

RURAL DEVELOPMENT COMMITTEE

Tuesday 25 March 2003
(*Afternoon*)

Session 1

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RURAL DEVELOPMENT COMMITTEE

11th Meeting 2003, Session 1

CONVENER

*Alex Fergusson (South of Scotland) (Con)

DEPUTY CONVENER

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

COMMITTEE MEMBERS

*Rhoda Grant (Highlands and Islands) (Lab)
*Richard Lochhead (North-East Scotland) (SNP)
*Mr Jamie McGrigor (Highlands and Islands) (Con)
Mr Alasdair Morrison (Western Isles) (Lab)
John Farquhar Munro (Ross, Skye and Inverness West) (LD)
Irene Oldfather (Cunninghame South) (Lab)
*Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)
Elaine Smith (Coatbridge and Chryston) (Lab)
*Stewart Stevenson (Banff and Buchan) (SNP)

COMMITTEE SUBSTITUTES

Nora Radcliffe (Gordon) (LD)
Mr John McAllion (Dundee East) (Lab)
Alasdair Morgan (Galloway and Upper Nithsdale) (SNP)
John Scott (Ayr) (Con)

*attended

THE FOLLOWING ALSO ATTENDED:

Brian Adam (North-East Scotland) (SNP)
Adam Ingram (South of Scotland) (SNP)
Alex Neil (Central Scotland) (SNP)
John Scott (Ayr) (Con)

WITNESSES

Ross Finnie (Minister for Environment and Rural Development)
Lachlan Stuart (Scottish Executive Environment and Rural Affairs Department)

CLERK TO THE COMMITTEE

Tracey Hawe

SENIOR ASSISTANT CLERK

Mark Brough

ASSISTANT CLERK

Catherine Johnstone

LOCATION

Committee Room 2

Scottish Parliament

Rural Development Committee

Tuesday 25 March 2003

(Afternoon)

[THE CONVENER *opened the meeting at 15:01*]

The Convener (Alex Fergusson): Good afternoon, ladies and gentlemen. I welcome committee members, witnesses and members of the public to what is—perhaps sadly—the final meeting of the Rural Development Committee in this session of the Parliament. Some visiting members are due later. First, I issue apologies from Fergus Ewing, Irene Oldfather and Elaine Smith. I also issue my normal reminder that all mobile phones should be turned off, both around the table and in the public gallery.

Subordinate Legislation

Rural Stewardship Scheme (Scotland) Amendment Regulations 2003 (SSI 2003/177)

Common Agricultural Policy (Wine) (Scotland) Amendment Regulations 2003 (SSI 2003/164)

Products of Animal Origin (Third Country Imports) (Scotland) Amendment Regulations 2003 (SSI 2003/165)

TSE (Scotland) Amendment Regulations 2003 (SSI 2003/198)

The Convener: Agenda item 1 is on four items of subordinate legislation, which are subject to the negative procedure.

Members will recall that we heard last week from John Hood of the Scottish Executive environment and rural affairs department on the rural stewardship scheme. We were unable to complete our formal consideration of the Rural Stewardship Scheme (Scotland) Amendment Regulations 2003 (SSI 2003/177), however, because the Subordinate Legislation Committee had not reported on the regulations at that stage. The Subordinate Legislation Committee has since made a number of comments on the scheme, and an extract of its 25th report this year has been circulated. The report contains many recommendations, but I think that members will agree that they are largely of a technical and drafting nature.

The Subordinate Legislation Committee has also commented on the Common Agricultural Policy (Wine) (Scotland) Amendment Regulations 2003 (SSI 2003/164), but has made no comments on the TSE (Scotland) Amendment Regulations 2003 (SSI 2003/198), which deal with transmissible spongiform encephalopathies.

Stewart Stevenson (Banff and Buchan) (SNP): I have a comment on the rural stewardship scheme regulations and on the relevant part of the Subordinate Legislation Committee's report, which makes a significant number of points. I wonder whether the minister could comment, although I am aware that he is not here yet—if I can put it that way.

The Convener: Indeed: the minister is not here to discuss the regulations. Therefore, he would be perfectly free not to answer any questions on it.

Stewart Stevenson: It is disappointing that the Subordinate Legislation Committee had to make so many points on the regulations. We should note that the Executive does not appear to have met the standards that we seek.

Is it mere coincidence that the common agricultural policy wine regulations come into force on 1 April?

The Convener: We assume that the answer to that question is yes.

I suggest, if committee members agree, that we note the considerations brought to our attention by the Subordinate Legislation Committee and draw them to the attention of the Minister for Environment and Rural Development in a letter. On that basis, I suggest that we have no further comment to make on the four instruments.

Members indicated agreement.

The Convener: It has been agreed that we make no recommendation on the instruments to the Parliament.

Prohibition of Fishing with Multiple Trawls (No 2) (Scotland) Amendment Order 2003 (SSI 2003/166)

The Convener: We move to item 2 on the agenda, which the minister has come to talk to us about. The Prohibition of Fishing with Multiple Trawls (No 2) (Scotland) Amendment Order 2003 (SSI 2003/166) is subject to the negative procedure. I am pleased to welcome Ross Finnie MSP, the Minister for Environment and Rural Development, and his officials, who are attending today to answer members' questions on yet another issue affecting the Scottish fishing industry.

Members will be aware that the Executive invited comments from interested parties on

proposed changes to legislation affecting twin-rig nephrops trawling in the Scottish zone. Copies of the consultation letter and a number of responses have been circulated to members. We have also received further submissions from many fishing organisations. I apologise that some were received late in the day, but they have all been circulated to members. I hope that you have copies—spares are available.

Members will also note that some of the submissions concern the related instrument on the Sea Fish (Specified Sea Areas) (Regulation of Nets and Older Fishing Gear) (Scotland) Amendment Order 2003 (SSI 2003/167), but I point out that that order is not subject to parliamentary procedure, therefore it is not before us for formal consideration.

Having said all that, I invite the minister to introduce his officials and make an opening statement on the statutory instrument.

The Minister for Environment and Rural Development (Ross Finnie): I am joined this afternoon by Lachlan Stuart and Ian Ferguson, both of whom are from our fisheries division. Like you, convener, I am deeply sad that this is the last meeting this session of your committee. As I left London this morning on the first flight, perhaps the only thing that encouraged me out of my bed was the knowledge that I had the excitement of coming before you this afternoon. That was a great driver at 5 o'clock this morning.

The Convener: I acknowledge the tremor in your voice and the tear in your eye.

Ross Finnie: And the moving sincerity. I note it also in your own comment, convener.

To serious business. I thank the committee for the opportunity to have this discussion and to deal—perhaps more through my officials—with some of the very technical matters that have arisen as a result of these measures which, as you said convener, concern twin-rigging for nephrops in two areas of the Scottish zone. The precise co-ordinates of the two areas are given in the order, but they are roughly the waters on the west coast north of the Clyde, and on the east coast south of Peterhead. The practical impact of the measures is to change regulation of the nephrops fishery in the Minches and the Firth of Forth.

As everyone is aware, before the orders to which the convener referred were introduced, fishermen operating a twin-rig trawl on those fishing grounds were required to use a minimum mesh size of 100mm. Now, they may proceed with a mesh size of 95mm. I stress at the outset that I had only one, simple objective and intention in framing the measures and that was to allow Scottish fishermen their full entitlement of days at sea. That was the driving force.

On the surface, the change is relatively simple. As I say, the orders allow fishermen to operate a twin-rig trawl with a minimum mesh size of 95mm, whereas previously it was 100mm. We had to change from 100mm, because annexe XVII of the total allowable catch and quota regulations restricted vessels fishing with nets of mesh size 100mm or more to only 15 days at sea per month. The design of annexe XVII is rooted in the desire to achieve fleet segmentation by mesh size and does not allow for consideration of supplementary legislation by member states. Therefore, the twin-rig nephrops vessels fishing in the Firth of Forth and in the Minches, the mesh size of which is determined by both Scottish and European regulations, were by the combination of those regulations effectively going to be restricted to 15 days at sea. It is quite clear that that was not intentional. The 15-day restriction was intended only to curtail the effort of the white-fish fleet, not the nephrops fleet. Anyone in Europe or elsewhere who tries to argue differently is not based on solid ground.

As I have mentioned on other occasions, the drafting of annexe XVII of the regulations is clearly flawed in certain areas. This is one of those areas. At the end of December, we were faced with a situation in which a significant segment of the Scottish fleet would be unnecessarily restricted, even beyond the European Commission's intended requirements. I had the ability to loosen such a restriction.

In acting, I faced a real difficulty. We cannot secure consensus with the fishing industry on twin-rig trawling for nephrops. When the issue was raised, old differences of opinion were reopened and—as the convener will know from other representations—feelings ran quite high. The absence of any formal consultation response from either the Shetland fishermen or the Scottish Fishermen's Federation is quite telling. Opinion in the industry is more fractured than divided on how best to proceed. It does not surprise me that the many representations that the committee has received suggest that not everyone agrees with the course of action that we have chosen. As I said, we had huge difficulty in reaching a consensus on this matter. However, I assure the committee that we had no other option but to secure some form of change if we were to meet our objectives.

As a result, I have sought to minimise the burden on fishermen and have ordered a solution that allows them to keep the cod-ends that they currently use. At first sight, that might seem odd. After all, how can a mesh size of 100mm become 95mm? Of course, it cannot; however, we can take advantage of different methods for measuring mesh sizes. The most accurate way of measuring a net—the one that puts measurement beyond

dispute—is recording the smallest mesh size. Such a method can reduce mesh size by about 5mm, which means that a 104mm mesh would be measured as 99mm.

We have tried to be as flexible as we can and introduce a measure that works, although we recognise that it does not have universal support. We hope that it will be only an interim measure; it is not the long-term way forward for nephrops fishing. That said, it secures the flexibility on the days-at-sea issue to which the whole of the nephrops fishery is entitled.

The difficulty that we are in now is that, if the orders are revoked, that additional choice will be removed and a substantial number of nephrops fishermen will be restricted to 15 days at sea. That will benefit not Scottish fishermen, but others, who will still have 25 days. We have been trying to create a level playing field for Scottish fishermen. I recognise the difficulties and the difference of views across the industry, as well as the technical difficulties that some see in this measure. However, we have tried to keep matters as simple as possible. Our sole objective is to ensure that nephrops fishermen get the 25 days that they were clearly intended to have as a result of annexe XVII, but which the imperfect wording of the annexe threatens to deny them.

Mr Jamie McGrigor (Highlands and Islands) (Con): I agree with what the minister says and thank him for finding a solution to the practical problem that was faced by the fishing industry. The order will allow prawn trawlers with twin rigs to go on fishing and will also stop the landing of a lot of small prawn tails, which would be liable to bring down the price of prawns. I thank the minister for finding this solution.

Stewart Stevenson: I had lunch with a major prawn fisherman about eight days ago. His main concern was the price of prawns, which he tells me is at a 20-year low.

What effect will the change in regulations have on the quantity of prawn landings, in terms of the type of landings and the volume of landings? I will accept an answer in broad terms, since the minister will be unable to tell me the figures to the last prawn.

Ross Finnie: I certainly cannot tell you to the last prawn. I think that I will defer to an expert.

15:15

Lachlan Stuart (Scottish Executive Environment and Rural Affairs Department): The change should have no direct effect on landings. It will have an effect on white-fish landings as the move to a 95mm mesh will give an additional level of selectivity. There will be no

effect on prawns because, in practice, fishermen should be able to use exactly the same net that they were using before.

Stewart Stevenson: If it will have no effect on landings, why need we make the change?

Ross Finnie: Because we are being measured by regulation, not landings.

Stewart Stevenson: I accept that. I am asking a genuine, open question. If we are being restricted to 15 days at sea and the change in regulation is designed to bring us more or less back to where we were previously, by increasing that to 25 days at sea, does that not increase the effort and therefore increase the landings? In other words, if the changes do not deliver the benefit of allowing the prawn fishermen to exercise extra effort, there is no point in having them. I might not understand the situation, of course.

Ross Finnie: I accept that this is entirely a technical exercise. At the moment, if we do not change our domestic regulation, the prawn fishermen will technically be in breach. As I said earlier, no one has argued that the intention behind annexe XVII was to catch—that is a terrible pun—or to impose a limitation on the white-fish fishery. It was never intended to restrict the days, apart from the 25-day restriction, that were allowed for the nephrops fishery. That is now broadly agreed by those who are reviewing the regulation in Europe. However, our problem was that the technical definitions in our domestic regulation meant that, technically, the fishermen were in breach. By being technically in breach and by being brought within the mischief of annexe XVII, they would be restricted to 15 days at sea. The sole purpose of rewriting the domestic regulation is to take the nephrops fishermen out of annexe XVII's restrictive definition and allow them to have 25 days at sea.

Stewart Stevenson: So the question is purely to do with covering what might have happened in the first 10 days of March, since the operating date is 11 March, and the practical effect is not to make any change to the expected prawn landings, even though an examination of the regulations would lead you to believe otherwise. Is that correct?

Ross Finnie: We hope that that will be the effect. I know that there is a lot of disputation in the industry, but it seemed to us to be the simplest way of rectifying a technical breach.

Richard Lochhead (North-East Scotland) (SNP): We all welcome the fact that this loophole is being addressed by the minister, but this matter sums up the dog's dinner that is the days-at-sea legislation. The fact that we have to reduce the mesh size in order to get more days at sea demonstrates why the regulations must be replaced as soon as possible.

The minister says that the change that we are discussing is an interim change and industry representatives have told me that Europe might introduce an amendment to the days-at-sea regulations that would mean that the change that we are discussing would need to be in place for only a short while, after which it could be withdrawn and we could return to square 1. Is that your understanding of the case, minister?

Ross Finnie: I am not sure if that is the case, but I hope that it is. The anomaly appeared at an early stage and I will not go back over it, but the fact is that we had to deal with the matter technically within our domestic regulation.

My nervousness is due to the fact that I have not seen a piece of paper stating precisely what changes are to be made. We have had many discussions on many areas and I think that many of the changes that have been suggested would be helpful, but I have seen nothing in black and white. Until I have, I am reluctant to say that we will be able to reverse the change at some point.

However, I hope that a European official, reading the committee's proceedings and seeing that we have been forced to produce a technical change to reduce mesh sizes from 100mm to 95mm will sit back and think, "How stupid is this!" and see that it needs to be looked at carefully so that we can find a way out of it. This is not a progressive way to manage a fishery. I agree with you, Richard, but I cannot give you any firm undertaking because we have not seen the extent and nature of the changes in black and white.

Richard Lochhead: The minister says that he has not seen the bit of paper from the Commission. Does he include in that the other changes that were discussed in previous meetings?

Ross Finnie: The Commission has extensively discussed matters that we think are entirely sensible, and we are encouraged by some of the movements. However, I am becoming slightly sceptical about the Commission—I think that you might share that scepticism. I will be more comfortable with commenting on the Commission's firm and final proposal of how it will amend the legislation, instead of the vague proposals on which my officials exchange views and comment.

Richard Lochhead: Some fishing organisations have said that you would not have had to make that change at all if the 75 boats had qualified for transitional aid. However, you did not want to allow them to qualify for that aid, therefore it was easier to change the legislation to give them more time back at sea. Will the minister clarify why he would not include those boats in transitional aid? Will he also speak in broader terms about transitional aid,

given that fishermen have waited for many months for it to appear? The rest of the white-fish fishery is also very concerned, not just the prawn boats.

I also understand that there is confusion about state aid rules. Will we have transitional aid, and if so, when? There are many skippers who are unable to be with their crews and who are facing bankruptcy; they are extremely concerned.

Ross Finnie: We all know that, which is why we acted. I do not control state aid, and the transitional aid is subject to state aid regulations—I made that absolutely clear. Any form of assistance of that nature, which is at a greater level than would be permitted under the standard financial instrument for fisheries guidance—FIG—regulation, is within the ambit of state aid. We have made it clear to the Commission that we take a dim view of its regarding this as a cause célèbre in state aid terms. After all, the prime thrust of state aid is to look at cases in which someone is getting an unfair competitive advantage.

Given that fishing is entirely regulated by the quota and that no one else has access to the quota, it is extraordinarily difficult to argue that the proposal meets the test of assisting external competition. However, the other part of the state aid regulation states that the Commission must be satisfied that the level and rate of compensation cannot be construed as overcompensation. Again, people attending the committee would find that hard to imagine. Nevertheless, that is the hoop that the Commission asks us to go through. My officials did not sit over here waiting for this to happen; we went out there and made it clear that we expect the Commission to expedite matters. However, we have not had a formal response.

Those who work with state aid deal with initial applications themselves, and the final approval is done through the collegiate of the various Commission departments. We are pressing the Commission hard to get ahead, and I regard it as extremely unhelpful, given that the Commissioner himself was saying, "What's your problem? You can assist your fishermen". We have proposed a perfectly plausible, sensible and rational scheme, and we are subject to state aid—as we knew we would be—and we still do not have approval for that scheme.

Richard Lochhead: Does the minister have any indication of a possible time scale? The skippers are tearing their hair out.

Ross Finnie: I understand that; I get letters from skippers. We have been pressing the Commission for a time scale, but it is extremely reluctant to furnish us with one.

Richard Lochhead: Is the minister confident that the transitional aid will come through?

Ross Finnie: We meet the criteria, and I would not have proposed the scheme if I did not think that we did. We can demonstrably show that there is no question of overcompensation. The other criteria do not apply. We are not giving people a competitive advantage; we are dealing with a regulated market. I cannot see how that applies. I find that extremely frustrating, but never mind my frustration—the fishermen and fishing communities who are now entitled to that aid are even more frustrated. It is a very unsatisfactory position.

The Convener: Richard Lochhead can ask one more question, then I will bring in Jamie McGrigor.

Richard Lochhead: Thank you for giving me a bit more time, convener. This is a very serious issue.

I understand that the transitional aid is only until the end of August. We are already two months into the days-at-sea scheme and it is more than three months since the deal was signed in December. A very serious financial situation faces crew and skippers. Some crew members I know cannot afford to pay their mortgages because of this. Could the minister outline what will happen about paying the cash? How soon can he pay the cash when he gets the green light? Will it be retrospective from that point back to 1 February? Will he consider extending the transitional aid from the end of August onwards if the days-at-sea regulations stay in place? Otherwise, the fleet will go to the wall.

Ross Finnie: There are two points. We have indicated, in announcing the rate at which the compensation would be paid, that for practical purposes it would effectively start from 1 March and would therefore be paid back to that date. We spoke to the industry. For administrative reasons, we did not want to push it any further. It will be retrospectively paid back to that date and it will run for six months from that date. When we get the green light, we will have used the intervening period to try to ensure that we have established both the form of application and the nature of the application so that we are in a position to process the applications very quickly. I do not expect there to be much delay between the granting of state aid approval and the payment of that aid.

Beyond that it is a matter—unless the dates in Richard Lochhead's calendar are different from those in mine—that another Administration might have to address.

Richard Lochhead: It certainly will.

Rhoda Grant (Highlands and Islands) (Lab): I will add a supplementary to Richard Lochhead's question. It is obviously a matter of concern if people are now in financial difficulty. I remember that during the foot-and-mouth outbreak Ross

Finnie met banks and financial institutions to ask them to deal sensitively with people who were in difficulties. Is that a possible course of action until we get approval from the European Union for the package?

Ross Finnie: I have already done that. I have had meetings with representatives from all the joint stock banks in Scotland to discuss with them both the nature of the assistance that the Executive is providing and the difficulties over timing. I have appealed to their best judgment. In our opinion, the scheme meets the criteria and will be paid. I have allowed them sufficient information about both the decommissioning scheme and the transitional aid scheme to enable them to form a judgment and, I hope, take a sensible view in relation to their clients.

Rhoda Grant: That is excellent.

I welcome what the minister said about this being a short-term solution. We have received an awful lot of comments that indicate that people have concerns about the order. The concerns come back to matters such as displacement. Stewart Stevenson talked about low prices for nephrops and the like. What steps can you take to stop displacement? Obviously, if the prawn fishery is affected it will devastate many more communities that currently have problems with the white-fish industry.

Ross Finnie: A limited number of instruments are available to us. One of the instruments is that those who get a preponderance of their income from the white-fish fishery, and apply for transitional aid, will render themselves liable to be disqualified from being paid in that sector if they are found to have switched a substantial part of their effort into the nephrops fishery.

I am sorry, but I cannot remember the other measure that we were trying to promote to discourage people from going into the nephrops fishery.

Rhoda Grant: How will that be monitored? I have heard anecdotal reports that part of the white-fish fleet is appearing on the west coast and in west coast harbours; there is a great deal of concern in the area about that. People on the west coast are not unsympathetic to the white-fish fleet, but they are concerned about the west coast fishery and the knock-on effect of the appearance of the white-fish fleet.

15:30

Ross Finnie: The situation is extraordinarily difficult for us. If I am to be absolutely honest, I will say that our resources are stretched by the monitoring of the basic regulation. It is unfortunate that people are not even reading the economic

signals that should be guiding them. As Stewart Stevenson or Richard Lochhead indicated, the white-fish fishermen are simply driving the price down by increasing the supply. I appreciate that it is difficult to appeal to individual fishermen, but the producer organisations and the rest have to indicate clearly and precisely what will be the impact of increasing the supply. People have to understand that everyone becomes the all-time loser when supply is increased and prices are driven down.

Stewart Stevenson: Why is the transition aid not being dated as of 1 February?

Ross Finnie: We have extended the aid for a further month. A technical problem arose in that the timing of the regulations could have resulted in a number of fishermen discounting themselves by operating in a way that excluded them, which would have been unfair.

We discussed the matter with the industry. Some industry members were trying to advocate that I should go forward on the date, but the clear view was that we should have a sensible regime in which everyone knew roughly what the criteria for qualification were, how they would be assessed and how to get the information.

It was a difficult call, but we felt that we could get most of the people who were genuinely eligible into the scheme on 1 March. My feeling, which was shared by others, was that the scheme should date back to February. However, we were not getting a clear signal that we could get everybody who was operating properly and not discounting themselves. The situation is quite difficult to police.

Stewart Stevenson: Are you implying that there was a difference of opinion on the matter between the representatives of different organisations?

Ross Finnie: Yes, that is probably the case in respect of the timing and the nature of the regulation. As members know, this is not a simple matter.

Richard Lochhead: This is the minister's last appearance before the committee on the subject of fishing before the dissolution of the Parliament and the election. Given that the Council of Ministers meets in two weeks or so and that that meeting will be the crunch meeting in respect of replacing the days-at-sea legislation, will you tell us whether you are confident that the days-at-sea legislation will be replaced by a more sensible and manageable regime that will not disadvantage the Scottish fleet? If you think that that will not happen, how will the legislation be replaced in a way that will not disadvantage the fleet and what will you support?

Ross Finnie: When did you think that the matter would arise?

Richard Lochhead: You are to attend the fisheries council meeting in April.

Ross Finnie: Although quite a lot of work has been done in that regard, I regret to say that I am not confident that it will be complete in April. I have seen some movement in respect of an acceptance and acknowledgement of the kind of argument that we have put forward about the need for a wider range of fishing management instruments. There is also a wider recognition that a days-at-sea scheme has to be operated on the basis of kilowatt days.

Although we have seen some movement, in common with the amendment to the regulation, we have not seen a piece of paper. That may emerge toward the end of April, but I do not think that it will be complete in time for the April fisheries council meeting. I have to say that the April meeting, which is scheduled for 7 and 8 April, is taking place extraordinarily early. It might be possible to issue something by the end of April or early in May.

We are only two weeks away from the meeting and we would normally start to see drafts of the papers that will be tabled at the next meeting. When the end of April was mentioned, I think that officials overlooked the fact that the April fisheries council meeting is to be held at the beginning and not the end of the month. It is only two weeks since the last council meeting.

Mr McGrigor: If the measures continue beyond July, as may be the case, does the minister agree that it might be more sensible to have a transitional aid scheme and days-at-sea scheme covering all the boats in the fleet? I am thinking of the damage that might be caused to prawn stocks as a result of a diversion from white fish to prawns.

Ross Finnie: I am not going to anticipate what that damage is. You speak of an immediate reaction, which is understandable from an individual fisherman's point of view. However, we must hope that that situation does not continue. As I said in response to either Stewart Stevenson or Richard Lochhead, everyone must understand that, if all the fishermen do is radically increase the supply and drive down the price, they are doing nobody any good at all.

It is interesting that questions have been asked by other member states. One or two people have reflected on the outcome of the meeting in December. The meeting that was convened by fishermen from all areas was another helpful development that moved us in a different direction because we had input from fishermen. I regard all that as helpful. If proposals are published by the end of April or the beginning of May, it might be possible to have some serious discussion before the Commission disappears in August.

The Convener: That brings us to the conclusion of that wide-ranging discussion. I thank the minister for answering the questions so well. I also thank his officials.

We have to agree our report to the Parliament on the order. The Subordinate Legislation Committee has made a number of comments on the drafting in its report, an extract of which has been circulated to members. Are members content with the instrument and happy to make no recommendation to Parliament?

Members *indicated agreement.*

The Convener: I thank the two officials for coming—Mr Stuart and Mr Ferguson. Nice name, sorry about the spelling of it, Mr Ferguson, but that cannot be helped.

Scottish Agricultural College

The Convener: We now move to agenda item 3, which is consideration of the future of the Scottish Agricultural College. I welcome visiting members Brian Adam, Adam Ingram and John Scott who have joined us for this item. I thank the minister in particular for agreeing to answer questions on the topic at short notice. I am grateful to him because, as he will be well aware, the item has been under our consideration for some time and this is our last chance to consider it. Last, but certainly not least, I welcome Alex Neil to the meeting.

Members will recall that the issue under consideration arose as a result of a petition calling for the Scottish Parliament to urge the Scottish Executive to review as a matter of urgency the current situation at the SAC, Auchincruive. The committee considered petition PE480 in April 2002 and noted at that time that the SAC intended to seek input from independent consultants on the review of its business plan. The committee decided at that time to write to the minister, urging him to ensure that the terms of reference for the consultants reflected the need for the review to be as thorough and wide ranging as possible and to ask that the committee be kept informed of progress. On that basis, the committee agreed to close the petition, but to monitor the situation. The review by Deloitte & Touche has now been completed and members have a copy of the executive summary. A copy of the SAC news release announcing the outcome of the options appraisal has also been circulated. I again welcome Ross Finnie, the Minister for Environment and Rural Development, and his officials.

At this stage, I declare an interest, both as a former pupil of Auchincruive and as a South of Scotland MSP who lodged a motion calling for further attention to be paid to Auchincruive as a possible future SAC campus. In convening this meeting today, I assure members that I will do so from an entirely neutral point of view and that I intend to consider the general circumstances that led to the publication of the report. Had my deputy convener been here, I would have stood down. He is not here so I ask for members' indulgence.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I am delighted to hear that, because there is a difference between a declaration of interests and a conflict of interests. As you said to the committee, through your motion you are the leader in the parliamentary campaign to save Auchincruive and, dare I say it, to close Craibstone. Given that, it is difficult for you to convene the meeting with complete impartiality,

despite what you say—difficult but not impossible. I welcome your comments and I am sure that the meeting will be conducted with absolute impartiality, but the fact that you have lodged a motion on the issue makes the situation difficult.

The Convener: I hope that members will agree that, despite my pre-stated views on the Protection of Wild Mammals (Scotland) Bill, I managed to convene the meetings on that bill with unanimous support from the committee. If I get out of order in this meeting, I am sure that Mr Rumbles will be the first to remind me.

Mr Rumbles: You are absolutely right, convener.

The Convener: On that basis, we will proceed. I invite the minister to introduce his officials and to make his opening statement.

Ross Finnie: I am glad that I do not have to arbitrate on that dispute, which seems much more technical than the matters with which I deal.

I introduce Andrew Rushworth, who, among other matters, is in charge of our interests in the Scottish Agricultural College, and Norman Harvey, who also has an interest in those matters.

As you rightly say, the issue has a bit of a history. After the committee sisted its consideration of petition PE480 and following the initial proposals to close Auchincruive, we moved forward to the point at which the SAC planned a much fuller strategic review of all its operations. As members are aware, the SAC engaged the services of the external consultants Deloitte & Touche, which produced a first report in October last year following a fairly extensive consultation exercise with a range of parties. The report identified the SAC's strengths as being in veterinary and advisory services and in certain parts of its research programme, but noted that the SAC had lost a lot of ground in its education function and needed to review its objectives in that area.

The Executive is a major funder in the educational field. After discussions with the chief executive, the SAC board decided to accept the first report in most respects, but to reject the suggestion of scaling down its educational services. In response, we indicated that we were unable wholly to confirm our agreement until the SAC had completed an analysis of its education markets and provided a coherent educational strategy based on that analysis. In the meantime, I thought it right that the SAC should proceed with the appraisal of the options for the physical infrastructure that is required to deliver its education and research services, which at present are delivered from three campuses.

Two weeks ago, the SAC published a second Deloitte & Touche report on which it had worked

closely with the consultants. As members know, that report identifies that the SAC has substantially more campus space than it requires to function efficiently and that significant cost savings, economies of scale and better staff utilisation could be achieved through rationalisation.

Members will have read the report and will be aware that 10 options were considered. The option of maintaining the status quo of providing full-time education at the three campuses was the most expensive one and the report found that improved synergy between services could be generated by collocating research and education facilities. The report concluded that, in the view of the experts, the best option in both financial and non-financial terms appears to be to rationalise the SAC's estate to the Edinburgh campus and to dispose of major parts of the campus facilities at Auchincruive and Craibstone.

At the outset, we must recognise that the SAC has continuing financial and operational problems. Those problems are not new—they have existed in whole or in part for some time. We must recognise and bear it in mind that the organisation cannot compete on cost terms because of the mismatch between its current level of business and the facilities inherited from three agricultural colleges.

A key aspect of the problem is that the SAC has been unable even to maintain its student numbers as it originally planned, far less grow them. Over the past six years, there has been a 40 per cent reduction in the number of full-time students. The SAC must respond to market forces; indeed, the Executive could not justify continuing to fund the SAC's education function at previous levels, given such reductions in student numbers.

In addition, the SAC has suffered from the downturn in the fortunes of the agricultural industry in the past few years and the college's levels of income from other sources—which amount to around 65 per cent of its total income—have been relatively flat for some time. Therefore, there is a compelling case for the SAC to embark on the exercise that it has embarked on and to consider how best it can use its facilities to go forward and survive on a fit financial basis.

15:45

That said, as a minister, I have concerns about some of the SAC's proposals. The option appraisal was based on a set of assumptions that are not all backed by an evidence-based education strategy. Indeed, the evidence suggests that, although the SAC has aspirations to increase the number of its campus-based students, it will probably lose a proportion of that market if it proceeds to withdraw from campus-based

education at both Auchincruive and Craibstone. Furthermore, it is not totally clear to me that the SAC has yet adequately taken forward alternative modes of delivery through partnership with other organisations—notably further education colleges and universities—as originally recommended by Deloitte & Touche. None of the options that were set out in the Deloitte & Touche report is yet financially viable beyond 10 years, although that is a problem that relates simply to the nature of the report. Therefore, the SAC needs to assess the assumptions and suggest proposals that stress or underpin continuing financial viability. What I have said is not a criticism, but refers to part of the process.

In the short term, the restructuring proposals involve considerable capital expenditure, whichever site is chosen for rationalisation on the basis of the assumptions that are set out in the report. The SAC needs to identify how to raise that finance in addition to securing ministers' agreement on the use of disposal proceeds. Some time ago, it was also flagged up that there is an issue relating to whether the preferred solution in the Deloitte & Touche report of focusing on Edinburgh is consistent with the Executive's policy of trying to decentralise.

Finally, although the SAC was not required to consult its stakeholders and staff over the final proposals, those parties must have a voice in the eventual decisions of all parties. That is why I am glad that copies of the report have been made available to all parties and that we can all take part in what will be a major decision by the SAC.

A huge amount of valuable work has been done and the issue is difficult. Some people have observed that perhaps the issue ought to have been confronted much earlier; nonetheless, we are now in a difficult situation. I have spoken about the broad areas in which there is further work to be done. I do not think that anybody disputes that further work must be done before we can say that we are entirely satisfied that we should produce the necessary cash.

I am sure that we can work with the SAC on dealing with the reservations that I have raised. However, given the fundamental and radical nature of the proposals that are before you, those closely involved with the institution will wish to comment and that is right and proper.

The Convener: Thank you for that full and frank opening statement. You have aired many of the concerns that I suspect have been brought to most of us as members. Before I open the meeting to questions from members I would like you to clarify a gap in my knowledge. Where does your responsibility end in this decision? The board of the SAC, which is backing the proposal unanimously, does not have shareholders, but I

wonder to whom it answers. Does it answer to you and do you have to sign off the proposal—or any proposal—before it is implemented?

Ross Finnie: The relationship is quite tricky. I do not think that I am a shareholder, given that the SAC is an independent body. However, in relation to its educational function, it is hugely dependent on the Scottish Executive for financial support. Given the nature of the body and given that there is a mutual desire to have the Scottish Agricultural College performing an educational function, research function and service-delivery function, the only real source of other funding to assist with restructuring rests with the Scottish Executive.

Therefore, although I might not have a power of veto, I think that the committee would expect me to be satisfied that I was wholly satisfied that generally acceptable value-for-money criteria had been met before disbursing Executive funds. The Scottish Executive is a key player, because of the level of the financial support that it does or could provide for the body's educational function and in any restructuring that might emerge. However, if the SAC were to find a sugar daddy and were to fund all that themselves, I would have no role to play. However, at the moment, that is not the case.

The Convener: Am I right in saying that the decision will not be taken one way or another until after the May elections?

Ross Finnie: It would depend on the speed of response, but I think that a number of not insoluble and not intractable issues need to be bottomed out. As I said, it is proper that people are being invited to comment. The board might be clear and robust in its view, and it is entitled to be so, but I have to take account of comments that might be made to it. It is terribly important that we do not put the SAC into a dreadful limbo for a year and a day. However, following publication of the findings of the Deloitte & Touche report, I think that a reasonable period—I do not want it to be too long, because that would be very unfair on everybody involved—will take us, almost inevitably, beyond our elections.

The Convener: I will take questions from members now. I am aware that Alex Neil has to go the Conveners Group and I offer him the opportunity to put questions first.

Alex Neil (Central Scotland) (SNP): Thank you very much indeed for your indulgence.

I have two quick questions. Following on from what you just said, minister, will you outline the critical path from where we are now—how, when and by whom will the final decisions be taken about the SAC and the three campuses in particular? Do you have full confidence in the chairman and the board members of the SAC,

because it is clear that some of the rest of us do not?

Ross Finnie: The critical path is very much in the hands of the board, because the board will take the final decision. The critical issue is that a report appraisal has been published that sets out very starkly the choices that are before us. I expect that some of those who make representations may want not to criticise, but to have explained some of the assumptions that are built into the report. That is perfectly reasonable, because certain assumptions have been made about the nature of education, numbers and where research facilities are located. Those assumptions are all logical and rational, but people will want to explore them.

I have indicated the need to be clear about the cohesive nature of the educational strategy and the future financial viability of the college. The board must be able to demonstrate fairly and reasonably to the minister that it has met those criteria. Others will have to be satisfied about the assumptions on which we are proceeding. Those assumptions will be a matter for discussion and debate.

I hope that the process will not take unduly long. There is crucial work to be done and this is a very important decision. When the three agricultural colleges were merged, there were clear indications that the Scottish Agricultural College held far too much property. Dealing with that problem has perhaps been postponed for too long. I cannot give the committee precise details, but I am anxious not to prolong the process. However, I would be acting improperly if I were not satisfied by the value-for-money aspects of the educational provision that is being made. We should not make available transitional or interim funding if we are not satisfied that the site is viable in the long term.

It is not productive to discuss the nature of the board. I was about to say that the board is big enough, bad enough and old enough to respond to criticisms and questions that are put to it, but I will choose my words more carefully and say that it is responsible enough to do that. I have no doubt that Alex Neil will put such criticisms and questions to the board.

The Convener: Will Alex Neil also convey my apologies to the Conveners Group? I have omitted to do so this week.

Alex Neil: I will.

The Convener: Some conveners keep comments from visiting members until last, but I do not tend to adhere to that practice. If visiting members catch my eye earlier in proceedings, I will fit them in at a suitable point. I assume that all visiting members wish to speak.

Mr McGrigor: I would like to make two general points to the minister. Does he agree that, in part, the point of having a centre such as Auchincruive is that it is based in the countryside? A move to Edinburgh is hardly in the interests of the future of the agriculture industry in this country. Such a move would also contradict the Executive's purported aim of pushing jobs out of Edinburgh and pursuing genuine devolution of jobs.

Ross Finnie: We must not address the issue in general terms. We could argue about whether Bush has sufficient agricultural land or whether Auchincruive is more agricultural than Craibstone. However, that is not the question that Jamie McGrigor and I are being asked. Deloitte & Touche and the board are asking us what we have to say about which sites will survive. We are beyond the point of taking a romantic view of all three sites. Given the numbers involved, I do not believe that having three or even two sites is a serious option. We must address the tables that have been produced. If Jamie McGrigor wants to challenge them, he must challenge the assumptions that underlie the conclusions that have been reached. He is entitled to do that, and I am not suggesting that he should not.

An argument must be made for why those assumptions do not bear close examination and therefore why the board could at least consider other factors. The time for a general argument has long since gone. We can all argue about whether Auchincruive is more agricultural than Bush is, but that is not the argument. The argument is about having a Scottish Agricultural College that is economically viable. The Deloitte & Touche report and the view of the board direct us clearly to answering hard questions about squaring that circle.

I do not suggest that Jamie McGrigor cannot advance that argument, but he must do so by challenging underlying assumptions in the report, which relate to student numbers, the provision of research, organisation and financial viability. Every member in the room is entitled to make that challenge, but they must do so by reference to the report and must not open up an old debate. The board has made a proposition that it engaged consultants to assist it with. That is the agenda that we have properly to address.

16:00

Mr Adam Ingram (South of Scotland) (SNP): Are not you taking a narrow view by considering the organisation's financial viability in isolation from the fact that it is based in particular communities? Does not it make sense in the public interest to locate an agricultural college in an area that is suffering from lower levels of economic activity than exist in Edinburgh? Is not a

wider public interest agenda involved? We should consider the impact of the college in the round—not just in producing students, but in being a centre of excellence with an economic development role in the rural community.

Ross Finnie: I do not disagree with those objectives. The difficulty is that the SAC is not a charity. We all want the SAC to be a centre of excellence in applied research, service delivery and education but, as the report makes clear, it must achieve that on the basis that it can survive financially and not have a disproportionate and unjustified amount of money spent on it.

As I said to Jamie McGrigor, members might disagree with some of the report's conclusions or with the way in which Deloitte & Touche worked, but that is the basis on which a challenge must be made. I suggest to members that if they want the SAC to have a site at Auchincruive, they must demonstrate to the board that the assumptions in Deloitte & Touche's analysis are fundamentally flawed. I have no role in that. If that is the line that members want to pursue, that is what they must do.

Mr Ingram: You are telling us that the Executive will not undertake an economic impact analysis of the preferred option that the SAC board has approved and that you will not consider the impact on Craibstone, which is near Aberdeen, or Auchincruive, which is in Ayrshire, when reaching a final judgment about what is in the public interest.

Ross Finnie: We must be careful, because we are dealing with the board of an independent organisation. I suggested forcefully and seriously to the board that the size of the problem meant that it should engage external consultants. The board embraced that suggestion, instructed Deloitte & Touche and worked out the assumptions and the basis on which Deloitte & Touche should conduct its review. An independent group has reached a conclusion. It is not for me to say, "I did not like Deloitte & Touche. Why don't we get Ernst & Young?" Ministers cannot do that. We must have some faith in a board appointing people and reaching a conclusion. That does not mean that parliamentary committees, such as the Rural Development Committee, are not entitled to ask the board challenging and pressing questions—following the board's wider consultation with the community concerned and with the committee—about the basis on which the arrangements were drawn up. Such questioning represents the very purpose and nature of a parliamentary committee.

I have expressed to the committee some reservations on my part that make it difficult for me to come to a conclusion now on the basis of which I could write a cheque to SAC on your behalf. I

have expressed my reservations and I require them to be answered.

The Convener: I am aware of members' frustration, particularly that of members who are visiting the committee. I promise them that they will be brought into the discussion in due course. I call members in a certain order and, if members study the *Official Report* later, I think that they will find that it is scrupulously fair, as always.

Stewart Stevenson: The current proposals for the SAC make as much sense as relocating the Faculty of Advocates to St Kilda. The idea that an agricultural college should be based in the centre of Edinburgh is bizarre. The challenge that you have set the committee is to look at the numbers and to pick at the assumptions that have been made.

Let me start by going to page 40 in volume 1 of the report. I refer to some of the costs that are associated with Auchincruive, according to the report. The Auchincruive-only option shows the worst financial results on a discounted cash-flow analysis, largely due to the cost of constructing new student residences. There are no costs for student residences in Edinburgh. A footnote in the report suggests that the SAC site at Auchincruive is at some distance from the nearest significant settlement. I think that the inhabitants of Ayr may find that something of a surprise, as it is quicker and easier to get from Auchincruive to Ayr than it is to get from Kings Buildings to Leith or Gorgie, in terms of both time and cost.

Furthermore, I understand that the cost of student accommodation in flats averages £600 per month in Edinburgh and £150 per month in Ayr. I understand that catered accommodation in Auchincruive costs £65 per month; the cheapest available in the University of Edinburgh's accommodation costs £95 per month. Do you think that it would be useful to write on those matters to the SAC board? I see that representatives of the board are in the room, as are students, researchers and teachers, who are listening carefully to our deliberations.

Ross Finnie: You raised two points. If the committee is concerned about the basis on which some of the assumptions have been made, that is properly a matter for the committee. You have cited one or two examples of where you believe there to be potential dispute. I presume that the board set those assumptions, so I have to say to you, with all due respect, that members of the board are the people who can properly answer the question as to why they think that they were right and you—by inference—are wrong.

The points that you make are legitimate, however, and we, too, have some legitimate questions to raise. We are not trying to reinvent

the wheel. Consultation exercises have several purposes. One is to change minds; another is to enable people to be satisfied that they understand one line in a report about an assumption, when the board probably considered several lines in arriving at its conclusions.

I can say nothing more than what I said to Adam Ingram. If the committee is minded to seek a great deal of clarification on the assumptions made, that will be crucial. If someone is not satisfied with the assumptions about costs of student accommodation and relocation of research facilities, they will not come to the same conclusion as Deloitte & Touche did.

I am not necessarily disagreeing with you and I am not going to get into the matter, because I do not have the detail of how the assumptions were arrived at—I do not think you would expect me to have that detail.

Stewart Stevenson: I welcome the tone of your remarks. I take it from those remarks that you were certainly prepared to consider critically the information that is before the committee and your officials.

I turn to a critical and immediate issue—the letters that are being sent to staff. I will read part of such a letter to you.

“Regarding your own personal circumstances you will be offered Compulsory Early Retirement (CER) in April 03”.

That is next month. Under the present circumstances where you have yet to provide feedback to the SAC and the Parliament has yet to take a view on the proposals, do you think it is appropriate that—even on a preliminary and not yet formal basis—the SAC should already be causing alarm and despondency among its staff by issuing such letters?

Ross Finnie: With all due respect, that question should be directed to the board.

Mr Rumbles: This cannot be a done deal, although I know that the board has said that it has made its decision and that that is it.

In your earlier answer to the convener, you talked about accountability. It strikes me that the board is accountable to no one. It seems to me that the board is a self-perpetuating oligarchy; in other words, when a member of the board leaves, the board appoints his or her replacement.

The Parliament votes you the money for the rural development budget and you dispense it as appropriate. From the Deloitte & Touche report, I see that 40 per cent of the SAC’s income is given by you on behalf of the Executive.

As we are talking about accountability, I will quote from a letter that all members have received from the chairman of the board.

“The Edinburgh/Midlothian option was identified by D&T as giving both the greatest value for money and the best means of meeting stakeholder needs.”

Who is the stakeholder? Who is the SAC accountable to? You are the stakeholder on our behalf if, as Deloitte & Touche reckon, you provide SAC with 40 per cent of its income. That is the crux of the matter.

If you are the stakeholder and the customer, surely you cannot—on behalf of the Parliament and the people of Scotland—give that money to the SAC in the current situation if the board goes against your policy. You will correct me if I am wrong, but the Scottish Executive’s policy is to decentralise from Edinburgh, not to centralise on Edinburgh. If the SAC is using taxpayers’ money to contradict Scottish Executive policy, it is not appropriate for the Scottish Executive to pay that money to the SAC. Will you comment on that?

Ross Finnie: We provide SAC with a substantial amount of money. However, it has to be said that that money is largely for education, research and advisory services.

On the use of the word “stakeholder” in the letter quoted by Mike Rumbles, I suspect that it means the recipients of education, research and development and other services. The SAC stakeholders are the beneficiaries of such services.

My position is rather curious in that the SAC is an independent organisation. As I indicated in my earlier responses, my duty in terms of the annual funding arrangements—particularly for education—is that we have to be satisfied that there is a coherent and cohesive educational strategy that is going to deliver education provision that makes sense.

On funding for research and other services, given the funding gap that has been identified, there is no way that I, as a minister and on behalf of the Executive and the Parliament, could part with money unless I was satisfied that objective best-value criteria would be met. Both in my initial remarks and in my answers to Adam Ingram, Jamie McGrigor and Stewart Stevenson, I indicated that I have asked questions to which I need answers before I could possibly do that.

16:15

Mr Rumbles: I want to press you on whether the proposal is consistent with Executive policy. Correct me if I am wrong, but a year ago there was uproar—especially on the committee—when the report was published that recommended the closure of Auchincruive. That report recommended that the SAC’s future focus on two campuses—Craibstone near Aberdeen and Edinburgh. You then stepped in and asked the SAC to do some

more work, which it has done. I have read the report carefully, and it strikes me as rather bizarre that the college's board has agreed to a conclusion that is based on so many assumptions. Basically, the furore that arose last year, when it was proposed that Auchincruive should be closed and that the SAC should concentrate on Aberdeen and Edinburgh, has now been compounded by a report that proposes to close not only Auchincruive but Craibstone too. Is the proposal contrary to Executive policy?

I will make one more brief point. You referred to the first Deloitte & Touche report, which talked about partnership between the SAC and other educational institutions. There could be great benefits from partnerships between Craibstone and the University of Aberdeen and between the Edinburgh campus and the University of Edinburgh, but the report makes no mention of that. Why has that issue suddenly disappeared?

The two questions to which I want answers are whether what the board is trying to do is consistent with Executive policy and what has happened to the partnership approach, which we were previously told was the way forward.

Ross Finnie: On a strict definition, the policy against centralisation applies absolutely to civil service positions and to non-departmental public bodies. By clear extension, that policy must at least be considered for bodies that are in receipt of substantial moneys from the Scottish Executive. I make that slight gradation, as one cannot speak in absolute terms. Clearly, there are bodies that are run by civil servants completely and that are within our provenance; there is then a range of NDPBs; and finally there is this independent body, which is, however, in receipt of substantial sums from the Executive.

