake scheme, but other variations of the homestake scheme offer greater flexibility. Does that help?

Cathie Craigie: I am looking for flexibility.

Carole Oatway: It exists.

Cathie Craigie: To move on a bit, what are the implications of the results of the recent stock transfer votes in Edinburgh, Stirling and Renfrewshire for the affordable housing investment budget?

10:15

Malcolm Chisholm: In the long run, they will have serious implications. I do not think that the results will make much difference to the budget that you are considering for next year, but the implications are obviously serious for the next spending review period.

I am repeating myself a bit, but we have an incredibly ambitious housing programme in Scotland. We have the most ambitious homelessness legislation in Europe and we have to make sure that we have the houses to deliver on that legislation. Therefore, in the next session of Parliament there must be a massive commitment to new-build housing.

We also have a very ambitious modernisation programme in the Scottish housing quality standard. We have just been talking about homestake, and obviously we want and need to keep that scheme going and, I hope, expand it. No doubt we will move on to talk about the central heating programme and the warm deal programme, which are, again, unique Scottish products. However, they all cost money.

As I said, we have an incredibly ambitious housing programme, and I suppose that what I have been saying for the past year and longer is that, quite apart from the inherent advantages of community ownership, we need community ownership over and above anything else because we have to complement all the public money that is being put in, and it is an absolute tragedy that those ballots have gone against it.

We have been explaining community ownership in terms of the benefits for individual tenants and we will continue to do that with the forthcoming

ballots in Highland and Inverclyde. However, the Parliament, ministers and the Communities Committee also have to consider the significant public expenditure implications of the recent ballots. It is like turning down an enormous free gift from the Treasury three times over, and that is very serious. We cannot write off that scale of debt; if we did, we would have no affordable housing programme because we would have to spend all the money on the debt and would not be able to build any houses. The only way to write off the debt is through a positive vote. It is a serious problem because all that debt write-off—£175 million in Renfrewshire's case—has to be met by increased rents or increased Executive expenditure that is already committed. It is a very serious situation that, in May, will confront whichever party happens to form the Government, which will have no means of getting round that fundamental issue.

I am now mainly focused on making sure that we explain more successfully to the tenants in Highland and Inverclyde the advantages of voting yes in the ballots. We have to think long and hard for the next spending review about how to address the extra public expenditure implications or rent increases that will result from the recent ballots.

John Home Robertson: You talk about an ambitious housing programme, which is welcome. However, many of our constituents are anxious that there is no evidence of that programme where it is required. You are aware of my concern about that. I sincerely hope that Professor Bramley will be able to give us something useful, but I also hope that the time has come for us to move on from writing reports about housing difficulties to actually building houses. You and I, Communities Scotland and, above all, local authorities know where the hot spots are, where there is a critical shortfall in the supply of affordable rented housing and where people are trapped in bad, overcrowded or unaffordable housing. What can you say today to assure us and the people who are stuck on waiting lists that they are going to see houses being built in their communities in the very near future? That will really make a difference.

Malcolm Chisholm: We have already discussed how houses are being built in increasingly large numbers, but if they are not being built in the right places, the work on the strategic housing investment framework and the Bramley report is concerned to address that. A lot of money is going into house building and we have to make sure that all that money continues to go into house building. That is why—further to my previous answer—rents will have to take the strain when people vote no to stock transfer. That is made clear to people who are participating in community ownership ballots because the alternative is to take money away from the vital

new-build programme. We will continue to build more houses and make sure that they are better targeted in the right areas.

However, I know that you are concerned about issues beyond investment. Although investment is the key issue on which we are focusing this morning, we are very exercised by land supply, which is the other side of the coin. Land supply and money are the two fundamental factors, although there are other factors. We will discuss those issues when the Planning etc (Scotland) Bill is debated in the Parliament in three weeks' time. We are actively involved in making sure that we deal with the particular problem of land supply, but we need to focus the money on new affordable housing and make sure that it is spent in the right places as efficiently as possible, and in the way in which Carole Oatway and I have explained this morning. We must also complement those sources of income in as many ways as we can, including through community ownership. Otherwise, people's rents will rise in unacceptable ways.

Dave Petrie: Although the no votes are extremely disappointing—I share everyone's concern about them—there will obviously be significant savings.

I am interested in two issues that you referred to: how councils will be resourced for the essential repairs that need to be done; and where the money that is not being used for those repairs could be allocated.

Malcolm Chisholm: I am not sure what "significant savings" you are referring to.

Dave Petrie: You will not have to write off capital debts or subsidise essential repairs.

Malcolm Chisholm: We do not write off debts. That is why, from the Parliament's point of view, a no vote is a double tragedy, because a yes vote would mean money for nothing from the Treasury. We did not have to write off any debts, and we are in no position to do so without completely decimating the housing programmes. That is what a no vote is: people turning their backs on a massive free gift from the Treasury. We are not saving money at all, because we were not going to pay that money. Even the subsidies that were going in were going to be balanced by right-to-buy receipts that came in from the authorities concerned, so the actual contribution to community ownership from the Scottish Executive's budget would have been minimal. That is why the no votes are a fundamental problem for the Scottish Parliament, because we will have to pile the burden either on to rents or—although I think that this alternative is unacceptable—on to increased public expenditure, which will obviously have a profound effect on the

new-build housing programme or on any other programme that you care to mention.

It is quite hard to explain those matters—not to mention all the misrepresentations that have been going on in the no campaigns across Scotland—but we obviously have to explain them better in the two forthcoming ballots. We have to look realistically at the situation, and I repeat that it will be a fundamental problem for whatever Government happens to be in power next May. We have said that rents will have to bear the strain, but funding the whole of the Scottish housing quality standard from rent increases creates its own problems. That is the scenario in Renfrewshire, where tenants were given that information with the ballot. I cannot magic away the situation or the problem, so people must be absolutely clear about what is going on and must not pretend that we perversely fund only community ownership and not other forms of investment. It is not like that at all—what is on offer is a good deal for tenants in Scotland and for public expenditure in general.

Dave Petrie: Is the matter likely to be revisited in years to come?

Malcolm Chisholm: We are not going to revisit it. Obviously, we need to ensure that we win the forthcoming ballots, and then we can look at the situation and see how many authorities have voted no. All that I am saying is that it is a big problem that people will have to address. There is no easy solution; certainly, I have not heard of an easy solution—or even a difficult solution—from any other political party.

Tricia Marwick: I realise that we are not having a debate about housing stock transfer, but I have one comment to make. When you put most of your eggs in one basket, there will be difficulties, and the Executive has clearly failed to explain its flagship policy.

Another alternative is that the Scottish Executive could put pressure on the Treasury to write off the capital debt on all the housing stock in Scotland, without preconditions about transfers. What work have you done to encourage the Treasury to write off capital debt on council housing stock in Scotland?

Malcolm Chisholm: First, we have not put all our eggs in one basket. A minority of councils are going down the community ownership route—many others can meet the Scottish housing quality standard without rents rising to unacceptable levels. Looking round the table, I can see that most members of the committee represent areas in which the council is maintaining the stock—the exceptions being the Borders, where stock has already transferred, and Highland. Therefore, we

have not in any sense put all our eggs in one basket.

We can have an endless debate about the Treasury writing off debt, but the simple fact is that that is not going to happen. People can posture as much as they want, but it is not going to happen. How could the Treasury possibly write off Scottish housing debt without writing off English housing debt? The English debt is no doubt about 10 times as much as the Scottish debt—I am not sure of the exact figure. People have to get real: debts are not going to be written off, so we have to face the situation and deal with the problems that the no ballots present us with.

Tricia Marwick: The Treasury is writing off housing debt where there is a yes vote. It seems to me that, if we need investment in housing—and we do—and investment to meet the quality standard, it is not fair that existing tenants are the only ones responsible for house improvements and rent rises. The minister should be arguing with the Treasury that, if we genuinely want to meet the quality standard, money must be made available through the write-off of the capital debt.

Malcolm Chisholm: I am repeating myself now, but I merely point out that even the Scottish nationalists must understand that the Treasury cannot write off Scottish housing debt without writing off English housing debt. All that I am saying is that that figure runs to billions of pounds. Where community ownership takes place, new borrowing is not public expenditure, so it makes perfect sense from the Treasury's point of view to write off debt for community ownership but not for councils that retain their own stock.

It is not worth arguing about, because debt write-off is not going to happen. There is no point in indulging in fantasy politics; we have to deal with the real situation that confronts us. The debt is there and will remain there until people vote for community ownership. That is just a fact of life, and I would rather deal with the facts of life than with the fantasies of life.

Tricia Marwick: If people are not going to vote for community ownership, are you quite satisfied that they should continue to live in appalling housing conditions?

Malcolm Chisholm: Absolutely not. We are talking about debt write-off and saying that that is not going to happen. I put the question back to you. If you were in Government, what would you do with the situation?

Tricia Marwick: Minister, we ask the questions of you here.

Malcolm Chisholm: I am afraid not. With an election coming, we are quite entitled to ask questions of you.

Tricia Marwick: Not at this committee you are not.

Malcolm Chisholm: I am just trying to explain the situation that any Government would face. There is no way round the problem. The debt is not going to be written off, so if the investment is to take place, in Renfrewshire or anywhere else, that will be achieved through rent increases, through scaling down the investment requirements or, if this is what you want to do, through additional public expenditure, but that will have implications for an ambitious housing programme. I am asking people to face the facts. I am confronted by the same choices and difficulties that Tricia Marwick or anyone else would be confronted by.

Patrick Harvie: Assuming that you are right and that local authority housing debt is not going to be written off, is the Executive planning any change in the way in which it approaches the forthcoming ballots, if it is so committed to getting a yes vote? The conditionality of debt write-off is clearly a gift to people who, for ideological reasons, would oppose community ownership under any circumstances. What can the Executive do to make the case more effectively in the forthcoming ballots than it has been made in the past few ballots?

