

PUBLIC PETITIONS COMMITTEE

Wednesday 10 December 2003
(*Morning*)

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2003.

Applications for reproduction should be made in writing to the Licensing Division,
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

Wednesday 10 December 2003

	Col.
NEW PETITIONS	375
Consultant-led Maternity Services (PE689)	375
Scottish Environment Protection Agency (Main Board) (PE680)	388
Scottish Water (Business Charges) (PE686)	396
Bone Marrow Register (PE687)	406
Public Finance and Accountability (Scotland) Act 2000 (PE683)	413
Scottish Executive (Complaints and Correspondence) (PE681 and PE682)	421
Education (Anti-Semitism and Gender Inequality) (PE669)	422
CURRENT PETITIONS	423
Further Education (Management Practices) (PE574)	423
Further Education (Governance and Management) (PE583)	423
Eating Disorders (Treatment) (PE609)	424

PUBLIC PETITIONS COMMITTEE

9th Meeting 2003, Session 2

CONVENER

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

DEPUTY CONVENER

*John Scott (Ayr) (Con)

COMMITTEE MEMBERS

*Jackie Baillie (Dumbarton) (Lab)
*Helen Eadie (Dunfermline East) (Lab)
*Linda Fabiani (Central Scotland) (SNP)
*Carolyn Leckie (Central Scotland) (SSP)
*John Farquhar Munro (Ross, Skye and Inverness West) (LD)
*Mike Watson (Glasgow Cathcart) (Lab)
*Ms Sandra White (Glasgow) (SNP)

COMMITTEE SUBSTITUTES

Frances Curran (West of Scotland) (SSP)
Susan Deacon (Edinburgh East and Musselburgh) (Lab)
Phil Gallie (South of Scotland) (Con)
Mr Rob Gibson (Highlands and Islands)

*attended

THE FOLLOWING ALSO ATTENDED:

Bill Alexander
Geva Blackett (Millie's Campaign)
Dianne Laing
Dr Stephen McEwan (Anthony Nolan Trust)
Cathy Peattie (Falkirk East) (Lab)
Jim Roberts
Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)
Rob Willox (Bo'ness means Business)

CLERK TO THE COMMITTEE

Jim Johnston

ASSISTANT CLERK

Joanne Clinton

LOCATION

The Chamber

Scottish Parliament

Public Petitions Committee

Wednesday 10 December 2003

(Morning)

[THE CONVENER *opened the meeting at 10:05*]

The Convener (Michael McMahon): Good morning and welcome to the ninth meeting this session of the award-winning Public Petitions Committee. I just wanted to get it on the record that we received an accolade a couple of weeks ago.

Linda Fabiani (Central Scotland) (SNP): That is probably down to you, convener.

The Convener: Of course it is not.

New Petitions

Consultant-led Maternity Services (PE689)

The Convener: We have a change to our agenda this morning, because some of our petitioners are not quite ready. With members' agreement, we will skip to petition PE689, on consultant-led maternity services. Jamie Stone MSP has asked Parliament to ensure the availability of consultant-led maternity services throughout Scotland. The petitioner believes that the findings of a recent report from the expert group on acute maternity services will lead to the downgrading of consultant-led maternity services to midwife-managed community facilities in parts of the Highlands. Jamie Stone is present, along with another visitor.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The reason why I have lodged the petition is that it relates to the single biggest issue in the north of Scotland. Two years ago, NHS Highland considered downgrading the consultant-led maternity service for the north of Scotland to a midwife-led service. There was a huge campaign to ensure that the service was kept at the standard that we have enjoyed and two years ago, we thought that we had won the battle. However, to our dismay the EGAMS report has given NHS Highland the opportunity to revisit the issue.

Our concern is that the north of Scotland is remote. If the consultant-led service were downgraded to a midwife-led service, that would lead to a hugely increased number of pregnant mothers having to travel all the way to Inverness, which is a long distance from places such as John

O'Groats, Canisbay, Wick, Thurso and Bettyhill, on the north coast of Sutherland. In the event that the weather is inclement, which it is with monotonous regularity every winter, and the A9 is blocked, people cannot make the journey. Equally, there are a number of days every year when the weather is so bad that the emergency helicopter cannot fly. Therefore, we think that the risk posed to mother and unborn, or born, child would reach an unacceptable level. On a bad day, the situation would be a tragedy waiting to happen.

There is also the issue of peer support. A single mum from a poor background in Wick would have to undertake a 200-mile return journey to Inverness to have their child and it would be almost impossible for her friends and relations to visit her—which is so important in the first days after birth—because it might be beyond their pocket. NHS Highland decided to revisit the matter because of a risk highlighted by EGAMS around paediatric cover at Caithness general hospital in Wick. Our reaction is that if there is a perceived problem with paediatric cover not being at the correct level, the cover should be raised to the correct level. We do not sell a car simply because it has one soft tyre; we repair the tyre.

The consultant-led service is valued in every way. If we take away a key service, we act against economic development—people would think twice before moving to Caithness or Sutherland, because of the lack of access to the service. Highland Council is with us on the issue. It is deeply worried, and I believe that it will seek a meeting on health and enterprise issues with Malcolm Chisholm and Jim Wallace. Some 7,462 signatures represent a huge proportion of the county of Caithness's population. I have never known a petition to be signed by such a high proportion of people in a community.

As I said, the issue is the single biggest issue in the north of Scotland. It is hugely important. Downgrading the service would be terrible. EGAMS refers in its report to the fact that midwife-led services in remoter parts are untested and distance has not been considered. I put it to members that medical systems and arrangements can come and go, but geography and the weather cannot be altered, no matter what is done—they are entirely in the hands of the Almighty.

We lodged the petition because the issue is important to a special area of Scotland that has difficulties as a result of distances and the weather. We believe that the issue should be put on the Parliament's agenda and I hope that the committee will take it further and bring it to the attention of ministers, if that is possible. The convener knows that I have continually raised the matter in the Parliament through questions and supplementary questions. Indeed, around three

years ago, the last question that the late Donald Dewar answered was a supplementary question on the service, which I asked.

John Farquhar Munro (Ross, Skye and Inverness West) (LD): I am sure that most people would be concerned about what you say about distances if maternity services were to be lost in the north of Scotland. What alternative provision would there be if a mother and child had to be transferred from Wick or Thurso in the far north, for example?

Mr Stone: I do not think that there is an alternative. If the service was downgraded to a midwife-led service and there were urgent or potential difficulties with new-born children, people would have to go to Raigmore hospital, which is a huge distance, as you know. Even the ambulance service in Wick has said that it doubts that it could cope with the transport of people up and down to Raigmore. I cannot see an alternative. We must fight to save the service.

John Farquhar Munro: Alternative provision is quite a distance away. How many miles are we talking about if Raigmore hospital is the nearest consultant-led facility?

Dianne Laing: We are talking about in excess of 100 miles each way. The road is a coastal road and is treacherous for anybody who travels on it at any time. We are talking about it perhaps taking more than two hours to get a person to Raigmore, and the person's state of health will obviously increase the risks to them and increase panic. The road's logistics do not allow for safe transport.

John Farquhar Munro: I am acquainted with such arguments. I represent a remote community in which the distance to Raigmore can be around 150 miles. I understand that midwives are concerned about their responsibilities if they do not have a consultant at hand to deal with emergencies. If a new-born child requires resuscitation, they will not have the skills to provide it and they think that the proposals put too much responsibility on them. Do you have anything to say about that?

Dianne Laing: Everybody involved is concerned that the service is taking a step back. Whether people could cope is a worry and an unknown.

John Farquhar Munro: Therefore, the proposal to have midwife-led maternity services, at least in remote locations, is not in the best interests of patients. Is it financially driven?

Dianne Laing: We are talking about a risk that is definitely a step back. The proposals are not an improvement. My friends and family and all those who are involved are deeply concerned that the step is a step back and not an improvement. We

are losing the service, and if it disappears we will probably never regain it.

10:15

Mr Stone: I emphasise that the EGAMS report refers in passing to distance, but it does not really address the issue. I must go further and say that the minister, Malcolm Chisholm, has conceded in his answers that distance is an issue in this case. Dianne Laing is quite right; we take the view that we already enjoy the service. I do not think that money is the issue—if it is, it is up to NHS Highland to tell me, you and the Executive that it needs help. In fairness, the Executive is pretty good at recognising issues of remoteness and peripherality. If the argument was presented correctly, the Executive would be supportive.

The risk assessment is being undertaken at the behest of NHS Highland, and I hope that it will conclude in our favour. However, the indications thus far are not good, and it is no coincidence that the issue is being revisited only two years after the previous review, at which time we were assured that the future was safeguarded.

Carolyn Leckie (Central Scotland) (SSP): I have several questions. Taken on their own, I am sympathetic to the arguments that have been put forward in favour of midwife-led units. Historically, with the medicalisation of childbirth, there has been an increased level of intervention and a higher risk of complications in operative surgery. I am clear about that. However, the issue is about access, choice and context.

Are you aware of the contradictory arguments that are put forward in different health board areas? For example, the argument that is put forward for closing the Queen Mother's hospital in Glasgow is that it is not on a general hospital site. Most of the women who deliver at the Queen Mother's hospital are normal, just as most of the women who would deliver in Wick are normal. On the one hand, we have a city-based population being told that it cannot have the Queen Mother's hospital because it is not on a general hospital site; on the other hand, it is all right to have midwife-led units that have no consultant back-up within 100 miles. I would like you to comment on that.

What have the health boards said about antenatal services and specialist investigation such as ultrasound? Under the proposal, will only routine ultrasound be available in Wick? My understanding is that if people need detailed ultrasound or growth scans during their antenatal care, they will have to travel for it. Women from poorer backgrounds are more likely to have growth problems and low birth-weight babies and are more likely to need detailed intervention and

scanning. What does the health board say on those issues?

You mentioned the EGAMS report, in which the suggested standard is one-to-one midwifery care in labour. How feasible is that under the proposals? There is also a recommendation that there should be regional planning of the provision of maternity services in a national context. Has that happened in this instance, to your knowledge?

You referred to paediatric shortages. I agree that if there is a shortage of paediatricians, we should fix the problem, rather than take away services. The matter relates to the wider political context of health service provision and strategy over a number of years and to a host of issues such as resourcing and training that have contributed to the current situation, but I would like to hear more about your specific arguments in relation to Wick.

Mr Stone: I will try to pick my way through your comments. I very much agree that the problem is Scotland-wide, although it seems to surface in different parts of Scotland in different ways. During the Lesley Riddoch programme about the Queen Mum's hospital, I tried frantically to ring in to say, "What about Caithness general hospital?", but my call was not selected. It seems that health authorities in different parts of Scotland have seized on EGAMS and exclaimed, "Aha! The very tool that we have been seeking!" That is most unfortunate and I do not believe that it was the intention of ministers, who, I suspect, will have to consider the issue on a Scotland-wide basis.

You were also entirely correct when you talked about the regional approach in Scotland. In my submission to Highland NHS Board, I made the point that the board should think beyond its boundaries. Orkney is now just a short ride away from Caithness on the new ferry, so why should not Highland NHS Board continue to run a consultant-led service in Wick, increase paediatric cover and increase the provision for Orkney mums? That could be doable—okay, the ferry cannot sail in the worst weather, but nevertheless the service would be available for most of the year, which would be an improvement.

You asked about the detail of antenatal provision and quite correctly hinted that the poorest people in society have the greatest problems. That statistic is unfortunate, but correct. By definition, the poorest people are those who are the least able to pay, the least likely to have a car and the least likely to have wealthy relations who can visit. In Wick, it is precisely the most vulnerable people in society who are the most affected. Who will look after the two older kids of a single mum while she is down in Inverness? I agree that there will be a level of cover for such mums in terms of facilities such as ultrasound, but

surely we should be trying at all times to improve our health service, particularly for the poorest in society. Given the amount of money that we spend, it should be possible to do so.

One good example of improvement to the service in Caithness is the introduction of a renal unit, which has saved people from having to travel huge distances for dialysis—well done, Highland NHS Board. People of all political persuasions should be seeking to improve services, whether they are in Glasgow or the most remote parts of the Highlands. A poor person is a poor person, no matter where they live, and people should not be disadvantaged because they live right up on the north coast, in Strathly or Canisbay. Those people have the same right to a high-quality NHS service as people who live in Edinburgh, Dundee or Stirling.

Ms Sandra White (Glasgow) (SNP): You are absolutely right about the EGAMS report. Services should be located as near as possible to the woman's home and special attention should be paid to deprived areas. Do you know how many births there are in the area that we are discussing?

Mr Stone: I should have brought that statistic with me.

Ms White: The service is to be downgraded from level IIa to level Id, which is the community maternity unit. Table 1 of the EGAMS report says that the "Care need and delivery" category is the same for levels Id and Ib, which is

"Appropriately equipped midwifery unit for normal care and agreed transfer guidelines to a linked maternity unit".

The "Care need and delivery" category for level IIa is maternity care with

"no access to paediatric facilities".

The intention is to downgrade a consultant-led maternity unit to a midwifery unit with no consultant, but neither unit would have access to paediatric services.

The downgrading of the unit will obviously not improve the service that is available, but the unit is currently a IIa hospital with no neonatal services and when it becomes a midwife-led unit—that is, a level Ib unit in terms of the EGAMS report—it will still not have those services. What effect will that have on the mothers who hope to deliver within the Caithness area in the Highlands?

Mr Stone: The issue comes back to the risk assessment, which will be kicked off on 15 December. We will all make our case on the paediatric front. I understand your argument, but for the cost of providing the paediatric care—oh yes, make no mistake about the fact that additional costs would be involved—Caithness

would be able to offer the grade of service that one would expect.

Ms White: The point that I was trying to make is that, although the unit currently has the advantage of being consultant led, it still does not have neonatal services. If the unit is downgraded to level 1b, it will not be consultant led and it will still not have neonatal services. My point is that the downgrading would be a retrograde step. Is that what the mothers in the area would say? They will not get improved services and some consultant-led services will be taken away from them while they will still be without neonatal services. That was the point that I was trying to make.

Mr Stone: I accept that point—it is glaringly evident. It is interesting that the issue was not addressed some years ago.

Ms White: Another point that I want to make is that, although people keep mentioning the EGAMS report, sections of it can be taken out to suit any particular area. We might quote the EGAMS report, but not everything in it rings true in certain circumstances. It would be handy to get further information on the number of births in the area.

The Convener: That would be useful. I think that Carolyn Leckie has done some research on that and she thinks that there are about 600.

Mr Stone: I would have said that the number was at about that level, but I wanted to give the accurate figure. There is a steady stream of births each week. It is a cheerful wee unit.

The Convener: After Jackie Baillie and Linda Fabiani's questions, I will ask for recommendations on what we should do with the petition.

Jackie Baillie (Dumbarton) (Lab): I will try to be brief. It strikes me that two issues are involved. One issue is the principle of what is happening under maternity reviews across Scotland; the other is the particular circumstances in the Highlands.

Let me deal with the principle first. Like Carolyn Leckie, I think that birth is becoming increasingly medicalised as a process and I agree that there is a place for community midwife-led units. However, there is a need to ensure that we have both quality care and access throughout Scotland. In the Highlands, particular circumstances lend their weight to the need to consider access in slightly different terms from how it would be considered in urban Scotland.

Having experienced a similar review in Argyll and Clyde, I can assure committee members that such reviews are not financially driven. The context, which will be the same in Highland, is that we have a declining number of births and a

reducing availability of consultants who are willing to work outwith the central belt. That will have contributed to the process.

I want to push for specifics on the nature of the problem in paediatrics. It strikes me that across Scotland we have sufficient consultant obstetricians, but we have a hidden problem in paediatrics. We need consultant paediatricians, who are required to oversee special baby care units and to take care of the high-risk mums, if you like. Will you tell us the precise nature of the problem?

Mr Stone: The problem is that the present level of paediatric cover is perceived as a risk and is stated as such in the EGAMS report. Therefore, it is time to revisit the issue. My own belief is that one could think laterally on the matter. In order to tackle the problem, there is no reason why we could not have a sort of roving consultant who would oversee perhaps Orkney, Shetland and Caithness on a circular basis.

Jackie Baillie is quite right that the review is not cost driven, but NHS Highland has referred to the working time directive, which, as we all know, impacts on general practitioners and consultants. That is why I think that the issue comes directly back to ministers. We will probably have to revisit how we tackle this one.

I agree that there is a cost attached to paediatric cover, but we just need to up the level of cover. We need to put in just two or three staff, possibly with a circulating consultant paediatrician.

Jackie Baillie: Given that there is a nationwide shortage, simply raising the amount of money available will not produce additional consultant paediatricians. Where will you get them from?

10:30

Mr Stone: We have to make the attempt and I am not convinced that we have done that. The NHS in the Highlands owes a great deal to people coming into Scotland from other countries. I believe that one of the ways to get people is to advertise abroad. Let us face it; it is a good career move for a trained paediatrician to come here.

We can think outside the box on this. We might have to legislate, but we can further empower health authorities to attract the right people. It is about golden hellos and selling the advantages. There are advantages to living in the far north, such as the beauty, golf and fishing—or, in John Farquhar Munro's case, poaching. I hope that the official report will strike that from the record.

We should seek people from outside the country and the Scottish Executive should acknowledge that the most far-flung areas have a problem that we must tackle. I know that ministers are willing to

do that, but it is a matter of getting the problem high enough up the agenda. Ministers have to address myriad issues—Jackie Baillie will know that from her experience.

John Scott (Ayr) (Con): Jamie Stone has already touched on the working time directive. However, the problem is nationwide, as Jackie Baillie said. It is also compounded by the Royal College of Physicians and its training regimes. Unless there is a big enough throughput per unit, the RCP will not pass the unit as a training establishment, so the consultants who might otherwise be tempted to go out with the central belt are unable to do so.

The matter is a huge issue not just in Jamie Stone's part of the world; it is also an issue in the south-west of Scotland. The underlying problems with maternity, neonatal and paediatric services should all be debated by the Parliament. Jamie Stone said that we could think outside the box, but those whose job it is to do just that have been doing it. The paediatricians are just not there. It is a real problem and it is compounded by the working time directive.

Linda Fabiani: I am aware that we are talking about the issue as if the downgrading has already happened. As I understand it, Jamie Stone has worries about what will happen as a result of the EGAMS report. What makes him think that what he fears will happen will happen in Wick? His petition asks to ensure the availability of consultant-led maternity services throughout Scotland. What should the committee do with the petition? What is his preferred option? Should it go to the Health Committee or to the minister with a view to its being debated in the Parliament? What were his feelings on that when he submitted the petition?

Mr Stone: I will have to be careful about how I put this, but I have been told up-front in private meetings with NHS Highland that I am wasting my time because they are not going to do what the petition asks. I do not know whether I am covered by parliamentary privilege in the committee, but I have been told that point blank. My reply is that I will oppose the proposal tooth and nail. My fear is that it is a foregone conclusion.

NHS Highland tried to withdraw services two years ago. Dianne Laing will recall that there were vast public meetings in Caithness. It backed off at that point, but now it has seized on the EGAMS report. In the Highlands, there is a tendency to centralise on Inverness. It is no accident that Inverness is the fastest-growing city in Scotland, but in growing so fast, it is sucking resources out of other parts of the Highlands. That is a problem for the Government in Scotland and it should be addressed. I hope that you accept my answer to your first question as being truthful—I can put my

hand on my heart and say that that is what was said.

Your second question was about what the committee should do with the petition. I am not as familiar with the workings of the Public Petitions Committee as I should be. I would have hoped that my petition might have generated some correspondence with the minister. Whatever the committee's deliberations amount to, the petition could be discussed by a committee that will listen sympathetically to the case that I am bringing before Parliament, which is not just about Caithness.

Linda Fabiani: Exactly, that is my point. Your petition makes a case more widely than for services in Caithness; it makes a case for services throughout Scotland.

Mr Stone: That was deliberate.

Linda Fabiani: There is an issue about how services throughout Scotland should be defined. What are the criteria that would enable us to say that maternity services in Scotland cover the country? It is a big issue. We should think carefully not only about what to do with petition PE689 but about how we can use the petition as the basis for further discussion.

The Convener: We will hear from Carolyn Leckie, which will give members an opportunity to think about what to do with the petition. We need to think about our recommendations.

Carolyn Leckie: A couple of issues have not yet been drawn out in the discussion. One issue relates to access. I have heard various health board members and members of professional organisations talk about informed choice.

Resources and training have been factored into the Scottish Ambulance Service provision. Malcolm Chisholm has accepted, albeit not overtly, that that has had to happen partly as a response to the assumption that rationalisation of maternity services will lead to an increase in the number of births in transit.

It is intolerable that women have to accept that they may have an unplanned delivery in the back of an ambulance. Members of the professional organisations have told me that women should be given an informed choice at the beginning of their pregnancy. They almost seem to be saying that it is up to women to decide whether to go to a consultant-led unit such as the one at Raigmore or to accept the small risk that they might deliver in the back of an ambulance or that something might go wrong.

The other issue that needs to be teased out is unpredictability in pregnancy and labour. In the worst-case scenario, things can go wrong. It might be possible to show statistically that a midwife-led

unit is as safe as, if not safer than, a consultant-led unit in terms of normal deliveries. However, we need to consider the small number of cases in which something goes seriously wrong. Midwives everywhere will recount instances of a seemingly low-risk scenario of a normal pregnancy and normal labour in which something has gone drastically wrong.

That scary scenario is completely different from what happens in respect of the centralisation of surgical services. If someone is going into hospital for an operation, the complication will not happen until the person is in the operating theatre, where back-up is available in any case.

For a woman who is deemed to be a normal, low-risk case, when something goes wrong, that is not planned for. She might not be in a setting where the emergency can be dealt with easily or from where she can be easily transferred. I am thinking of nightmare scenarios like shoulder dystocia—that is the scenario that midwives always cite—when the baby's head emerges but the body does not because the baby's shoulder becomes stuck. The midwife has seven minutes maximum to sort that out. If the woman has to be transferred, we might be talking about a two-hour journey by road or a journey that has to be made by helicopter.

Professional organisations have explained to me that women need to have that sort of risk explained to them. They say that, if a woman finds the risk unacceptable, she can choose to go to a consultant-led unit. That is an unacceptable choice to put to mums-to-be. It is unacceptable to say, "Although the risk is rare, if it happens to you, you will have no chance if you want to give birth in a midwife-led unit with no paediatric back-up and no consultant back-up." Following rationalisation of midwife services, the nightmare scenario will happen to at least a few people over time. Statistically, that might be all right, but if it happened to any one of us, it would not be all right.

The Convener: I think that that was a statement rather than a question. I seek recommendations about what we should do with the petition.

Jackie Baillie: What Carolyn Leckie said highlights the complexity of the debate. I suggest that we refer the petition to the Health Committee. I know that members of that committee have taken a keen interest in the review of maternity services and the wider implications of the review.

Ms White: I go along with Jackie Baillie. I was going to suggest that we refer the petition to the Minister for Health and Community Care, placing emphasis on the Highlands, about which the petition is particularly concerned. We should emphasise the fact that the EGAMS report

mentions deprived areas and the extent to which the mothers and children need to be close to the hospital. I do not wish to put this matter to the vote, but if the committee wishes the petition to be passed to the Health Committee, then—

The Convener: We can do both things, Sandra.

Ms White: I would like the petition to be passed to the Minister for Health and Community Care. I think that we should point out to him the special circumstances that exist in the Highlands and highlight the emphasis that the EGAMS report puts on deprived areas and on the need to offer care as close as possible to the woman's locality. We should take particular account of the downgrading of Caithness general hospital. If it is downgraded from level IIa to level Ib or Ia, nothing else will be provided there. We need not mention that in our report, but I think that our letter to the minister should emphasise those things. It is not that I disbelieve Carolyn Leckie—I do not—but I would like to see the details of the grades in black and white: IIb and IIc, for example. I know that the issue is about the number of births in the area, but I would like to get that information from the minister.

John Scott: The minister will have a very long letter to respond to at this rate. Aside from the specific problems that we need to address in relation to Jamie Stone's petition, I would invite the minister—if we are to write to him as well as refer the petition to the Health Committee—to consider the problem of the centralisation of neonatal maternity and paediatric services. The problem is evident right across Scotland and, as Carolyn Leckie said, it takes choice away from patients at every level.

Carolyn Leckie: There is an urgent need for the Parliament to debate the issue. I support the idea of passing the petition to the Health Committee and of writing to the minister. I agree with John Scott on the wider question of paediatric services. There is a bigger political context here. Do we accept the situation or do we take steps to do something about it? The problems around training could be addressed in other ways. I am not sure that the alternatives have been explored—for example, rotating the work of specialists in the units. It would not be acceptable for a junior registrar to spend their six months or year of training in a unit with only 600 deliveries a year. However, they would not need to spend all that time there—cover could be provided while training was provided elsewhere. I do not think that that possibility has been investigated enough.

The Convener: We can write to both the Minister for Health and Community Care and to the Health Committee, but it would not be the committee's practice to do so simultaneously. We tend to write to a committee, asking it to take up

the issues in question with the relevant minister, or we write directly to the minister, telling him or her that we want a response that can be passed on to the relevant committee. We apparently do not ask a committee to take up an issue at the same time as we write to the minister with our questions. We can do both, but not at the same time.

Jackie Baillie: Can we clarify whether the Health Committee is doing something on the matter? Some discussion was reported in the press and it has been said that the Health Committee intends to take on board the wider-context issues that the petition raises. If the Health Committee is about to do something on the matter, it would seem a shame to delay submitting the petition to it while we engage in dialogue with the minister. However, if we have time, it would seem sensible to engage in dialogue with the minister first.

John Scott: I imagine that the Health Committee will be aware of our discussions on the matter. I suggest that we write to the minister, asking him for a quick response. I would expect us to refer the petition to the Health Committee thereafter.

Ms White: I agree with John Scott. I think that we should write to the Minister for Health and Community Care first. We should remember that the Health Committee has been considering the Primary Medical Services (Scotland) Bill. We should get a response from the minister first and then send the petition to the Health Committee if we need to.

Linda Fabiani: How quick would a quick response be? It would be a shame to miss the boat.

The Convener: We need to emphasise the urgency of the situation, although we do not know whether that will make the Executive write back more quickly.

John Farquhar Munro: In our submission to the Health Committee, we should point out that there is doubt about the review's conclusion that midwife-led care was neither less safe nor less effective than consultant-level care.

The Convener: Yes, but we must decide which route we want to take. Should we write to the minister first and let him know that we want information because we intend to pass the petition to the Health Committee, or should we go straight to the Health Committee and ask it to take up issues with the minister?

Linda Fabiani: Could we write to the minister and to the convener of the Health Committee, saying that we have done so with a view to passing the petition to the Health Committee?

The Convener: That is a good idea, although we cannot pass the petition to the Health

Committee until we receive a response from the minister. Are members happy with that approach?

Members indicated agreement.

Scottish Environment Protection Agency (Main Board) (PE680)

10:45

The Convener: We return to petition PE680, because the petitioner is now available. The petition calls on the Parliament to urge the Executive to disband the board of the Scottish Environment Protection Agency and to allow the agency to reform its board without political interference. Members may wish to note that the original principal petitioner, Alan Clarke, recently passed away. I am sure that members join me in passing on the committee's condolences to Mr Clarke's family. Mr Jim Roberts has taken over the role of principal petitioner and he is present to give evidence to the committee in support of the petition. Welcome to the committee, Mr Roberts. You have three minutes in which to make your opening remarks, after which we will ask questions.

Jim Roberts: I will pass on the committee's condolences to Alan Clarke's family. I am sure that the comments will be much appreciated.

I first became aware of SEPA approximately two years ago, before which I had never had any involvement with the organisation. When Mining (Scotland) Ltd produced the plans for the Killoch and Westfield facilities, we started to be involved with various bodies, one of which was SEPA. We were surprised by what we found out about SEPA, because our understanding was that SEPA is our environmental watchdog, which exists to look after public interests in air, water and land.

Both the facilities were originally supposed to be for 500,000 tonnes, although Killoch was reduced to 310,000 tonnes. As a statutory consultee, SEPA was involved in various forms of documentation, but it submitted a formal letter to East Ayrshire Council saying that it had no formal objections to the plans. To our community, that was astounding, given the amount of waste that was to come from various parts of Scotland to Ayrshire. We also found that copies of internal statutory consultation documents were copied to Mining (Scotland), which, in our eyes, undermined the planning process in favour of the applicant. I have a copy of that document for the committee's perusal, should members desire to look at it.

The effect of the Egger chipboard plant in Ayrshire is meant to be monitored at 12 farms and two schools. However, only two farms and the two schools—Ochiltree Primary School and Auchinleck Academy—are monitored. Again, we

have had problems with the regulator—readings are not always taken and, on one occasion, no readings were taken for a month. The reason given on the documents for that was that the batteries were flat. Those are not the actions of a responsible regulator.

Awards have been presented to members of the SEPA hierarchy from various organisations that it is meant to regulate. For example, awards have been given for outstanding contribution towards institute aims and for outstanding contribution to the waste industry in Scotland. As SEPA is meant to regulate that industry, the hierarchy should not accept such awards, which smacks of cronyism and does nothing to inspire public confidence.

We have come across SEPA officials who have refused to provide details of their qualifications and levels of competence. The request for such details is not unreasonable, given that such people make decisions that affect people, communities and ways of life.

Even now, hardly a week goes past without some respected environmental journalist bringing to light in the newspapers various aspects of what they perceive as failings in SEPA's actions or lack of action and the apparent inability of SEPA to act decisively in the face of public concern. Several issues have come to light recently, including the incinerators at Carntyne and Dundee and the disappearance of the River Nith in Ayrshire. It makes one wonder whether SEPA has the expertise to tackle big business on aspects of pollution that affect people in their communities.

Scotland's polluters have to be brought to task—not just the major polluters, but the small polluters. SEPA must have the resources and accountability to bring those people to task. The polluter-pays principle does not appear to be built in effectively at present.

The accountability for all this rests with SEPA's board, which is why we are asking for the board to be changed. That might be a draconian request, but SEPA is a quango—it is answerable to the Scottish people and, in our eyes, it is not doing a good job.

Jackie Baillie: Mr Roberts, you have given a catalogue of specific details about what has gone on. Have you or the previous petitioner at any stage taken the matter to the Standards Commission for Scotland, which is responsible for investigating breaches of conduct by board members such as the board members of SEPA?

Jim Roberts: No, not to my knowledge.

Mike Watson (Glasgow Cathcart) (Lab): Mr Roberts, you make some fairly serious accusations in your petition. You refer to the "indiscretion and cronyism" of SEPA's chairman in

"accepting honorary titles, awards and hospitality".

Who is the chairman of SEPA?

Jim Roberts: Ken Collins.

Mike Watson: What evidence do you have that he accepted honorary titles and awards? Who were they from? Who gave out the awards and titles?

Jim Roberts: The first one was awarded by the Institute of Waste Management at its Scottish centre Christmas lunch. The second one was presented by the Scottish Environmental Services Association to Mr John Ferguson, the project manager of the national waste strategy.

Mike Watson: So the awards were given to individuals, not to SEPA as an organisation.

Jim Roberts: No. They were given to individual members of the SEPA hierarchy. I question whether that is right. Those are the organisations that SEPA, as our environmental watchdog, should be regulating. What kind of impression does that give to the people of Scotland?

Mike Watson: I understand what you are saying, but there is a distinction between the individuals and the organisation.

The background information to your petition talks about SEPA

"taking its lead from party political sources".

You question the accountability of SEPA as an organisation. As you say, it is a quango. However, I am not sure how it is any less accountable than any other quango, given that the members of the boards of all quangos are appointed by ministers. Surely there is no difference between the operation of SEPA's board and that of any other quango.

Jim Roberts: No, but it is my understanding that an audit has recently been conducted on SEPA's performance.

Mike Watson: Do you know who that was done by?

Jim Roberts: The audit is described in the "Policy and Financial Management Review of the Scottish Environment Protection Agency", which contains a list of 29 recommendations for action.

Mike Watson: That is a normal part of the process. All quangos go through such an audit on either a three-year or five-year basis. That is standard practice.

Jim Roberts: Is that not excessive—29 items?

Mike Watson: I have not read the report, but that sounds a lot. I do not know how strong the recommendations were or whether they have been acted on.

You talk about SEPA

"taking it's lead from party political sources".

I would like to know what you mean by that and what evidence you have for that serious accusation.

Jim Roberts: I cannot comment on that. I do not have the information relative to that to hand.

Mike Watson: The statement is on the background information that we have been given. Paragraph 3 of the e-petition says:

"Recent events in many parts of Scotland, including Killoch in Ayrshire and Westfield in Fife manifested many concerns regarding the ability of SEPA to achieve these standards, taking it's lead from party political sources".

That is a serious allegation. We would want to see some evidence for that.

Jim Roberts: It is probably something to do with the national waste strategy and the drive to minimise waste. I could not comment fully on that, though. If I did, I would be speaking out of turn.

Mike Watson: That is the most serious aspect of the petition and I would want to see some evidence before accepting the allegation.

Carolyn Leckie: Mr Roberts, I understand that you did not submit the petition, but I have some questions on the detail of what the petition says. Reference is made to SEPA's failure to act on formaldehyde discharge levels that were recorded in Auchinleck Academy and Ochiltree Primary School. Can you give me some more detail on that issue? How do you know that those formaldehyde levels were recorded? What do you believe to be SEPA's normal practice in such a circumstance as opposed to what happened in that case?

The petition also mentions the despoiling of land surfaces around Killoch deep mine, including a failure to investigate the dumping of chicken litter on the site. What was the correspondence in relation to that issue? Who was involved? How did SEPA respond?

Another specific allegation is that SEPA favoured Mining (Scotland) by sending it copies of its internal statutory consultation responses. What can you tell us about whom those documents were circulated to? What do you believe to be the normal practice?

Jim Roberts: On the formaldehyde issue, there was a period in May 2001 when no readings were taken from some of the monitors of the Egger plant. The reason given for that was flat batteries. I believe that self-regulation is carried out and that the results are forwarded to SEPA, which checks them. Some of the results that were taken showed that excessive levels of formaldehyde had been discharged from the plant. I have copies of those

results and will make them available for your perusal, if you so wish.

The chicken litter comes from various farms surrounding Killoch. The farmers can access the land, but they have not been allowed to graze cattle. I do not know whether they have contacted SEPA.

What was your third question?

Carolyn Leckie: I asked about the copies of statutory consultation responses being given to Mining (Scotland). Can you tell me what the normal practice is in relation to such documents? To whom are they normally circulated? Is it only Mining (Scotland) that receives privileged copies?

Jim Roberts: When our Killoch campaign was on the go, our action group visited East Ayrshire Council headquarters to examine the statutory consultee responses. That was the only document that we could find that had been copied back to the applicant. My understanding of the planning process is that statutory responses are available to anyone who wants to go and view them in the council's headquarters. I do not think that there is anything in the planning process that says that the documents should be copied to the applicant. I also have a copy of the document from SEPA that was copied to Mining (Scotland).

The Convener: Is there anything in the planning guidelines to say that information should not be passed on to the applicant? You said that there was nothing to say that it should be passed on, but is there anything to say that it should not?

Jim Roberts: I am not sure; I honestly do not know. I think that information is available, but any statutory consultee who wants any document has to make a formal request to the relevant council. However, the document was copied straight from SEPA to the applicant.

The Convener: Do you know whether the applicant applied for that information?