Before receiving the report, we asked that consideration be given to the degree to which there is an absolute need to centralise services and to the question whether the SAC could not retain more service provision in more diffuse areas. Deloitte & Touche and the board were aware of those issues. There is a conflict, which I have raised with the board. I do not know whether that conflict can be resolved, given the report's conclusions, but we are well aware of it.

On partnerships in education, I have already indicated in general terms that we would like to be much clearer about the cohesiveness and cohesion of the education strategy and its delivery. We wish to be more satisfied about the move away from large amounts of campus-led activity and the severance of the relationships with universities and other colleges. We need to know more adequately what the methods of delivery will be. Perhaps the SAC's intention is that the education strategy will involve other organisations,

such as FE colleges and universities, as recommended in the original Deloitte & Touche report; if so, its intention is certainly not clear. That is among the matters on which we are seeking clarification.

John Scott (Ayr) (Con): I welcome the minister's comment—which was teased from him this afternoon—that the findings of the Deloitte & Touche report are essentially at odds with the Executive's job dispersal policy.

The minister specifically asked us to challenge underlying assumptions, but when committee members did so, he simply said, "That's a matter for the board". I now want to challenge some of those assumptions, particularly the weighting process, which forms the basis of Deloitte & Touche's conclusions.

There are real problems with the weighting proposals. For example, we in Ayrshire find the weighting in relation to the student living environment—plus three for Edinburgh and minus three for Auchincruive—little short of insulting. Such weighting decisions by SAC management are entirely subjective, and simply do not stand up to any critical evaluation.

A student living environment is one thing; as my colleague Jamie McGrigor pointed out, a student learning environment is another matter. The facts speak for themselves. Sixty per cent of SAC students choose the Auchincruive campus as a learning and living environment. Moreover, the Deloitte & Touche report cites a study that claims that, when surveyed, students favoured the Edinburgh environment. However, from the information that I have received, it appears that very few, if any, of the Auchincruive students were surveyed on that matter.

I would be grateful if the minister could respond specifically to my questions about the evaluation of the weighting process and what the criteria were.

Ross Finnie: I take issue with John Scott's opening remarks. I did not ask committee members to challenge the underlying assumptions. Instead, I simply pointed out that we are where we are.

The Deloitte & Touche report is in the public domain. The board, very properly, engaged outside consultants and assisted in preparing the assumptions. The independent consultants evaluated the evidence and have reached this conclusion. After Jamie McGrigor kindly opened his remarks by saying that he had two general questions, I suggested that we are way beyond generalities. Instead, we have reached the point at which a report has been delivered to a board, and the board has accepted its recommendations. I also suggested that, if we were to discuss the

matter sensibly and make some progress, the sensible way of approaching it would be for members to question—if they wished to do so—the basis on which conclusions were reached or to seek elucidation on how assumptions were made.

As a result, John Scott's point that the student living environment weighting of plus three for Edinburgh and minus three for Ayr is very subjective and does not accord with the fact that 60 per cent of the college's existing students elect to go to Auchincruive would be a perfectly legitimate one to raise with the board. It would also be legitimate to ask the board to explain how it could endorse an assumption that allowed consultants to produce their report.

It is possible that we are being unkind. The board might have quick and easy answers to all our questions lying in reports and tomes of preparatory information. We will not know until we have asked those questions. However, if we have reservations or are unsure about such an important decision, we should at least be entitled to pursue the matter.

I should point out that it was not my job to make the assumptions. I am not trying to duck the issue; I am just saying that, on such a basis, the committee should either call for evidence or create an appropriate forum in which the issue can be explored.

John Scott: Indeed. With your indulgence, convener, I will take my lead from the minister. Far be it from me to suggest to my granny how to suck eggs but—

The Convener: You are about to do so.

John Scott: This evidence session is taking us in the direction of the Rural Development Committee creating a report on the future of the SAC, now or in the next session of Parliament.

The Convener: With respect, I appreciate what you are saying, but this is our final meeting, and this is not an evidence-gathering session; it is an opportunity for members of the committee and visiting members to put questions to the minister on the report. I am afraid that we have to leave it at that. I respect what you are trying to say, but we cannot go down that route. I will move to Brian Adam, and come back to you if you wish to come back in later on.

Brian Adam (North-East Scotland) (SNP): The minister is right that those of us who see an alternative to the SAC's proposals need either to challenge the assumptions or to come up with alternative proposals. The plan is based on two sets of financial arrangements, the first of which is that, by the sale of assets at Auchincruive and Craibstone, the SAC will be able to have some new build in Edinburgh and, I presume, also apply

some of those resources to defray redundancy costs and so on.

I am concerned, for two reasons, about the assumption of how much the SAC will realise from Craibstone and Auchincruive. First, in both places significant proportions of the land are actually held in trust, and are not necessarily immediately at the disposal of the SAC. Secondly, as I understand it, the most valuable part of the land at Craibstone relates to a site known as the Dyce Drive site, for which major proposals are outstanding, and which might indeed produce significant sums of money. However, my understanding of why the proposal, over the 10 years of its existence, has not moved forward is that the sums do not add up. The costs of the development almost outweigh the money that will come back in from it. The minister might wish to bear that in mind, or have his officials bear that in mind, when he assesses the value, or otherwise, of the report.

It was significant, in terms of how the figures were arrived at, that the site that was eventually chosen was one in which there were no assets to sell. The intention is to have a close relationship with the University of Edinburgh, but I counsel caution. When the SAC, based at Craibstone, had a close relationship with the University of Aberdeen there was a falling out, as a result of which the Scottish Executive environment and rural affairs department had to come up with a significant sum of money as a proportion of the £7.5 million development for new educational research facilities on the Craibstone site, which we now appear to be willing to write off. The same situation could arise in Edinburgh, because of the possibilities of relationship difficulties in future. Given that there is no control—this is really a matter for the minister—SEERAD might wish to consider carefully whether that would be good value for money for the Government.

The second financial arrangement concerns student numbers. John Scott pointed out, rightly, that the largest number of students who are currently enrolled at the SAC are at Auchincruive. The next largest number are at Craibstone. The smallest number, by quite some way, are in Edinburgh. If we are to centralise on Edinburgh, what evidence is there to suggest that students would actually go there? As I understand it, many of the students who choose the Ayrshire option or the Aberdeen option do so because they can go home at the weekend, or even during the week, and work on the family farm. They will not be so keen to do so if they have to go to Edinburgh.

The numbers are unlikely to be achieved in Edinburgh. If the numbers are not achieved, the discounted cash-flow arrangements might make the Edinburgh option much more expensive. For example, if there were a 20 per cent decrease in

numbers, the cumulative deficit in the discounted cash flow would go from £2.5 million to £15.8 million and, if we had a 40 per cent shortfall in student numbers, that deficit would go to £25.97 million. I would like to hear more about those assumptions. The minister should consider them carefully.

16:30

A second Executive policy could be at risk. It is a question not just of dispersal, but of wider access. One of the reasons that we have a problem is that student costs are high relative to those of further education colleges. However, the apparent reason for that is the success of all three campuses in attracting students who would not normally get in and the high success in achieving the Executive's ambition to widen access, which would also be under threat.

Will the minister comment on those points?

Ross Finnie: I will confine myself to the latter part of those remarks, because I do not really disagree with Brian Adam's earlier points on the generalities.

We have sought clarification on the assumptions underlying student numbers because, as Brian Adam rightly points out, in the later projections it does not take a difference of many percentage points to produce a dramatic difference in the financial viability and what is assumed in that. That also affects some of the assumptions on the requirements and needs for accommodation and other aspects. We have sought clarification on that.

Rhoda Grant: I have concerns about how the proposals run against the Executive's policy of dispersal of jobs away from the central belt, including Edinburgh. I am also concerned about accessibility for students from low-income families. The cost difference in rented accommodation between Edinburgh and rural areas is huge, and that could put off many students from going away to study.

The minister mentioned that he would be considering the issue from the point of view of best value in the Executive's contribution to the college. As part of the best value review, will he take into account the cost to the Scottish Executive of the campuses closing? There are far fewer opportunities in rural areas for people to get alternative employment and the loss of high-quality jobs will have a knock-on impact on the communities' shops, post offices, schools and so on. Will the minister factor all that into his review of best value in the Scottish Executive's investment in the Scottish Agricultural College?

Ross Finnie: We want to be satisfied in relation to best value. We must be clear about one thing.

As I have indicated in response to other members' questions, we are entitled to seek clarification on some of the assumptions. It is difficult to escape from the original conclusion that, when the colleges were merged, they had excess capacity. That is a fact from which it is extraordinarily difficult to escape. One can play about with numbers and with other assumptions, but it is very difficult to avoid the conclusion that there is an excess capacity of property in relation to central service delivery. We have to bear that in mind.

That brings us back to Jamie McGrigor's question. One can argue about having all three campuses. There are several things that we want from the process. If we want to have a viable SAC that delivers high-quality education and applied research and that delivers services, such as veterinary and advisory services, throughout Scotland, we must have a viable model. The report is about how to get such a model. That is what the board is putting forward in its support of the report. To an extent, we are going round in a circle. Anyone is entitled to come to a different conclusion, but to do so they must be able to challenge, on a factual basis, some of the key, underlying assumptions that have resulted in Deloitte & Touche—a very reputable organisation—coming to such a harsh conclusion.

I have indicated to Mike Rumbles and others that, as minister, I have a duty to ensure, on your behalf, that I do not simply put out money that will not result in a long-term future. That is why certain questions have to be asked and answered. I have no doubt that they will be. At the moment, if there were a request for interim funding, I could not simply sign a cheque to allow the proposal to proceed. I hope that we can resolve those issues. That is part of the process.

Rhoda Grant: I can understand that the status quo might not be an option and I know that the minister is not responsible for the decision, but I cannot understand why the option that is being put forward runs against Scottish Executive policy and will have an impact on rural areas. Some of the effect of having to rationalise the organisation could be mitigated if it were to remain in a rural area. At least one rural area would not have to cope with the economic impact.

If we came to that conclusion, members would not agree on which rural area should experience that impact and which should not. It would be difficult to please everyone. However, it is agreed that we are talking about moving jobs from rural areas, where they make a significant contribution to the local economy, to an area that has a booming local economy. It might be a struggle to fill some posts in Edinburgh and the cost to students and to the public purse would be higher, because of the assistance that would have to be

put into the rural areas that were affected as a result of the college's removal from them.

Ross Finnie: There are two issues. Not all the SAC's service delivery or employment is exclusively at Auchincruive, at Bush or at Craibstone. The SAC operates from 28 area offices and it has eight veterinary services. There are no proposals to change the nature of those activities. The SAC's operation would still be substantially dispersed.

The issues that we must consider are the relative cost and the assumptions about how to provide the essential applied research facility, how to fund and cost the provision of student accommodation—on which John Scott has made a number of observations—and how to fund the core campus activity and the core education facility. That is what it boils down to. We have to look at the animal that emerges in the final analysis.

We must be clear that, in its present configuration, the SAC will not survive. That would be a tragedy, so we must face up to the fact that there will be some hard choices. Members' line of questioning has been constructive. They have asked sensible, sane and rational questions that should be asked. That is why I was anxious that there should be a period of consultation. The decision is so major that to have had no consultation—a proposal that might have been mooted at one stage—would have been a mistake.

Richard Lochhead: Most of my concerns have been discussed, but I have two or three outstanding points.

When I met SAC management and representatives from Deloitte & Touche last week, they accepted that the number 1 factor that went against the Craibstone site was the value of the land—the SAC thought that it could get £9.5 million by selling off that site. That means that the staff, students, the wider community and the economy in the north-east might suffer because land happens to be more expensive in that part of the world than in others. Does the minister agree that that is not a particularly rational basis on which to make long-term decisions?

Ross Finnie: I am somewhat reluctant to second-guess what management said to whom, where and when.

Richard Lochhead: However, if the scenario that I outlined were the case, what would be your reaction?

Ross Finnie: I would like to examine the conditions in the round. Does the issue about which you are talking relate to the purchase or disposal of land?

Richard Lochhead: It relates to the disposal of land. The SAC would get more money by disposing of land at Craibstone than it would from disposing of land elsewhere. From the SAC's point of view, it made economic sense to sell Craibstone.

Ross Finnie: You must go back somewhat to think about what you want the structure to be and what you want the configuration to be. At the end of the day, the question of funding will have to feed into the situation. The first decisions must be made rationally and sensibly and we must be satisfied that we will be able to deliver the educational services, research, veterinary services and so on. As I said earlier, the present configuration is not an option; therefore, the argument of how the system is to be funded must be entered into. Is the Scottish Executive to fund the whole operation or will assets have to be realised? The point at which such questions come into play is after decisions have been made about the best configuration for service delivery.

However, I am starting to second-guess the report, which I am reluctant to do.

Richard Lochhead: You said that this was an important subject that requires more consultation. How much more consultation should there be and what should be its nature? Could the Scottish Parliament conduct some sort of independent scrutiny? If so, would you be willing to lend your support to a request for further progress to be postponed until after the election so that parliamentary committees could examine the matter? The issues that are involved are of concern to the Rural Development Committee, the Audit Committee and the Enterprise and Lifelong Learning Committee, given that the staff have made the point that the SAC plays a valuable role in widening access to education for people who would not otherwise go into higher education. However, although at least three parliamentary committees would have an interest in the matter, we need someone to intervene to persuade the SAC to put everything on hold until we can have further consultation with the staff, students and Parliament.

Ross Finnie: Again, I must say that this is a difficult subject to speak about. I made clear my views about the need for consultation and I am glad that my view has been followed. One would have to be clear about the aims and objectives of that consultation, of course. Her Majesty's Inspectorate of Education has reported on the educational facility and I am not sure that there is a serious justification for reopening the matters that it dealt with.

The kernel of the matter is the structure of the delivery mechanism of the SAC. A committee of the Scottish Parliament would have a legitimate

interest in that, given that the Scottish Executive gives substantial funding to that organisation. At the end of the day, however, it is a matter for the board of the SAC. As someone observed earlier, members of the SAC's management are present today; I have no doubt that they will be made cognisant of the views that have been expressed by the committee this afternoon. I cannot direct people—I have made clear my reservations and have given additional information, but it would be foolish for anyone to ignore the direction that members of the committee have been going in.

I hear what Richard Lochhead says, but I have to say, with all due respect, that he ought to be a little more focused. There is an issue for staff members and others, and there has been a great deal of uncertainty for some time. I agree that we must get things right, but I think that three independent committee inquiries might be slightly overstretching things. I understand the educational interest, but if there were educational concerns, the publication of the HMIE report would have been the appropriate time for the Enterprise and Lifelong Learning Committee to be involved.

It is a difficult decision, but the issue is simple—there is a straight choice about reconfiguring the SAC, with the objective of ensuring the best possible service delivery that is commensurate with its being financially viable.

16:45

Richard Lochhead: I am not suggesting that there should be three independent inquiries; rather, I seek an assurance that, should any of the committees want to go down that route, they would have the support of the minister in ensuring that the SAC held off—

Ross Finnie: If you were to open up the education angle, you would be going down a route for which I do not think even we have evidence that there is a need to reopen it. The real issue is the evidence that the SAC is not financially viable at present. It is in serious danger of not surviving and there are hard decisions to be made about where we go from here, which the board is trying to grapple with. We are back where we were at the start of the meeting. The board has made certain assumptions, which have been fed in, and a group of highly reputable people has come up with a conclusion.

None of us has a monopoly of wisdom. I have said that I have sought clarification on a number of the assumptions and other members have said that they very much wish for clarification on, and amplification of, some of the assumptions that lead to conclusions' being drawn. I have no problem with that but, as the convener was quick to point out on the issue of teaching one's granny to suck eggs, we are in difficulties at this time.

The Convener: Talking of time, we are beginning to get very short of it, but I know that other members have points that they want to make. Let us have brief questions and no speeches, please.

Mr Ingram: The minister emphasised the importance of the consultation exercise and I assume that he would advocate its being as open and transparent as possible. I understand that the detailed costings have not been made available to the staff of the SAC. A market analysis report on future student numbers should be made available, so that we can proceed on the basis of the material that Deloitte & Touche has put together.

Who decides at the end of the day? You said that you are not willing to sign off the matter just now, so after what process would you be willing to do so?

Ross Finnie: There is a bit of a problem with the student survey, because it is obviously a competitive market so the information is commercially sensitive. It is one thing to argue about how the SAC configures itself, but it is a slightly different to argue that information should be supplied that might allow someone else to do the SAC's job. There might be members who want to pursue that, but that is not what we are trying to do. The survey is commercially sensitive and, as I recollect, it is not in the public domain because it provides information that others might wish to use. That is a difficulty.

I expect—I have no reason to expect otherwise—that the issues that I have returned to the board for further consideration will be given due and full consideration. I will then have to make an assessment. As I said in an earlier response to the convener, it will be extraordinarily difficult for the process to be concluded prior to the elections—it is now almost inevitable that it will not be.

Brian Adam: You said that reconfiguration is essential; most people would agree with that. However, one of the options that was not considered as part of the Deloitte & Touche report was reconfiguration of each of the individual sites. There are assets that could be realised, which might help. Further to that, the other side of the financial equation is the cost of education. As I understand it, the teaching methods are being considered carefully and it is projected that there could be a 40 per cent reduction in those costs through modularisation of the course. How do you feel about that?

Ross Finnie: Modularisation of courses is a possible development. However, we have asked the board for further explanation of how and why the SAC's dependence on full-time education will be reduced, if that route is taken. There is nothing

inherently wrong with the process, but there are criteria that must be met, and we have sought further explanation on that.

You would have to inquire about another set of assumptions. The reports go on at length about the extent and nature of the surgery that might be required. I cannot say which decisions are to be made except for those that deal with the imperative need to reduce the overheads and the property costs, which are disproportionate to the total student numbers and, indeed, the activity of the SAC as a whole.

John Scott: Do you agree that to achieve that end satisfactorily it is necessary to—as you said—challenge the underlying assumptions and that, in order to do that, there is a need for a committee report on the matter? There is a need to establish legitimacy in the weighting procedures and to establish that proposals will deliver best value for money that is spent on taxpayers' behalf. There is also a need for the minister to suggest to the chief executive that he must stop intimidating the staff at Auchincruive, because that seems to be widespread.

Ross Finnie: It would be improper of me to comment on any matter on which I have not been presented with evidence. It seems that we are back at an earlier conundrum, as John Scott has cleverly fashioned his final question almost to repeat the interesting question he posed to the convener, which I noticed the convener carefully managed to get out of answering. I will therefore direct that question back at the convener.

There is a range of issues. We have sought many answers in the long process in which we have been engaged. When I said that the committee should challenge what is being said, I was not saying necessarily that the answers are not there. I am not even suggesting that there is not a whole stack of information that the board could use instantly to answer all the concerns. I am saying merely that if the committee wanted to have a debate about the future of the SAC it should do so in the context of the report. To introduce other extraneous material is not helpful at this stage. It would be wrong of me to second-guess what the committee would wish to do. My role is to respond as fairly as I can to questions that are put by the committee. It is one thing for a non-member to suggest what should be done; it is even worse for a minister.

The Convener: You have only one more question to go, minister.

Stewart Stevenson: There is a precedent: the Justice 1 Committee was given—under privilege and on pain of death if it disclosed detail—access to the commercially sensitive full contract between Premier Prisons and the Scottish Executive for the

provision of Kilmarnock prison. If a parliamentary committee felt that it was necessary for it to understand, and for it to be in a position from which it could question the underlying assumptions related to the SAC's deliberations, would you be prepared to consider making available volume 2, which contains the commercially sensitive information that you are telling us cannot be put into the public domain?

Ross Finnie: I would not rule that out, but Stewart Stevenson will understand that I want to take some advice on that. The Scottish Prison Service is wholly within the control of the Executive; the matter that you mentioned was the subject of a parliamentary inquiry into a body that is under Executive control. I entirely understand why you ask the question, but I repeat that the SAC is not wholly under the control of the Executive. One of the subjects that Stewart Stevenson raised was what would happen were the issue to become the subject of a parliamentary inquiry. That might give a different legal locus, but I am bound to say off the top of my head—I am reluctant to do so and it might be that I should write to the convener to confirm what the locus is—that I suspect that, given that I do not have absolute powers in the matter, it might not be open to me to direct a body, over which I do not have direct control, to disclose information.

Stewart Stevenson: You could request that it disclose information, rather than direct it do so.

Ross Finnie: That matter might arise at the point at which locus was being established by virtue of the existence of a parliamentary inquiry. I would be happy to come back to the committee on that point but, currently, I do not think that I would have those powers.

The Convener: We could be here for at least another hour, but time is against us, so I will draw the evidence session to a close. I offer the minister the opportunity to withdraw with his officials while we deliberate on what we will do.

I take the opportunity, because it is our last meeting, to thank the minister for the way in which he has always made himself available to the committee. We have had our differences and agreements, but I like to think that on the whole we have had a pretty constructive couple of years since I became convener of the committee. I place on record my thanks to the minister for making himself so readily available to the committee.

Ross Finnie: I will respond quickly to those comments. I thank the convener for the courtesy that he always displays in such matters. In the first four years, the nature of the committees and the relationship between committees and ministers has been a developing process. I have found that appearing before the committee has always been

challenging, but also interesting in that we have developed relationships and sought to tease out issues for the benefit of dissemination of information. The Executive has very properly been called to account for actions and decisions that it has taken; the parliamentary process in that regard has been successful.

I am glad to note the convener's comments that I have always tried to be as constructive as I can in appearing before the committee on issues—such as that which was before us today—that are complex and require a great deal of time and preparation. I am grateful to all committee members for the consideration that they have shown me when I have come before the committee.

The Convener: Thank you very much. The last four years seem to have gone by in a flash.

Thank you for your attendance this afternoon. We will now deliberate on how to progress on the issue that we have been discussing.

Visiting members are welcome to stay; they do not have to leave at this stage. I do not think that we will vote, although we might. If we do, visiting members cannot vote, although they are welcome to participate in this part of the meeting.

It is clear from the session that we have just had that none of us would argue—the minister himself said so—that the SAC is not in need of restructuring. That is clear and has been clear for some years. What we are equally clear about is that we are not content with the findings of the Deloitte & Touche report, which suggests that everything should be centred on Edinburgh. All members have put questions on the issue. Each member has local issues to put forward; that is fair enough and it is accepted, but we want if possible to find a unanimous way forward in reaction to the session that we have had today. There is frustration that we are at the end of the parliamentary session and that as of next Sunday or Monday night, or whenever it is, we cease to be MSPs. Therefore, our scrutiny role is somewhat hampered for the next month at least.

The suggestion that I make in the hope that it meets members' agreement—if it does not, please feel free to say so—is that we take two, or perhaps three, courses of action. The first is that we should write to the chairman of the board of the SAC to point out that it has been obvious today, and has become increasingly obvious to us since the publication of the Deloitte & Touche report, that the least attractive alternative is that the SAC be centralised on the Edinburgh campus.

Mr Rumbles: Hear, hear.

The Convener: Does anyone disagree with that?

Members indicated disagreement.

The Convener: We should ask strongly as a parliamentary committee that the SAC look again at the report in the light of that consideration.

Mr Rumbles: Absolutely.

17:00

The Convener: Secondly, we should write to the minister for clarification of where his responsibility in the matter begins and ends, which I am still not clear about. However, I am not sure what that will achieve, given that the Parliament is about to be dissolved. The minister has put out a plea for reactions to the report, but I am not clear about what will happen once all those reactions have been assembled. I could write to the minister on behalf of the committee to draw attention to the lack of clarity in the situation.

Thirdly, I could write to the convener of the next Rural Development Committee about the matter and attach the *Official Report* of this meeting, rather than put the matter in our legacy paper. I hope that, by doing so, the subject would be rapidly moved up the agenda so that the successor committee could immediately take the issue on board and continue to scrutinise and monitor the situation after the election on 1 May. I am open to other suggestions.

Mr Rumbles: I agree entirely. In the letter to the minister, we should make clear our views, as we will do for the chairman of the board of the SAC. This is the committee's final meeting, but it is important that the minister is absolutely clear about our views. I am happy with the course that the convener proposes.

Richard Lochhead: I, too, am happy with the convener's proposals. However, I want to mention one issue. As we speak, college staff are receiving letters that say that they are going to be made redundant, which is a bit concerning in the context of what the minister and committee members have said. Perhaps a letter should be sent to the SAC that says that it should withdraw those letters or stop sending them out until there is a breathing space for consultation. It seems empty to take all the steps that we are taking while staff are receiving redundancy notices.

The Convener: I do not have any difficulty with our strongly making such a recommendation, although—given that we are about to go into dissolution—we are a bit helpless to do anything if the recommendation is ignored. I was fairly shocked when Stewart Stevenson read out his letter. Do members agree with Richard Lochhead?

Members indicated agreement.

Rhoda Grant: We should also copy the *Official Report* of the meeting to the SAC, because we have drawn out many issues that it should consider and discuss.

The Convener: I am happy to agree with that proposal.

John Scott: I welcome everything that the convener and other members have said. In your letter to the next convener, you could say that many points have been raised about the dissatisfaction of students and staff and the economic benefits and disbenefits to certain areas. Given that most parliamentary committees proceed on a consensual basis, there is a real opportunity for a quick committee report and a consensual decision to be reached on the matter.

The Convener: It is entirely up to the successor committee what it does, but it will be made aware of the matter. If the next committee's clerks are as good as the clerking team that I have had, the next convener will be made aware of the possibilities.

Mr Ingram: Convener, would it be possible for you to talk to the minister? Sand seems to be slipping through our fingers in respect of where the process begins and ends and where its middle is. There does not seem to be evidence of a structured consultation process. The minister said that we need to get the views of the stakeholders and so on, but as far as I am aware, the board is proceeding more or less on the basis that there is an implementation plan and it is interested in consulting only on implementation issues. Can you work with the minister to try to clarify matters? You suggested writing a letter, but the Parliament is going into a period of limbo; if we could nail the matter down, we would do a lot for the people out there who are most concerned about the issues.

The Convener: Yes, but you—as I will—will cease being an MSP at midnight on 31 March. I would happily work with the minister for as long as it takes, but my function ceases next week. That is part of the frustration to which I referred.

Mr Ingram: It is my understanding that the minister still has responsibility, however.

The Convener: That is correct. However, I do not; nor—to my great regret—do I continue as convener.

Mr Ingram: I mean to try to clarify what the minister was saying today about the process—that there would be no decision before 1 May.

The Convener: That is exactly the point about which I want to write to him.

Mr Rumbles: The decision was not the minister's—that was absolutely clear. People were asking whether he would sign off the report, but there is nothing for the Executive to sign off

because it is not an Executive responsibility. That is the problem.

The Convener: We are proposing to write three letters in which we need to make several points quite clear. First, it is the unanimous view of the committee and the visiting members who have joined us today that we are not satisfied with the proposal. Secondly, we consider centralisation in Edinburgh to be the least attractive of the options. Thirdly, we cast considerable doubt on the basis of some of the evidence that was given. Finally, we ask that the board halt the process of redundancies until a parliamentary committee has examined the matter following the 1 May elections.

We must also write to the minister, pointing out that we are still in a state of some confusion about the process that is to be followed after the consultation has taken place. We cannot do much more than what I have suggested, but we will express the committee's views in the strongest possible terms. We are quite practised at preparing such letters. I request that the clerks draw up the letter and circulate it to me, Mike Rumbles, and either Richard Lochhead or Rhoda Grant as cross-party group work reporters, to be signed off this week. That will have to be done, because we will not be here next week.

Richard Lochhead: This is clearly a higher education matter as well as a rural matter, so we might do well to copy the correspondence to the Minister for Enterprise and Lifelong Learning and the forthcoming convener of the corresponding successor committee.

Mr McGrigor: Will the letter stress that the Parliament will not exist, as such, for a month and that as a result we cannot take the action that we would normally take?

The Convener: Which letter do you mean?

Mr McGrigor: I mean the letter that you will send to the SAC.

The Convener: Yes—okay.

I assure Adam Ingram that if I get a chance to chat to the minister before I cease to be an MSP, I will use the opportunity to reinforce what Adam Ingram said.

I thank you all for your input today, and for your patience. I do not want to go over the top about this, but I thank members for their support over the last four years; it has been a pleasure to work with you all. This has been a good committee of the Parliament, and a good example of how a parliamentary committee should work. Thank you all for your indulgence.

Meeting closed at 17:08.

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