Malcolm Chisholm: We have to go on sending out the same messages. We have been actively campaigning on these issues nationally and locally, so a whole host of factors is involved. The ballots in Stirling and Renfrewshire will be analysed, as the Edinburgh vote was analysed last year, and it will be possible to work out exactly why people changed their minds and what factors influenced them. We do not know that at this stage.

We have to focus on the effect on individual tenants. There is no reason why individual tenants should be overinterested in the issues that we have been discussing, but if they want the investment and if they want rents to be kept affordable they have to vote yes. It is as simple as that.

Patrick Harvie: That is what you have been saying, and tenants have been voting no. How can you make the case more effectively?

Malcolm Chisholm: We shall certainly try, but we cannot fundamentally change the messages. All the people involved—not just me—must get better at communicating. I know that the no campaign has created barriers and sent out false messages, and we have to try to counter those. There is no easy answer to your question, but we must go on trying over the next few weeks.

10:30

The Convener: I am conscious that time is tight and significant areas remain to be covered. I ask members to ask succinct questions.

Cathie Craigie: The minister mentioned the ambitious programmes on housing and homelessness, and we all support the target to abolish the priority need system by 2012 to ensure that all unintentionally homeless people are entitled to permanent accommodation. However—there is always a “however”—are adequate resources being provided to enable local authorities to deal with homelessness, given the steady increase in homelessness applications in recent years?

Malcolm Chisholm: As I said, I will argue for significant resources for housing in the next spending review. You would not expect the minister with responsibility for housing ever to say that we have enough resources. However, we should acknowledge that the significantly increased resources that we have received have resulted in the building of more new houses, and more will be built next year. We are moving in the right direction, but we must keep up the momentum in the years to 2012.

Cathie Craigie: I was interested to learn that from 1993-94 to 2002-03 about 12,000 households per year made homelessness applications, but in 2005-06 the number of applications appears to have been about 18,500. Does the increase worry you?

Malcolm Chisholm: The most significant factor behind the increase in homelessness applications is the new right to temporary accommodation that homeless people secured under the Housing (Scotland) Act 2001. In the past, people felt that they had no right to housing, so they did not bother to apply as homeless. We could almost say that we planned to increase the number of applicants who were recognised as homeless—we anticipated the increase. The number of households who are assessed as being homeless is no longer rising; rather, it is levelling off and we hope that it will fall.

Cathie Craigie: Given the increase in applications, should we increase the target for 21,500 new and improved affordable homes?

Malcolm Chisholm: That is exactly the territory that Professor Bramley has been considering. He will take account of all factors, including the new homelessness policies that will kick in during the next few years. I do not want to pre-empt his conclusions.

The Convener: We move on to consider the central heating programme and the warm deal initiative. There appears to be a considerable

backlog of people waiting for the installation of central heating systems. Am I right in thinking that there is a problem with the number of installations that remain outstanding this year? Is the change in the provider of the programme a contributory factor?

Malcolm Chisholm: I understand people's concerns. It has been easy for people to conclude that any problems must be the result of the changed arrangements for delivering the programme as a result of our obligation to tender again for the programme's managing agent. However, the fact is that 12,000 central heating systems will be installed this year, which is the number that I would have given to committee members if they had asked me last year how many systems we planned to install—I cannot remember whether you asked me that.

The fundamental problem is the increase in demand. As I said in my opening remarks, at the time of the spending review we did not anticipate that demand would continue to increase as it has done—I am speaking about the department collectively, because that was before my time as Minister for Communities. The main reason for the increase appears to be that a large number of people have requested replacement systems. We must give serious consideration to how we will deal with demand in the next spending review period.

My immediate concern is that because of the increased demand a large number of people are waiting for systems. Of course, not all those people will be eligible for a system after checking, so the final number of people waiting will not be as large. As I said, I want to get extra money into the system to help to deal with the problem that has arisen. I repeat that we are installing the number of systems that we planned to install, so the problem has not been created by the handover of the contract.

On the warm deal, I am told that we will exceed our target of 11,000 this year; nearly 13,000 households will benefit from the scheme. Scottish Gas has taken over the scheme in the private sector, but local authorities and registered social landlords have taken over responsibility for warm deal provision in the public sector. Concern has been expressed about contractors, but local authorities confirmed that the work will be carried out mainly by contractors rather than by direct labour. There was a difficult handover period while local authorities geared up for their role, but they are getting their act together and it looks as though there will be more warm deal provision and we will get more for our money.

The developments in both programmes will lead to further efficiency savings. As a result of the new contract for the central heating programme, local

authorities will provide more warm deal installations for a given sum.

The Convener: Your answer raises issues that I want to follow up on. First, you said that demand for the central heating programme is greater than was anticipated in the most recent spending review. How confident are you that there will be sufficient resources to deal with the people who are entitled to receive central heating systems? How will we ensure that those people are not disadvantaged and left on an apparently never-ending waiting list for installation?

Malcolm Chisholm: I want to do all that I can to ensure that waiting times and lists are reduced. As I said, I am actively seeking extra resources in next year's budget to deal with the issue. There has always been a waiting list and a waiting time for the central heating programme. The initiative was not designed to be an emergency programme under which people who did not have a central heating system could have one installed the next day. Obviously, we need to ensure that waiting times are as short as possible, but there is a problem as a result of increased demand. I am sorry that I can make no announcement to provide £X million to deal with the problem, but I am seeking extra money for the central heating programme to ensure that people do not wait too long. I understand people's concerns, but my main point is that the problem has been caused by increased demand, rather than by the transfer to a new managing agent.

The Convener: I appreciate that you will not give a commitment today to provide additional resources. However, the eligibility criteria for the scheme will change in the new year. The change is welcome and the Executive should be congratulated for responding to the concerns of people like me, who argued that the eligibility criteria should be extended. The new arrangements will have financial implications, so when will the Executive bring forward the budgetary figures that will allow the change to be implemented? Will you consider the potential for much greater demand for the service than there has been in the past?

Malcolm Chisholm: Like many other issues, this will fundamentally be an issue for the next spending review. Obviously there is one year left before that kicks in, which is the year that we are examining today. My basic objective for next year is to get as much extra money into the central heating programme as possible, so that that is kept in manageable proportions. However, as part of the work for the next spending review, people will have to look closely at demand for the programme in the next spending review period. This is another example of a situation in which we are the victims of our own success. The initiative is

great and has been popular but that has meant that more people want to benefit from it and that people want more categories to be included. The reason why we are proceeding in a measured way rather than opening it up to further categories, as some people would like us to do, is that we want to avoid creating more issues of demand.

I am sorry to have to repeat myself but within my budget—never mind the rest of the Executive—we have to make hard choices. We have four or five flagship policies, one of which we are discussing at the moment, and they all require to be funded. We have to think long and hard about how we will distribute our money in the next spending review period.

The Convener: On the warm deal, you mentioned the extension of additional resources for local authorities and how that will result in greater home insulation services being provided to households. Are you aware of the tensions that exist, particularly for small and medium-sized companies that provide that service? They face difficulties in tendering for that work with local authorities. Can you guarantee that there will be a level playing field for all insulation providers in Scotland so that smaller companies will not be disadvantaged by the changes?

Malcolm Chisholm: I am certainly mindful of that issue, not least because the convener has been raising it with me for some time. I think that I mentioned earlier that the great majority of local authorities have confirmed that the work will be carried out by contractors rather than by direct labour. Further, Scottish Gas has undertaken to use the contractors that were used by the Eaga Partnership. Concerns were expressed by social partnerships and others about what would happen at the transition point. However, I believe that since the new contract has started and the local authorities have started to develop their programmes, some of those concerns have been allayed. Obviously, if there are still issues of concern, I want to hear about them.

The Convener: When does the Executive plan to introduce its regulations on the changes to the central heating initiative?

Malcolm Chisholm: I have not got a precise date for that, but I am advised that that will happen within the next few weeks.

The Convener: That was a great civil service answer.

I know that you have discussed fuel price increases with energy companies. Is there a risk that the work that the Executive is doing to tackle fuel poverty is being undermined by those increases? How will the Executive address that?

Malcolm Chisholm: There is no doubt that that is bound to have an effect; fuel poverty is influenced by the price of energy, people's incomes and the efficiency of their heating systems. Obviously, we can act most directly on the last of those three and can seek only to influence companies with regard to the price of energy.

We have all been concerned about the rise in prices. We know that they will come down in due course, but we want that to happen quickly, given the recently falling price of gas. We will continue to do all that we can to put pressure on the companies in that regard.

10:45

Christine Grahame: With regard to the contract for the central heating programme going from Eaga to Scottish Gas, how long was the period between the start of tendering and the conclusion of the contract?

Malcolm Chisholm: I do not know how long the process took.

Carole Oatway: The process started over a year ago, due to the European requirements that we had to follow. We had to employ procurement experts to ensure that we got the work right. The matter is extremely complex. The tenders went out during the course of this year and were returned within the normal period. We approached more people than returned tenders.

Christine Grahame: It has been suggested to me that the long tendering process has impacted on delivery of the programme. Are you saying, minister, that it did not?

Malcolm Chisholm: Basically, I am saying that it did not. This year, 12,000 installations were budgeted for and there will be 12,000 installations.

Christine Grahame: I am not talking about installations. I am talking about the time that people have to wait for assessment and the waiting time for installation. Was there a difference between the waiting times during the period in which the tendering was taking place and those in the previous year?

Malcolm Chisholm: As I have already said, there was a difference that was due to increased demand rather than to the new contract.

Christine Grahame: So, the difference has nothing to do with the tendering process.

Malcolm Chisholm: That is correct.

Christine Grahame: Have you any concerns that there might be a conflict of interests as a result of Scottish Gas delivering the systems as well as being the provider of the energy?

Malcolm Chisholm: No. Obviously, we have put in place systems to ensure that those two things are kept apart.

I should talk about the improvements that have been made to the contract, because they are not widely known. Under the new contract, there will be face-to-face benefit entitlement checks for all applicants, updated technical specifications on the removal of redundant equipment, strengthened customer-care arrangements on timescales, defined timescales for dealing with complaints, tighter timescales for the survey, installation and inspection process and payment on completion rather than in stages. Those measures, plus the fact that efficiency savings will mean that we will get more systems for the same amount of money, will result in great benefits for the public—not the disadvantages that Christine Grahame suggests.

Christine Grahame: I am merely raising the issue, which is appropriate—we do not want people who have gas systems moving up the queue faster than people who do not have gas systems. No doubt you will be looking out for that.

In the 2006-07 budget, the budget line for the central heating programme is £56 million and, in the 2007-08 budget, it is £45 million. We all agree that this is an important programme and you have said that there is an increased demand for it and that you are trying to get more funding for it. Has there been any attempt by the Executive to measure the health benefits of providing central heating? That might strengthen your hand as you attempt to get more funds up front because the programme might save money that would otherwise be spent on firefighting measures with regard to illnesses and so on.

Malcolm Chisholm: The benefits of the systems are self-evident and I am reasonably optimistic that I will be successful in getting more money for the programme. The fact of the matter is that the budget line was set at the spending review period. The drop in the amount of money is mainly explained by the end of the money going to pay for central heating in Glasgow. Any other gap will be made up by the increased efficiency of the new arrangements. The budget line that Christine Grahame mentioned will deliver 12,000 systems. Of course, I want to deliver more than 12,000 systems, which is why I want to get extra money.

There is a body of research about the relationship between health and housing. From my budget, some money is going towards work that the Glasgow centre for population health is doing on the effect on people's health of housing and regeneration in Glasgow. A lot of work is going on in such areas. That the programme is good for people's health is not in doubt.

Christine Grahame: I never said that it was—I just wondered whether any measurement was being done so that you, or any incoming Government, could point to stats to show the impact of the central heating programme on the health of individuals and communities, and perhaps thereafter extend it to disabled or low-income families.

Malcolm Chisholm: There is a lot of literature on health and housing, and on health and heating in particular. It is not obvious how we could measure the effect of just the Scottish central heating programme on people's health because it is self-evident that there is a multiplicity of factors. It is not obvious how research would be constructed in such a specific way, but we can draw on the larger body of more general research.

Christine Grahame: I will leave that point, as I am just doing supplementary questions.

I wanted to ask about the wholesale price of energy which has, as we know, fallen. From speaking to the Office of Gas and Electricity Markets, I understand that changes in price take a year—sometimes longer—to work their way through to individuals, although large commercial companies can have special contractual deals whereby they move with the wholesale rate for gas, which is measured over a longer time. Have you explored ways of ensuring that the price for domestic households is set to take account of fluctuations and that it would not impact as it does now, for instance on people who use token meters? Those meters are not recalibrated and users—who can be the very poorest people—do not get a bill until the end of the year, when they find out that they have been underpaying for their gas by 50 or 100 per cent.

Malcolm Chisholm: There is certainly an issue about recalibration, which I have raised with the energy companies. They need to deal with that, and one company has done so. The more general issue follows what energy companies say, which is that they now buy their gas for next year, so there is some truth in Christine Grahame's point. We cannot exert direct control of their prices—we can just try to exert influence and pressure. I do not see what more we could do.

Christine Grahame: I asked specifically whether you had examined how some large commercial companies pay for their fuel. They measure the price over a period so that fluctuations are met through a contract. I do not know whether you have investigated that, and it may not solve the problem, but it might be worth considering for domestic consumers.

Malcolm Chisholm: That is not something that I know about. I ask my officials whether they do.

Mike Neilson: The only comment that I will make is that companies have the capacity to absorb such shifts in prices, including upward shifts. The risk of doing the same for individual domestic customers is that they may not have the same capability to adjust to rapid increases in market prices. It comes back to the question of whether, in managing the forward contracts that have been mentioned, the companies move prices down at the same speed as they move prices up.

Christine Grahame: I simply ask that the minister examine the idea, because the situation cannot be sustained in which people, particularly those on lower incomes, have 100 per cent increases in bills. I know that the minister is making reasonable efforts with persuasion, but there must be other ways of dealing with the problem—perhaps through contracts—that would get people out of that situation.

The Convener: I ask Dave Petrie to ask short questions.

Dave Petrie: I will be brief. The minister mentioned various terms of the new contract and what the contractor will have to abide by. I have heard concerns from constituents about one aspect, which is the final quality of some workmanship. I have heard that because people are getting the work done for nothing, contractors attach cables and pipes to surfaces instead of burying them or putting them into ducts. I take it that the new contract addresses that and ensures that certain standards will have to be adhered to. The contracts should be the same as any other central heating contract in that contractors must try to do the perfect job and not cut corners.

Malcolm Chisholm: Some of the points that are made in the new contract are directly relevant to that, not least in respect of payment on completion, which could be useful in that regard.

Cathie Craigie: I will ask a very quick question. How many eligible people do you estimate could benefit from the central heating programme? That figure might already be available.

Malcolm Chisholm: That is an important and difficult question to answer on the new category. How do we know how many people who are on pension credit have partial heating systems? There is no way of knowing.

Cathie Craigie: How do you know how much to put in the budget, in that case?

Malcolm Chisholm: We will get an indication of demand over the next year. I am happy to be corrected if there is some scientific way of finding out, but there are inherent problems in measuring demand in any absolute sense. We can estimate demand—that is obviously what we will have to do. That is part of the problem. I am not saying

that there is a scientific way of estimating demand. Apart from knowing that, we also have to know how many people's systems will break down in the next year or the next three years. We have an ambitious programme, but it is inherently difficult because there could be a lot more demand than has been anticipated—that is exactly what happened during this session of Parliament. We have to be careful in trying more accurately to estimate demand for the next spending review period.

Cathie Craigie: Is that something that would come from local authorities through their strategic housing plans? Would they be required to include that?

Mike Neilson: A fundamental problem is the relationship between the eligibility of pension credit and the existence of partial systems. We do not have something that tells us which individuals have both, and I do not think that local authorities would be in a position to provide that information, either. It is difficult to get a reliable forecast.

Patrick Harvie: If there is time, convener, I would like to ask one more question on this topic before moving on to the next one.

The Convener: It must be very short.

Patrick Harvie: Given the energy price issues that other members have mentioned and the longer-term energy security and environmental reasons for trying to reduce demand—the best way to get a smaller fuel bill is obviously to use less fuel—is not there a case for allowing the central heating programme to go beyond installing conventional systems and for considering systems such as heat pumps, which, in appropriate buildings, can dramatically reduce people's energy costs in the long run?

Malcolm Chisholm: We are doing a pilot on renewable energy and central heating systems; I hope that it will provide positive results. Like Patrick Harvie, I hope that we can move towards installing those systems in the next period, primarily because of the environmental concerns that we all share, although such systems also have other benefits.

Patrick Harvie: When will we see the result of the pilot?

Malcolm Chisholm: We will certainly see it in time for the next spending review.

Patrick Harvie: On the working for families fund, the Executive has a target of increasing by 15,000 the number of parents either going into work or moving towards paid employment. What progress is being made towards that target?

Malcolm Chisholm: I think that we are halfway there. Mike Palmer can fill in more detail, but I

think that the latest figure that I have seen shows that we have reached 7,500.

Mike Palmer (Scottish Executive Development Department): The figures from the end of June 2006 show that 7,500 parents have engaged with working for families. Of those, around 35 per cent have moved into employment, training, volunteering or education. That is pretty much the midway mark. We expect an evaluation of the programme to be presented early next year, which will give us comprehensive data on exactly how the programme is faring.

Patrick Harvie: Is there a danger that the target presupposes that parents in certain situations ought to be moving towards paid employment rather than making a different choice in their lives? Does it create an incentive for the Executive to get value for money from what it is spending on the fund by getting people to make one choice rather than another?

Malcolm Chisholm: The number of people who could benefit is significantly more than 15,000, so I do not think that we have to corral every possible person in order to meet our target. More than enough people want to be assisted into employment; when I meet lone parents around Scotland I hear them asking for more assistance. Often, it is the problems in the transition into work that put people off, rather than the fact that they do not want to work.

I recently had an interesting meeting with 14 lone parents in One Plus's office. They spoke highly of the working for families programme as it is operating in Glasgow, because it supplements the mainstream child care programmes and focuses on helping individuals to navigate their way through the system and on giving them the extra help that they need. There is evidence that the programme has been well received and is helping a lot of people, so I do not think that there is any danger of the situation that Patrick Harvie described arising, because people understand the circumstances of lone parents. There is no compulsion, but people are obviously encouraged and given support.

Patrick Harvie: I certainly do not disagree with the objective of providing access to child care, but I just want to be clear that the Executive would not consider it in any way a positive thing if people who would prepare to make a different choice were to access child care in order to go into paid employment.

Malcolm Chisholm: I do not follow what you are saying.

Patrick Harvie: I am saying that the Executive would not consider it a positive step towards its target if people made a choice that they were not comfortable with.

Malcolm Chisholm: I think I agree with you, but I am struggling to understand exactly what you are saying.

Patrick Harvie: What issues have emerged from monitoring and evaluation of the fund?

11:00

Mike Palmer: We have commissioned an evaluation from an independent group from Napier University, which will deliver an interim evaluation next month and a full evaluation early next year. That group has not given us any indications of specific issues to do with the evaluation of the programme. We have revised some of the indicators that we used for monitoring steps that are taken towards employment, education, training or volunteering. We made those revisions to ensure that we can reflect some of the softer steps towards progress in that direction, which are real indicators of achievement for people who are in vulnerable situations and which we did not feel were fully reflected in the original set of indicators. That is the only major issue that we have encountered in monitoring and measuring the progress of the programme.

Patrick Harvie: Will you explain what some of those softer steps are and what proportion of the 7,500 people are represented by that changed definition?

Mike Palmer: I cannot give an exact figure now, but I can certainly provide that information, if you want it. To give an example, a vulnerable individual on the programme who is doing two, three or four hours of volunteering a week was not necessarily being picked up through the previous set of indicators, because we had a harder set of indicators that showed only concrete steps towards employment or education. Having examined the data on the progress of the programme, we felt that it was important also to reflect other activities, such as a person's volunteering for a few hours a week. That decision was based on clear feedback from field workers who were operating the programme and who indicated that such activities were a real achievement for people in the programme and that that should be reflected as part of the journey towards employment, education and training. We therefore felt it to be important to reflect that in the indicators. That will all be made transparent when the evaluation is produced—everyone will be able to see exactly who has achieved what in the programme.

Patrick Harvie: Is the Executive considering rolling out the programme throughout Scotland? What are the prospects for that?

Malcolm Chisholm: We will consider that. Again, the issue is one for the spending review.

The programme will run into 2008. We will need to consider it in the broader context of many other programmes, particularly the child care programme and our employability work. However, it seems to me that very good practice is developing in the programme, so we need to capture that and continue it in the future. I will certainly seek to do that.

Tricia Marwick: I move on to the community regeneration fund. What progress have the community planning partnerships made on developing regeneration outcome agreements? What evidence do you have that the resources have been targeted appropriately? Some of the areas that the recent report on deprivation highlighted as being most deprived have been the most deprived for a long time and have been in receipt of regeneration funds. That suggests to me that the funds may not have been spent appropriately. How will the minister measure the outcomes from the resources and the targets that are set?

Malcolm Chisholm: The fund is now distributed on a new basis, which we believe is an improvement. I am not here to defend every single penny that has been spent to tackle deprivation, but I know from my constituency that much of that money has been put to good effect. We have changed the focus by locating the fund within community planning—with the intention of allowing access to mainstream resources over and above those from the fund—and by basing the fund on outcome agreements. It is still relatively early days, although the regeneration outcome agreements are in place and annual reports on progress are produced. Basically, we have a better system, but it is not perfect. One of the many things that we will do in the next spending review period is to continue to review that system.

The report that was produced last week on the Scottish index of multiple deprivation showed the 15 per cent most deprived data zones. Obviously, if all of Scotland was affluent, we would still have the 15 per cent most deprived data zones, but significant progress has been made—for example, in Glasgow. That is most obvious from the rising employment levels and the fact that several data zones have moved out of the bottom 15 per cent. We have a long way to go, but there is reason to believe that some of the initiatives are having an effect. Other indicators on changes over time are also showing that. We have a long way to go in addressing the issues, but we are in a better situation than we have been in the past.

Tricia Marwick: Most of us welcome the minister's remark that he is confident that what will happen in the future will be more effective than what happened in the past. The minister suggests that some of the measures will take a long time to

seep through. When does he expect the targets that are being set to be met?

Malcolm Chisholm: I said that we have already made progress. I was comparing the new system of regeneration outcome agreements with previous systems, which did not provide regeneration money on the same basis. The report that was published last week shows signs of progress, the most obvious of which is the improvement in the employment rate throughout Scotland. However, everybody knows that the problems of multiple deprivation are particularly difficult and intractable. We believe that we now have a better approach that takes into account a broader range of issues—not just physical regeneration, but other relevant issues such as employment, health and education. We are making progress, but I am not complacent and I accept that we have a long way to go. However, our present policy framework puts us in a stronger position than we were in under previous systems in the early years of Parliament and in the 1980s and 1990s.

Tricia Marwick: You mentioned a range of areas in which you are targeting health and regeneration, but you did not mention leisure and sport. Do you expect investment to be made in local leisure and sport facilities for regeneration and to help to lift people out of poverty?

Malcolm Chisholm: A balance is needed between what we require as priorities and leaving local authorities some discretion and freedom. I am pleased that Fife Council, which is in the area that Tricia Marwick represents, has ensured through its increased community regeneration fund that 2,000 children in seven primary schools have participated in physical activity. That is just one example of what is, as you say, an important part of the bigger picture. Fife Council made that choice within its general regeneration outcome agreements. Leisure and sport can be relevant in many situations.

Cathie Craigie: I am conscious of the time, so I will be quick. How will expenditure in the current spending review period be evaluated with a view to informing objectives and targets in the next spending review? What are the main priorities for communities spending in the coming years? Are any fundamental realignments in spending required for the forthcoming spending review?

Malcolm Chisholm: Obviously, a lot of work is being done on all the matters that those questions cover. As in other portfolios, it can be difficult to prioritise the communities portfolio because—as the range of the committee's questioning has suggested—many areas are important. As housing takes such a large proportion of the budget and we all agree that it must be a priority, it is difficult to see things dropping off the end. We

must consider rigorously all the different programmes.

At the end of the day, I am afraid that that is in some ways what Government is about. We cannot do all that we want to do, so we have to make choices and prioritise. That will be a difficult task for us, because the vast majority of what we do in our portfolio is extremely worth while and important. We are evaluating our work and looking at the best way of getting the results that we want and of making the money go as far as possible. I am in danger of repeating myself, but that is why I am distressed about the no votes in the community ownership ballots. They make our difficult task more difficult and will also adversely affect tenants.

There are many challenges, and we are taking time over the next few months to assess all the factors as carefully as possible. We will put forward our bids for the spending review based on that assessment.

Tricia Marwick: I have a very quick supplementary. How do you determine how the housing support grant is distributed? Can you explain why there is a drop in funding in the plan for next year compared with previous years?

Malcolm Chisholm: Housing support grant does not currently go to most local authorities. I know that Shetland Islands Council receives some.

Tricia Marwick: I am well aware that not all local authorities get the grant, which is why I am asking how you determine who gets it and who does not.

Malcolm Chisholm: Most of it is from payment of hostels grants. Unlike in the past, most councils—apart from Shetland Islands—do not receive the grant. The bulk of the budget line is the payment of hostels grants to councils to meet deficits in the provision of hostel places for homeless people.

The Convener: That concludes the committee's questioning to you and your officials, minister. I thank you for attending.

I suspend the meeting briefly to allow a changeover of witnesses.

11:15

Meeting suspended.

11:19

On resuming—

Schools (Health Promotion and Nutrition) (Scotland) Bill: Stage 1

The Convener: We move to item 3. I welcome David Cowan from the bill team; Maria McCann, who is branch head of the supporting for learning division; and Gerry Bonnar from the office of the solicitor to the Scottish Executive. Thank you for attending the committee.

I will start by asking you about the need for the Schools (Health Promotion and Nutrition) (Scotland) Bill. If the local authorities and schools around Scotland are widely embracing the Executive's hungry for success policy, why do we need the bill?

David Cowan (Scottish Executive Education Department): Local authorities are widely embracing hungry for success, although the report by Her Majesty's Inspectorate of Education on the implementation of the policy in primary schools showed that implementation is patchy across Scotland. In the first instance, therefore, we want to ensure that there is a consistently high standard across Scotland. Also, as you will know, hungry for success covers only school lunches. We want to go further than that. We think that schools are implementing the policy well and have taken some steps forward, but we want to go further and cover all food that is provided in schools. Beyond that, we want to make health promotion a central purpose of schooling rather than the add-on that it currently is. In essence, we want to lock in the achievements of hungry for success and our health-promoting schools policy, build on the momentum and ensure that practice is raised to a uniform standard throughout Scotland.

The Convener: How did the Executive consult on these proposals and whom did you consult? The committee is particularly keen to know how you engaged with the consumers of the legislation—the young people and children in our schools—to ensure that it will meet their needs and their aspirations to be healthy Scots.

David Cowan: We consulted widely. We sent nearly 6,000 copies of our consultation document to a wide range of stakeholders, including schools, education authorities and others with an interest in education, health organisations and local authorities. There is a long list of other consultees, which I will not go into but which we can provide if you would like. We sent out nearly 6,000 copies of the consultation document, and the Scottish health-promoting schools unit and NHS Health Scotland organised further targeted events on our

behalf. We also held two in-depth stakeholder meetings to determine what the key elements of a health-promoting school are and to consider the financial implications of the bill. From that, we ended up with 371 responses, of which 96 per cent were in favour of the proposals overall, although many made comments on certain aspects of the bill.

We wanted to get the views of young people, so we commissioned the Scottish Out of School Care Network to carry out a targeted consultation with primary school children. It organised five focus groups across Scotland, which were designed to be as representative as possible of primary school children in Scotland. The groups aimed to find out the children's views about school meals, food in schools and healthy eating rather than health promotion more widely. We also commissioned Young Scot to conduct an online survey of secondary school pupils, to which we received a very good response. There were 335 responses to that survey from 29 local authorities.

The consultation with the primary and secondary school kids reinforced the need for the bill. The consultation with primary school children was interesting, as it showed that most primary school children are aware of what healthy eating is all about and the need to eat five portions of fruit and vegetables a day. However, the children said that, given the option, they would choose unhealthy food. That reinforced the need for the bill. We were impressed with the number of secondary school kids who are positive about the proposals, although a few of them argued for maintaining the provision of unhealthy food in schools. That showed the progress that is being made, but it also reinforced the need for the bill.

Christine Grahame: The policy memorandum states that the bill will

"Place a duty on the Scottish ministers, local authorities and managers of grant-aided schools to endeavour to ensure that all their schools ... are health-promoting environments".

What does that mean?

David Cowan: The consultation document discussed health-promoting environments, but we received a considerable amount of feedback suggesting that we may be confusing the issue in talking about health-promoting environments as opposed to health-promoting schools. We have, therefore, decided to revert to focusing on our health-promoting schools policy. A "health-promoting school" is defined as

"one in which all members of the school community work together to provide pupils with integrated and positive experiences and structures, which promote and protect their health."

Christine Grahame: Will the word “environment” be taken out of the bill?

David Cowan: Yes.

Christine Grahame: There are many new builds in the primary sector and there are issues to do with schools that are provided through public-private partnership schemes and the private finance initiative. For example, classrooms and gyms in such schools are sometimes smaller and there has even been an impact on ventilation in schools elsewhere in the United Kingdom. Will consideration be given to how new schools are built and whether the school's structure—I am avoiding the word “environment”—promotes health?

Maria McCann (Scottish Executive Education Department): Yes. The Scottish health-promoting schools unit's publication “Being Well—Doing Well” explores the need to take account of health promotion in the context of new build or refurbishment. We have been in close contact with colleagues who work on the school estate strategy and the issue is acknowledged in work to develop the specification.

Christine Grahame: Many authorities, such as Scottish Borders Council, are building new primary schools. Are they aware of the document?

Maria McCann: As far as we know, it has been sent to all local authorities.

Christine Grahame: The issue relates to my next question. What type of activities should schools promote? I am talking not just about the promotion of good food but about pupils' lifestyles.

Maria McCann: A health-promoting school would adopt the whole-school approach that is advocated in “Hungry for Success: A Whole School Approach to School Meals in Scotland”, so health promotion could permeate everything that happened in the school. Of course, the curriculum is key and issues such as healthy eating can be explored through all subjects. For example, physical activity and its implications can be considered in the context not just of physical education but of mathematics and science.

We encourage the active participation of pupils in considering the wider school environment, such as the playground, out-of-school activities and travel arrangements to and from school, which are important. Some schools have majored on physical activity and have taken action such as numbering stairs and providing pedometers. Such schools are very aware of health promotion in relation to everything that pupils do in the school day.

Christine Grahame: We have talked about the issue in relation to school builds and you have mentioned the curriculum. What is the view of the

teachers unions? I have two sisters who are primary school teachers, who tell me that a lot of material is thrown at them but they just want to get on with teaching.

Maria McCann: We have had a positive response from the teaching profession. Health-promoting schools consider the health of all members of the community, including teachers. The Educational Institute of Scotland supports the initiative and has produced its own publication on health-promoting schools. There has been positive coverage of the initiative in *TES Scotland—The Times Educational Supplement* and we think that teachers regard it not as an extra burden but as being for the benefit of all.

Christine Grahame: Attempts have been made to sell off school playing fields—or slices of them. If we want to provide a healthy environment for children, it is important that playing fields that give them space in which to run do not disappear. To what extent will consideration of such matters be fed into the system?

Maria McCann: The benefit of the approach in the bill is that local authorities will be required to include health promotion in their improvement plans, so they will be accountable at strategic level. Authorities will have to take account of health promotion when they make decisions about how to deploy resources or what to do with local playing fields, which will link into school development plans. Health promotion will therefore be in the main stream of local authorities' strategies, which is the best way of providing safeguards in the context that you describe.

11:30

Patrick Harvie: The underlying idea behind health-promoting schools is a fundamentally civilised one, but I wonder how the definition was arrived at. In the document that you mentioned, “Being Well—Doing Well”, health is taken to mean

“physical, social, spiritual, mental and emotional well-being”.

The bill states that health-promoting schools are those which promote the

“physical, social, mental and emotional health and well-being of pupils”.

I would not disagree with leaving out spiritual health, which seems to get us into some deep philosophical areas, but I note the exclusion of sexual health, which is another health area that is significant to the Executive. The Executive's sexual health and relationships strategy has much to say about schools and young people. How did you arrive at the definition in the bill? Was thought given to the place of sexual health?

David Cowan: You picked up the fairly obvious point that we did not want to get into the spiritual element of the matter in legislation. The definition was derived from the World Health Organization's definition, which was filtered through "Being Well—Doing Well", but we modified it slightly for the bill. Sexual health will be covered by the bill because health education is an essential element of health promotion and it will be picked up in the guidance.

It is difficult to pick up each and every element of health-promoting schools in the definition in the bill, but we will provide statutory guidance that will spell out in more detail each element that will be covered. You can rest assured that sex education, drug and alcohol education and a variety of other things will be covered in the guidance for health-promoting schools.

Patrick Harvie: That is reassuring. Will the impact of the health-promoting schools initiative have any other consequences for the guidance? Have any other lessons been learned in developing the guidance?

David Cowan: Yes. In the guidance, we hope to build on existing policy. We have already pulled together expert groups on physical activity and mental and emotional well-being as well as nutrition. Those groups are considering the various elements of health-promoting schools and they have examined existing policies and guidance. We hope that we can take forward any lessons that have been learned from previous policies.

Patrick Harvie: You clarified the point about health-promoting environments, but the definition in the bill mentions the "environment and facilities" of a school. How will they be monitored? What work will be done after the bill is enacted to monitor a school's environment and facilities?

David Cowan: We will be in discussion with HMIE, but it already considers a variety of things to establish whether a school is health promoting. We will look to see whether that approach is robust enough when the bill is enacted. If we need to make any changes, we will do so, but in essence HMIE asks a series of questions and uses a series of indicators to determine whether a school is health promoting. We will re-examine that approach and consider whether it needs to be changed in the light of the bill.

Patrick Harvie: I assume that there will be a single set of guidance that applies to all schools.

David Cowan: That is more than likely. Like other education policies, it will match the three-to-18 curriculum. However, we recognise that some elements of it will not be appropriate for three to five-year-olds, five to 12-year-olds or whatever. It

will be tailored for each level of schooling to make sure that it is appropriate.

Patrick Harvie: So there will not be separate guidance for denominational schools.

David Cowan: No.

Cathie Craigie: What progress have schools made in implementing the current non-statutory nutritional standards?

Maria McCann: We have been monitoring progress through HMIE inspections. HMIE has associate nutritional assessors who are specialists in the field. They have reported that the quality of the food provided and the nutrient standards in the primary sector were good in most of the schools that were inspected—they used a four-point scale in which "good" is the second level and "very good" is top of the scale. There was some way to go because standards were not uniform across all the schools that were inspected. However, HMIE picked out nutrient standards and the quality of food provided as one point on which progress had been made.

Cathie Craigie: That leads me on to my next question. What are the benefits of giving nutritional standards a statutory basis?

Maria McCann: It sends the message that the nutrient standards are not optional, will not go away and have to be paid attention to because they are so important for health.

Cathie Craigie: Why then will the new legal obligation to meet the nutritional standards apply only to local authority and grant-aided schools but not to independent schools?

Maria McCann: The obligation to meet the standards will apply to independent schools where a local authority is purchasing a place for a pupil, but such pupils are a very small minority. We consulted on the coverage of the obligation and were advised that the independent sector should have as little legislative burden placed on it as possible so that it can maintain its independence. Some consultation responses raised that issue, but it was not enough to make a change to the bill.

David Cowan: Essentially, it is not normal practice for the Executive to impose legislative burdens on independent schools as, by their very nature, they are independent. That is Scottish Executive policy. The main reason is that we do not provide funding for meals in independent schools; such funding is the tie that we have with local authority schools that we do not have with independent schools.

However, we do not want to ignore pupils in independent schools, so we have been in touch with the Scottish Council of Independent Schools to talk about the bill. It is actively encouraging the

schools that it represents to implement the hungry for success approach, and it already works with the Scottish health-promoting schools unit. We intend to share any guidance that we issue on health-promoting schools and the new nutritional regulations.

Cathie Craigie: I will certainly want to come back to that point. I understand that private nurseries will be in the same position and will not have to meet the requirements of the legislation. I take it that many local authorities purchase private nursery places, so is it the same answer for them?

David Cowan: No. We considered various possibilities for nurseries. We want to ensure that the same standards apply as much as possible across the nursery sector, so the bill will apply to local authority nurseries. I take your point about purchasing places in private nurseries, but local authorities rarely purchase food provision as part of their nursery provision. Food is generally not an element of the purchase because most nursery children do not get lunch; they get two sessions in one day and lunch is not included. So we considered whether there were better ways to get purchase in the sector and we discovered that the Standards in Scotland's Schools etc Act 2000 gives us the power to issue guidance that covers the whole pre-school sector, nought to three and three to five. I believe that that power is in section 34 of the act.

Gerry Bonnar (Scottish Executive Legal and Parliamentary Services): The power covers local authority arrangements for pre-school education. Where local authorities are making arrangements with private providers, under section 34 of the 2000 act ministers can issue guidance on the purchase of provision.

David Cowan: Basically, we are looking to issue guidance that will cover not only nutritional regulations but health-promoting schools. We think that we are getting better purchase in this sector than we would have if we had limited our efforts to the bill itself.

Cathie Craigie: The legislation will cover lunches and snacks in local authority schools and nurseries. You are probably right to point out that local authorities are purchasing half-day places, which will mean that lunches will not be involved. However, I have visited loads of private nurseries in my time as an MSP and know that they provide snacks just as local authority nurseries do. How do we deal with that issue?

David Cowan: In January 2006, we issued nutrition guidance to all nurseries. It contained menu planning and food-based standards for what should and should not be acceptable. That is monitored by the Scottish Commission for the Regulation of Care. This year, the care

commission will introduce some questions on nutrition to find out what is provided by nurseries. We recognise that we want to instil good habits in kids as early as possible and that nurseries are important in that regard. We are trying to develop an approach that is appropriate to that sector. It is a varied sector, so I think that legislation would not work in this instance. Further, as nurseries have not had the experience of the hungry for success campaign in the past three years, they have not been building up towards the kind of things that it relates to. We want to encourage change in this sector and will be monitoring the implementation of the guidance that we issued in January.

Cathie Craigie: Guidance has already been issued to local authorities and schools, but we are introducing the bill because we are saying that it is better if that guidance is enshrined in legislation. Is it good enough simply to issue guidance to the private sector? Would private nurseries have such a big hill to climb to provide nutritious snacks and light lunches?

David Cowan: I am telling you the advice that we have been given, based on the varied nature of the situation. The pre-school sector contains a variety of groups from local authority nurseries to playgroups with six people in them, which means that the situation is difficult to monitor. We are not going to introduce the same nutrient standards as schools will have because it is not intended that we will conduct inspections across the board in the nursery sector. The care commission is monitoring the situation and we will keep an eye on that to see whether the guidance is being taken forward.

Cathie Craigie: You can be sure that we will come back to this issue as the bill progresses.

What has been the process for developing the regulations on nutritional standards? Will more information be provided to the committee on the content of the regulations?

David Cowan: As part of the process of developing the regulations, we pulled together a short-life expert working group to make recommendations with regard to the nutritional requirements in terms of nutrient-based standards and food-based standards. That group has concluded the majority of its work and will have only one or two further meetings. It has already made the bulk of its recommendations for school lunches and other food that is provided in schools. Ministers are considering those recommendations at the moment and will make decisions about when to share them.

Cathie Craigie: Will the recommendations be shared?

David Cowan: I would expect so.

Cathie Craigie: What are the key differences between the standards, the regulations and the current guidelines?

David Cowan: We cannot say at this point, as the regulations have not yet been decided. As I said, recommendations have been made but, until ministers decide what they want to take from those recommendations, we will not know what the regulations will be. The key difference will be that the regulations will cover all food and drinks that are provided by local authority and grant-aided schools, not just lunches. That means that they will cover food that is available in tuck shops, vending machines, breakfast clubs and so on.

Christine Grahame: Are there exceptions to the requirement to meet nutritional standards?

David Cowan: Yes. The biggest exception is packed lunches; the bill does not cover food that is brought into school. We have also made allowances for school trips, sports days, school discos and cultural events such as Burns suppers.

11:45

Christine Grahame: I hope that you are not suggesting that a Burns supper is not nutritional food. I like tatties, neeps and haggis—they are very good for you. I am sure that you do not want that suggestion attributed to you.

David Cowan: I suppose that it depends on how rich the haggis is.

We are also looking at exemptions for events that are organised by third parties such as parent-teacher meetings and community events that are held in rural schools and there are also health, cultural or faith-based reasons for making an exception.

Christine Grahame: I concede that some of those reasons are common sense, but let us return to the issue of packed lunches. Young children might vote with their lunch boxes, so to speak. They might say, "I am not going to eat the nutritional meal. I will bring in crisps and sweetsies." How can you deal with that, other than acting as the food police for parents or carers? Is there not a danger that that is what will happen?

Maria McCann: The bill does not cover packed lunches, but we want to work with parents on the issue. Many young people will bring packed lunches into school and our health-promoting schools policy will come into play in this regard. We want to share with young people and their parents our knowledge of how to make healthy choices. A strand of work is in place under which we will look at the different channels that can be used to communicate with parents on choices, including for packed lunches.

We also want to communicate with the young people, who have a major say in what is chosen for them. Health promotion—the education side—is crucial and complements the regulations that will affect the food that is served in schools. We want young people and parents to be able to make informed choices about the food that they put into packed lunches and the food that they serve at home. In particular, we want young people to be able to make those choices when they leave school.

Christine Grahame: This is a sensitive area. Rightly or wrongly, there could be quite a bit of resentment from parents.

What action can be taken to engage local businesses such as local shops and cafes that depend on trade from young people? Whatever the time of year, the chippy in Gala is jammed out with young people at lunch time. The bill does not cover food that schoolchildren buy on the street.

Maria McCann: We have discussed the issue with the Convention of Scottish Local Authorities. It is keen to use the community planning process and the influence of local councillors and of communities more generally. We want to take this forward as a discussion issue. We have evidence that shops and mobile units are serving more healthy food and that they have made that conversion as a result of this kind of dialogue. We do not anticipate that every chip shop will change what it serves and we know that it will be a slow process. However, we have the backing of local councillors and politicians and that is a major way to go.

We also want to encourage young people to think about the choices that they make when they buy lunch outside their school. Again, the best way is for them to know what the healthy choice is and encourage them to want to make it. That is not easy. The consultation showed that the tendency is for young people not to make the healthy choice. We have to make it as easy as possible for them to do so. Hopefully, the community will co-operate in supporting them to do that. In that way, a cultural change can be made throughout the whole nation.

Christine Grahame: I am not trying to be difficult, but I note that the consultation did not elicit many responses. In some places—I think that it was Fife—only three people responded.

Maria McCann: Two.

Christine Grahame: I stand corrected. A substantial number—90—responded in Dumfries and Galloway; they really got stuck in. One has to look carefully at the results, as they do not seem to be representative of young people across the country.

Maria McCann: We also did something even narrower. We talked to the pupil council of Notre Dame high school through a videoconference link. When one talks to young people in detail, one gets a sense of their growing knowledge about healthy eating and of a level of sophistication about food choices. They would take more healthy options if there were more choices such as smoothies. We can use knowledge from encounters with young people to try to meet their needs as consumers and customers, but that is only one of many strands to encouraging healthy eating.

Christine Grahame: I hear what you are saying. Smoothies are trendier than the haggis that was mentioned earlier.

John Home Robertson: I will follow up on the important point that has already been raised about chip shops and corner shops. It is not much use to create a healthy eating ethos in a school and persuade parents to send in healthy packed lunches if the school is surrounded by corner shops and chip shops that dole out junk food and generate a lot of litter. That is a genuine problem. I accept that local authorities are trying to engage with the people who are part of that problem but, if we are to legislate on the matter, is there not a case for taking some additional powers of control over food outlets that are within walking distance of schools? I am the old Stalinist on the committee; let us have a go at it.

Gerry Bonnar: In the Executive's view, that is principally a planning matter, so it would not come within the scope of the bill.

John Home Robertson: A planning matter? It is funny that you should say that to the Communities Committee.

Given that we are in the business of legislation, if we are concerned about what school pupils are eating and know that a lot of them are eating fast food from such outlets, surely it would be myopic not to look at the issue.

Gerry Bonnar: To be clear, I am trying to give a helpful legal answer rather than a policy answer.

John Home Robertson: Yes, but we are politicians and you are a lawyer.

Gerry Bonnar: I am sure that my friends will want to assist.

David Cowan: We are aware of the issue. The focus of the bill is somewhat restricted, in that it considers food in schools. It is difficult to encourage healthy eating in a school if there are chip vans right outside or chippies just down the road, but there are also European Union regulations on restrictions on trade, so we must be careful how we deal with the matter. We cannot say that, if food in schools is to be healthy, food outside schools must be healthy. We cannot

achieve what we want in that way; there are other ways of doing it.

We have talked to various local authorities that are taking action on that front. Fife Council has introduced its own healthy food vans, which often sit outside schools and compete with chip vans. Other local authorities are starting to put restrictions on the licences that they issue to chip vans, prohibiting them from operating within X miles or metres of a school. We have pulled that information together and will share it with local authorities so that they can examine what other councils are doing and consider how they can take steps to try to solve the problem.

The Convener: Those are policy issues that we will want to pursue with the minister when he comes to the committee.

Is the Executive concerned at all that the introduction of more stringent regulations will result in a decrease, rather than an increase, in the number of children taking school meals?

Maria McCann: We cannot rule out that possibility and, obviously, we cannot at this stage go into detail on the regulations and the action that they will translate into. When the hungry for success nutrition standards were introduced in primary schools, there was a small decrease in uptake but, now that adjustment has been made, the uptake has righted itself and returned to previous levels. There is a similar pattern with uptake in secondary schools. The target date for the implementation of hungry for success in secondary schools is December 2006, so those schools are going through a similar process.

There have been major improvements, but there is a tendency to react negatively to change even when it is change for the better. We were therefore pleased that the decrease in uptake in primary schools was as small as it was, and that uptake has now risen. By building on the hungry for success policy, and by capturing more pupils as consumers, we aim to increase uptake. However, we cannot guarantee that that will happen.

Dave Petrie: I want to ask about snacks—and I begin by saying that I am not an advocate of the Boris Johnson snacks policy.

As a former teacher, I am slightly concerned about the idea of pupils having something to eat at any time of the day. That seems to be offering an open goal to pupils who want to disrupt the class. I hope that the head teacher would have some control, and that kids would not be able to say, "I feel like an apple," or, "I feel like an orange," at any time of the day, thus disrupting the class. Also, have you considered the impact on catering and canteen staff of offering breakfast or snacks? What benefits to children will the proposed power

for local authorities to provide snacks at school offer?

Gerry Bonnar: The notion of “any time of the day” relates to when the education authority would make arrangements to provide snacks, rather than to when the child would have a right to seek a snack.

Maria McCann: The Education (Scotland) Act 1980 specifies that it is the midday meal that the education authority can provide, but we wanted the flexibility that the notion of “any time of the day” would provide. It is not that the child would be able to have a snack at any time of the day.

Dave Petrie: Okay, but that is not clear in the bill.

Maria McCann: No, and I can understand how you could interpret the provision in that way.

You asked about the benefits to children. You may be aware of our free fruit initiative for primaries 1 and 2, about which independent evaluators have been very positive. Of the school respondents, 90 per cent said that children had been eating more fruit and that there had been changes in eating habits. We have therefore continued with the initiative. Some authorities would like the flexibility to expand the initiative to cover other year groups. You may also be aware that some authorities provide free breakfasts for all primary pupils, all secondary pupils, or both. We want to give authorities the power to do what they already desire to do.

The benefits of children having breakfast have been well documented; when children have breakfast, their concentration and their ability to learn greatly improve. That is why some authorities want to address the issue. The provision of free fruit has been very successful in encouraging good eating habits.

David Cowan: Mr Petrie also asked about catering staff.

Dave Petrie: Yes. I wondered what the impact on them would be.

David Cowan: Many local authorities already provide breakfast clubs of one sort or another, and some clubs are provided by parents or voluntary organisations. Some schools, but not many, bring in caterers; the breakfasts tend to be fairly simple—cereal, toast and juice. We do not have much information, but where local authorities provide the service, it does not seem to create a massive problem for catering staff.

Dave Petrie: I notice that, at present, kids get free fruit three times a week. I take it that, under the bill, that would increase to five times a week.

David Cowan: That could happen, if local authorities chose to provide such a service.

Dave Petrie: Right. Are there any practical difficulties that local authorities might face in making use of the power to provide snacks?

12:00

David Cowan: Not that we are aware of. Maria McCann talked about the free fruit initiative, which most local authorities have found fairly straightforward. There has been the odd mention of difficulty with storage.

Dave Petrie: That is what I was thinking of.

David Cowan: A bit of preparation time has been needed on occasion. Schools and local authorities have found fairly creative ways around difficulties and have managed to provide the service quite happily. We know of one school that used the initiative to involve parents, who came in to help to prepare the fruit.

Dave Petrie: Good. Finally, what are the reasons for not allowing free school meals to be provided for every pupil, as some of the consultation responses suggested?

David Cowan: In its consultation, the Executive sought views on extending eligibility, while making it clear that Executive policy is that we do not believe in providing universal free school meals. The Executive believes that resources can be used much more effectively. We want to target resources where they are needed and to ensure that the families whose children are entitled to free school meals are encouraged to take them up. That is more important than providing free school meals to those who can afford to pay for them.

Tricia Marwick: We have already touched on the point that the convener made about the declining uptake of school meals in secondary schools and the only marginal increase in uptake in primary schools. I acknowledge that the hungry for success initiative will not be introduced in secondary schools until later this year. However, have you identified any reasons for the declining uptake in secondary schools and the only marginal increase in primary schools, even after the hungry for success project, which aimed to increase uptake in primary schools?

Maria McCann: A reason for the decline in uptake in secondary schools that local authorities identified in this year's school meal survey was the adjustment to the new menu. Some also said that they had had teething problems with the cashless systems. We know that there are complex reasons for people choosing whether to have a school meal. The choice is not just based on the food that is available. Young people are highly influenced by their friends, and if their friends want a packed lunch, they might choose to join them. Some older pupils want to get out of school to have a break

from the school environment, just as people want to get out of the office to have a break from the office environment.

In promoting uptake, we have been encouraging local authorities to consider all the factors involved. Some pupils find the dining area unattractive or are put off by queuing or the level of noise. Promoting the uptake of school meals is complex and has to be carried out locally, so that the specific factors that influence pupils can be considered.

The bill proposes a duty to promote uptake. The reason for that is the guaranteed healthy option. Through the Scottish health-promoting schools unit, we support local authority networks so that authorities can share practice and say what works in their locality. In that way, they are able to pick up information and tips.

Tricia Marwick: Is it not worrying that in both primary and secondary schools less than half the pupils have school meals? We have discussed a range of factors, including the built environment and peer pressure. How confident are you that giving legislative status to promotion and to the standard of food will make the breakthrough?

Maria McCann: Our aim is to improve uptake, but we need to be realistic. We do not suggest that 100 per cent of pupils at any time will take school meals, but there is headroom to increase uptake. That will certainly be our aim. The legislative basis will provide a renewed impetus and focus for local authorities, but only time will tell whether that is successful.

Tricia Marwick: The reasons given for the low level of uptake relate to issues that will continue to exist, such as the built environment and peer pressure. Would it not have been better to address the concerns about the built environment and peer pressure before introducing legislation to set nutritional standards?

David Cowan: It is important to consider that issue within the context of the bill's overarching purpose of health promotion. Health promotion involves both ensuring that food in schools is healthy and encouraging kids—we cannot force them—to choose to eat healthy food. A key element of the health-promoting school is to teach kids about healthy choices and healthy eating. Research and experience from elsewhere show that, if health promotion policies are introduced without ensuring that nutritional food is made available in schools, kids will not make the healthy choices. The two things need to be put together; we cannot deal with them in isolation.

With the rolling out of the health-promoting schools policy, we hope that children will make better choices about healthy lifestyles and healthy eating habits. As Maria McCann said, we will

watch the stats to see what happens and we will continue to monitor the situation, but I do not think that the two issues can be separated out. We hope that educating kids and making healthy food available will result in an increase in uptake.

Tricia Marwick: Given that the uptake of school meals is dependent on factors such as parental influence and pupil preferences, what will be the specific impact of the statutory duty on education authorities to promote school meals? Can the Executive set targets for how things should improve when so much is outwith the Executive's control?

David Cowan: Obviously, the hope is that uptake will increase. That is our ultimate aim. The purpose of the duty to promote uptake is to ensure that local authorities are doing what they can to encourage pupils to take lunches by, for example, improving the quality of the food and of the dining experience, ensuring that information is provided on what is available and involving pupils and parents in menu selection. Local authorities can do a variety of such things, but we will be looking for evidence of activities to promote school lunches. That will be the interim measure, if you like. Basically, it will be great if we get an increase in uptake, but we want to ensure that local authorities do not simply sit back and let pupils decide for themselves. We want to ensure that local authorities actively promote the uptake of school lunches.

The Convener: How will the Executive measure the success or otherwise of the new duty on local authorities? For example, does the Executive intend to set targets for the uptake of schools meals in each local authority area?

David Cowan: We do not intend to set targets. As I said, we will look for evidence of promotion of school meals. In the short term, we will measure success through HMIE reporting on how schools are doing with health promotion policies, the hungry for success initiative and nutrition standards in schools. We will continue to look closely at the school meals statistics over the years. Clearly, we hope that uptake of school meals will increase. We will watch the figures and try to isolate the different factors that determine success. In the long term, we will look at national health service statistics to identify whether the measure has helped to improve health in Scotland.

The Convener: What evidence of promotion of school meals will the Executive look for from local authorities? What specific things will authorities be required to do?

Maria McCann: Authorities could take a range of actions, but it is more about the active engagement of young people and parents and

strategic leadership being taken with schools to ensure that the promotion of school meals is a priority. The environment that is provided and the way in which meals are served are among the many other aspects that demonstrate evidence of promotion. There will be variations among localities, but it will be important for schools to understand where they are now, where they want to get to and how they will do that, and to explain their choices coherently. There is no standard reply, but a number of indicators would be used by HMIE when collecting evidence.

David Cowan: The bill will introduce anonymised systems. We will consider whether the removal of any perception of stigma has an impact, and some parents who had not done so previously might encourage their children to sign up for free school meals.

In addition, the Scottish health-promoting schools unit shares best practice among local authorities and we will be talking to HMIE, local authorities and COSLA about the things that they think we should be identifying. Some local authorities use grab bags, which have been quite successful. Other local authorities use different methods to promote their lunches. Promotion might be as simple as posterage or involving people more. A school could ensure that information on entitlement to free school meals is provided more than once a year and that that information is in languages that are appropriate to the community that the school serves.

The Convener: I do not wish to be accused of wanting to tie the hands of local authorities; it is important that they have flexibility. However, it strikes me that if all we are going to do is monitor whether local authorities have made an attempt to promote the uptake of school meals without actually requiring them to take action, we could find ourselves saying in five or 10 years' time that nothing has changed and that there has been no increase in uptake. If we go to any school in my constituency—and probably any school in the constituencies of the other MSPs around the table—we might find a general willingness to promote health and to support children in making the right choices for their diet. However, if we do not impose requirements, we might not get the changes.

David Cowan: We will have to consider that. Judging from our conversations with COSLA, authorities are keen to maintain flexibility in this area, and they would not welcome targets.

Tricia Marwick: You have spoken about promoting school meals, the environment and the various things that you hope individual schools and local authorities will do. What is it about the proposed legislation that will allow steps to be taken in a way that the present system does not?

What is there to prevent individual schools and authorities from doing now all the things that you have said need to be done? Is it not the case that they could all be done already without the bill?

David Cowan: Yes and no. The whole point is that we want to build on the momentum that has already been achieved through the health-promoting schools policy and on the achievements of hungry for success. As I said, hungry for success covers only school lunches; we want to ensure that all food is covered, and that is what the regulations under the bill will do.

During the consultation, we got feedback from teachers that the current health promoting-schools policy tends to operate as an accreditation system, which means more paperwork, more reporting systems and more hoops to jump through. We want to make the policy a central purpose of schooling. The overarching purpose of the bill is health promotion, and it will amend the Standards in Scotland's Schools etc Act 2000. Local authorities and schools will have to set out plans and strategies for health promotion. That does not happen under the current system, which is an accreditation system that each local authority develops differently. We want to ensure as much uniformity across Scotland as possible.

12:15

Christine Grahame: In paragraph 35 of the policy memorandum, the Executive says:

"it is likely that island and remote rural authorities will experience higher costs for ingredients for school meals than other areas as is currently and historically the case."

The paragraph continues:

"It is not anticipated that this will be exacerbated by the Bill."

What evidence do you have for making that statement?

Many burdens are placed on local authorities. Paragraph 37 refers to the recommendations in "Hungry for Success" and says:

"each local authority is at a different stage of implementation and there may be additional costs for some authorities as they adapt to the nutritional requirements and adopt health-promoting schools policies."

Paragraph 37 begins:

"It is difficult to estimate the full financial implications of the Bill for local authorities."

The local authority in my area has projected 1,000 job losses in the next four or five years, because of cuts in its funding. The bill seems very nice—I was going to call it a motherhood-and-apple-pie bill—but what funding will be available to enable local authorities to provide what is required? What representations have you had from local

authorities, which will have to make cuts in the coming years?

David Cowan: The various elements of the hungry for success initiative were costed, and by 2007-08 almost £120 million will have been paid to local authorities to implement the recommendations in the "Hungry for Success" report—as you know, all local authorities should have implemented them by the end of 2006. Money has been made available to enable local authorities to make the transition to healthy school meals and to train staff. Money has also been made available through estates for the upgrading of dining facilities. Hungry for success was costed on the basis of a 6 per cent increase in uptake of school meals, which did not happen, so local authorities have been well funded to make the transition and meet the nutritional requirements. Some authorities have not yet implemented hungry for success, but the money will remain available until 2007-08.

Christine Grahame: Was the money ring fenced?

David Cowan: No. It was provided for nutrition, with a strong recommendation on what authorities should do with it.

Maria McCann: The money was initially ring fenced. The national priorities action fund has existed since 1997 and initially all the various strands of the fund were ring fenced. However, COSLA made strong representations that it wanted the flexibility to be able to transfer moneys, and that flexibility was granted.

Christine Grahame: We might want to ask the minister about money, convener.

The Convener: That is entirely up to you.

We have touched briefly on capacity to deal with an increase in uptake of school meals. If all goes well and the bill is embraced and more children throughout the country begin to take school meals regularly than currently happens, will there be an issue to do with the physical infrastructure of schools? I am talking not just about the size of school dining halls but about the size of kitchens and the number of catering staff. Has the Executive discussed such matters with COSLA?

Maria McCann: Yes. Local authorities frequently discuss such matters. Some authorities have experienced significant increases in uptake across the piece, but the picture varies from authority to authority. Authorities can take action to increase throughput at meal times, by timetabling two sittings, for example. David Cowan mentioned grab bags, which provide a guaranteed healthy packed lunch that pupils can eat wherever they want to eat it. The issue has to be considered on a case-by-case basis. We have declining school

rolls, but that might have a minimal impact on accommodation. There is no single solution that will fit every school, but solutions can be found locally through innovative and flexible approaches.

David Cowan: There have been some interesting examples that will be shared among local authorities. The health-promoting schools unit already has that function, and we will share any other ideas that we come across. I mentioned the healthy food vans that Fife has provided, which have helped to reduce queueing in certain circumstances. Some local authorities are considering options for providing chilled nutritious food through vending machines.

Patrick Harvie: I have a question about physical capacity, especially of kitchens. Is the Executive satisfied that the school building that is taking place at the moment is creating schools that have kitchens that are up to the job of cooking with ingredients, rather than simply reheating and presenting processed food?

David Cowan: That issue was raised during the work of the expert group on nutritional standards, which asked whether the necessary capacity existed. A catering representative on the group informed us that, generally speaking, the phased implementation of the hungry for success programme has meant that school kitchens are equipped for cooking, rather than just reheating.

Patrick Harvie: In existing schools, that is truer in Scotland than in England, where the problem is greater. My question relates to new build. Is the capacity to cook food going in with the bricks in new schools?

David Cowan: I am not in a position to answer that question, but we can get back to the committee on the issue.

Maria McCann: Provision is definitely being made in the authorities with which I am familiar. The public-private partnership schools in Edinburgh, for example, generally have a kitchen, which in some schools has led to an increase in the uptake of school meals. We can provide you with more detail on the situation in individual authorities, if that would be helpful.

Patrick Harvie: It would be helpful for us to get that reassurance.

David Cowan: Some local authorities provide a central service.

Patrick Harvie: A while ago you raised the issue of anonymity. What is the evidence that lack of anonymity is a barrier to uptake?

David Cowan: We have looked at research into the issue. There is no evidence to suggest that, in itself, introducing anonymised systems will result in an increase in uptake. The research tends to

show that whether people qualify for free school meals is not an issue for pupils. However, parents often cite embarrassment or concern that people will find out that their children are eligible for free school meals as a reason for not signing up for them. We want to remove that barrier. We want to reassure parents as much as possible that the systems that are in place are anonymised, so that the issue ceases to be a factor when they make decisions about their children's entitlement to free school meals.

Patrick Harvie: So the evidence does not suggest that lack of anonymity is a barrier to uptake, but the Executive has decided to introduce anonymised systems anyway.

David Cowan: Yes. There is no clear evidence that introducing anonymised systems will result in increased uptake, but we have taken the position that no one and no family should be stigmatised for taking a free school meal. If there is a perception that that could be the case, we want to ensure that we remove it.

Patrick Harvie: According to the evidence that is before me, the expert panel on school meals found that stigma was not the most important factor in influencing take-up of free school meals. The evaluation of the hungry for success programme found that staff and children did not believe that stigma was attached to free school meals at their schools. Given that, what is the reason for removing from local authorities and schools the discretion to decide what is appropriate in their local area? Why are you requiring them to spend money on perhaps quite sophisticated systems to provide anonymity?

Maria McCann: Authorities and schools do not have to use technology to provide anonymity. Some schools use a very simple system that involves everyone sending in an envelope and all children getting the same envelope back. They do not have to choose a cashless system. Often, cashless systems are chosen for administrative reasons and to improve efficiency and effectiveness rather than to provide anonymity, although people in local authorities and others see anonymity as a benefit. However, evidence exists that increased anonymity can be provided. The concern that exists is not strong, but it is sufficient for ministers to feel that it is worth ensuring that nothing will prevent young people from poor families—who could benefit most from school meals, as such meals represent a significant part of their nutrition—from taking up those meals.

Patrick Harvie: You have talked about technological and non-technological systems for providing anonymity. Will you give a clear picture of the systems that are in use? What range of options would a school or local authority have if it decided to or was required to provide anonymity?

David Cowan: There are various options, but we know most about cashless swipe-card systems, which many local authorities have introduced or are introducing. In primary schools in particular, most children still rely on some form of system in which everyone has the same ticket and payment is anonymous. There used to be differently coloured tickets for different meals, whether or not the meal was free, but most people have now moved to the ticketing systems that have been introduced.

Patrick Harvie: Does the Executive have any preference?

David Cowan: No, as long as the system provides anonymity.

Patrick Harvie: I wonder whether the Executive has thought about the possible unintended consequences of using cashless swipe-card systems. I have spoken to people who share my concern that the cost of such systems will be paid for in consumer debts in 20 years' time. Has any thought been given to the unintended consequences of encouraging children to get used to putting things on plastic?

David Cowan: Not that I am aware of, but we can check that with colleagues.

Patrick Harvie: I have a final question on the decisions that the Executive took before making its proposals. Obviously, a range of diversity issues can lead to stigma and bullying in schools. Such things could be the result of a person's behaviour, religion, identity or economic status. We can try to remove visual signifiers of diversity or try to ensure that diversity does not lead to bullying or stigma. Has the Executive made a philosophical decision on which approach it will take in that respect and on whether removing visual indicators is necessary to prevent bullying and stigma? Perhaps that is a question for the minister.

David Cowan: Perhaps it is.

Dave Petrie: I have experience of a swipe-card system from the most recent school in which I taught. Such a debit system is a great way of preventing stigma. Kids stick money on to it and build up money, while kids who get free meals simply hand over the card and the other kids will not know that they get free meals.

Patrick Harvie: Some will hand them in and some will not.

Dave Petrie: Well, maybe. Approximately what proportion of schools currently operate cashless systems?

David Cowan: I do not know the exact figure, but we could probably get that information. Around 71 per cent of secondary schools and 40 per cent of primary schools have anonymised systems.

Secondary schools use the majority of cashless systems, which are more appropriate in those schools because of the larger services that are available. We do not know the exact numbers, but I think that all the secondary schools in Glasgow use or intend to use such systems.

Dave Petrie: From my experience, I would certainly recommend such systems. I hope that they will be encouraged.

The Convener: As members have no more questions, I thank the witnesses for attending the meeting. I am sure that this will be the beginning of meaningful engagement on the bill over the next few months.

There will be a brief suspension to allow the witnesses to leave.

12:30

Meeting suspended.

12:31

On resuming—

Subordinate Legislation

East Dunbartonshire Council (Lenzie Moss, Lenzie) Compulsory Purchase Order No 1 2002 (SE 2006/162)

The Convener: The fourth item on the agenda is subordinate legislation. The order that we are considering authorises East Dunbartonshire Council to compulsorily purchase three areas of ground for the purpose of securing the redevelopment and improvement of the land and of the area in which the land is situated for leisure and recreational purposes. The compulsory purchase order is made under section 189 of the Town and Country Planning (Scotland) Act 1997.

The order is laid before the Scottish Parliament under article 7 of the Scotland Act 1998 (Transitory and Transitional Provisions) (Orders subject to Special Parliamentary Procedure) Order 1999. In accordance with that provision, if the Parliament does not resolve to annul the CPO within 40 days of it being laid, the CPO will come into operation on the expiration of the 40-day period.

Do members have any comments?

Christine Grahame: I have a couple of casual comments to make. I was surprised to see that the owners of all three bits of land are unknown. I find that quite interesting as we are supposed to know who owns land in Scotland. On a more serious point, I notice that the council agreed to seek permission to compulsorily purchase the land on 26 February 2002 and that it took ministers until May 2006 to confirm the authorisation. I do not know whether it usually takes four years to get assent for a CPO. Now that I have put that point on the record, I will find out the answer for myself.

Tricia Marwick: In my discussions with local authority officials, I have been told that there are long delays, which cause local authorities concern.

The Convener: Do members want to write to the minister to ask about the general issue of the progression of CPOs, putting to one side the other matters relating to the CPO?

Members indicated agreement.

The Convener: Is the committee content with the compulsory purchase order?

Members indicated agreement.

The Convener: In that case, the committee will make no recommendation on the order in its report to Parliament. Do we agree to report to Parliament on our decision on the order?

Members *indicated agreement.*

12:34

Meeting continued in private until 13:05.

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