Jim Roberts: It was just sent straight to the applicant from SEPA.

The Convener: So you know that there was no request for the information.

Jim Roberts: Not on that. I can show you the document.

11:00

Linda Fabiani: The petition is about disbanding and reforming the board of SEPA. A code of practice is coming in for public appointments. What is your view on how SEPA will suddenly just reform its board?

Jim Roberts: In the membership of any board, professional qualifications, levels of competence

and experience should be considered. We, as members of the public, have grave concerns about how SEPA is run.

Linda Fabiani: The petition asks the Executive to “disband” the board and allow SEPA to reform it “without any political interference”. How would that happen? What would be the process?

Jim Roberts: The first thing would be to grant SEPA more autonomy, allowing it more scope to run its affairs. Let it turn itself into a body in which the Scottish people can be confident.

Linda Fabiani: But if SEPA is the board, and if you disband that board, who would make the decisions on who would be on the new board?

Jim Roberts: SEPA is a publicly funded body so, in the first place, guidance would have to come from the Scottish Executive. However, appointments must be based on criteria such as competence, professional qualifications and experience.

Linda Fabiani: So you are asking the Executive to take steps to reform the board.

Jim Roberts: Yes—on behalf of the Scottish people.

Ms White: That was the question that I was going to ask.

The Convener: Do members have views on what we should do with the petition?

John Scott: In the light of the allegations, we have to write to SEPA to ask it to justify itself. SEPA has to be given a right to reply. It would be helpful if Mr Roberts were to furnish us with any written evidence that he has to substantiate the allegations that Mike Watson alluded to and others have asked about.

Mike Watson: I would like to see a copy of the policy and financial management review that Mr Roberts referred to, so that we can see its recommendations.

Jackie Baillie: I would have thought that, if substantive allegations are made, they should be made to the Standards Commission for Scotland and not necessarily to this parliamentary committee. For the petitioners’ benefit, I would say that complaining to the Standards Commission would be far more appropriate than complaining to us. However, I do not dissent from John Scott’s recommendation.

Linda Fabiani: That is fine, but it deals with an issue that is a wee bit separate from the bones of the petition, which is about reforming the board. By simply investigating specific complaints, we would not be addressing that point. I cannot remember when the new legislation comes in about public appointments, but I presume that it

will apply only when there are vacancies on the board. We could ask for the Executive’s view on whether it would consider completely reforming the board of any public agency. We cannot separate SEPA from all the rest—unless the allegations that we have heard are well founded. We should ask the Executive for a general opinion on public appointments following the new legislation.

Jackie Baillie: I have no problem with the principle of that, but the allegations are specific and, as such, the Standards Commission should be the body to deal with them.

Linda Fabiani: We have to separate both elements of the petition.

Jackie Baillie: Yes.

The Convener: Are members happy with John Scott’s suggestion that we should write to ask SEPA for its views and with the suggestion that we ask the Scottish Executive about its general position on the formation of quangos?

John Scott: What will we do on receipt of information from Mr Roberts?

Linda Fabiani: That may make our action more specific to SEPA, but that depends on what we receive.

John Scott: Shall we take up Jackie Baillie’s suggestion of referring the petition to the Standards Commission once we have gathered all the information?

Linda Fabiani: That is not up to us.

Jackie Baillie: That is up to the petitioner.

The Convener: That route is available to the petitioner, but it is entirely separate. The committee cannot approach the Standards Commission, which would consider the petitioner’s concerns. Jackie Baillie’s advice to the petitioner is accurate. The committee has heard concerns about SEPA’s actions and has a petition that asks how SEPA or any non-departmental public body could be reformed, so we will seek information from the Executive.

Mike Watson: That is a broader sweep than I thought that we would take. The petition is about SEPA; I do not think that concern is widespread that quangos are not being run efficiently or accountably.

The Convener: We could narrow our focus to SEPA.

Mike Watson: As far as I know, board members can be changed only when they come up for reappointment, unless they have done something illegal, in which case they could be removed. I do not want such a broad approach as was

suggested to be taken. We should ask what the recommendations of the policy and financial management review were and write to ask SEPA what it has done to implement the recommendations.

The Convener: You want us to write to SEPA about its actions in response to that review.

Mike Watson: Yes. SEPA should be asked to respond to the points that have been made and to tell us what it has done to implement the recommendations in the review.

The Convener: We can wait to receive that information before we deliberate the petition further.

Mike Watson: I think so.

Linda Fabiani: I am worried that that will not address the petition, which is about replacing the board.

Mike Watson: My point is that we will not know whether that is justified until we see SEPA's response.

Jackie Baillie: As the allegations are specific, I suggest that the petitioner should take a much quicker route. If members of any organisation have breached the code of conduct—allegations have been made about SEPA—the route that I suggested is the way to pursue the matter, rather than through the committee.

The helpful points of substance that have been made about having a response from SEPA at least advance the underlying issues a bit, but my view is that the Standards Commission should deal with the matter. We cannot take the subject to the commission, but the petitioner can do so if he can substantiate his allegations.

Linda Fabiani: That is fine, but are we saying that, if the commission felt that big problems existed, it might consider doing something about the board?

The Convener: We cannot suggest what we expect the commission to do.

Linda Fabiani: Can we ensure that when we respond to Mr Roberts and the other petitioners we give full details of how to complain to the commission?

The Convener: That would be useful. If Mr Roberts needs advice, we will provide it.

Jim Roberts: If the committee tells me the points that the petition raises on which it needs further information, I can furnish that information before you make your official response. Would that help?

The Convener: Yes. We need more information on Mike Watson's point about the review, but we

can ask SEPA for that information. However, there would be no harm in your giving your opinion of the review.

Mike Watson: We would also like more information on the political interference that the petition mentions.

The Convener: The committee's advice is that the petitioner should take concerns about the actions of any individual board member to the Standards Commission, which he should furnish with the information that underpins his concerns.

The committee would like to have information on the review, which we can consider further. At an appropriate time, we will decide how to pursue the petition. Are members happy with that?

Members indicated agreement.

The Convener: I thank Mr Roberts for attending.

Jim Roberts: Thank you.

Scottish Water (Business Charges) (PE686)

The Convener: Our next petition is PE686, which is in the name of Mr Rob Willox, on behalf of Bo'ness means Business. The petitioners call on the Parliament to review urgently the charges that are levied by Scottish Water on Scottish businesses. Rob Willox is here to give evidence to the committee, and he is joined by Cathy Peattie, the local member of the Scottish Parliament. Mr Willox, you have three minutes; we will then ask questions.

Rob Willox (Bo'ness means Business): Thank you for hearing this petition and for giving me the opportunity to speak in support of it. Bo'ness means Business believes that the current level of water charges is detrimental to the long-term future of Bo'ness town centre, and that it places an unfairly levied burden on businesses of all sizes, in particular on small town-centre retail outlets that face historical long-term decline in local shopping patterns.

Water charges are placing a major burden on small businesses, as they represent a significant cost that is often difficult to recover, given the businesses' location, type of activity and size. The petition has been presented, in the main, on behalf of Bo'ness town centre businesses, which provide a service to local residents, but the burden of current water charges applies equally to businesses of all sizes in other areas.

Businesses understand and accept that improvements are necessary, and that they can be achieved only through considerable investment to bring Scotland's water facilities and quality up to the required standards. That is not in dispute.

However, the balance between standing and volumetric charges that will be required by the time scale that has been outlined for the recovery of investment debt is having a detrimental and debilitating effect on business, in particular on small businesses, which are our main concern.

Over many years, Scotland's water authorities were starved of investment by successive Administrations, resulting in the present condition of Scotland's water infrastructure. Scottish businesses are being unfairly penalised for years of neglect, during which the necessary investment was not made. In effect, businesses are being charged again for renewal and maintenance that should have been dealt with through the collection of water rates.

Small businesses are affected most—that is the unfortunate reality—and the level of charges represents a considerably greater percentage of their overall cost structure. That is particularly relevant in the case of town-centre businesses that have been under pressure for many years, due to changing shopping patterns in the form of out-of-town retail parks. In that already-difficult trading environment, any additional and disproportionate increase in costs can make the difference to the viability of small businesses. The situation is not restricted to Bo'ness; it is a problem for small towns throughout Scotland that have experienced similar decline in local industry over the past 20 to 30 years.

Bo'ness has been additionally blighted during that period with the increasing health and safety restrictions that have been brought about by the BP Forties pipeline coming ashore just west of the town centre. That has affected much-needed development and diversification of building and land use in and around the town centre.

Much is made by Government of the need to encourage the birth rate and expansion of small businesses, and the benefits to the economy that that can bring. Scotland suffers in that respect, because it has a below-average level of new business growth and lower economic growth in general. The current and proposed levels of water charges can only be detrimental to the local recovery of our town centres and, in turn, they do nothing to improve either growth rate.

With the demise of local and traditional manufacturing industry, the tourism and service sectors are promoted by all levels of Government as the solution to current low economic growth. Falkirk Council's Bo'ness local plan, which was adopted in 1995, stresses the value of a vibrant town centre and the development and overall regeneration of Bo'ness, and highlights its history, location on the Forth and architectural heritage. Scottish Water justifies its charging structure on the basis that it has been agreed through statute

in the Scottish Parliament, and with the water industry commissioner, and makes no effort to address the real and significant effects that the charges are having on the viability of small businesses and the effect on long-term objectives.

Businesses of all sizes and types have been penalised for years of lack of investment in infrastructure. Charges are being applied in an almost arbitrary fashion. As the ultimate arbiter, it is the responsibility of the Scottish Executive to ensure that the economic environment within which businesses operate does not place them at a major competitive disadvantage with the rest of the United Kingdom. The Scottish Executive, which is responsible for environmental and water issues, should acknowledge the growing concern that exists within the business community.

Comparison with water charges in England and Wales highlights the disparity that Scottish businesses are experiencing. There is a considerable discrepancy between the standing charges in England and Wales and those in Scotland. Standing charges are between six and 10 times higher in Scotland and volumetric charges are more than twice as much as they are in England and Wales.

One of the main contributing factors in the setting of those charges is the time scale that has been laid down for the debt recovery and spend that are necessary for the infrastructure improvements to be completed by 2006. We believe that those figures have been arrived at on the basis of a purely financial calculation of the level of debt that will be necessary to achieve the required infrastructure improvements and that no consideration has been given to the impact on users.

The Executive has stated that there is no planned privatisation policy and that any change in the legislation would need an act of Parliament. However, there is a concern that the time scale that has been outlined and the desire to complete the infrastructure improvements by 2006 will provide the level playing field that is needed and lay the ground for the opening up of the market to external contractors. If that is the case, business and non-business users are being penalised for the benefit of some future private water operators and there is no guarantee that the process would provide any great reduction in charges post-privatisation.

Bo'ness means Business calls on the committee to refer our petition to the Environment and Rural Development Committee for consideration and evaluation. We also ask that the charges that Scottish Water levies be reviewed with some urgency and that the Environment and Rural Development Committee reassess the basis on

which those charges have been derived. Thank you for considering the petition.

11:15

The Convener: Thank you very much.

Linda Fabiani: I think all members present will have heard about the issue from people in the areas that they represent. I was interested in your mention of standing and volumetric charges. Last night, a retail unit representative told me that, even though the business that his company was involved in used hardly any water—the staff boil the kettle a few times a day; that is all—the charges are horrendous.

Rob Willox: It is proposed that such companies be charged £300 a year.

Linda Fabiani: Yes. Can you give me an example of the rise in cost that a business such as a retail unit has faced over the piece and what such businesses have to pay now?

Rob Willox: I will not mention any names, but there is a user that uses water primarily for boiling a kettle to make a cup of tea and for flushing the toilet and so on whose standing charge is about £78 per quarter and whose volumetric charge is about £2.68.

Linda Fabiani: What were the charges before?

Rob Willox: The company's standing charge would have been about £5 or £6—or perhaps £10—a quarter.

Linda Fabiani: The increase is huge.

Rob Willox: Yes, the increase in the standing charge is huge.

John Scott: I acknowledge all that the petitioner has said. It concurs with all that I have heard in my area of Ayrshire and from organisations such as the Federation of Small Businesses. I am aware that I am in danger of making a statement rather than asking a question.

Rob Willox: We do not mind you making a statement.

The Convener: I do.

John Scott: I accept the evidence that Mr Willox has provided and I thank him for it; I will leave it at that.

Jackie Baillie: You focused on scale, but another issue that I picked up was that the new charges appear to have come from nowhere. Was it the experience in Bo'ness that there was a lack of notice, so that you could not even begin to reflect the new charges in budget forecasts? If that is the case, what impact does that have on businesses that work on very tight profit margins?

Rob Willox: Most of the small town-centre businesses in Bo'ness work on very tight margins and they depend on footfall and people coming through the door. To be landed—between one bill and the next—with charges that, in some cases, are 10 times higher than they were before has caused considerable concern to those businesses. That is primarily why a considerable number of those in our group came to us to ask whether we could do something about the situation.

Jackie Baillie: You are confirming that there was no notice, bar the bill landing on their doorstep.

Rob Willox: The new charges just seemed to be landed on those businesses. A number of businesses have written to Scottish Water and the water industry commissioner and, in many cases, they have got short shrift—to an extent, they have been told to like it or lump it.

Cathy Peattie (Falkirk East) (Lab): Communication with traders is a real issue. Traders have found that they have received huge bills, without knowing where they came from. There did not seem to be much continuity—some traders received larger bills than the shop next door. We got Scottish Water to meet the traders in Bo'ness and it was found that people had different meter sizes. There was a lot of confusion.

The situation is causing a great deal of concern because small towns depend on small businesses to bring people into the town. Such traders are the lifeblood of towns such as Bo'ness. There is real frustration that people are having to pay such high charges to boil a kettle and flush the toilet. There is a fear that, in a sense, those charges will be the straw that breaks the camel's back. People are asking whether it is worth their while to continue trading. The standing charges do not seem fair to the traders. They acknowledge that they should pay for water and that they want a decent infrastructure, but they do not think that getting the bills on their doorsteps without preparation, clarification or communication about the sizes of their meters is the best way in which to do business. They feel that they are talking to a brick wall when they talk to Scottish Water. When the business group met Scottish Water, it was told, "That's the way it is. You'll have to pay the bills. Tough." That is not the way to support communities and town centres.

Carolyn Leckie: I agree with Cathy Peattie. The system seems almost as regressive as the poll tax. Can you give me an idea of the differences in charges that are being imposed on businesses of varying sizes? What are big businesses being charged? What do you envisage as an alternative system of charging?

Rob Willox: The business group has not put forward any proposals, but I can give you my personal view.

Carolyn Leckie: I am trying to get the view of small businesses such as hairdressers, who use a lot of water.

Rob Willox: There was a hairdresser at the meeting who was being charged a horrendous amount. She complained and Scottish Water took on board her comments and was able to reduce her standing charge. The main problem in her case was that she had the wrong size of meter installed. The meters were installed in businesses in earlier years arbitrarily; there was no focus on the specific needs of the businesses. For 2003-04, it is proposed that there be a fixed charge depending on the mains sizes that small businesses in Bo'ness use, which range from 12mm to 20mm. Some small businesses had larger pipes, which is why their charges were higher. However, no check seems to have been made before the charges were applied to see whether the charges would be justified or in line with businesses' requirements.

Carolyn Leckie: Are you aware of any comparators with big businesses?

Rob Willox: I am not quite sure that I know about that.

Cathy Peattie: Are you talking about multinational businesses?

Carolyn Leckie: Yes.

Cathy Peattie: The BP facility in the constituency is querying its £1 million charge. It is a completely different ball game.

Carolyn Leckie: I am trying to get a handle on what big businesses are paying in comparison with what they use and what smaller businesses are paying in comparison with what they use. I suspect that there is a bit of a disparity.

Rob Willox: There is a great disparity between the standing charge and what they are using. The volumetric charge for 2003-04 is approximately double the charge that applies in England. However, I do not think that too many people would complain about that aspect. The crippling high fixed standing charge is the problem. A charge of £300 might not sound like a lot of money, but that means that, depending on its profit margin, a business has to do £1,500 to £2,000 of business just to pay its water bill. It is a considerable problem. Many businesses have said that, if nothing is done about the situation, they will have to close their doors.

Ms White: The charges certainly seem to be ill thought out; they are being pushed through too quickly. I note what you said about meter sizes.

I want to concentrate on some of the small craft businesses, not just in Bo'ness, but in other, remoter areas. We are trying to encourage entrepreneurs and businesses in Scotland. Do you have evidence of any firms in your area, or in other areas, moving out because they just cannot compete with businesses from over the border, where it is cheaper for small businesses to operate? The lifeblood of some villages is small, specialised crafts—rug making and that type of thing—which may use more water than other businesses. Is there evidence to suggest that, because of the higher charges that we pay in Scotland, businesses are closing down and moving south, meaning that we are losing out?

Rob Willox: The petition was based primarily on Bo'ness town centre. Some of the voluntary organisations in Bo'ness have also had water charges and standing charges applied to them because they use the local community centre or whatever. That is equally horrendous. Some of those organisations have closed their doors and no longer operate from where they did before.

Cathy Peattie: There is certainly no information about companies in Bo'ness—which are a bit bigger than rug makers—moving out because of water charges, although people are obviously concerned about the charges. Businesses are choosing to stay in an area that they are committed to working in.

Rob Willox: Larger businesses can often do something about the charges. They can realign how they sell and market their products and change how they run their businesses. Small town shops are limited to people coming through the door and it is much harder for them to work around the charges than for a business on an industrial estate outside the town, which can take other action. The small town shops are limited; many of them are one-man or two-man businesses.

Cathy Peattie: Or two-woman businesses.

Rob Willox: Sorry, Cathy. I was using the term generally.

Mike Watson: The point that you make that has most resonance is on the disproportionate effect of the charges on small businesses and their effect on business start-ups or sustainability. I am a member of the Enterprise and Culture Committee, which is beginning to look at that issue. We are looking into why Scotland has a lower business start-up rate than England and why the UK as a whole has a lower start-up rate than other European countries. We will want to bring the important issue that you raise into that debate.

I want to ask specifically about what you hinted at—you did not really make a proposal—on “the balance between standing and volumetric charges”.

You talked about some traders paying a standing charge of almost £80 a quarter yet paying only £2.50 in water usage charge. Are you suggesting that there should be a flexible charge? Some of your members would pay more under such a scheme. The trader with a clothes shop or shoe shop, who does not use water except for boiling a kettle, may have their charge reduced, but somebody with a restaurant, pub, food shop or hairdressers, who uses a lot of water, would have to pay more. Would your members support your arguing with Scottish Water for variable charges and standing charges that are based on the water that a business uses? Are you arguing for that? There would be a downside as well as an upside to that.

Rob Willox: Speaking personally—this is not the view of the business group—I think that that avenue could be looked into. If the standing charge were linked to volumetric usage, it could be set at a minimum level—there is no problem with that. We understand that a lot of work remains to be done to improve Scotland's water—

Mike Watson: I accept that. I am asking whether your organisation recognises the fact that some of its members would pay more in that situation because they use more water.

Rob Willox: Yes. If the system is seen to be fair across the board, I think that many of the businesses that use a lot of water—such as hairdressers—would be prepared to pay for the water that they use.

Mike Watson: That would be like the situation south of the border, where water meters are used. There would be pay-as-you-go water charges for businesses.

Rob Willox: Businesses already have water meters.

Cathy Peattie: They all have water meters.

Mike Watson: Ah, but the charges are not made on a pay-as-you-go basis: they are not based on what the businesses use. I suggest that the meters could be used to decide what businesses pay. I was looking for clarification on that.

You make a comparison between the charges in Scotland and the charges in England and Wales, citing figures that make the difference pretty graphic. You say that the figures are for 2003-04, but when did the discrepancy in the figures begin to arise? Did that happen recently? The English water companies were privatised about 10 years ago. I wonder when the gap began to widen to what it is at the moment.

11:30

Rob Willox: To be honest, I cannot answer that question. The figures that I have provided are

those that have been projected by Scottish Water for 2003-04. The figures for England and Wales are extracted from a report for the same period and list the water charges there. I presume that, prior to Scottish Water coming into existence, the charges would relate to the companies that covered the water supply in those areas before it—

Mike Watson: So, your impression is that the gap has begun to widen since the consolidation of Scottish Water from three companies into one, which happened last year sometime.

Rob Willox: That appears to be the case. That would be our opinion.

Cathy Peattie: I will try not to be political. I understand that, before the English companies were privatised, all the debts belonging to the water companies were written off. The companies were, therefore, starting on an even keel. That is not the case for Scottish Water. As Rob Willox said, the equivalent costs for Scottish Water are being spread among the service users, which is why there is a considerable difference.

The Convener: What do members want to do with the petition?

John Scott: Does the petitioner agree that the thing that upsets his fellow petitioners most is the fact that it is unfair that small businesses have to carry the brunt of the charges? Does he agree that small businesses are carrying a disproportionate burden?

Rob Willox: That is correct. The charges are disproportionate for small businesses, as the level of standing charge that is applied is considerable for them and is a serious problem.

The Convener: Do members have any ideas about what we can do with the petition?

John Farquhar Munro: The petition refers to people who are involved in

"business both large and small".

What is the situation regarding a domestic household that is on a meter? Some domestic households have been encouraged by Scottish Water to switch to a water meter only to discover that, following the fitting of a meter, their charges have increased. Do you have any evidence on that?

Rob Willox: As Cathy Peattie said, that has not been an issue in our area. Cathy probably knows more about that, as she is the MSP for the area. Domestic users will probably approach her rather than our organisation. I am not in a position to comment on the views of domestic users on water meters.

Cathy Peattie: Domestic users in my constituency do not have such meters, although traders who live above their shops perhaps pay a small charge for the water that they use. However, when they boil a kettle or go to the loo in the shop, they pay three times the domestic charge, and I do not feel that that is particularly fair.

John Farquhar Munro: So, the petition basically refers to people who are involved in some sort of business activity.

Cathy Peattie: Yes.

The Convener: I think that we have given the petition a good airing. We should start to think about recommendations.

Linda Fabiani: I seek some clarification, convener. Something at the back of my mind says that some sort of inquiry into the water industry is being conducted by one of the Parliament's committees, although perhaps it has finished. We could perhaps feed into that.

The Convener: I think that the Finance Committee is responsible for that inquiry.

Linda Fabiani: The petitioners have asked for the petition to be sent to the Environment and Rural Development Committee, but if another committee is looking into different elements of the water industry, it may be appropriate to consider asking that committee to address the issue.

Jackie Baillie: If the Finance Committee is undertaking an inquiry into the water industry, I propose that we send the petition to that committee. However, if the Finance Committee is not investigating the water industry, my alternative proposal—which I leave for the convener to sort out—is that we write to both Scottish Water and the water industry commissioner for Scotland, raising two specific issues. The first issue is the scale of charges for small businesses and the disproportionate effect that the charges have on them; the second issue is the lack of notice.

Carolyn Leckie: I agree with that, but there are also significant issues in the petition that should lead to a fundamental review of water charging. I hope that the petition does not end here and that we refer it to the Environment and Rural Development Committee at some point.

The Convener: The immediate reaction on the petition is, as Jackie Baillie has recommended, that we send it to the Finance Committee, if that is the appropriate committee. If not, we should write to Scottish Water and the water industry commissioner and ask for their views. The petition will then come back to this committee. Is that agreed?

Members *indicated agreement.*

Bone Marrow Register (PE687)

The Convener: Our next petition is PE687, which is on donation of bone marrow and blood stem cells through a bone marrow register. The petition is from Geva Blackett, on behalf of Millie's campaign and the Anthony Nolan Trust. The petitioners call on the Parliament to urge the Executive to run a campaign to encourage donation of bone marrow and blood stem cells through a bone marrow register, and to recognise and support organisations that recruit bone marrow donors.

I welcome Geva Blackett from Millie's campaign and Dr Stephen McEwan, chief executive of the Anthony Nolan Trust, who are here to give evidence to the committee in support of the petition. You have three minutes each to speak to the committee, after which members will ask questions.

Geva Blackett (Millie's Campaign): Many of you will have heard about Millie's campaign through the media. Twenty-year-old Millie Forbes from Aberdeenshire was originally diagnosed with acute myeloid leukaemia 18 months ago. After six months of intensive chemotherapy in Aberdeen royal infirmary, she appeared to have overcome the disease.

However, a routine blood test taken this summer revealed that the leukaemia had recurred and Millie was told that a bone marrow or stem cells transplant offered her her only chance of survival. None of the 345,000 existing potential donors on the Anthony Nolan Trust register was a match, so a global search and an anxious race against time to find a donor began.

Millie's campaign started in August 2003 in order to help to save the lives of people similar to Millie and thousands of other leukaemia sufferers who are waiting for a transplant—people like you and me. It aims to raise public awareness of the fine work of the Anthony Nolan Trust and other bone marrow and stem cell registers, and to encourage more people to join the stem cell register. It also aims to raise funds to help pay the costs of their vital and life-saving work, which receives no Government or lottery funding but depends on public support.

In the past four months, the nationwide response from the British public has been overwhelmingly generous. With help from various branches of the media and from several celebrities, including Billy Connolly, the campaign has become high profile. There have been more than 12,000 hits on the campaign website and messages have come in from Europe, America, Japan and Australia. More than 60 clinics were set up nationwide in response to the campaign, and thousands of new potential donors have been

added to the register. Fundraising continues—funds raised have just passed the £100,000 mark—and all funds raised are donated to the Anthony Nolan Trust.

On Saturday, it was announced that a donor match has at last been found for Millie. However, the bad news is that there are thousands of people in the United Kingdom, many living in Scotland, who do not have Millie's high profile but who suffer from the same horrible disease. For that reason, the campaign continues. Millie is not able to be here today, but she has asked me to present the petition to the Scottish Parliament on her behalf. She asks that you help, please, to save the lives of her fellow sufferers by asking the Scottish Executive to run a campaign to explain to the public how simple and vital is the giving of bone marrow and blood stem cells. That simple action will encourage potential donors to sign up to a bone marrow register and will save thousands of lives. We also ask Parliament to urge the Scottish Executive to recognise and support organisations such as the Anthony Nolan Trust that are undertaking work in Scotland to recruit bone marrow donors.

Convenor, you will recognise that medical matters are not my forte. I ask, therefore, that all such questions be directed to Dr Stephen McEwan, the chief executive of the Anthony Nolan Trust. We are delighted that he has taken time out of his busy schedule to fly to Scotland to answer members' questions.

I urge the Public Petitions Committee to refer the petition to the Health Committee for its urgent consideration.

The Convenor: Would Dr McEwan like to make some introductory comments or just to take questions?

Dr Stephen McEwan (Anthony Nolan Trust): I could do either, but I would like to put some flesh on the bones of what could be done in Scotland in respect of bone marrow donors.

As Geva Blackett mentioned, the Scottish Parliament could recognise the work of organisations such as the Anthony Nolan Trust and other bone marrow registers. It could also consider running an awareness campaign, perhaps through public advertising or MSP endorsement, on the role of bone marrow registers and the life-saving work that they do. Such a campaign would be aimed particularly at recruiting young male donors and members of ethnic minorities to the registers.

The Parliament could assist by increasing recognition of Scottish people who have joined registers and who have donated bone marrow to save lives. The Anthony Nolan Trust believes that being a donor is a positive life experience and that

donors should be celebrated for what they undertake to do and have done.

The Parliament could also promote clinics for recruiting among Government employees. The Anthony Nolan Trust recruits in a number of areas of the country in different environments. Those range from corporate environments through students at universities to patient appeals, such as Millie's, in town and village halls around the country. Government employees are a rich source of volunteers for us.

Finally, the Parliament could consider the possibility of providing financial support to organisations that work in this area in order to ensure that there are more facilities for Scottish donors. We are keen to do that.

Mike Watson: In the statement that you submitted to the committee, you say:

"Currently the Nolan's total Register size is 345,719, of which some 7% live in Scotland."

Scotland has about 8.8 per cent of the United Kingdom population, so we have some way to go to get Scotland up to the national average. Is that one of the petition's aims? So far, your campaign has not been as productive in getting people to come forward in Scotland as it has been elsewhere.

Dr McEwan: One of the trust's aims is for the UK to be represented fully on the register. It is interesting that over the past year we have recruited on to the register more than 2,500 additional donors from Scotland. That is the result of Millie's campaign and previous activity. This year, 17.5 per cent of the donors whom we have recruited have been from Scotland. One reason for that is the high-profile campaigns that have been undertaken in Scotland. Last year, we appointed a recruitment officer specifically to recruit in Scotland, which is paying dividends in recruitment of Scottish donors.

Mike Watson: It is encouraging that the response from Scotland is being addressed. However, I take the point that a more extensive campaign than the Anthony Nolan Trust could organise might increase the number of people who come forward.

Carolyn Leckie: Your petition is quite modest in its demands. It is shocking that the Anthony Nolan Trust is wholly reliant on charitable donations and the voluntary donation of time by health professionals.

My questions relate to the political responses that you have received so far to requests for support for the work that you do. I know that in England a separate national health service register has been established. Perhaps you could say more about that; I do not know much about it.

Given that the Anthony Nolan Trust already has a register up and running, it seems that it would be a misdirected use of funds to establish a separate register. How do the mechanisms of the Anthony Nolan Trust register and the English register differ? Do all the procedures associated with your register, including harvesting and treatment of bone marrow from donors, take place within the NHS? Is there NHS funding for your register? What is the difference in the processes?

11:45

Dr McEwan: The UK has three registers: the Anthony Nolan Trust register, which was formed back in the mid-1970s; the National Blood Service register, which I think covers both England and Scotland; and a separate register in Wales. Both the NBS register and the Welsh register are tied in with the blood transfusion services in those countries.

Until about three years ago, the size of the NBS register was about 100,000. During the 2001 election, there was a high-profile campaign in England by a Mrs Maddocks, whose daughter needed a bone marrow transplant. Mrs Maddocks managed to catch Tony Blair on a good day and he made approximately £3 million of funds available for the NBS register for several years. With that extra funding, the NBS register has recruited substantially more donors in England, although I am not sure how much recruiting it has done in Scotland.

The Anthony Nolan Trust register currently has about 345,000 donors and the NBS register now has about 190,000, although I am not sure how that breaks down between England and Scotland. I believe that the Welsh register has about 35,000 donors.

The big difference between the Anthony Nolan Trust register and the other two registers is that the other two registers are dependent on blood donors. In effect, one has to become a blood donor before becoming a bone marrow donor. The procedure is that, when a person gives blood for the first time, there is hopefully an opportunity for the nurse to ask whether he or she is interested in becoming a bone marrow donor. Obviously, that is different from the Anthony Nolan Trust register, which recruits bone marrow donors specifically. That is a major difference in addition to the difference in funding; obviously, the NBS register has central Government funding.

The other difference between the registers is in harvesting—in other words, the removal of stem cells or bone marrow from the donor. At the moment, we harvest from all donors, including Scottish donors, in London. I am not aware of where the NBS harvests from its donors, but I

believe that it has centres around the country. That is another slight difference in the way that we work.

Carolyn Leckie: Does the Anthony Nolan Trust fund the whole process, including harvesting?

Dr McEwan: In effect, the harvesting of marrow from our donors is charged to the national health service. That charge covers—for want of a better term—the variable cost of getting the donor to the hospital, hiring an operating theatre to extract the marrow and then getting the marrow to wherever it has to go. If, for the sake of argument, the donor needs time off work, the Anthony Nolan Trust will come in and settle any bills for lost income. We also allow donors to bring their relatives or friends to London to be with them when they are harvested. Obviously, we also insure the donor just in case any issue arises from the harvesting.

All those costs are charged to the NHS at the time of harvesting. However, the NHS does not pay for the cost of recruiting the donors, which is substantial. At the moment, it costs between £50 and £70 to tissue-type donors and put them on our register. That cost is covered by the charity's fundraising.

Carolyn Leckie: I have one other detailed question about recruitment of donors, which is an important issue. Because the NHS system is based on blood donors, who tend to be older women, I think that the Anthony Nolan Trust targets younger men and people from ethnic minorities to become donors. Will you expand on that in a bit more detail? What is necessary to improve the availability of donors? What should the role of the NHS be?

Dr McEwan: Both organisations have a role. There is no doubt that blood donors make good bone marrow donors—they like having needles stuck into them, they are used to the procedure and their outlook is perhaps a little more altruistic. Our focus on bone marrow donors allows us to focus on certain sectors of the population. Being a member of some groups of people is a hurdle to becoming a blood donor. For example, young males and people from ethnic minorities are perhaps not so integrated with the idea of being a blood donor. We feel that we can focus on those people. A patient from those groups is sometimes a spur to recruit donors, as can be seen from Millie's campaign and many other campaigns. If a person from within an ethnic minority needs a bone marrow transplant, people from their community often respond by registering.

Another element is the use of good role models such as sportspeople and pop stars to say that being a bone marrow donor is a good thing. That allows us to get over the simple message about what it means to be a donor. Both the NHS and

the Anthony Nolan Trust are keen to recruit well-motivated and well-informed people who are prepared to proceed to harvest.

Linda Fabiani: The petition calls on the Scottish Parliament to urge the Executive to take certain actions. Has the trust approached the Executive, or is the petition the first point of contact?

Dr McEwan: The petition is our first point of contact, in this forum. We have started to find out whether there is any interest in the Scottish system but, in effect, the petition is the first move forward.

John Farquhar Munro: I want to get my mind round what is involved. You say that you want to compile a register—no doubt a register already exists, but you want to extend it. If a person goes on the register, do they give a bone marrow sample at that time? What is the procedure for people who go on the register?

Dr McEwan: To go on the register, a person gives a small blood sample and fills in a medical questionnaire to assess whether they would be acceptable as a bone marrow donor. For example, a person cannot be a bone marrow donor if he or she suffers from hepatitis or another disease that would affect any patient who was to receive their bone marrow. Once a blood sample has been taken, we tissue-type the person in our laboratories, which means that we work out to whom the bone marrow could be donated. The person's details then sit in our database, perhaps for 10 or 20 years.

When a physician says that a patient needs a bone marrow transplant, the patient is tissue-typed and we find out whether the tissue type matches that of a donor on our register. If so, we contact the donor and explain that there is a match. We then take another blood sample to ensure that we typed the donor correctly and that they are still physically capable of undergoing a bone marrow transplant. If they are, the patient goes into the bone marrow transplant routine, which involves counselling and medicals to ensure that the person is fit enough to undergo the procedure.

The donor can undergo one of two procedures. One is the old-fashioned method, by which the donor is put under general anaesthetic. Needles are stuck into the back of the hip bone and the marrow is sucked out and put into a bag. The bag is then taken to the hospital where the patient is being treated—the donor and the patient are treated in separate hospitals—to be infused into the patient, who will have been conditioned by having their bone marrow system destroyed by radiotherapy and chemotherapy. With good luck, the donated marrow then takes on its role in the patient.

That method uses needles in the hip bone. The alternative method is to give the donor a hormone called granulocyte colony stimulating factor, or G-CSF, which puts stem cells from the donor's bone marrow into their blood stream. The donor receives a course of injections that lasts for about a week, after which stem cells are collected by extracting blood through a needle in one of the donor's arms and passing the blood through a machine that spins down the stem cells. The remaining blood is then returned to the patient's other arm. The advantages of that method are that there is no need for the donor to have a general anaesthetic and that the procedure is less mechanically damaging for the donor, who can go back to work almost immediately afterwards.

We give donors the option of choosing one of those two procedures—at the moment the ratio is about 50:50.

John Farquhar Munro: I am sure that the campaign is gathering momentum, not least because of public awareness of Millie's campaign. However, a campaign would need to inform potential donors that donating bone marrow involves a short visit to the hospital or the doctor's surgery for a simple procedure, but not lengthy hospitalisation. I think that the general public are concerned that the procedure is lengthy and think that they would not have the time to become donors.

Dr McEwan: There is a balance to be struck between explaining to potential donors how easy it is to join the register by undergoing a very simple procedure to give a blood sample, and making it clear that if they are found to be a match, donating bone marrow is not the same as having a blood sample taken. We have to inform them, for example, about the risks of going under general anaesthetic—if they choose that procedure—or the possibility that they might have to take time off work.

The Convener: What action do members think the committee should take?

Mike Watson: I note that two and a half years ago, in response to a question that was asked in Parliament, the then Minister for Health and Community Care said that the Executive would liaise with colleagues in England and confirm the proposals for broadening the range of people who come forward as donors. We should ask the Executive what progress has been made since then. Given that the petition is before the committee today, it is obvious that whatever progress has been made is not sufficient. Obviously, the then minister's comments were made before Millie's campaign was up and running, but at the very least we should ask the Executive for an update.

The Convener: The recommendation is that we ask the Executive to tell us what it is doing.

Carolyn Leckie: I agree that we should make that request to the Executive, but the petitioner has raised broader issues by asking for recognition and support to be given to organisations that recruit bone marrow donors. I think that that hides a question about funding that needs further exploration, probably by the Health Committee. We should also ask the Executive about its intentions in relation to funding of registering and the process of becoming a donor.

Mike Watson: My proposal was intended to be a first step. When we have a response from the Executive, we can address issues such as the one that Carolyn Leckie raised.

Linda Fabiani: When we ask the Executive the question that Mike Watson outlined, we should also enclose a copy of the petition and ask the Executive to comment on it. That would be a first step; we will be able to move forward after that.

The Convener: I think that that would happen as a matter of course. Are members happy with the recommendation?

Members indicated agreement.

Public Finance and Accountability (Scotland) Act 2000 (PE683)

The Convener: Petition PE683, in the name of Bill Alexander, calls on the Scottish Parliament to amend the Public Finance and Accountability (Scotland) Act 2000 to ensure that the annual audits that are required by the act are expanded to include examinations of technical matters. Mr Alexander has lodged three petitions that the committee will consider today, but he will give evidence only in relation to PE683.

I welcome Mr Alexander to the committee. You have three minutes to speak to your petition. Members will then ask questions.

12:00

Bill Alexander: For nearly six years, I have been involved in a fairly protracted debate with the Auditor General for Scotland, Mr Black, which began when he was controller of audit at the Accounts Commission, over my suggestion that the method of annual audit that is utilised by the Accounts Commission and Audit Scotland should change its emphasis from being what is virtually a purely financial audit to one that combines both financial and technical investigations from the outset.

My original suggestion has been consistently rejected by Mr Black, via Audit Scotland, using a number of theories ranging from the fact that the

technical managers and professionals within the bodies that are audited are to be trusted and that there is no need for an annual technical audit, to the fact that the Public Finance and Accountability (Scotland) Act 2000 does not contain sufficient statutory authority to allow the introduction of an annual technical audit.

My reasons for suggesting that the method of audit be changed are based on due diligence audits that I have carried out in the private and public sectors. During those audits, I have uncovered the fact that, too often, parties do not fulfil their contractual obligations and in some instances actually place clients in positions in which they could be committing criminal acts.

It is my view that only someone with the relevant background, expertise and qualifications in a subject is fit to judge in that area of activity. For example, I believe that only a chartered architect is capable of auditing whether the architectural section of a public body is carrying out its functions in accordance with good practice and the law. To put that into perspective, a court of law would not accept the evidence of an auditor if he gave an opinion on a matter outside his area of expertise. An accountant is not competent to comment on contractual matters unless he possesses additional qualifications in that subject.

Ironically, a perfect example of where I believe that Mr Black has not met the standard that the people of Scotland would like to see is in the Scottish Parliament building. In his report, the Auditor General stated that, in general terms, the appointment of the consultants was acceptable. Based on recent evidence from the Holyrood inquiry, it is my contention that that is not the case. I do not consider it to be good practice to hold a selection competition based on aesthetic values as the sole judgment criterion for the engineering design capabilities of, for example, the mechanical and electrical part of the project, nor do I think that it is acceptable that the successful company that was awarded the design contract had no assets and only four employees, and had never carried out any design work.

I also believe that fraudulent activities in public procurement simply go unnoticed. The response from those acting on behalf of Mr Black has been nondescript to say the least. No data have been provided to identify how matters are being dealt with. It is simply suggested that the auditors themselves will be vigilant for irregular practice. If one looks again at the legal test, a chartered accountant is not competent to ascertain—and, I suggest, not capable of ascertaining—whether the mechanical services part of a construction process has been procured fraudulently, because he would be simply unaware of any irregular aspects of the work.

I will stay with the question of fraud for the moment. The code of audit practice that is relied on by Mr Black and his colleagues assumes that only an intentional distortion of financial statements, accounts or records is sufficient for evidence of fraud. I suggest that that is incorrect and that the proper definition is where pecuniary advantage is obtained by deception. For example, misrepresenting ability and resources in order to procure an appointment or a contract is fraudulent—that can apply to consultants as well as to contractors.

I also query the need to have a single mens rea definition of intent, when the Trade Descriptions Act 1968, which covers many of the types of contract that are inspected during the audit process, also imports a mens rea of recklessness which, I submit, widens the scope for detection of fraudulent activities. I do not suggest that the entire construction industry is fraudulent, but I believe that, in too many instances, it displays a cavalier attitude to telling the truth, which results in greater cost to the public purse and creates instances in which legitimate contractors and consultants lose out on the prospect of work from the public sector in an unfair and potentially illegal way.

I have referred to the types of mens rea because that is an essential element for a criminal offence of fraud. If the auditors are to be vigilant in their detection of fraudulent activities, they should be aware of the definitions. It is clear that the code of practice that the Auditor General and Audit Scotland rely on is primarily for financial matters, yet Audit Scotland claims that the role of auditors is not purely to look at financial considerations but to cover aspects of corporate governance. Although the code of practice gives extensive guidelines on financial matters, it seems to give no detailed guidelines on non-financial matters.

I will return to the Holyrood project. Without—

The Convener: You have had almost five minutes, Mr Alexander. Could you please draw some conclusions?

Bill Alexander: I am sorry. I suggest that Audit Scotland and the Auditor General for Scotland do not have the wide-ranging expertise that is required to carry out annual audits. The legislation should be changed to enable the introduction of annual consideration of technical matters.

Linda Fabiani: It strikes me that an awful lot of extra auditing would be required to fulfil the level of audit that you propose. How do you know how much the extra audit would cost? Is it possible to over-audit?

Bill Alexander: I accept that it is, but one can also under-audit. For example, in the area that I know most about, which is construction

procurement, it is not standard practice to bring in outside expertise as a matter of course. The decision to do so is left up to the individual auditor. If someone has an accountancy background, they will not pick up on the things that go on in the construction industry.

Although I accept that it would be excessive to have full audit teams going in consistently, it would be possible to have random selection. As I suggested earlier, an architect could go in and look at the architectural section of a project to ensure that everything was in order. That would take only a couple of hours—it would not be excessive.

If the committee looks at the example that I gave of the Parliament's Holyrood project, although Audit Scotland has audited the project since its inception, it has not found any of the things that are now being uncovered in Lord Fraser's inquiry. There would seem to be a shortcoming in the audit process.

Carolyn Leckie: I have some sympathy with your argument, but I am struggling to understand the issues. My background has given me experience of hospital building projects in which problems arose, whether or not they were built under a private finance initiative. I am thinking of variations in the specification having to be negotiated after projects were completed.

The Jubilee building at Glasgow royal infirmary and the Princess Royal maternity hospital were not PFI projects, but problems arose in respect of the specification for fire doors, handrails in showers and so forth. Are you are concerned about such issues in respect of how public money is spent? I assume that you are also concerned about how we hold people to account and the processes under which contracts were signed up to. Are those the sort of issues that you want to have examined?

Bill Alexander: Yes.

Carolyn Leckie: It would help us to understand where we are going if you could give us some tangible examples of what could be done better.

Bill Alexander: If we look at the example of the Parliament's Holyrood project, when the Auditor General brought his team in to do the initial audit, a firm of surveyors was involved. No architects or engineers were asked to look at what had happened. Without wanting to prejudge the outcome of Lord Fraser's inquiry, I think that we will find that the process of appointing the professional team was flawed. The regular audit team that is charged with looking at these matters could have picked up on things an awful lot earlier, prior to Mr Black's initial involvement.

Linda Fabiani: I seek clarification on that point. I am getting confused about what you are asking for. You are saying that an architect should be brought in, but I am not convinced that an architect would be the best person to look at the procurement process. I am confused about who you want to get in to do what. Where do the divisions lie?

Bill Alexander: It depends on the circumstances. I am talking primarily about construction, but another example would be an audit of the procurement of an expensive computer system, in which someone with a computer background would be needed to work in tandem with the accountants. Someone with that background could say, "The project might have come in within budget but it does not meet the specification for the following reasons."

Linda Fabiani: That was a better example, because it was very succinct.

Bill Alexander: The position is very complicated, depending on what is being audited. It is necessary to have someone from the appropriate background who understands the process. For example, the problem in construction is getting a professional who is an expert in procurement; it would be necessary to bring in a construction lawyer.

John Scott: Does the Auditor General not currently have powers, if he thinks that there is a problem, to investigate matters further and bring professionals in to help to facilitate his investigation?

Bill Alexander: Only if he thinks that there is a problem. Such further investigation does not happen regularly.

John Scott: Are you saying that there are problems that, by definition, he does not know about because he is not an engineer or an architect?

Bill Alexander: Yes.

John Scott: Do you have specific examples of that, other than what the Fraser inquiry has gleaned, from knowledge gained during your life's work in the construction industry?

Bill Alexander: I worked for Scottish Enterprise and when I looked at two significant construction projects I uncovered that no collateral warranties had been signed on the contract and that a firm of engineers had been paid to carry out a full design brief but had carried out only a partial design brief. The firm of engineers subcontracted the work to a firm of contractors, so effectively the taxpayer paid twice for the same service.

John Scott: Is that a matter that the Standards Committee should investigate?

Bill Alexander: Possibly. The problem is wide ranging. I spent six years trying to see if I could get some change and the difficulty that I have found with Audit Scotland is that the organisation seems to be entrenched in the financial aspects. Audit Scotland does not seem to understand that although it looks at the books and can see whether they balance, it is also necessary to ensure that what is being provided meets the technical requirements. Only someone from a technical background can give that opinion.

Mike Watson: You mentioned that you had been in correspondence with Audit Scotland for six years. When the Finance Committee dealt with the Public Finance and Accountability (Scotland) Act 2000, I do not remember it being suggested that we extend the legislation in the way that you now suggest. Do you know whether that suggestion was made? Did you investigate the means by which you could have played a part in the process and suggested that the act should have a broader scope?

Bill Alexander: No. I was not involved at a parliamentary level at that stage. I still hoped that I could persuade Audit Scotland to try out the suggestion on a couple of projects and see whether there was any merit in it.

Mike Watson: Has Audit Scotland given you written replies as to why it is not prepared to take on board your suggestions?

Bill Alexander: Yes. There has been a lot of correspondence.

Mike Watson: Why does Audit Scotland think that it is not necessary to do as you suggest?

Bill Alexander: It says that the auditors will have expertise to decide whether something is untoward and that the auditors have the power to call in experts if they need them.

My opinion is that although someone who comes from an accountancy background will be really good at picking up financial matters, they will not necessarily have the ability to look at contractual or technical matters.

Mike Watson: Without wanting to rival Mr Rumsfeld in some of his syntax, it is a case of "You don't know what you don't know", and therefore you cannot ask the questions.

Carolyn Leckie: There are known knowns and unknown unknowns.

Mike Watson: I did not want to go there.

I can understand you wanting to cover the "economy, efficiency and effectiveness" of financial aspects, but your petition also refers to "legality", which seems to me to be going a stage further. Are you aware of anything that has been

done that is illegal or are you just suggesting that that may be a possibility at some stage?

Bill Alexander: I can talk only about the construction industry. There is a temptation for a firm that it is desperate for work not necessarily to be 100 per cent forthcoming about its resources and abilities in order to win a contract. When a firm goes down that road it can become involved in a deception and cross the line between making a good sales pitch and becoming fraudulent. That is the legality side of the matter.

Mike Watson: You are hypothesising—you are not aware of any such examples.

Bill Alexander: We will wait to see what Lord Fraser's inquiry brings out. The point that I have made is that the architects' company that won the work had not carried out any design work before.

Mike Watson: My point is that that was not necessarily illegal.

Bill Alexander: No, but I would be interested to read the representations that the company made when it was being selected. If it made a false representation, we have a problem.

Linda Fabiani: For personal reasons, I want to stay away from any discussion of the Holyrood project.

As I have some background experience in construction, I understand Mr Alexander's position and I agree that there is a bit of sloppiness when it comes to procurement. Indeed, I would go so far as to say that there is even more sloppiness in public procurement because there is a belief that when public projects go wrong and become more expensive, they will be bailed out. We have to examine that issue. That said, I cannot understand how we can undertake a full audit of every project that involves public expenditure—I am bothered by the sheer volume of work and the amount of resources that would be required.

From my background, I know that for a few years now many organisations that receive public funding have had to self-certify that internal audits have been carried out on specific projects. Perhaps rather than have a full-blown audit of every element of a project that uses public money and the businesses that are involved, we need a more transparent system of monitoring publicly funded work, whether capital projects or otherwise, that includes some detailed spot checks.

12:15

Bill Alexander: I do not think that we need such full-blown audits. However, returning to Carolyn Leckie's point, I think that where there has been excessive expenditure on a construction project a

good surveyor might be able to look at it and conclude, for example, that it has gone wrong because there have been too many variations. He can then find out whether the design changed because, for example, the client gave too many instructions or the architect did not do his job properly. At that stage, the surveyor could say to the auditor, "We need to see the architect for a couple of hours", to find out whether he has complied with the contract. The process would evolve.

Linda Fabiani: You could do the same with spot-check monitoring.

Bill Alexander: But I think that such monitoring should be compulsory.

Linda Fabiani: I have to say that I am concerned about the resource issue.

Bill Alexander: Well, how much money is wasted at the moment? We do not know.

Linda Fabiani: We could get into a whole discussion here. I was just saying that introducing a system of spot checks might promote better practice.

The Convener: You mentioned that the Auditor General had said that he was not able to carry out such investigations. However, our information suggests that the Public Finance and Accountability (Scotland) Act 2000, which you want to amend, already gives him such a power.

Bill Alexander: Yes. He can take that power when he wants to do so. However, as I understand it, it is compulsory to have what is called a cyclical audit of financial matters, but it is not compulsory to examine any other aspects.

The Convener: But he can do that.

Bill Alexander: Yes, but—

The Convener: So you are asking for those aspects to be made compulsory.

Bill Alexander: That is right.

Carolyn Leckie: I think that Mr Alexander is saying that the Auditor General has the power to carry out such audits, but does not use it. I have a lot of sympathy with the issues that he has raised. However, it is unfair to expect Mr Alexander or other committee members to come up with answers to questions such as the size of projects that should be routinely monitored. Personally, I feel that big PFI projects such as hospitals and so on should be monitored in that way. For example, did what happened to the generators at Edinburgh royal infirmary come about because of the procurement process? It strikes me that experts would be needed to examine the construction aspects and contractual relationships, which are not necessarily merely financial matters. We could

explore the resource questions that Linda Fabiani has raised, and I would be sympathetic to an approach that prioritised the auditing of big public projects. As a result, I think that we should support the petition, which requires more detailed discussion and argument, and refer it to the appropriate committee for its consideration.

The Convener: I am concerned about the automatic compulsory aspect of the audits as outlined in the petition. The resource implications for what would be minor audits would be absolutely horrendous.

Linda Fabiani: Yes. I do not think that we can just pass the petition on at the moment, because there is an awful lot more to explore. Whoever we pass it on to would just ask the same questions. Perhaps we should write to the Executive for detailed comments on the petition and send Mr Alexander the Executive's reply for further comment. We could then reconsider the petition when those comments come back. In that way, we might start to hone the issues for consideration, should the petition be passed on to someone else.

Bill Alexander: I think we need a debate on the issues, because we do not know the answers.

The Convener: I do not think that we can determine whether we should have a debate. The recommendation is that we seek information; we can then determine what we do with the petition.

Jackie Baillie: I support Linda Fabiani's recommendation. It is important that we give the Executive the opportunity to reflect on the terms of the petition.

The Convener: Are members happy with that recommendation?

Members indicated agreement.

Scottish Executive (Complaints and Correspondence) (PE681 and PE682)

The Convener: We can take petitions PE682 and PE681 together. They are both in the name of Mr Alexander, but they cover different issues from those that are raised in PE683, which is why we did not discuss them in conjunction with that petition.

Mike Watson: I want to highlight a couple of procedural issues. On both petitions, under the options for action, we are asked to consider that the Parliament has no remit in relation to the internal workings of the Executive. If that is the case, I wonder why the two petitions were not ruled inadmissible.

Jim Johnston (Clerk): The Parliament has a remit in relation to Executive ministers. For example, the Standards Committee has

considered the ministerial code of conduct. We do not have a remit in relation to the civil servants.

Mike Watson: In that case, I do not really understand the statement in the recommended action. Is the clerk saying that we do not have a remit in relation to only part of the petition?

Jackie Baillie: I hate to be awkward and prolong the meeting, but is it not the case that, through ministers, one can consider the whole issue, because they are ultimately responsible?

The Convener: Possibly. We will consider the petitions and see whether we can determine that.

Jackie Baillie: Fine.

The Convener: Petition PE681 asks the Parliament to urge the Executive to establish a transparent and independent procedure for handling public complaints about its operations. Petition PE682 requests that the Parliament urge the Executive to establish a transparent correspondence-handling procedure that the public can access. Those are specific issues. Do members see why there is a limit to what we can ask in relation to them?

Linda Fabiani: We should just pass copies of the petitions to the Executive, given that it is reviewing its procedures at the moment, and ask it to include consideration of the petitions in its deliberations.

The Convener: Are members happy with that?

Members indicated agreement.

Education (Anti-Semitism and Gender Inequality) (PE669)

The Convener: Petition PE669, in the name of Elaine Pomeransky, is on anti-Semitism and gender equality in Scottish schools. It asks the Parliament to investigate what practical steps are being taken to deal with anti-Semitism and to promote gender equality in Scottish schools. The petitioner believes that, despite the existence of anti-discrimination legislation, anti-Semitism is still being promoted, particularly in religious teachings. In the background material to the petition, she describes her experiences and claims that she has suffered discrimination from neighbours and public servants for being a single disabled woman. The information available on what is happening in this area appears to be general.

Jackie Baillie: The best way forward is to write to the Executive and ask it for specific details about what it is doing in relation to both gender equality and dealing with anti-Semitism in schools. We should wait for a response to that.

The Convener: Are members happy with that?

Members indicated agreement.

Current Petitions

Further Education (Management Practices) (PE574)

Further Education (Governance and Management) (PE583)

12:24

The Convener: We can take PE574 and PE583 together. PE574 is on the management of Scotland's further education colleges. The petitioner calls on the Scottish Parliament to inquire into the governance and management of Scotland's further education colleges and to consider reforming the legislative framework governing further education. PE574 was prompted by specific concerns relating to Central College of Commerce in Glasgow. PE583 was prompted by the petitioner's concern that the predominance of business representation on college boards of management has allowed financial considerations to take precedence over educational priorities, to the detriment of students, local communities, the voluntary sector and the society and the economy in a wider sense.

The previous Public Petitions Committee considered the two petitions jointly at its meeting on 25 March 2003 and agreed to defer further consideration of the petitions until the new session, once the outcome of the Executive's review of governance and accountability in the FE sector could be taken into account. The Executive has now provided an update on the implementation of the review and has stated that it intends to conduct a consultation on the implementation of the proposals, as well as a separate consultation on the proposals that would require legislation. It has committed to review the need for further changes after two years. I invite members' views on that response.

Carolyn Leckie: I do not think that the Executive's response is adequate in relation to some of the issues that have been raised. There are broader issues around the independence of the further education sector and the involvement of businesses on college boards. The whole question of the management and public accountability of further education needs to be explored. I am not sure whether we should just keep the situation under review. There are probably political differences on what should happen in the further education sector. Employment relations problems have definitely increased since further education colleges obtained independent status. I do not think that the wider problem will be addressed through the Executive's proposed actions.

The Convener: What do you recommend that we do?

Carolyn Leckie: I think that the petition should be considered by the Education Committee.

Mike Watson: The petitioners will have a copy of the Executive's review, which was published in March, but do they have a copy of the Executive's response to us, which was produced less than a month ago?

The Convener: The petitioners have not been asked for their comments on the Executive's response.

Mike Watson: In addition to Carolyn Leckie's comments, it might be worth asking the petitioners the extent to which the Executive's response addresses the issues raised.

The Convener: We will write to the petitioners and ask them for their views, and will consider the matter again at another time. Is that okay?

Members indicated agreement.

Eating Disorders (Treatment) (PE609)

The Convener: The final petition before us today is PE609, on the specialised treatment of eating disorders. The petitioners call on the Scottish Parliament to ask the Scottish Executive to address, develop and fund the specialised treatment of eating disorders in Scotland. The previous Public Petitions Committee initially considered the petition on 25 March 2003 and agreed to write to the Scottish Executive, the mental health and well-being support group and the Royal College of Psychiatrists. Responses from all three organisations have been circulated to the committee for its consideration.

Carolyn Leckie: It was said informally earlier that the length of time that a response has been awaited and the requirement for the Public Petitions Committee to send three letters on the matter are unacceptable. That should be communicated to the Executive.

The issue of specialist services for the treatment of anorexia has not been dealt with by way of resources. It is an abdication of responsibility for the Executive constantly to respond to issues to do with resources and services in the NHS by saying that funding is allocated by health boards, whose responsibility it is to prioritise.

A political question arises over how much emphasis or priority should be placed on addressing particular problems. The Executive needs to be seen to be implementing what ministers say is a priority. If, by their actions, health boards do not look like they are treating those issues as priorities, the Executive must surely have some locus in changing that.

The Convener: I take your first point. I am more than happy to write to the Executive, pointing out our disquiet at the length of time that has been taken to reply to some of our correspondence. The clerks chase up letters—that is part of the process. However, it is unacceptable that we have to write three times to get a response on a specific issue. I will write on behalf of the committee to make that view known.

Mike Watson: It is grist to the mill, in respect of PE682.

John Scott: As I suggested informally, before the meeting opened, I think that you should raise the matter at the Conveners Group, convener.

The Convener: I will certainly do that.

Linda Fabiani: I think that we should refer the petition to the Health Committee.

The Convener: Is everyone happy with passing the information to the Health Committee?

Members *indicated agreement.*

The Convener: That brings us to the end of the business on our agenda this morning—although it is now this afternoon. Thank you very much for your participation, colleagues.

Meeting closed at 12:29.

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

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Tuesday 23 December 2003

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: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

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

Standing orders will be accepted at the Document Supply Centre.

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

The Stationery Office Bookshop
71 Lothian Road
Edinburgh EH3 9AZ
0870 606 5566 Fax 0870 606 5588

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 Oriel 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

RNID Typetalk calls welcome on
18001 0131 348 5412
Textphone 0131 348 3415

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers