

LOCAL GOVERNMENT COMMITTEE

Monday 26 June 2000
(*Afternoon*)

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2000.

Applications for reproduction should be made in writing to the Copyright Unit,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now
trading as The Stationery Office Ltd, which is responsible for printing and publishing
Scottish Parliamentary Corporate Body publications.

CONTENTS

Monday 26 June 2000

	Col.
TRADE UNIONS DAY	1059

LOCAL GOVERNMENT COMMITTEE

22nd Meeting 2000, Session 1

CONVENER

*Trish Godman (West Renfrewshire) (Lab)

DEPUTY CONVENER

*Johann Lamont (Glasgow Pollok) (Lab)

COMMITTEE MEMBERS

*Colin Campbell (West of Scotland) (SNP)

*Mr Kenneth Gibson (Glasgow) (SNP)

*Donald Gorrie (Central Scotland) (LD)

Mr Keith Harding (Mid Scotland and Fife) (Con)

*Dr Sylvia Jackson (Stirling) (Lab)

Mr Michael McMahon (Hamilton North and Bellshill) (Lab)

*Bristow Muldoon (Livingston) (Lab)

*Mr Gil Paterson (Central Scotland) (SNP)

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

*attended

WITNESSES

Douglas Black (Unison)

Jane Carolan (Unison)

Joe Di Paola (Unison)

Brian Docherty (Amalgamated Engineering and Electrical Union)

Sandy Fowler (Educational Institute of Scotland)

Richard Leonard (GMB)

Ian McKay (Educational Institute of Scotland)

Alex McLuckie (GMB)

Anne Middleton (Scottish Trades Union Congress)

Alan Ritchie (Union of Construction Allied Trades and Technicians)

Grahame Smith (Scottish Trades Union Congress)

Rab Stewart (T & G Scotland)

Richard Whyte (T & G Scotland)

CLERK TEAM LEADER

Eugene Windsor

SENIOR ASSISTANT CLERK

Irene Fleming

ASSISTANT CLERK

Craig Harper

LOCATION

The Corinthian, Glasgow

Scottish Parliament

Local Government Committee

Monday 26 June 2000

(Afternoon)

[THE CONVENER *opened the meeting at 13:33*]

The Convener (Trish Godman): Good afternoon, comrades.

Colin Campbell (West of Scotland) (SNP): Good afternoon, commissar.

The Convener: I ask visitors and members of the committee to switch off mobile phones, as it interferes with the recording if mobile phones are switched on. Today we are meeting in Glasgow, in more posh circumstances than normal. That is very welcome.

Before we start, I ask the committee whether it would be prepared to consider item 4, which is a draft report, in private. Is that agreed?

Members *indicated agreement.*

Trade Unions Day

The Convener: Today we are having a trade unions afternoon, to which I have been looking forward for some time. I am sure that the same is true of other members. We will follow the usual pattern. The trade unions involved will give a short presentation and we will then ask questions.

We will start with the Scottish Trades Union Congress. We have with us Grahame Smith and Anne Middleton, whom we know from past experience. They will give us a short presentation before taking questions. I welcome both of you to the trade unions day and to Glasgow. It is good to see you again.

Anne Middleton (Scottish Trades Union Congress): Thank you. For those who do not know me, I am Anne Middleton, the general council spokesperson on public services. Grahame Smith, who is perhaps a better-kent face, given that he is often in the media, is the deputy general secretary of the STUC.

I thank the convener for her very warm welcome. The STUC is delighted that the committee has decided to have a trade unions day and to take evidence from us. The STUC is part of that exercise.

Given that there is such a wide array of experiences before us, we thought that it would be helpful to give a small presentation on the STUC.

The STUC has a membership of 46 affiliated trade unions, and we represent approximately 630,000 workers in Scotland, covering all industries and occupations. We have a large membership interest in local government, as a considerable proportion of our membership is in local authority employment. We cover all sectors of public service, particularly local government and occupations associated with local government and the voluntary sector. It is increasingly difficult to differentiate between services that are operated directly by local government and those that are operated by what is known as the third sector.

The STUC's concerns about local government are not simply a reflection of the concerns of our affiliates in local government. We have a great interest in the provision of local government services, because the majority, if not all, of our members are users of those services. They are also national and local taxpayers, contributing to the provision of local government services. Arguably, the STUC is the largest consumer organisation in Scotland, given that it has a membership base of 630,000 people. Through our trade union councils, we have links with local communities.

We have democratic structures through which we take decisions on issues of the day, particularly issues that affect the lives of our local communities. Our policy-making forum is our annual conference, and delegates from STUC-affiliated unions and trade union councils, along with representatives of our youth conference and black workers conference, attend congress and submit motions, which are debated. We also elect our STUC general council, of which I am a member, on an annual basis. The council implements congress policy between congress meetings.

Every year there are many motions at congress that relate to local government. At this year's congress there were motions dealing with funding of public services, including local government, the role of local government in economic development, the role of direct labour organisations, the transfer of council housing and the best value regime. Those motions were all directly related to local government. However, almost every motion on our agenda was relevant in some way to local government in Scotland. That says something about the pivotal role of local government in the Scottish economy and Scottish society.

Between congresses, the STUC's policy development process involves consultation with our affiliates on policy matters, particularly policies emerging from the Executive or the Parliament. Currently we are considering new arrangements for policy development that should enable the

STUC to become more proactive in public policy debates. Those who have an understanding of the STUC will recognise that we have always been proactive and that often we do not wait to be asked, but are at the forefront from the start.

Another issue is how we work with our local government affiliates. I stress that the STUC has no collective bargaining role. We do not participate in the negotiations that take place on behalf of local government workers. There are well-established relationships and negotiating machinery at all levels in Scotland. However, in some instances, we have provided support to our affiliates in disputes. Committee members may want to bear that in mind.

We also have a role in co-ordinating trade union responses to any consultations, such as those on the introduction of compulsory competitive tendering, best value and the reorganisation of local authorities. We have been instrumental in establishing the arrangements for the Scottish local government forum, which involves the Convention of Scottish Local Authorities, the Scottish Executive, the Scottish Parliament, the Local Government Committee and the STUC's local government affiliates. We believe that forum to be extremely important to the way in which we will progress with partnership arrangements in local government.

Key principles characterise our policy. They have been well rehearsed, but I will repeat them for those who have not heard them before. We consistently argue for strong, effective and democratic local government, and for the legitimate role of councils as direct providers of services. We believe that decisions should be taken at the lowest level—that is, the most local level—that is appropriate for effective decision making. We also believe that local authorities should have a power of general competence. There should be a fundamental review of local government finance to deal with the annual financial crises. We have brought that issue to the fore in discussions with MSPs and other levels of government, and we are pleased that this committee is taking the initiative.

Challenges are being posed in the modernisation of local government, but they are also opportunities for the STUC. We are keen to develop effective partnership between local government and trade unions. We see a key role for trade unions in developing policy for local government and taking it forward; that would be better than finding ourselves at the end of the line, receiving a consultation document when much of the thinking on policy development had already taken place. We are keen that local government and local democracy should be at the core of everything, and that the trade unions and the

STUC should play a pivotal role in determining how modernisation should advance.

The Convener: Thank you, Anne. Grahame, would you like to add anything just now?

Grahame Smith (Scottish Trades Union Congress): No, but we are happy to respond to any questions.

The Convener: We have had two meetings of the local government forum. There have been representatives from this committee and from the Executive, and the meetings have been worth while. We do not always agree on everything, so the meetings are interesting. I hope that those meetings are the start of a good relationship. At the last meeting, the Minister for Finance, Jack McConnell, was there with Wendy Alexander and Frank McAveety, and I was there too. It was new for the trade unions and for COSLA, which had never had that kind of experience at Westminster. I do not know whether that is good or bad, but I am sure that we can build on it.

Donald Gorrie (Central Scotland) (LD): Although I accept that the STUC is not involved in wage bargaining, I feel that, because of your wide remit, you are in a useful position to give us a view that other people cannot. Many people are concerned that private sector wages are outstripping public sector wages. I am sure that you could find individual examples to the contrary, but I feel that the wages of many professional and administrative people in local authorities are falling behind their counterparts in the private sector. Does the STUC agree with that and, if so, is there anything that you or we can do about it?

Anne Middleton: It is always helpful for a committee such as this one to undertake research into salary levels and their effect on the Scottish economy. For many years, wages in not only local authorities but many public services fell sadly behind those in the private sector. The biggest issue facing many public services is that there has to be full funding of any pay award. As I said, neither Grahame Smith nor I have been party to the detail of the discussions, and it is unlikely that we will be. From our experience, however, and given the financial constraints under which local government has operated for a long time, wage awards from public sector employers should be funded, rather than the employers having to find the award out of existing resources.

Mr Kenneth Gibson (Glasgow) (SNP): How would you like the role of direct labour organisations to develop over the next few years?

13:45

Grahame Smith: We have consistently believed that services are most appropriately provided to

the public when they are provided directly by local authorities. The best value regime presents a number of challenges for all types of council services. The STUC has co-ordinated the work of our affiliates in making an input to the development of the best value regime. We are comfortable with the way that that regime has developed. We believe that local authority DLOs can continue to prosper under that regime in a way that they could not under the previous CCT legislation. We look forward to that legislation being removed from the statute book.

DLOs are not afraid of competition but, in the provision of services, there has to be a level playing field for DLOs, the private sector and the voluntary sector. That may require changes to legislation. We must ensure the payment of fair wages. When services are being reviewed, and when council DLO services are being compared with the private sector, we must take into account the role of DLOs in providing training for young people and in employing local people, and the contribution that they make to the broader social inclusion agenda.

Dr Sylvia Jackson (Stirling) (Lab): I do not think that we have yet received any information on the local government forum—

The Convener: Apart from the feedback.

Dr Jackson: Yes. The local government forum will bring all the different sides together in a negotiating—no, negotiating is the wrong word—in a forum for discussion. How do you see that forum operating, and what is its potential?

Grahame Smith: As the convener has said, it is early days. The STUC was in the forefront of discussions that took place with COSLA and with Scotland Office ministers as well as the new Executive ministers about the establishment of the forum. On the policy initiatives that affect local government both directly and indirectly, we were concerned that the trade unions did not have an opportunity to make an input until the initiatives were at the point of being put out for consultation, by which time they were fairly advanced.

We were keen that there should be an opportunity for the unions, working in partnership with COSLA, the Executive and this committee, to consider future policy initiatives and to be able to make an input at the conception of policy, rather than much further down the line at the consultation stage. If it operates effectively, we think the forum has great potential. We must ensure that we have a forum at which the local authorities' point of view comes from COSLA, the work force's point of view comes from the STUC and affiliated unions, and the arms of Government are represented as well. That will be good not only for the people whom we represent, but for developing effective policy

consensually.

Mr Gibson: Anne Middleton said that the STUC supported strong, effective and democratic local government. Will you expand on that, with special regard to the Kerley report? What are your views on proportional representation for local government?

Anne Middleton: We have not seen the Kerley report. I know a lot of it has been leaked but it will not be published until tomorrow. Local authorities have been most interested in proportional representation. The STUC does not have a policy position on that in local government at the moment, although we supported the new voting method for the elections to the Scottish Parliament, including the link with constituencies and gender balance. At present we cannot comment on the voting method for local government.

Grahame Smith: Most of the debate has been around the electoral system, but the issue is much wider. The electoral system is very important, but how local authorities engage with local communities between elections is worthy of greater consideration. A number of local authorities are looking at different ways of consulting with their communities and involving them in decision making. Authorities must be congratulated for such initiatives, but much more needs to be done to ensure that, between elections, communities are able to contribute to decisions taken on the provision of services. That is built into best value and is something we were keen to see built in, alongside trade union involvement, not just because of the union interest in relation to the people represented who work in local authorities, but because union members are people who use local authority services and pay for them. There is a large body of opinion at local level that could make a very good contribution to how authorities operate and to ensuring that what they do reflects the communities they serve.

Mr Gibson: I agree with Grahame Smith. This committee takes on board the wider aspects and, even before Christmas, we were discussing those issues. Just as debate on the Ethical Standards in Public Life etc (Scotland) Bill focused almost wholly on one aspect of a bill that had 27 sections, so the PR issue may dominate this discussion. As a committee we will discuss all the issues, but PR is likely to get more than its fair share of publicity.

Mr Gil Paterson (Central Scotland) (SNP): What is your view of service delivery and quality in the public sector compared to the private sector? Is there a discernible difference?

Anne Middleton: We have found that public-private partnerships with private companies delivering a number of public services can be very

efficient and also can be problematic. When private companies took over public services some years ago, they reduced wages dramatically and some of the quality standards fell equally dramatically. As Grahame Smith said earlier, apprenticeships disappeared. We and our affiliates strongly believe that the best way to provide public services is through those directly employed in those services. We do not, however, rule out doing that in co-operation with the private sector as long as the same standards of quality and public sector employment conditions apply, rather than profit for the company at the expense of the workers.

Mr Paterson: Does that mean we need to tighten up the tendering process to create a level playing field?

Grahame Smith: That issue needs to be addressed and we have been trying to do that through the best value regime. We were pleased that quality was emphasised as a determinant of service provision rather than cost only. We see a very clear connection between the quality of service provision and fair employment. Employers who look after their staff, pay them properly, offer good terms and conditions, train them and provide them with good pension schemes get the best out of their staff. That makes a big difference to public service provision because the staff have the greatest input to that. Employment policy is a reserved issue so we have to consider what impact the Scottish Parliament can have, but we hope that ways can be found to eliminate some of the problems that we have identified with contract compliance and the application of the lowest common denominator approach to tendering.

Johann Lamont (Glasgow Pollok) (Lab): How well do you think the balance across the different layers of government has been struck, now that we have a year's experience of the Parliament? Local government was anxious that the establishment of the Parliament would draw up powers from local government, which would affect the ability of the unions to impact on local services and employment. How do you see that working now, and how best can we sustain and develop local government's position?

Grahame Smith: We have not seen that drawing up of powers since the Parliament was established, but a number of the powers of local government were undermined before then. We see a healthy relationship between the Parliament and local government developing. Nevertheless we must be cautious about the future of local government. There has been uncertainty about that, perhaps inevitably emerging from the McIntosh commission. With the Executive's proposal for a green paper in the autumn and debate on that leading to legislation we hope that there will be greater clarity about the future role of

local government and its relationship with the Parliament and that the role of local government will be clearly enshrined as part of democracy, so that local government and local authority workers do not see themselves as under threat as they have done for the past 20 or so years when it seemed that those in power did not favour local government and did not support local democracy in the way we want to see.

Colin Campbell: Anne, you mentioned subsidiarity in your introduction. We all believe in that to some degree. Presumably you do not think there is enough subsidiarity at the moment. Can you expand on where you would like to see more subsidiarity? What powers would you like to see being passed to local government?

Anne Middleton: I would take it further, from local government to local communities. The McIntosh report recommended greater decision-making powers and accountability in local communities, which we want to see. Some good work is being done through the leadership advisory panel under MacNish, discussing with local authorities how they can make themselves more accountable and ensure greater decision making at local community level. Some of that has meant working with community councils. Other councils have set up youth forums to interest and involve young people in public life. At present many of the decisions that impact on local communities are seen as divorced from those communities.

From a trade union perspective, subsidiarity means getting decision making into local communities; it also means including discussions with workers in the community and the users of services. That is the kind of devolved decision making we would like to see in Scotland.

Colin Campbell: I have been in community councils, and I know how frustrating it can be when there is nothing to spend at the end of the game. I am sure that you would agree that a consultative process in itself is insufficient. People have to exercise power and that means spending money. How do you feel about that?

14:00

Anne Middleton: Community councils may not be the correct way forward. The McIntosh report recommended that community councils be considered, but that does not necessarily mean that that is the correct methodology for the local decision-making process. It could be a matter of setting up devolved area structures, which many local authorities are considering in order to divide their budgets into particular areas. That will allow consumers, users of the service and people who work in the service to contribute and to have an

element of budget for their local area, bearing in mind the parameters that the local authority has set for spending.

This is all to do with accountability. We have entered into a process that involves a willingness in principle to consider far greater involvement in the community, but I do not think that there is a right way and a wrong way. It is for each local authority to determine what is the best and most appropriate method for it. Community councils represent one method; they may not be the most appropriate, given that many of them are completely stagnant and would simply replicate the lack of accountability that we have had in local communities.

Grahame Smith: I wish to comment briefly on the powers that should be given to local authorities. The starting point for this debate was probably when powers started to be removed from local authorities—for example, the responsibilities for further education colleges and for the provision of water and sewerage services. Since then, the trade union movement has not had a proper debate on what is appropriate for local authorities to deliver. There is a need for that issue to be examined.

We supported the recommendation in the McIntosh report that, in any discussion about the provision of services or about any new service, the local authority should be accorded its place as a possible service provider. I do not see that happening. A lot of people take the view that local authorities are last in the line when anyone is considering how a new service is to be provided. That has to change. Local authorities have to be considered. Because of the role that they play, because they are democratically elected, and because they have the potential to have much more contact with communities, local authorities must be given proper consideration as service providers in a range of areas.

Donald Gorrie: Does the STUC have a view on whether council employees should be allowed to be councillors while still working for a council, or is that an issue that you leave to the individual unions that cover local government?

Anne Middleton: We have a view.

Grahame Smith: We have a clear policy position—he says.

The Convener: Are you trying to remember what it is?

Grahame Smith: It is all right—I know what it is. We think that it is incredibly unfair that local authority employees should have to resign in order to stand for election; we are pleased that that situation is to change.

We also think it unfair that local authority

employees should not be able to stand for election to councils for which they work. We recognise that there could be conflicts of interest, but we believe that that can be taken into account through the establishment of codes of practice. I may be wrong, but the Ethical Standards in Public Life etc (Scotland) Bill may also have a role in ensuring that conflicts of interest can be adequately resolved.

On the restriction of people's political activity, we believe that it is entirely inappropriate to use a level of salary as the measure against which such decisions are taken. It is much more appropriate to use the type of job as the criterion for judging whether they should be politically active.

Donald Gorrie: Good—10 out of 10 for that answer.

Dr Sylvia Jackson: I want to follow up Kenny Gibson's question about PR. I was pleased to hear what you said about getting away from the media focus on PR and into the wider issues. I liked your comment about the importance of local democracy operating between elections—Anne Middleton went on to say quite a bit about that.

Could you make a few more comments about the issues that you think the media should cover in relation to PR? The first issue that the committee has considered relates to the roles that we want councillors to take on. The second is the flexibility that may be required because of the different sizes and types of authorities and how that can be resolved through finding an appropriate system, whether that is PR or not PR. Do you agree that the press should discuss such issues, rather than focusing on section 2A-type arguments, for example?

Anne Middleton: On the role of councillors, the STUC gave detailed replies in all its responses to the McIntosh committee's consultation documents. We made it clear that we were keen for the role of the council to be clarified. We welcome much of the work that I understand COSLA is now doing on the remit of councillors and on a training and development programme for councillors. We have said for many years that, if people are properly trained for a job, they will do it far better than if they are flung in at the deep end. Given the role that councillors play in society, some of the recommendations about their role are very welcome.

I repeat that we do not have a position on PR, although that matter will gain press and other media coverage when the Kerley group reports. We are far more interested in the accountability of the local authority and how that affects the local community.

There will be much debate on PR. Given the way in which our Scottish Parliament is elected, it

is only right that there should be a review of elections to our local authorities, just as there might be a review with respect to our national Parliament—as the change has been made, it is correct that other issues should be reviewed. As for PR, we will not be pulled in at a committee such as this to say one way or the other whether we are for or agin PR.

Dr Jackson: I was not pressuring you into saying that. I was asking whether you agree that it is important to keep a handle on the wider issues and not to be drawn into the media coverage aspect.

Anne Middleton: Yes.

The Convener: I thank you very much for coming along. It has been an interesting half-hour. I hope that it passed quickly for you, and that you were not bored. Like you, the committee looks forward to the publication of the Kerley report. Like you, too, I am looking forward to the Scottish Executive's final response to the McIntosh recommendations, which will have serious implications for local government.

I am particularly interested in the debate on what local government provides. As Anne Middleton said, Kerley has recommended that the first port of call for the provision of services should always be local authorities. The question should be, "Can the local authority provide services, and if not, why not?" The committee may want to consider that in depth later.

The Executive has to be congratulated—I suppose that that is the word that one uses—because it has moved on restrictions on political activity, on the power of general competence and on deciding eligibility on the basis of salary, which was not a sensible approach to allowing people to engage in political activity.

I hope that the committee will continue to have links with the STUC in particular, but the process has to be two-way. If matters are worrying you, or if there are things that you think we can help you with or discuss with you, you should get in touch with us. You must remember that we are not a limb of the Executive and that we never will be—we are a committee of the Scottish Parliament. You can use us as indeed we can use you. Thank you for giving us your time; I am sure that we will see you again.

Anne Middleton: Thank you.

Grahame Smith: We welcome the opportunity that we have had to take part in today's discussion. We have given evidence on other issues, but we see this as the start of a broader dialogue with the committee. We take your point about initiating discussions with the committee and we look forward to further discussions that the

committee initiates with us.

The Convener: Our next witnesses are from the GMB and the T & G. It is rather warm in this room and Rab Stewart has asked whether he can take off his jacket—I hope that that does not mean that he is about to have a big fight with me.

The representatives from the GMB are Alex McLuckie and Richard Leonard and the representatives from the T & G are Rab Stewart and Richard Whyte. You are welcome to make some brief opening remarks before I open up the discussion for questions.

Richard Leonard (GMB): On behalf of the GMB—and I think that I can speak on behalf of the T & G—I welcome the opening of this dialogue. It is important to have such dialogue outwith crises and catastrophes; on-going communication will allow us to deal with particular problems more easily.

We have submitted written evidence to the committee; I apologise that it arrived rather late. We will not go into detail on that evidence in our opening remarks, but we are more than happy to take questions on the submission. The issues that we have raised cover everything from best value—the T & G will address that—to electoral reform, the finance of local government and partnership working. We think that the area in which we—as opposed to the STUC—can add value to the committee's work is in drawing out employment-related issues. Currently, the big issues for us are those that arise from staff transfer, whether from private finance initiatives or from the housing stock transfer proposals.

I will hand you over to Alex McLuckie, who is head of the public services section of the GMB in Scotland.

14:15

Alex McLuckie (GMB): We are aware that there have been changes to the way in which local government services are delivered. There is increasingly mixed provision of services. The housing stock transfer proposals suggest that the way in which we manage housing in Scotland is about to change fundamentally. The use of PFI will lead to changes for many local government employees. When we consider employment-related issues, we are doing so in that context.

Before I go into that, I should point out that we see a particular difficulty with PFI schemes, as it seems that such schemes are local government's only option for new build or refurbishment. That is slightly different from other areas of public service where there is a public sector comparator—if the public sector comparator shows that provision of money from the public sector provides best value,

that route is open, except in the case of local government. That issue is dealt with in paragraph 6 of our submission, where we refer to the review of local government finance.

As well as employment conditions, we must consider job security. We would like continuing job security for our members who work in local government. In particular, we are concerned about the ability of direct labour organisations and direct service organisations to provide services once the housing stock transfer takes place. If such transfers become fixed Government policy, it would be right for those people who currently deliver the services to be given the opportunity to continue to deliver them, particularly when their service is deemed the best value option. We must examine the ability of DLOs to compete for work in a wider area, because of the changing environment in which we are now working.

The majority of the people whom we represent are manual workers. It is mainly manual workers who are affected by public-private partnerships, private finance initiatives and best value. For example, in our experience of PFI, the group of workers who are most affected are women and part-time workers. In a time of change, such employment issues are important.

In March 1999, GMB launched a fair employment agenda for local government employees in which we addressed those issues. We refer to that in paragraph 3 of our submission. We would like a repeal of compulsory competitive tendering. That has already taken place south of the border and we would like similar steps to be taken in Scotland. We want a change in the legislation to allow non-contractual matters, such as training and equality issues and terms and conditions of employment, to be taken into account.

The examination of pensions is crucial to any change in employment. Many people have been members of the local government pension scheme for a great many years and there is still no legislation in Scotland to protect pensions when there is a transfer of employer. The Executive is considering introducing legislation that will be retrospective—going back to 13 January.

There is a fundamental flaw in the current legislation in England and Wales, as the private sector employer has the final choice on whether there is admitted-body status. I would like the position to be different in Scotland. There should be an obligation on any new employer to take the route of admitted-body status for people transferring to the private sector. We would also like the current arrangements for wage negotiations or national negotiations with COSLA on terms and conditions to apply after transfer.

More widely, we are concerned about some reserved matters, such as the Transfer of Undertakings (Protection of Employment) Regulations. We think that there should be additional protection on pensions. We know that a review is under way on the transfer of undertakings legislation. That review should ensure that pensions are covered by any transfer of undertakings legislation.

We should look at local government goods and services legislation to ensure that our members who are employed in DLOs and DSOs are able to compete for work. People talk about a level playing field. In local government, sometimes the problem is getting on to the pitch. There have been moves to resolve that in the private finance initiative. We would like those to be extended to ensure that DLOs and DSOs can compete more widely. We also think that training issues and equality issues should be considered when private sector employers are involved.

Rab Stewart (T & G Scotland): I have been very remiss. It was not until everybody else's papers were faxed to me at about 12 o'clock that I realised that I had not provided any background on the T & G's involvement in local government. We have a direct input into local government through our membership, which is somewhere in the region of 19,000. We also represent about 7,000 people in the voluntary sector and in housing associations, as well as others in local authority competitors. Like the GMB, we deal with many people in building services in other sectors through our trade groups. We have 8,000 members in private building, civil engineering, plant hire, catering and cleaning companies throughout Scotland. You will understand that when we refer to our membership we do not just mean people working directly for local authorities, as some work for local authorities indirectly. There are also the people who provide the materials.

Our union is committed to direct service operations, as they are carried out by workers who live, work, eat, sleep and drink in the community. Because they have to live in the community, they do a good day's work. It is the worst thing in the world to walk into a supermarket or a pub and be faced by someone saying, "You worked on my hoose and it was rubbish." We are committed to direct service operations because the people carrying out those services are committed to them.

When we were asked to prepare a submission on best value, staff transfer employment issues and recommendations from McIntosh, I thought, "My God, how long did they say we were getting?" However, I will cover some of the main points. The T & G's local government committee, which is made up solely of members who are employed in local government, has been meeting over the past

two years. As you will see from our submission, we have six main objectives.

Sometimes we had to recap on exactly what best value meant. For example, many aspects of best value—such as drawing up an annual performance plan showing authorities' intentions and how improvements can be made to services on a continuous basis—are frightening to some people, because they have never experienced them before. We have had difficulties on the employee front, as best value has been used as a threat rather than as a tool with which to get things done—there is a lack of understanding.

Many authorities were attracted to the idea of externalising services because they felt that they would not have to deal with the problems if they did not provide the services directly. If the performances of local government and private, voluntary and other bodies are compared, it can be seen that the best is impressive, the worst is absolutely outrageous and the average is not good enough. Trade unions recognise that, if something is not good enough, we have to do something about it.

Our members' real problems with best value related to the question of whose hands the tool of best value was in. It is like living next door to the guy in China who invented gunpowder: it was great when it was for his use and that of his neighbours, but then he started selling it to other people. Our worry is about what will happen with best value if there is ever a change of tack or a change of Government. What principles of best value can be held on to as best practice and what aspects of it can be used as a tool to get rid of direct services? At first, we had difficulties with a number of areas of best value. Things are now beginning to get better, because we are dealing with employers who are starting to think ahead and are asking what best value is really about—some local authorities are trying to do something that really means best value and is not just a service review. We are getting into the nuts and bolts.

The T & G, the GMB and Unison have jointly been addressing the matter of a single status programme, which we think is the catalyst for best value. We are considering matters such as job evaluation. That is giving us the chance for the first time to examine not just what exists and how that can be evaluated, but how we can improve service provision and how we can evaluate jobs to help to do that. We think that the single status programme and job evaluation are the catalysts for best value. We are starting to consider what we want from local government services as opposed to trying to rejig the same thing.

We listed a number of important areas on best value. As Alex McLuckie talked about employment

issues, it would be remiss of me not to talk about them, too. If we benchmark private companies against local government on conditions and pensions before they are allowed to compete, we may take a different view about who are good and fair employers. Unfortunately, I am involved in between 20 and 25 industrial tribunals a year. The largest part of my membership is employed by local authorities. In Scotland, one in five people is employed in local authorities, but 99 per cent of those tribunals relate to private companies. Local government is a large and fair employer.

We need to take account of those difficulties. Councils came out quite well in a study that was carried out in the 1970s into local authorities' terms and conditions, as compared with those of outside contractors and private industry. Although wages were lower in local government, conditions were better. Workers had a pension scheme, a sick-pay scheme and holidays that they would not have had in the private sector. The problem is that externalisation involves employers who do not have decent pension schemes, decent holiday schemes or decent sick-pay schemes. We are talking about employers that in some areas may pay higher wages, but in other areas may pay lower wages. We have a real difficulty with transfers of local authority workers that take place without the safeguards to which Alex McLuckie referred, such as acquired status, especially with regard to pensions.

Since CCT was introduced, we have come a long way on admitted-body status and local government pension schemes. Consideration is now being given to allowing workers who transfer to remain on what is a relatively good occupational pension scheme. We need a new, stronger, clearer TUPE to set guidance. At the moment, TUPE is a bit of a mishmash. There are situations in which it is believed that TUPE lasts for a month or a year—

14:30

The Convener: I must interrupt you. TUPE is a reserved matter. Although we sympathise with what you are saying, the committee cannot respond to that. We can return to the issue in questions.

Rab Stewart: Public-private partnership is linked to employment issues. My primary task as a trade union official is to do my job. If we, the public, want a new school and the only way of getting it is through private financing, that is the choice that we have to make. The same is true if we want a new hospital or leisure centre. Our membership supports PPP if that is the only way of delivering to the community what it needs. We appreciate that we are mortgaging our future and increasing our long-term debt, and that there might

be increases in charges to users. However, if our members think that PPP is the way forward, we will support them fully. By the same token, if we think that our members do not support PPP, with good reason, that is the line that we will take.

This is a good opportunity for the committee to hear from someone who works in a local authority and is a T & G member. Richard Whyte would like to say a few words, after which we will take questions.

The Convener: I will be impolite and ask you to keep it to a few words, as I am keen to get the question-and-answer session going. Our time is pretty limited.

Richard Whyte (T & G Scotland): That is fine. I do not think that I will take up much of the committee's time.

As Rab Stewart said, I work for a local authority and am a T & G shop steward and branch official. People at the grass roots in local government fear that the best value regime has been driven by cost, to the detriment of quality. We feel that quality should drive best value more. We think that to the existing three Es should be added a fourth E, relating to issues of equity and equality of opportunity in service delivery and access to services, and to issues of economic benefit and democratic accountability.

Single status is a major issue for our members. We are aware that the employers, through COSLA, are proposing to introduce single status on a cost-neutral basis, which is impossible. That means that our existing terms and conditions will have to be attacked to produce the savings that will make it possible to introduce single status.

McIntosh recommended a fully independent review of local government finance. We understand that the Executive is loth to support that, but that the committee is very interested in such a review. In the medium term, that must take place. There is discussion about the move to three-year budgets. However, in the short term, we must deal with issues of deprivation.

Regional centres and urban authorities, such as Glasgow and Dundee, are having extreme difficulties, and pay rises have not been funded for seven years. A COSLA briefing indicated that that has cost £700 million and 17,000 jobs. Year on year, it means that jobs and services to the public are cut and the stress on the staff who deliver those services increases. The lack of funding for pay rises creates a short-term gap that must be closed, and that also applies to funding for the transition to single status.

A number of challenges face local government and its work force in coming years. I believe that, if we produce a pattern of financial and work force

stability and of planning and co-operating for the future, we will develop best value services that are focused on quality and community needs. The trade unions and the work force will respond creatively and flexibly to that agenda.

The Convener: Thank you. I now open up the discussion for questions.

Mr Paterson: I refer to the first couple of paragraphs in the T & G paper, which refer to both best value and workers' terms and conditions.

You might not have this information to hand, but I should be grateful if you could provide it later—there again, you might have it with you. Do you have any illustrations of how the wages and terms and conditions of someone who worked for the council directly have been affected by transferring to work for a contractor?

Rab Stewart: We have that information—*[Interruption.]* I am sorry; we do not have that information to hand. However, that practice is widespread. We produced a document that covers the UK up to mid-1999, which we can provide for you.

Mr Paterson: On the thorny subject of electoral reform, the GMB submission talks about democracy. Democratic accountability is also an issue. Probably the most graphic illustration that I am able to give you is the case of Glasgow, where there was a turnout of 57 per cent, of which Labour votes constituted 49 per cent. Therefore, roughly 29 per cent of those eligible to vote voted Labour, yet Labour got 74 seats out of 79, or 94 per cent of the seats in Glasgow.

How can we address that problem when there is no democratic accountability, which is a situation that is as bad for Labour as it is for everyone else? If we stick with the present system, how can we get round that problem?

Richard Leonard: One of the issues that you highlighted is the tendency for supporters of proportional representation to rely on arithmetic as a basis for determining the best form of democracy. I can see what you are saying statistically, but our view of democracy is to ask how we can best translate the wishes of the people into action by government. We do not think that a strictly proportional system will do that. The overriding principle of democracy, particularly in local government, must be a link between all the elected members of an authority and the communities that they represent.

Mr Paterson: Surely if the communities—

The Convener: This is your third question.

Mr Paterson: How can we address the problems of the present system, which needs an opposition, given that, in the case of Glasgow,

there is no opposition? Frankly, the system is a steamroller.

Mr Gibson: As it is in Angus.

Richard Leonard: If you were to look back, you would acknowledge that different parties have been in power in the city of Glasgow at different times. That also applies to other local authorities.

Nothing intrinsic to the first-past-the-post system delivers control for any particular party. Each system will throw up its own variants. Which electoral system do you prefer? We could crawl over that system and identify defects.

Mr Paterson: Well, unfortunately—

The Convener: I am sorry, but we are not going to get into that debate.

Donald Gorrie: I will forgo the PR issue for the moment.

All of you spoke about the standards of employment of local government employees, particularly in the light of their possible transfer to other organisations. What would be the best system of ensuring that the basic issues such as pensions, reasonable pay, equality of opportunity and so on, are addressed, without committing ourselves to continuing unacceptable methods of operation, which any system gradually builds into itself? How can we preserve what is important and needs preserving without setting in concrete things that really are not acceptable?

Rab Stewart: We must take into consideration the fact that there are unacceptable methods of operation everywhere, regardless of the position, the company and whether it is private industry or local government. CCT has given us not the opportunity to deal with those things, but the opportunity for people to say, "Let's get rid of the services." All CCT identified was defects in the local authority services. The T & G and other partner trade unions believe that we have an opportunity under best value to examine not only our shortfalls and misgivings, but those of external companies. We can use benchmarking to see how we compare with the best and the worst and, if we are close to the best, to work out how we can make things better. In many instances, the expertise that has been built up by local authorities is what private partners seek the minute they take a service.

Alex McLuckie: The trade unions are in favour of the best value regime, which examines continuous, year-on-year improvements. Because there will be a process of continual review, any bad systems should be eked out. When we examine terms and conditions of employment, we are coming from the point of view of the bad experiences under compulsory competitive tendering, when the most important thing was the

bottom line—the cost. Under CCT, members' terms and conditions have been driven down. The majority of people who have been dealt with in a way that I believe is unfair are part-timers, who, in the main, are women. It can be seen from industrial tribunals that some of the practices have been seen to discriminate against women.

If we want the work force to become involved in best value, in changes and in the provision of services and different methods of delivery, we believe that there should be a safety net, which is where we come back to terms and conditions and employment issues. If we can tell the work force that their pensions will be okay—that they will not lose the 20 or 30 years' worth of contributions that they have made to the pension scheme—and that their terms and conditions of employment will be okay, there will be a willingness to go forward and to harness the undoubted benefits that can exist in the best value system. We must ensure that we do away with the ghosts of CCT, under which our members sat down at the end of the three years and asked how many more conditions could be cut to ensure that they won the work.

The system will ensure that there is no bad practice, but on the other hand, we want to ensure that we do away with the bad practice of trying to reduce members' terms and conditions of employment.

Rab Stewart: We have never defended unacceptable methods of working. In the past, when our membership faced what we saw as a daft way of working, there was frustration that there was no way of being involved. Best value gives us that opportunity, which is why we think that, used correctly, it is an absolutely brilliant tool.

Colin Campbell: Before I go on, I should say that long ago, before I was ever in politics, I thought it rather quaint that people could sometimes get into power in a constituency when more people might have voted against their party than for it. My commitment, at least in theory, to PR goes back a very long time, and I rather suspect that a PR system might help to reverse low voter interest in local government. The submission says that greater financial autonomy would also help. Will you expand on exactly what is meant by greater financial autonomy? Does it mean, for example, that councils should be able to raise a higher percentage of their own money?

14:45

Richard Leonard: That is precisely what it means. One of the first actions of the Labour Government when it came to power in 1997 was to sign the European charter of local self-government, one of the clauses of which gives a commitment to greater financial autonomy for local

authorities. Since the 1980s, when the Conservative Government introduced the poll tax and the uniform business rate, it has been—and remains—the position of most, if not all, of those in the trade union movement that, as local businesses are significant users of local services and make a significant contribution to local communities and local economies, it makes sense for them to have a direct financial relationship with the local authority in whose area they operate.

Colin Campbell: In your presentation, you said that you thought that business rates should return to local government. Would you be in favour of a higher percentage of domestic rates being raised to reduce the Government's direct input to local authority spending?

Richard Leonard: That is what we have seen. The burden of local taxation has increased.

Colin Campbell: To a degree. We are perhaps missing one another's point, so I will leave it at that.

The Convener: You can perhaps take it up later.

Johann Lamont: The GMB submission talks about the need for funding in some parts of the country to be enhanced. Are there methods other than allowing areas such as Glasgow to maintain the current business rate? Would you consider redefining the way in which distribution happens, to support areas such as Glasgow? It strikes me that the one thing that Glasgow does not need is an increase in council tax.

Richard Leonard: Absolutely. The GMB congratulates the Scottish Executive on its intent in opening up dialogue with COSLA on the three areas identified in our submission—three-year budget horizons, the degree of hypothecation, about which there is some dispute between local government and the Scottish Parliament, and distribution arrangements. Those are three key areas.

The Executive was brave to take the decision to work in partnership with COSLA to come up with solutions to those problems. The devil will be in the detail. It will be interesting to see whether a solution can be found that is acceptable to local as well as central Government. Those are important key steps, but our submission also says that there needs to be, as we describe it, a root-and-branch review of the structure of local government finance. I am sorry if Mr Campbell feels that I am being obtuse, but there need to be rebalancing, local financial autonomy and greater power for local government to govern locally.

Colin Campbell: You must have been lip-reading. I just asked Kenny Gibson whether you were being obtuse or I was being obscure. I would

just like to clarify this point, briefly.

The Convener: Very briefly, please.

Colin Campbell: Currently, 18 per cent of the money that is spent by local authorities is raised locally. I was trying to ask whether you thought that a greater percentage should be raised locally, rather than coming from central Government.

Richard Leonard: I am sorry. I thought that that was the logical conclusion of my point that the business rate should be returned to local authorities.

The Convener: It probably was. Colin Campbell is not quite with it today.

Johann Lamont: I was interested in the points made by both organisations about the fact that women and part-time workers—the majority of whom are women—have borne the brunt of the changes in local government. Are there specific things that we should be doing to address the needs of women employed in local government?

One of the big issues around direct labour organisations is their ability to compete on a level playing field. Do you have any further suggestions about how that could be done? The case has been made strongly that DLOs have a local community role—they are much more likely to train people locally and so on. Such organisations are models of good practice, and we should try to hold on to those. If housing stock transfer goes through, which rules would need to be changed to allow DLOs to compete fully in the wider market?

Rab Stewart: The specific questions that you asked have straightforward answers. The majority of our women members and women workers in local government are in the lower pay bracket. There is a general misunderstanding about local authority staff—people think that all local authority staff have great jobs. However, the majority of women working in local authorities are in the lowest grades. Home helps, school cleaners and school kitchen workers are all women, part-time workers. Not only do they have difficulty in earning a decent living wage, but they are not paid for 52 weeks a year—they are paid only during school terms and so on.

That is a difficult problem to address, and we accept that. However, we must at least attempt to address it. No one has ever considered it as a problem that could be dealt with—people have seen it as just too difficult. It has been left to the trade unions to think of ways in which we can address such issues for the benefit of our membership.

The issue of DLOs is a different kettle of fish. Under CCT, there was a client-contractor split—housing providers were the client and the housing maintenance DLO was the contractor. That

created difficulties because the clients were telling the contractors which materials they could work with because of budgets and so on. The clients would offer them to the contractors and tell them what provision should be made for each household. The contractors would come along and fit the types of covers and doors that were meant to be fitted, then they would leave. If there were any problems, the contractors got the blame. The materials might be terrible and people would say, "You can spit peas through it," and the contractors would get the blame, even though it was not a problem with the workmanship. That was very unhelpful. Two bodies that used to be one body were forced to compete with one another.

The voluntary housing sector is beginning to consider some of the craftsmanship provided by DLOs and is asking how it can use those organisations. That is beginning to be extended. People who live and work in the community do not want to make a bad job of anything. We would like the restrictions to be lifted, to allow DLOs to enter the wider housing market. No one apart from local authorities has been training apprentices for the past 15 or 18 years—that is an investment in the future.

The other difficulty with DLOs in the housing market is that, if one allows them to compete with outside organisations, it could be argued that they should not get grants and should instead get loans like any other private company. There is a difficulty with the finances, but there is also an opportunity to deal with the problem—[*Interruption.*]

The Convener: I have to stop you for a moment. Someone has a mobile phone on; they should switch it off.

Alex McLuckie: With regard to women workers, it is a fact that they have been treated badly because of what has happened through the CCT regime. Our first experiences of best value are similar; we are getting involved with councils that want to move people from 52-week contracts to 47-week contracts, because that provides best value. It may provide best value, but it also causes difficulty for our members, who see their remuneration dropping.

We also have difficulty in maintaining employment for some women workers, particularly those on term-time contracts, who are no longer entitled to claim jobseeker's allowance, as they were before. That makes it more difficult for people to remain in employment and is a hole in the UK Government's policy of getting people off benefit and into work. It means that there is an eight-week period during which people are getting no income whatever, and that is wrong.

On a more positive note, the job evaluation scheme that is to be introduced through the single

status agreement should address some of the problems of women workers. We want to ensure that there is a genuine equalities agenda for all service providers; that would be a good step forward. Training, continuing training and the ability to widen skills would certainly help, particularly for workers on the lowest grades. We conducted five pilot schemes on job evaluation, and the one constant among the findings was that cleaners were on the lowest grade. If we want to help people improve their skills, we need a good training programme for women working in local government, to give them the skills to move up through the grades.

Ensuring that there is a good equality system in place and ensuring that training—and time off for training—is available are two positive steps that we would like local authorities to take.

We must consider the goods and services legislation and ensure that the restrictions on competition for DLOs and direct service organisations are removed.

Mr Gibson: Thank you for your interesting and provocative written submissions. If we take your views on electoral reform—the GMB said:

"Democracy has been the main casualty of the electoral systems employed for the Scottish Parliament and European Parliament elections"—

it would appear that the only democracies in the northern hemisphere are the United Kingdom and the USA.

I would like to ask lots of questions, but I shall ask just two specific questions. First, when we discussed rates, you talked about local authorities retaining the rates that they raise. When you said that, did you mean not only that they should be able to raise rates, but that there should be no adjustment with regard to revenue support grant, for the councils that would lose that money? Or do you believe that if Glasgow, for example, was allowed to keep all its revenue support grant, the Scottish Executive should make up the shortfall for other Scottish local authorities?

Secondly, on housing stock transfer, the GMB submission calls for

"extended protection for housing staff".

I met the Minister for Communities and the Deputy Minister for Local Government, and both of them argued forcefully that housing stock transfer would bring improved opportunities, conditions and salaries for staff. Would you like to comment on that, and on the rates issue?

15:00

Richard Leonard: I will pick up the finance issue and Alex McLuckie will pick up the issue of

secondary transfers and the opportunities for staff post-stock transfer.

On local government finance, there needs to be greater autonomy than we currently have, but we recognise that there are national standards that need to be maintained, and that there are differences in wealth and financial resources between local authority areas, not least because we are operating with a rather peculiar local authority boundary map. As I understand it, there is general consensus that the current distribution formula is not working perfectly, and further work needs to be done on it. We endorse that view.

I was going to say that there is a consensus view that the fact that the formula is not working is a legacy of the local government reorganisation that was introduced by the previous Administration, but the Conservative party representatives, had they been here, would probably disagree. We are not asking for total financial independence for local authorities. We recognise that there are national standards of education, social work and so on that need to be met, and that there will have to be a common fund run from the centre to make sure that they are met, but there are opportunities for greater financial autonomy for local authorities and, frankly, less interference from the centre in determining local priorities. We do not think that the balance is right.

Mr Gibson: No one in this committee thinks that the balance is right; neither does the Scottish Executive, which is why it is examining distribution. You made the point that you would like rates to be retained. If Glasgow is to retain its £67 million surplus, should there be a readjustment for other local authority budgets to give them additional resources? Or should Glasgow have its revenue support grant cut by that £67 million so that the amount available is kept at its current level but Glasgow would have responsibility for the rates?

Richard Leonard: I am not sure that I did say that rates should be retained.

Mr Gibson: I am sure that that was in your paper. Certainly it was commented on that councils should have control over raising their own rates.

The Convener: Who will answer the second part of Kenny Gibson's question on the housing transfer? We are running out of time.

Alex McLuckie: The difficulty that we have—

Mr Gibson: But it says here—

The Convener: Just a minute, Kenny. Let him answer the question and I will come back to you.

Alex McLuckie: The difficulty that we have with

the extended protection goes back to the situation that we discussed earlier, and which is the basis of our paper. Ernst & Young Ltd said in a report that under current legislation the direct labour organisations would not be able to compete for work. The fact that DLOs could not compete for work would mean that while there might be improvements for staff in some areas, there would not be improvements for the DLO, because we would be facing redundancies in that situation.

We would also need to look at the situation if what is being suggested may happen in Glasgow does happen. I am taking Glasgow as an example because it is the most advanced transfer. There is talk of a housing stock transfer that could shake down to two or three or quite a few local housing associations. Currently, we are being told that the transfer of undertakings regulations, which I appreciate do not come under the authority of the Scottish Parliament, would not apply to a secondary transfer. That gives us concerns about the protection of terms and conditions of employment. We need to look again at extending protection to ensure that we safeguard the people who are currently delivering a service and who are doing so with best value.

For what it is worth, I disagree that transfer of undertakings regulations will not apply under a secondary transfer. I think that transfer of undertakings will apply where it applies. That seems to be what some of the great and the good in the Scottish Executive are telling us will happen. We want to underpin this to ensure that the transfer of undertakings and the safeguard that it provides for employees will continue in the first transfer and every other transfer after that.

The Convener: Before I ask Kenny Gibson to come in again, your submission says that this means—

Richard Leonard: I apologise to Mr Gibson and the rest of the committee. We were in a hurry to cram our submission into two sides of A4. The submission should have said that that means we should return the setting of business rates to local government. In other words, a local authority should be able to determine at what level business rates should be pitched in its area. I am sorry if that has led to a misunderstanding.

Mr Gibson: Should the rates be pooled? If they are set in Glasgow, should they just be retained in Glasgow, or should they contribute towards a national pooling?

Richard Leonard: I would rather get away from naming specific local authorities. There will be a degree of pooling if there is to be risk redistribution, whether that is for domestic or non-domestic levying. I do not know whether that specifically applies to Glasgow. Perhaps Glasgow

will be a net recipient. The principle of net contributors and net recipients is the correct one.

Dr Sylvia Jackson: I would love to get away from Glasgow and on to Stirling, but time is limited so I will ask the next witnesses from Unison about the rules in relation to public borrowing.

The Convener: I thank the witnesses very much for coming to the committee. I think that it was Alex McLuckie who said that the Scottish Executive is considering hypothecation in the distribution and that the partnership with COSLA was an interesting one. The committee will keep its eye on that.

You know that we are going to carry out a review of local government finance. Last week, we started to consider people who will perhaps guide us in the right direction, because it is a complex matter.

I also note Alex McLuckie's comments about the equality agenda in training in relation to service providers. That is another matter that the committee is keen to consider.

As far as T & G Scotland is concerned, Donald Gorrie asked the question that I would have asked. You stated in your document that, if local trade unions and management work together, the application of best value can be good and that its provision is the first priority. The committee will continue to examine that as a way forward.

Thank you for coming. I am sorry that it became tight for time at the end, but we are half an hour over time. You have taken some of Unison's time, so you can fight that one out amongst yourselves.

We now have Joe Di Paola, Jane Carolan and Douglas Black from Unison. They will give us a short presentation, then committee members will ask questions.

Joe Di Paola (Unison): Thank you for the invitation to come before the committee. We represent about 100,000 members who are employed in local government in Scotland. We are the largest local authority union. That is based not only on the total number of members; we also have the largest spread of occupational groups in local government. We represent people ranging from those doing manual work outside on roads to cleaners to chief executives of local authorities in Scotland.

We are in some ways uniquely placed to comment on the spectrum of local government in Scotland. I have two colleagues with me. Douglas Black chairs our service group executive in Scotland and is in charge of the policy-making body of Unison in local government in Scotland. Jane Carolan, who is also on the service group executive, chairs the trade unions side of the negotiating body in Scotland and this year is the

convener of the joint council. We alternate convenership of the joint body with the employers. I am the senior full-time official for Unison in Scotland dealing with local government.

We have submitted a paper to the committee. Although I do not propose to talk to the paper or make a lengthy statement, I want to draw the committee's attention to the section on best value on the second page of the submission. Having recently seen the Executive's proposals on best value, I will add only that proper trade unions input is required at all levels of the best value process. The "Best Value in Local Government" document mentions a 2 per cent year-on-year return in savings over the cycle. Although that sounds like the rate of return that was asked for with compulsory competitive tendering, the best value regime indicates that CCT will be legislated away.

We have commented on housing in item 6 of our submission. However, given that housing has such a large and important function in local government, no one would expect us, as the union that represents the majority of housing staff in Scotland, not to make comment on the issue to the committee.

We are also concerned about the possible outsourcing of some aspects of the social work provision from local government, and particularly about the current proposals to pilot the tendering of prison social work provision in Edinburgh, Glenochil, Polmont and Greenock.

We will now take the committee's questions.

The Convener: Do Jane Carolan or Douglas Black want to add anything?

Jane Carolan (Unison): Not at the moment.

Mr Gibson: I have heard several competing views on best value. For example, some months ago, Trish Godman, Sylvia Jackson and I went to north Lanarkshire and spoke to the leader of North Lanarkshire Council. He was very concerned that, once an optimum level of service had been delivered under best value, it was still likely that there would be further reductions in the resources available to meet that service. He thought that, as a result, best value could not be sustained indefinitely under conditions of continued improvement.

However, the Accounts Commission thought that best value was something that would never end and that the theory of permanent revolution should apply. Best value should be a ceaseless process; indeed, it should always remain out of our reach, like the grapes above Tantalus. Do you think that, once an optimum level of service has been reached, it should be considered as having achieved best value full stop, or that, regardless of possible resource implications, we should still

continue to strive within specific areas?

Joe Di Paola: The crux of the matter is whether best value is an endless year-on-year process, or whether optimum levels can be reached. In our discussions with the best value task group, we have taken the view that the issue is how best value is defined. If best value is defined as delivering high-quality services by highly motivated, well-paid and well-trained staff, that is fine. However, it is not a cheap substitute for CCT. Under CCT legislation, defined services had to be put out to tender. If best value is not dealt with properly, we could have the worst of all possible worlds, with no such defined services. Everything that a council does could be open to a best value regime, which would put staff on a treadmill that they could never get off.

The trade union agenda on best value is about training, motivation and delivering quality services to the public. People sometimes forget that the people who work for councils also consume those services, as do their families. They do not operate in a vacuum; they operate in communities. We should not take the Accounts Commission's view, because it is an accountant's view; it is about squeezing value for money out of the people who work in local government, year on year, until no more can be squeezed, and then still trying to squeeze some more.

There are optimum service levels. Services can be reconfigured. We can change the way in which services are delivered. However, we should not do that for the sake of it. We should be looking for the best methods of delivery and then sticking to them.

15:15

Mr Gibson: Do you think that it is realistic for the Executive to continue to expect year-on-year efficiency savings?

Joe Di Paola: I do not think that it is realistic for the Executive to continue to expect year-on-year efficiency savings. By definition, you get to a stage where no more efficiency savings can be made and you are making cuts into the fabric of the local government system.

Mr Gibson: Are we at that stage now?

Joe Di Paola: I think that we are.

Dr Jackson: I wanted to put this question, which is about PPPs and the alternatives that we should consider, to the previous witnesses, but it is probably even more appropriate for you. The GMB was in favour of examining the rules on public borrowing that operate in European countries. Will you comment on that? In your paper, you talk about the growing consensus that the general government financial deficit would be a better

measure of government borrowing. I would appreciate it if you would talk about those sorts of issues.

Joe Di Paola: I had hoped you were going to ask Richard Leonard that question, because he is an economist and I am not. Unison has argued consistently for years that the public sector borrowing requirement is not the best method of defining what government can and cannot spend. Some of the difficulties that government has got into in the past have happened because of the use of the PSBR and the fact that capital moneys, which need to be used in local government for schools and infrastructure, get caught up in it.

As I understand it, Europe in the main uses GGFD. When the GMB talks about using a European model of public service borrowing, it is talking about the GGFD, so we are at one on that. Using GGFD would allow the capital spending commitments that local government takes on board not to count against the PSBR. In our view, that would mean that we would not need to go down the road of PFI or PPP.

I do not want to rehearse too many of the arguments about PPP and PFI, because we have all heard them, but they were touted as the only game in town because of the requirement to use the PSBR. We therefore got into not a virtuous but, arguably, a vicious circle. Unless we break out of that circle, which is what we suggest, and as long as the Treasury takes the view that it counts against the PSBR, local government, no matter where in the UK, will never be able to commit moneys to capital works. That is my layman's understanding of the situation.

Dr Jackson: That is fine. Can we get additional information on that from the unions' point of view?

Joe Di Paola: We could certainly provide the committee with papers that have been done on PSBR versus GGFD.

The Convener: That would be helpful, thank you.

Colin Campbell: Hi, Joe. I am delighted to say that I am not an economist either, so we will probably be able to understand one another. I note that your piece on local government finance states that you believe that local government should be responsible for raising at least 50 per cent of its revenue and that business rates should be returned to local authorities. I do not suppose that you want the business rates to provide up to 50 per cent, so how do you envisage raising that percentage of local government revenue locally? How should that be offset against the revenue raised by central Government? Would income tax or other taxation levels be lower?

Joe Di Paola: We have consistently taken the

view that the business rate should remain within the boundaries of the authority that raises it. You are correct that it will not reach 50 per cent. There are various methods of levying local taxes, to keep more money within the accounting area that raises it. We think 50:50 is reasonable; it is 86:14 at the moment. There is no fiscal incentive for authorities to be imaginative or innovative in how they spend their money when they receive it as a block. A lot of it is hypothecated anyway. We are considering raising more revenue through local taxes.

There is a view on urban authorities not subsidising authorities outwith their boundaries. There should be more equalisation of the communities around Glasgow; for example, they should do something for Glasgow in return for the services it provides to the conurbation. I speak as someone who lives in Bishopbriggs.

Donald Gorrie: I agree with everything in your paper, so I wish to ask about another aspect: pay. It would be wrong to get involved in the current pay dispute, but when I say to ministers that the Executive should pay some or all of the sum necessary for pay increases, they argue, among other things, that some councils have cut staff numbers and operate well with a minimum staff, while other councils have unnecessarily large numbers of staff. If the Executive paid for the whole pay increase, it would favour what it would regard as the more incompetent councils over the more competent ones.

Can you suggest how we could argue with the Executive that there could be a fair system, whereby the Executive contributes at least some of the money for the pay increases but keeps pressure on what might be regarded as overstaffed councils?

Jane Carolan: Which councils is the Executive talking about when it says that some councils are overstaffed? If we consider the rate of redundancy and retirement in local government in the past few years, we will find that, since reorganisation, there have been significant cuts in staffing levels throughout Scotland. I would question the initial premise that that process has not taken place.

We are back to the question of efficiency and how much longer we can expect councils to keep making efficiency savings and still run services. I put it to you that, in many authorities, services are running but only just. I refer to Glasgow, because I know what happened there last winter. All the council needed was a flu epidemic and some departments would have been unable to provide services properly. That is not happening only in Glasgow; it is likely to be happening throughout Scotland. My concern is not that we are not making efficiency savings, but that we are not providing the services that the public want.

Donald Gorrie: Should the Executive supply the total amount necessary to meet the pay increases negotiated by local government, or would it be better if it produced enough to match the current rate of inflation? If councils wanted to pay more, they could do so.

Douglas Black (Unison): It would be nice if the Executive fully funded all pay awards in local government. There has been no government funding for pay awards in local government for eight, nine or even 10 years. However, we would be more than willing to enter into discussions with the Executive to consider all the options.

Going back to the point that Jane Carolan made, the funding of pay awards is only one aspect of this issue. Over the past 10 years, local government has continually fought against underfunding and against the new single status agreement, which is about bringing equality into the workplace and ensuring equal pay for work of equal value. Those additional pressures on local government have not yet been recognised. Pay awards not being funded is another difficulty for us, so we need to consider the full impact of all aspects of the difficulties that currently face local government.

Bristow Muldoon (Livingston) (Lab): I think that Joe Di Paola's commitment to progressive taxation in a ring around Glasgow will be welcomed by Johann Lamont, who has been campaigning on the issue for some time. It is widely recognised that some of the boundaries in local government are not 100 per cent sensible in terms of delivering local services. However, on balance, many people feel that local government should not be subjected again to the major turmoil of boundary revision. What is Unison's view on that? Is there a need for boundary review?

What is Unison's view on electoral systems for local government? Do you think that elections should be on the same day as those for the Scottish Parliament? How big should councils be?

The Convener: You were supposed to ask a brief question.

Bristow Muldoon: I am sorry. We all have our own definitions of brief.

The Convener: Bristow is trying to catch up because he was late in arriving.

Joe Di Paola: I am being left to answer that for myself—so much for the partnership between elected representatives and officials. I do not think that the services and the people could stand another major boundary reorganisation. In 1996 and before then, I was involved in that, and I saw all the upheaval that affected staff and service delivery. I do not think that people want to go through all that again, as it was pretty traumatic. It

resulted in a huge shake-out, and a lot of people left local government—so many that some departments could not deliver their services.

Whether the boundaries are sensible is a matter for politicians and for the Local Government Boundary Commission for Scotland. However, some authorities cannot deliver full services because of their size. For example, educational services, such as educational psychologists and educational advisers, are not provided in certain local authority areas. Some social work services cannot be properly delivered because authorities are not big enough to be strategic authorities. Unison's view at the time was that the reorganisation was wrong and unnecessary, so we certainly do not want another one.

As for electoral systems, that is a topical issue at the moment. If you were to ask the three of us for our personal views on the subject, you might get three very different responses. From a Unison point of view, however, we do not have a hard-and-fast position on electoral systems for local government, and we are waiting to see what is on offer. I have heard arguments for and against holding local government elections and Scottish Parliament elections on the same day. Some say that if people are coming out to vote in a parliamentary election, they also will vote in a local election; others say that local government elections should stand alone so that the focus is on them. On balance, we have tended to take the view that it is more appropriate to hold both elections on the same day.

Johann Lamont: I am interested in your view on the boundaries; I was going to ask about that. What should be done if the areas are not changed? An area such as Glasgow has a small and reducing tax base, and you say that 50 per cent of the money should be raised locally. We know that the level of need is probably greater in Glasgow than in the surrounding areas, but the group from which money can be taken is reducing, and the incentive to flee the city therefore becomes greater. I would like to know how else we could make people from Bishopbriggs contribute something to Glasgow. The way the boundaries have been drawn has caused a problem that has exacerbated the flight from the city.

I am interested in the alternatives, because my instinct is to agree with you that to move to boundary changes now would be difficult. Are there issues around redistribution formulas, such as the factors that are used, that we could look at?

There are two positions on the business rate. Some say that the rate can be set centrally, but that what is raised locally should be retained locally. Others say that the business rate should be set locally and retained locally. A third

suggestion—that the rate should be set locally, but distributed at a national level—strikes me as defeating the purpose. I would welcome your comments on that.

15:30

Joe Di Paola: I will take the last bit first. We are clear that Glasgow, for example, should set its business rate and retain it. If the business rate is truly to reflect the local situation—and it should—the locality should set the rate in conjunction with business.

There used to be discussion with business. Non-domestic ratepayers, as they were, had to be consulted formally. There is nothing wrong with that. Of course you should consult the people who you are asking to pay what is, in effect, a local tax, but the rate should be set in accordance with the local economy, and the revenue that is raised should stay within the authority. That is our position.

On how to support the metropolitan area in the face of a diminishing tax base, there has to be some form of agreement between authorities across the area. If Glasgow is providing services that people who come into Glasgow are using, it seems only reasonable that there should be some form of cross-boundary arrangement. It is a thorny question, Johann. Clearly, it is a political question, but as a union we are aware of the fact that we have members living and working in Glasgow, and members coming into the city to work. In some ways, there are artificial divisions round the big cities. It is a matter for politicians, rather than trade unions.

Johann Lamont: Would you support something like metropolitan status for Glasgow, however it might be defined? Extra money would come to Glasgow. You cannot charge authorities for using services that they themselves are not opting into, but perhaps women fleeing violence or people with drug problems will go from outlying areas into the city to get support, because the outlying areas do not feel the need to provide such services. That cannot be charged, so how can it be dealt with?

Joe Di Paola: Any central moneys or grant aid should reflect greater need in places such as Glasgow or Dundee, for example.

Mr Paterson: Section 6 of your submission states:

"We strongly believe that housing should remain under the auspices of local government".

Many of us have the same sentiment. However, if that were to be the case, how could we get much-needed investment into public sector housing?

Jane Carolan: Where would you like me to start? I am concerned that sources of finance are

available for housing, but the transfer vehicle—which is only one way of getting money into local authority housing—is being presented as the only way of doing that. For example, in England and Wales the Department of the Environment, Transport and the Regions has come up with the idea of the wholly owned local authority company. That is very much on the agenda, and is something that we could look into. If Glasgow, for example, did not have its debt burden, it would have money for investment. There is no need for the stock transfer in that sense; it is being presented as the only way in which there can be investment, but it is not the only way. There are a variety of ways in which money could be put into Glasgow housing, or any other housing. To present a stock transfer as the only way of doing that is invalid.

Mr Paterson: What are your views on the debt being written off?

Mr Gibson: Transferred.

Jane Carolan: We are in favour of the debt being transferred from, in effect, Glasgow council tenants to general taxation. That is not a problem for us, but we do not think that it is necessarily valid that we have to transfer the stock at the same time.

Dr Sylvia Jackson: I will follow up on Joe Di Paola's comments on the business rate. He was talking about Glasgow, but if we take as an example somewhere such as Clackmannanshire—where there are not many businesses, although we hope that there will be more in future—how does the logic follow through when what is raised locally is more limited?

Joe Di Paola: That is a clear difficulty. It is the other side of Johann Lamont's coin about a diminishing tax base from domestic council tax payers. You are saying that there is a low tax base for business users. Should you consider some form of Exchequer equalisation from the centre? Should you set a percentage norm for business rates that every authority will get? I do not know whether there has been an in-depth examination of how the business rate might be revamped and given back to the local level. I do not have any answers.

Dr Jackson: That is one of the disadvantages of disaggregation. Falkirk, Stirling and Clackmannanshire Councils were together previously and could achieve equalisation. That is similar to the situation with Glasgow and the larger metropolitan areas. Do you agree that that is a difficulty with disaggregation?

Joe Di Paola: Absolutely. It is all related to what happened with the 1996 reorganisation when, for political reasons, there was a huge amount of disaggregation. That resulted in, for example, the

situation that you describe in Clackmannanshire.

The Convener: I thank the witnesses for attending the meeting.

In your submission, you say that the trade unions should be involved in best value right from the beginning. There is probably no one around the table who would disagree with that, and it is a pertinent point. We will keep our eye on that.

I have concerns about the outsourcing of social work, especially in relation to social work in Polmont. The Justice and Home Affairs Committee will probably consider that. When one service makes a decision about another, it is difficult to know exactly where that sits.

As far as the PSBR and GGFD are concerned, those comparisons will come up during our review of local government finance, which we have started. We will consider which is the better of the two. You mentioned pay awards, which will also come up in our review.

I sometimes think that Kerley should have been called the wait and see committee, because when you ask someone a question, they always say, "I cannot comment, because we do not know what Kerley is going to do."

I think Sylvia Jackson said earlier that what we do not want is for proportional representation to be pulled out from Kerley and for a section 2A to be made of it. That is not how we would want it to be seen.

Thank you very much for coming. The discussion has been extremely helpful. I will say to you what I have said to the other witnesses—I hope that this is the start of something. If any matter is of great concern to you, please contact me and the committee will consider it. Perhaps we will contact you to seek advice or ask questions in the future.

Joe Di Paola: Thank you for the opportunity to attend the committee.

You need only ask and we will do anything that we can to provide any information that you require.

The Convener: We are running behind time, but I suggest that we have a quick 10-minute break.

15:39

Meeting adjourned.

16:00

On resuming—

The Convener: Okay, comrades, we will start again. With us, we have representatives from the Union of Construction Allied Trades and Technicians: Alan Ritchie; Lisa Manus; and Harry

Frew. From the Amalgamated Engineering and Electrical Union, we have Brian Docherty.

Alan Ritchie (Union of Construction Allied Trades and Technicians): UCATT is the largest trade union dealing with the construction industry in the private and public sectors. We are part of many committees that deal with the registration of apprentices in the industry, such as the Scottish Building Apprenticeship and Education Council, which registers 1,500 young people into the industry every year. We are members of bodies involving COSLA and work with the private sector on the Scottish construction operatives registration executive scheme.

I want to talk about best value. We welcomed the removal of compulsory competitive tendering. We had hoped for best value from the scheme, but that was not realised in many cases. Best value should mean the best value for the taxpayer. With regard to the construction industry, that means apprenticeships for school leavers and jobs for communities—not just any old job, but employment that introduces people to new skills, gives them a reasonable wage and enables them to contribute to a pension scheme for their retirement. However, many local authorities see price as the only factor in best value.

What we witnessed with CCT was the lowest common denominator, which has an effect on the employment and conditions that are offered to the workers. Far too often, the drive to secure a low price has meant the wide use of the bogus self-employed, who operate outwith the national agreement for the building industry. That means that such things as travelling time are not paid for, which means that it is easier to bring workers in from outside the community. Sick pay and holiday pay are not paid and pension schemes and contracts of employment are not operated. Most importantly, neither tax nor national insurance are paid. Of course, trade unions are not recognised. To some, that is the employer's dream.

When Kenneth Clarke was Chancellor of the Exchequer, he estimated that around £3 million was lost every year through uncollected taxes in the construction industry. We do not think that that represents best value.

We have come across many examples in the past 12 months. North Ayrshire Council justified paying off its whole painting department on the basis that the private sector could do the work more cheaply, albeit that the work had been won in a tendering situation. It was stated that, when costs were compared, great savings could be made by using the private sector. North Ayrshire Council tried to justify its action by saying that there would be less work for painters in the future. Work worth thousands of pounds went to the private sector, so the painters who were employed

directly by the council were sacked.

There was no transfer of undertakings. If TUPE had been utilised by the local authority, the contractor would have had to pay the same wages and agree to the same conditions as the workers had when they were employed by the council, and that would have been reflected in the price.

We held a meeting with the leader of the council and put to him the claim about bogus self-employed; he assured us that he would not condone such a situation. We left the meeting. Across the road from the council buildings, a number of flats were being renovated. I went and spoke to one of the lads who was stripping the wallpaper and asked him whether he was a painter. He replied, "No, I am a joiner." He said that as far as he was concerned, he did what he was told. Painters work with chemicals and harmful substances, so I asked him what he knew about the regulations on control of substances hazardous to health. The COSHH regulations are set out by Government and cover the use and disposal of chemicals and harmful substances. I told the man that the COSHH regulations protect not only the employee, but the tenant, the kids in the area and the environment. He replied that he knew nothing about the regulations. "I told you, I am only a joiner. I do what I am told," he said.

When I asked whether he had a contract of employment, whether he got sick pay or paid holidays and whether his employer deducted his national insurance and taxes, he said, "No, my employer does not do things like that." At that point, we felt it was pointless to pursue the conversation. We tried to speak to the company, which said that it did not recognise trade unions and did not want to discuss any issue with us. Since the local authority had developed the proverbial Nelson's eye, we thought it was a waste of time to go back and talk about best value and how it should be implemented.

We believe that best value is not just about price. We support the Government's cowboy builders report, which states that all employers and employees should be registered. Companies working on local authority contracts should register their employees under the Scottish construction operatives registration executive scheme, which gives each worker a card with their photograph on it and a national insurance number. The Union of Construction Allied Trades and Technicians believes that all construction contracts should be clear so that there are no so-called self-employed workers. We expect all workers on site to pay their taxes through the contractor and expect the employer to pay their national insurance contributions. Contracts with local authorities should state that companies must give opportunities to young people through

apprenticeships, which the bogus self-employed stop them doing. We also believe that companies should be encouraged to employ local labour.

All local authority contracts contain clauses on discrimination and equality, but if we do not deal with the bogus self-employed, it does not matter whether you are black or white, male or female, you will be exploited to the full—that is what happens to the bogus self-employed. We do not believe that self-employment has any role to play in best value. It should be clearly stated to all local authorities that contracts should be issued, people should be employed directly, apprenticeships should be started and local people should have the opportunity to get work. The bogus self-employed have no role to play in that.

I want to touch on council housing. There has been a big play about council housing and about the fact that the Scottish Executive believes that the transfer of council housing is the way forward. We are not convinced of that. Other trade unions will have talked about the PSBR and the GGFD and about how we could accommodate local authority housing if we changed the calculation. We believe that old age pensioners, the sick and the disadvantaged in society should be looked after through the community and through the local authorities. We still believe that. We believe that the community has a moral responsibility. We believe that the DLOs that work with councils have given a good start to young people. In Glasgow, where people are talking about transferring the council houses, 52 per cent of all the apprentices are employed by the DLO, which is the biggest employer of the disabled in the whole of Europe. There is a window factory in a high unemployment area that employs only people who have been unemployed for more than two years—long-term unemployed. Such measures must be preserved—that comes under the Government's social inclusion philosophy.

There must be a broader strategy for the transfer of council housing and a more direct approach to the impact on communities in Glasgow. We do not think that the transfer of council housing provides the best answer and have always believed that housing should be under local authority control. The way forward is to pressurise the Government to change the calculation of the PSBR to GGFD.

The situation does not affect only Glasgow; DLOs up and down the country will be hit with the problem of what to do when council housing gets transferred. We have not tackled the problem of the bogus self-employed. Furthermore, the private sector will not provide the apprenticeships that local authorities provide, and will not address issues such as how many disabled people will be hired. We would be throwing the baby out with the

bath water. If we are really serious about social inclusion and the involvement of communities, we must decide what to do about the transfer of council housing.

I recognise that time is a factor and will take any questions on my comments.

The Convener: Does Brian Docherty want to say anything just now, or to answer questions as they arise?

Brian Docherty (Amalgamated Engineering and Electrical Union): I will leave that up to the committee.

The Convener: Then we will just ask you questions.

Johann Lamont: I have been interested in your comments on DLOs, as the press would have us believe that they were some kind of evil organisation that has been foisted on us. Can you provide some more examples of the social role of DLOs in various initiatives?

Secondly, although I understand that you are opposed to the housing stock transfer, if it did go through, how would you change the rules to support DLOs' ability to compete for the work that will be generated by increased investment in housing? What needs to be done to allow DLOs a fair chance to pick up such work, with a work force that is more likely to be trained and therefore safer in those jobs?

Alan Ritchie: It is sometimes said that trade unions argue about local authorities and DLOs because of their membership; they are not really interested in what is happening out there. However, as we are the biggest trade union in the private and public sectors, our members will ultimately do the work. We recognise that the DLOs have played a role in the construction industry. At a time when many parts of the industry were being forced into the bogus self-employed scenario with 714 and SC60 certificates because they were not winning tenders when they competed in the marketplace, the DLOs were the biggest trainer of young people and apprentices.

Although you are right about the bad press that the DLOs have received, we have to remember that not only militant councils have argued about DLOs. Liberal Democrat and Conservative councils have started DLOs because they were getting ripped off by the private sector and found them better value for money. That is why DLOs were first created and why their role has been so important.

We need to put into perspective the information about losses. According to the Accounts Commission, 85 per cent of DLOs showed a profit. When Stirling Council, which was one of the councils in the other 15 per cent, put its services

out to tender, the nearest bid to the DLO's tender was £3 million higher. Although Stirling Council lost £1 million on the work, the council tax payers still got value for money in anyone's arithmetic. Because the council did not go for the next highest tender, the council tax payers still won £2 million out of the work.

The DLOs have a role to play in society, not only through direct employment. However, they have suffered from restrictive practices such as not being able to carry profit from one year to the next. No company in Britain would allow that, as there will be good and bad years under any five-year contract.

Despite all that, we have managed to keep apprentices—local people—employed, and we have managed to maintain contracts of employment. We are sympathetic to DLOs for that reason, not because of the question of trade union members. We defend DLOs because of their role in society and in the community.

16:15

On Johann Lamont's other point, about possible changes in the rules, we would consider the specifications in contracts. It is basic: one might think that it would be commonplace to say to someone, "Bill, you should pay proper taxes. You should pay proper national insurance." Such points should be quite clear in the specs that are sent out by local authorities. It should be stated clearly that everybody who is employed should be employed by the contractor, and should be paying proper national insurance and income tax.

People might think that that is basic, but unless it is written into the spec, there is a major problem. That is the first priority. We normally find—and I am saying this not just as a trade union official—that there is a knock-on effect. When an official contacts a company, the first thing that the company representative says is, "We don't talk to trade unions, and you're not speaking to our labour force." That raises suspicions right away.

The bona fide company has no problem with the trade unions. In many areas, we work in partnership with the Scottish Building Employers Federation and with apprenticeship committees. When a company says, "No, I'm sorry, I don't want to talk to trade unions. You're not talking to our labour force," we start to look into the matter and ask why not. Then we start to consider how the person concerned is employed and what he is doing. We start talking to the employee, and we then find out that they are not actually employed by the company. Many buildings might have gone up on a site, but hardly anybody has been employed on that site.

We are a labour-intensive industry. If we want to

give young people a future and an apprenticeship or whatever, we require the means to do it in the contracts that are going out. If we get the spec right, everybody is tendering on the same level playing field; every contractor is on the same level. We must get the spec and the tendering process right.

Johann Lamont: Do you think that it is possible to write in, "We would expect you to be carrying X apprenticeships," in other words, to have a quota of people being trained in health and safety? Do you have any quotas or figures showing the number of people employed locally? You have already made an interesting point about everyone being employed by the contractor. I am not sure whether your union has worked on whether it is legally possible to draw up such a contract, with that stipulation included; if it is not, what would need to change to allow that?

Alan Ritchie: We have already done that in the private sector—in some cases. Although companies are asking for some apprentices for the locality, people will not ask for 300 or 400 apprentices on a contract that will last only a year.

We would like there to be a partnership between the local authority, the contractor and the trade unions, so that we can sit and discuss things, and come up with something that is effective and that can be utilised in the industry. That should be the way forward.

If we write in the spec that everybody is expected to be employed directly, there is no problem. We would argue—as would the Scottish Building Employers Federation and the Scottish Decorators Federation, which represents the painting industry—that the SCORE registration scheme should be part of all the contracts that go out.

There is nothing better than when someone has a card with their photograph on it, and a national insurance number. We know their trade; we know that they have served their trade. That alone raises the level.

On apprenticeships, we are now hitting a craft shortage in bricklaying, for example. Nobody should be reproached for trying to end that craft shortage and to get local people into the jobs. We would support such an approach 100 per cent.

Brian Docherty: You have already heard the other presentations from the trade unions; I do not think that our opinion differs dramatically. Different places and sections have different problems. I have slightly different problems from those of UCATT, because I deal with electricians, plumbers, mechanics and ancillaries. I have a slightly different feel for the industry. For a long period, we have had agreements with the joint industry boards—both electrical and plumbing—

and we are coming from a slightly different direction. However, I concur on the problems that are faced by other trade unions.

In the short time that we have to make our presentation, I will not be long-winded and will concur, in the main, with statements that you have probably heard from Alan Ritchie, on best value and housing stock transfer. We have many serious questions from our members, for example, from North Lanarkshire.

I am pleased that those issues are being discussed. It gives the trade unions a role to play at an early stage, rather than my colleagues and me feeling that we are constantly chasing behind. Best value in authorities—even in departments, in some areas, as it differs from department to department—is to be commended. Broadly speaking, it is based on economic factors—that is the reality that is coming through. I am using a broad brush, because there are some good examples.

We would like to be involved, not in managing the business, but at an earlier stage, when decisions are being developed. Decisions are almost a fait accompli once they hit the table and the unions are invited to contribute.

The way in which local authorities are funded is relevant to the wage claims that we make for our members. I concur with the many local politicians who are looking for a different method of doing that. We present our members' concerns about the main issues. You have heard the issues all day, and I will not bore you with them.

Donald Gorrie: On best value, you suggest there should be a set of standards, so that building firms that are competing are registered with the Scottish construction operatives registration executive according to the proper rules. How could that be enforced? You told the story about a particular council and Nelson's eye. Would it be up to councils to enforce those rules? Would it be up to the national builders federation—or whatever the right terminology is—to ensure that firms do not get round the rules by using subcontractors that do not stick to them? How do you see that being policed? I am going with your suggestion—how would it be run?

Alan Ritchie: The spec of the contract has to detail what we expect the contractor to do. Our industry has to get its act together. It has a bad image—two people are killed every week. It has the highest number of deaths in any industry in Britain. We have to do something. To be fair, the Scottish Building Employers Federation recognises that, too. We are attempting to change the image of the industry. That is where the SCORE registration scheme comes in—we have been saying that it should be in the contracts given

out in the tendering process. The conditions under which we want contractors to tender should be made clear to them. The SCORE registration scheme should be used and people should be employed direct. That should be spelled out.

There should be a partnership between local authorities, trade unions and contractors. Trade union members do not have horns growing out of their heads. We are logical; we want the industry to develop. However, Scottish Homes conducted a housing survey and did not ask us what we thought was most important. It conducted a survey on dampness in Scottish homes, but had it come to us, we would have said, "What about asbestos in Scottish homes? What about the tenants who have to live with that? What about our members, who have to work in those homes?" Asbestos should have been included in that survey, but it was ignored.

If Scottish Homes had bothered to spend the time with us as a trade union and to say, "What is the issue that you want addressed in a housing survey in Scotland?" we would have told it that. It is our members who build the homes and repair them, so it is only right that we should be consulted.

Brian Docherty: If there are difficulties with the legalities of how contracts are put out, another way for us to deal with the issue is through partnership. That is what industry is about, and we are trying to develop that in a meaningful way. If local authorities made us part of the process earlier, we would have the opportunity to speak to those in the private sector who are coming on board, to prove that we do not have tails. We have heard for a long time that there are dinosaurs in the trade union movement. I make no comment on the people I meet across the table, other than to say that there is a mirror image from time to time.

If there were facilitators to bring us on board, we could begin to develop a working relationship. Once you have confidence and trust and begin to work in partnership, people will more readily deal with you in other areas. That is what we are looking for, until we solve the problem of the legalities of how contracts are put out to tender.

Bristow Muldoon: I have a few brief comments. First, I am sure that members of the committee have a broad commitment to many of the standards that you are arguing for. Local authority DLOs should be able to compete at least on a level playing field. Many of the standards that you are looking for in conditions of employment and in health and safety are central.

I know that you were not suggesting that every single contract is decided solely on price, but through your presentation there seemed to run the thread that most local authorities are operating in

that way. That is not my perception. There are local authorities that try to look at some of the other issues when awarding contracts. Could you comment on that?

On health and safety, could it not be the case that it is the implementation of existing health and safety laws that needs to be improved? You gave the example of the Control of Substances Hazardous to Health Regulations 1988. Those regulations require people who are using hazardous substances to be aware of the risks. Could the existing legislation not be applied more rigorously to some of the companies that you are concerned about?

Alan Ritchie: On local authorities operating to criteria other than price, we are having difficulty, because there is confusion. The councillors we speak to say, "We are for best value," but when we look at the practicalities, we see that they are deciding by price. They are saying that best value means price. When we talk to council employees, especially those in management, they say that price determines where contracts go.

When we raise issues such as the bogus self-employed and 714s and SC60s working on-site, companies turn round and quote the Local Government Act 1988. We cannot instruct a company on how it employs its employees, but that practice contravenes best value. I have no doubt that there are local authorities that act as Bristow Muldoon said—we have come across some of them—but I am afraid to say that we find that the majority still seem to be living under a CCT regime. The point that local authorities should be considering other issues should be made more strongly by the Scottish Parliament.

On the health and safety regulations, the Construction (Design and Management) Regulations 1994 make a client responsible for health and safety on site. Proper training is supposed to be given to employees who go on site, but in many instances it does not happen. That should be strictly adhered to by the local authority. Everybody who is in the SCORE scheme gets one day of health and safety training a year, when they are taken off site for that education. Many companies, such as Morrison Construction and Stewart Milne Construction, have already signed up to the SCORE registration scheme, and we would like to see other contractors do the same.

16:30

I sit on CONIAC—the Construction Industry Advisory Committee—which advises the Government in London on health and safety issues. We meet every three months and are examining a number of loopholes in current health

and safety legislation that we would like to close up. Policing the system and ensuring that companies adhere to health and safety regulations is important.

What happens to health and safety when a company uses the bogus self-employed? The emphasis is put on the employee, and the company says, "Well, he's not one of our employees. He has to supply his own hat and his own safety boots. That's his responsibility." Unless we have an organiser on site, and can get access to the site, we cannot advise the employee of his rights under the health and safety legislation.

Imagine that someone has been unemployed for three or four months and a site agent tells him, "Yes, I'll start you on a self-employed basis, but I'll not pay you holiday pay or sick pay. There's no pension scheme and you can supply your own health and safety stuff." The guy has not had any money for a while and his family has been suffering because he has been unemployed, so of course he will take the job, and he is then open to abuse. If he is injured, or even killed, his dependants fall into the poverty trap, so it is obviously a big problem.

Mr Paterson: You have already answered some of my points about COSHH. Is the measurement of a contract with regard to COSHH carried out by the clerk of works? If so, is it not a contradiction in terms for some councils to put the bite on the price so that COSHH regulations are ignored to some extent? The whistle will not be blown because the council, through the clerk of works, is the regulator—that is a vicious circle.

Alan Ritchie: I take your point. Under the CDM, the client is also responsible for health and safety and a percentage of the contract is supposed to be for health and safety. In many cases, as the contract gets tighter, the percentage that is given to health and safety is eaten into by other issues. That is why the SCORE registration scheme is important. My workers do not leave home in the morning determined to kill themselves and break the Health and Safety at Work Act 1974; they go out there to earn a living, but sometimes they leave their family in the morning and never return at night. If a worker goes out on site, he should have the right to return home to his family at night.

Ignorance of health and safety regulations is unacceptable. We tell workers that if they have a SCORE regulation card and break the terms of the Health and Safety at Work Act 1974, we will take that card away from them, regardless of whether they were acting on the instructions of a foreman, and they will no longer be able to work in the industry. That gives the worker a way of defending himself by saying, "I am not going to break the health and safety regulations. If I do, I'll be reported to the SCORE board." That provides a

safety net and it is what we want to be implemented.

Mr Paterson: And you want that in the contract?

Alan Ritchie: Yes, we want that in the contract of employment given out to the main contractor and all subcontractors.

The Convener: Your example of the role of the DLO in Stirling was good. I was not aware of that situation, but I am sure Sylvia Jackson was. When we considered the housing stock transfer, we were all concerned about what the apprenticeship situation means for kids today and in the future. I was also interested in what you had to say about partnerships between companies, trade unions and employees, and about the lack of trade union involvement in Scottish Homes, which I have to admit had not crossed my mind.

You commented on health and safety and on the conditions in which some people have to work. If a person is employed properly, he or she can expect the conditions of service that you have fought for and for which we have all fought in our various walks of life—that seems quite simple. We are about to go into July 2000 and the anniversary of the Scottish Parliament: it seems appalling that people are employed under poor conditions.

I thank you both for your contribution. As I said to other witnesses, I hope that this is the start of something. If you have anxieties, I hope that you will write to us; if we have anything that we want to ask you about we will contact you.

I thank you very much for attending the meeting this afternoon.

Alan Ritchie: Thanks very much for giving us your time.

The Convener: We now move on to the last witnesses—last but certainly not least. They are Ian McKay and Sandy Fowler from the Educational Institute of Scotland.

I ask you to give the committee a short presentation, then I will open the meeting up to questions.

Ian McKay (Educational Institute of Scotland): I thank you again for the invitation. We will try to be brief. We recognise that the most useful aspect of this is probably dialogue. We have been lucky to be able to build a relationship with other committees of the Parliament, principally the Education, Culture and Sport Committee. We also welcome the opportunity to attend this meeting. You have received our submission and, as we are the last witnesses, committee members are probably looking at their watches.

We stated in our submission that it would not be appropriate for us to discuss the McCrone

committee report to any extent today. We put the marker down that—given the nature of the McCrone report—it may well be a matter that this committee might want to examine in the future, again not wishing to tread on the toes of other committees.

The first point that we felt it was important to raise with the committee is the Standards in Scotland's Schools etc Bill. It is important to note that it is not only the sort of education bill that we would have expected from a new Government; we believe that it restates the relationship between local government and central Government in relation to education, which is the largest and in many ways the most significant service that is run by local government. That is significant and has exercised our minds. I am sure it has exercised this committee too. It recasts the relationship—especially with the minister, but with the Parliament as well.

We welcome a good number of the points in the bill, but there are others that we feel are problematic, particularly in relation to some of the areas in the Local Government Committee's remit. I draw the committee's attention to matters such as the setting of a duty on local authorities for the education of children. The clarity of purpose there is to be welcomed—all too often we neglect to say what education is for; we tend to forget—but we are conscious that while the emphasis on the rights of children is to be welcomed, we must not forget the rights of other players in the system, which must also be protected.

We would not say this, but there is a tendency among others to regard education services as aloof or apart from local government. While education is special—it has a special relationship to other services, the economy, inward investment and so on—we must also ensure that when new standards for education are introduced, they relate to other systems, in particular best value, so that the same rules are applied in education as elsewhere. I say that in the full knowledge that education is, without exception, the most looked at of services—we have HM inspectors of schools, our own structures for checking, target setting and, let us not forget, parents and students who check on what teachers do. We are well looked at, but what is important is that the performance indicators and benchmarks that are established are appropriate.

Education has, in some ways, been fortunate because people—our members, at least—have not suffered to the same extent as members of other unions from the direct effects of CCT. The education service overall has been affected. That makes it all the more important that, as we move to a more uniform and cohesive system of setting national targets and standards at local level and

incorporate the now well-established system of development planning within schools, the stress is put on setting standards for education, rather than setting standards of measurement for the sake of measurement. If we have one great criticism of the current regime, particularly HMI, it is that it seems to have established measures for the sake of measuring rather than because that benefits education.

There are issues in the bill that are important for the Local Government Committee and for our members. We raise others matters in the paper. I do not know whether you want us to go into those now, convenor, or take the issues with the bill first.

The Convener: We will ask questions and pick up on the other issues as we go along. We have received your paper and I am sure that members will have read it. If the other issues do not come up, I will ask you to say a few words at the end.

Donald Gorrie: Many of us would be keen on a system that gave councils greater freedom over their expenditure but required them to sign up to achieving certain targets and standards. Some of your discourse came from that direction. How can we achieve sensible standards—not just box ticking or league tables? How does one measure quality in education, instead of just the percentage of kids that do exams or play truant and so on? As you said, the powers that be love things that can be measured easily, but they are not often the right things to measure. What constructive suggestions could we make about how we might measure things better?

Sandy Fowler (Educational Institute of Scotland): I do not know that we require other means by which quality can be established in schools. As Ian McKay said, we are constantly subject to review, particularly by HMI, which uses the indicators in “How good is our school?” and so on, and by local authorities, which have their own quality measurement systems. We believe that such indicators are enough to establish quality, without getting into crude league tables of the number of exam passes and so on.

16:45

In our briefing paper, we discuss ring-fenced funding in local authority school education through the excellence fund and the new opportunities fund. I will concentrate on the excellence fund, as the new opportunities fund is a reserved matter. The excellence fund was established in 1998 as part of the comprehensive spending review and it affects school years 1999-2000 to 2001-02. No doubt we will soon hear about the next stage of the comprehensive spending review. Although the review gave significant and welcome additional resources to schools, which were allocated by

specific grant, we would say that the core programme—I will not go through the nine headings in the programme—was unnecessarily bureaucratic.

The moneys that were allocated to local authorities were given on the normal distribution formula, which is largely based on pupil or teacher numbers, but local authorities then had to bid for the money on the basis of other criteria. There was no competitive bidding process, the money was set aside for each local authority, yet they had to bid. That was time consuming for people in local authorities and there was a degree of democratic deficit as most local authorities made no critical analysis of the schemes. In their understandable desperation for the cash, they concentrated their efforts on preparing their evidence and their bid to match the funding.

There are two real problems with ring-fencing. The first is the inability to move the money into areas that local authorities might regard as more appropriate. The second is the carry-forward costs that are associated with such financing.

Bristow Muldoon: Local authorities have made the points that you raise about ring-fencing on several occasions and the committee has raised them with the Executive. We are keen that there should be more local democratic flexibility in the provision of all local government services.

Given that we will not discuss McCrone directly, I will ask about the last section of your paper, on democratic involvement and accountability if local authorities introduce cabinets. Some, such as City of Edinburgh Council and East Renfrewshire Council, already have. What sort of mechanisms could be put in place to ensure that representatives of staff, Churches and the wider community can be involved? In my experience of being on a local authority, the staff and the Churches were represented, but the broader community was not. That system did not operate as well as we would have liked it to. What are your ideas about how we could address that issue?

Ian McKay: We raised that because we want to draw attention to two important trends in the Executive's thinking. One is the involvement of the community; the other is the sharpening up of how local authorities make decisions and act as a local leadership and a local tier of government. While both of those trends are laudable, what happens in practice can be different. We found that a difficulty is that a lot of the solutions start to work against each other. We want to consider where there is best practice and determine how it can be adopted. At the moment, we are in a piloting situation. We realise that many local authorities are trying out new ways of sharpening up their leaderships in the wake of McIntosh. We hope that they are looking at each other to try to find

examples of best practice.

As one would expect of a teachers union, our main point is that teachers—and Church representatives, for that matter—have always been involved in education policy making through many different kinds of local government regimes since the time of the parish schools. It is important that when someone comes along with the latest great idea, someone with a practical frame of mind can say whether it will work.

When different ways of talking to the community are being tried, it is important that we do not lose sight of the effectiveness of the ones that are there just now. If there is a large and representative body of professional opinion available, it would make sense to access it and listen to what it tells you. We sometimes think that the plethora of citizens juries, focus groups and so on is created because groups are set up in the hope that they will provide the answer that was hoped for but that was not provided by a previous group. We will provide the answer that we would be expected to, but it will be representative of the opinions of the group of people who are employed by the local authorities to do an important job for the community.

Our paper perhaps paints too black a picture. We believe that there are good examples, such as in Edinburgh, of councils involving the Church and teachers. We would welcome the involvement of other forces in the community as well. I do not want to present my colleagues in a bad light, but it might be that those better processes were adopted because the legal advice was that Churches and schools had to be represented, rather than best practice being established in the first place.

Our point is that when local government is experimenting with new ways of organising itself and engaging with the population, it would be useful to include in the structures the views of people such as teachers who, by the nature of their job, constantly have to engage their consumers—parents and children—in the delivery of a major public service. We hope that this committee considers examples of best practice and advises councils about what it finds out.

Happily, the vast majority of councils have teacher representatives on their education committees or their equivalents. That is good practice.

Dr Sylvia Jackson: I am trying to focus on finance, although I want to refer to several subjects. I would like to follow up Sandy Fowler's comments on ring-fencing and to ask about the global picture to make sure that my understanding is correct. I will refer to Stirling, but I assume that the situation in Stirling is similar to situations

elsewhere.

I understand that roughly 80 per cent of the budget goes on teachers' pay and that 83 per cent of the remainder goes into devolved school budgets. That would not leave much flexibility in case, for example, teachers' salaries were slightly higher than the council anticipated. Am I right in saying that, although there are issues relating to ring-fencing, teachers' pay is possibly the most crucial matter because of the large amounts of money that are involved? Could you give us some more detail?

Sandy Fowler: You are right about the global picture; teachers' salaries are a major factor in local government finance and its inability to be more flexible. We think that part of teachers' salaries should be centrally funded. As other witnesses have said, it is some years since central Government provided finance for successive pay rises for teachers and other local authority employees.

One of the problems with the excellence fund is that local councils in general seem to believe that education departments are flowing with milk and honey—that they have lots of money. When it comes to budget cuts, councils often focus on core areas of education budgets because of that misperception. That happens even to the extent that they examine the moneys that are devolved. It is quite hard for councils to get at devolved money, but there have been recent examples of local authorities seeking to reduce part of the budget that is devolved to schools. There is a certain irony in that.

Dr Jackson: Stirling is one such council.

Sandy Fowler: Yes. That is a problem.

The carry-forward cost is another issue. Early intervention might lead a local authority to employ additional teachers to help with a particular scheme. However, local authorities are unwilling to employ such staff on permanent contracts because they are unsure whether the funding is secure year on year. The initial funding is in place only for three years and is not consolidated later into the GAE.

Another example might be the national grid for learning. It might be a laudable ambition of the Government's to have a computer for every five children in every school in Scotland, but the Government has not built in the on-going costs of installing and maintaining equipment and providing the technological back-up that is required. Those are major problems for local authorities that take on the commitments of the national grid for learning.

I have more examples that relate to Dr Jackson's question.

Donald Gorrie: I must reveal my ignorance: I did not know that there was a forthcoming code of conduct for HMI. That is an interesting development. Like other colleagues, I hear many complaints about over-regulation by schools and other bodies. How should we scrutinise such regulation?

17:00

Ian McKay: I am sure that Mr Gorrie remembers the wonderful time that the committee had at stage 3 of the Standards in Scotland's Schools etc Bill—I think it was on section 11A or something.

The Executive made one important concession in the passage of that bill. It was originally intended that there would be a code of conduct for Her Majesty's inspectorate relating to carrying out inspections of education authorities. However, we and others pressed for the introduction of a more general code of conduct that would cover all inspections, with the exception of further education inspections. Anybody who read the consultation documentation on the bill or who sat through some of the evidence-taking sessions, would say that there was a reasonably constant undercurrent—not just from us whinging teachers—of concern about the way in which HMI went about its business. I do not think that that was just an EIS refrain—it came from various sources.

I hope that the Scottish Executive has recognised that the matter needs to be addressed and that more comfort needs to be given to those on the other end of inspections. There should be another tick box applied not only to the inspection, but to the inspectors. There are certain standards that we might expect from an inspector and certain practices that we should look for. In those processes, however, there are many slips. We are committed to the establishment of a code of conduct and we will consider closely its terms.

We were keen to tell that to this and other committees of the Parliament. We believe strongly in the committee structure of Parliament. As an organisation, we invested heavily—I mean that literally as well as figuratively—in the establishment of this Parliament, when we fought in the referendum campaign. We believe in the power of the committee structure and that it represents the second chamber of our Parliament. In matters to which the Executive has expressed a commitment to bring forward regulation, we look to the committee structure to add a degree of scrutiny. We also hope that the committee will draw on us and on other people in the system for professional advice and critiques of some of what the Executive does.

It would be useful for HMI to have a set of standards applied to it as it goes about its

business, just as it applies its standards to others.

The Convener: Some members of the committee have spent the past couple of weeks going round handing out enormous cheques to individual schools—which has been interesting. Head teachers have been standing at their doors, waiting to jump on us and saying, "This is great." However, in a couple of instances directors of education have said to me that, strategically, they would have preferred the money to go to them and that they would have made alternative decisions. Have you had any feedback on what teachers or head teachers think about that?

Ian McKay: I am not sure about the basis on which you were handing out these cheques.

Colin Campbell: Public relations.

The Convener: The money comes from central Government to the Scottish Executive and it was decided that it would be distributed in the same way as it was in England.

Sandy Fowler: I understood that that was meant to be done through the local authority, although specific criteria were laid down.

The Convener: Not everybody is sticking to the criteria, but that is something that we will take up. There seemed to be differences in strategic decisions. Some people might think, "If I had all this money in a pool, I would do something different."

Sandy Fowler: I have no doubt that, since Gordon Brown's budget announcement, everybody has been waiting for the money—schools have been counting on it. It has probably been spent before it has arrived in most cases. That is part of a worrying trend, to be perfectly frank. We would continue to support local authority control of schools and of the budgets that go to them and our concerns would be raised and dealt with. There is no question but that we would continue to support local authority control of such finances and we would worry about any trend that led to direct financing of or control over schools by the Scottish Executive.

The Convener: Thank you very much. Does Ian McKay want to add anything?

Ian McKay: Not exactly, but looking at my notes, I realise that I have skirted a point and I want to make one last comment before the committee winds up.

Somebody mentioned judging teachers, but we moved on to the financial aspect of that issue instead of staying with the professional side. Although I realise that I am breaking my own rules about mentioning the McCrone report, from the point of view of most teachers and certainly from that of my organisation, McCrone is the first report

for many years that recognises the professionalism of teachers. Such a focus will be very much appreciated by teachers throughout the country.

Perhaps the real answer to the question about how we judge teachers is that we need to move away from easy number-crunching such as counting the final numbers of passes. It is possible to establish performance indicators that are based on professional practice. Members who are interested in the matter should read a recent exercise on educational psychologists—carried out by HMI, no less—that established a set of performance indicators for an educational psychological service. Hardly a number was crunched in the exercise, which focused mostly on the question of what people regard as a good and professional job of work. That exercise contains many lessons for other aspects of teaching and for the main job of teachers themselves.

I will leave the committee with one thought: as we have found from our day-to-day work with parents, the nice thing is that much is based on trust between parent and teacher and teacher and pupil. The most basic contract between teachers and those with whom they work is that they are trusted to do a job of work that takes pupils forward in their lives. It will be helpful if we can start to return to such measures in our education system. Although that involves trusting others, it also involves a concept of professionalism that we were very happy to mark in the McCrone report. I hope that, over the summer and towards Christmas, that aspect will emerge as one of the lasting benefits of McCrone's work.

The Convener: Thank you very much.

I want to sum up a couple of points. Witnesses mentioned the clarity of purpose that had not been stated before, and that they supported both that aspect of the Standards in Scotland's Schools etc Bill and the right of others besides children to be protected, which no doubt refers to staff and representative organisations such as those that are represented by the witnesses today. The committee will keep an eye on good practice in education and other areas of local government. The issue of pay awards has come up again and will be featured in our review of local government finance. I am old enough to remember when teachers were trusted and looked up to—indeed, I never knew the first names of my teachers. Perhaps we can get back to such a situation. However, as far as the committee and the Scottish Parliament are concerned, we probably showed that we trusted teachers when we repealed section 2A of the Local Government Act 1986 last week.

I thank the witnesses for attending and will repeat what I said to others: I hope that this is the

start of a relationship that your organisation will build with the committee. If there is anything you feel that we should know, or if we need to learn anything from you, the dialogue has been opened and I hope that it will continue.

Sandy Fowler: I want to thank the committee again for the opportunity to appear before it. It has been a worthwhile experience and I am sure that the committee will hear from us again as time goes by and as issues arise.

The Convener: Thank you.

I am afraid that I am going to have to rush the committee on to the next part of the meeting; the official report and the broadcasters have to get away.

Are members agreed that we should discuss the outcome of the Scottish Executive's consultation on the McIntosh report on 12 September? I know that that date seems a long way off, but we cannot do it next week, which is the last before recess.

Members indicated agreement.

The Convener: The meeting will now go into private session.

17:09

Meeting continued in private until 17:35.

Members who would like a printed copy of the Official Report to be forwarded to them should give notice at the Document Supply Centre.

Members who would like a copy of the bound volume should also give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the bound volume should mark them clearly in the daily edition, and send it to the Official Report, Parliamentary Headquarters, George IV Bridge, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Tuesday 11 July 2000

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

Single copies: £5

Meetings of the Parliament annual subscriptions: £500

BOUND VOLUMES OF DEBATES are issued periodically during the session.

Single copies: £70

Standing orders will be accepted at the Document Supply Centre.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

Single copies: £3.75

Special issue price: £5

Annual subscriptions: £150.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Published in Edinburgh by The Stationery Office Limited and available from:

The Stationery Office Bookshop
71 Lothian Road
Edinburgh EH3 9AZ
0131 228 4181 Fax 0131 622 7017

The Stationery Office Bookshops at:
123 Kingsway, London WC2B 6PQ
Tel 020 7242 6393 Fax 020 7242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 028 9023 8451 Fax 028 9023 5401
The Stationery Office Oriol Bookshop,
18-19 High Street, Cardiff CF1 2BZ
Tel 029 2039 5548 Fax 029 2038 4347

The Stationery Office Scottish Parliament Documentation
Helpline may be able to assist with additional information
on publications of or about the Scottish Parliament,
their availability and cost:

Telephone orders and inquiries
0870 606 5566

Fax orders
0870 606 5588

The Scottish Parliament Shop
George IV Bridge
EH99 1SP
Telephone orders 0131 348 5412

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers