

MEETING OF THE PARLIAMENT

Friday 2 July 1999
(Morning)

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Scottish Parliament

Friday 2 July 1999

(Morning)

[THE PRESIDING OFFICER *opened the meeting at 09:31*]

The Presiding Officer (Sir David Steel): Before we begin this morning's proceedings, I am sure that members would want me to take this opportunity to thank everybody who was involved in the organisation and preparation of yesterday's successful opening. [*Applause.*] I will be writing to Her Majesty to thank her for the reception last night to which she invited us all. I do not wish to single out anyone, but I express my gratitude to all those involved: the armed forces; the police and the emergency services; the broadcasters; all the contractors and local authorities that assisted; Unique Events for last night's celebrations and the spectacular finale in Princes Street; and, in particular, all our clerks and the parliamentary staff who were involved in weeks of preparation to make yesterday such a success.

I remind members who have not yet had the opportunity to sign the first days commemorative edition and to collect their copies that they can do so in my room behind the chair all morning.

Finally, I ask members to let their business managers know if they wish to speak in either the debate on the McIntosh committee or the debate on the appointment of the committee of inquiry so that I can assess how much time to allocate for each debate.

Question Time

SCOTTISH EXECUTIVE

Rural Schools

1. David Mundell (South of Scotland) (Con): At 1 o'clock this morning it did not seem such a great honour to ask the first question of our newly empowered legislature, but I am sure that, although I was selected randomly by computer, it is indeed an honour.

To ask the Scottish Executive what steps it intends to take to support and fund education of children from rural communities at schools located within those communities. (S1O-151)

The Deputy Minister for Children and Education (Peter Peacock): I have to say that I was in bed before midnight. [MEMBERS: "Ah."] I thank my colleagues for their warm endorsement of that statement.

The £322 million in the excellence fund for schools for the next three years will benefit all communities in Scotland, rural and urban. The grant distribution mechanisms for local authority funding take account of factors that affect council services in rural areas.

David Mundell: Is the deputy minister aware that Dumfries and Galloway Council faces a bill of £32 million to repair schools, and that one school in particular, my former school Lockerbie Academy, was the subject of an arson attack, which will require the primary school to be rebuilt? Does he agree that neither of those circumstances should be used as a reason to close rural primary schools in that area?

Peter Peacock: We want a strong network of rural schools in Scotland; they are part of the diversity of the Scottish education system. The Government has made available a substantial additional sum of money—some £27 million—through the new deal for schools, of which Dumfries and Galloway Council has had an allocation of about £1.5 million, which should help it to tackle its problems.

In addition, the Government is making available through the non-housing capital consent the sum of £377 million, which is for local authorities to prioritise. Both the Government and local authorities give education the highest priority.

General Teaching Council

2. Mr Brian Monteith (Mid Scotland and Fife) (Con): To ask the Scottish Executive whether it intends to make the Deloitte Touche review of the General Teaching Council for Scotland available

for consideration by members, and if so, when. (S1O-189)

The Minister for Children and Education (Mr Sam Galbraith): The report will be available shortly, together with our proposals for change.

Mr Monteith: The Educational Institute of Scotland dominates elections to the GTC by its effective running of slates and also dominates the convenerships of that body. Given those facts, does the minister intend to make any changes to the way in which the GTC is formed before passing greater powers to it?

Mr Galbraith: As I said, the report will be available shortly. One of the issues addressed by the report is the make-up of the GTC and the number of representatives of the teaching profession on it. The Government believes that teachers should have a majority on the council as part of the process of enhancing their professionalism and encouraging self-regulation. Some specific proposals will be made shortly.

Criminal Record Certificates

3. Mr David Davidson (North-East Scotland) (Con): To ask the Scottish Executive whether it intends to implement a charging policy for certificates issued by the police under part V of the Police Act 1997. (S1O-157)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): It is intended that part V of the Police Act 1997 is to be self-financing. However, we recognise the concerns of the voluntary sector and we are willing to keep the matter under review.

Mr Davidson: Is the minister aware of the amount that some Scottish organisations will have to pay if there is to be a series of charges? The Boys Brigade will have to pay £65,000 a year and I believe that the Guide Association will have to pay £23,000. Does the minister intend to implement a relief scheme for those organisations?

Mr Wallace: I take this opportunity to say how much I recognise and value the role of volunteers in our society. Mr Davidson's point about the burden that will fall on a number of voluntary organisations is a matter that we would want to take into account when considering the review of the charging arrangements.

University Staff

4. Mr John Swinney (North Tayside) (SNP): To ask the Scottish Executive whether it will make a statement on its attitude to the establishment of an independent pay review for university academic and related staff. (S1O-187)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): That is a matter for the higher education sector. There is no barrier to its initiating an independent pay review if it wants to.

Mr Swinney: Bearing in mind the fact that the Liberal Democrats, the SNP and the Conservatives have all supported the concept of an independent pay review body for the higher education sector, will the minister tell us the Labour party's position, what proposals he intends to make and what stance he has taken in his discussions with the Association of University Teachers?

Henry McLeish: It is important to remember that the Dearing committee considered the situation and decided to set up an independent review committee to look at the framework of higher education pay and conditions. That committee—the Bett committee—has not recommended the establishment of a standing pay review body but wants a national council with a Scottish committee. The Government is discussing the Bett committee report; the Parliament will also consider it and a debate on the issue is scheduled. It would be wise to wait for the outcome of those deliberations before making any definitive statements.

Fire Services

5. Mr Lloyd Quinan (West of Scotland) (SNP): To ask the Scottish Executive what measures it intends to take to provide fire services in the event of industrial action by the Fire Brigades Union. (S1O-184)

The Deputy Minister for Justice (Angus Mackay): Statutory responsibility for the provision of fire services rests with the fire authorities. Negotiations on conditions of service are continuing with no indication that industrial action is imminent. However, we will keep matters under review.

Mr Quinan: Is the deputy minister aware that the Scottish region of the Fire Brigades Union agrees with the national motion that was passed that if the conditions of service are changed—something that it fully expects to happen—there will be national industrial action? The union believes that the Government and the Executive are sleepwalking towards a national fire brigade strike.

Angus Mackay: The original proposals for changes to terms and conditions have been whittled down to seven points; those will be discussed at two further meetings that are to take place at the national joint council for local government services. The employers have made it clear that they do not intend to impose changes to

pay and conditions. Negotiations should, therefore, continue without a breakdown in relations.

Schools (Sport)

6. Mr Kenneth Macintosh (Eastwood) (Lab): To ask the Scottish Executive whether it will make a statement on the number of school sports co-ordinators. (S1O-175)

The Deputy Minister for Culture and Sport (Rhona Brankin): On 7 June, I announced that the first tranche of school sports co-ordinators would be appointed in 87 secondary schools. Our target is to have school sports co-ordinators in all Scotland's secondary schools by 2003.

Mr Macintosh: Does the minister welcome the role played by local authorities, such as East Renfrewshire, in encouraging young people to participate in sport? Does she appreciate the importance of sport in developing healthy lifestyles and in making progress on our social inclusion agenda?

Rhona Brankin: Yes, and I welcome the work that is being done in East Renfrewshire. Sport has an essential role to play in promoting social inclusion; social inclusion features in the Scottish Sports Council's corporate plan, "Sport 21". Earlier this week, I visited Arbroath High School and Arbroath Academy to see school sports co-ordinators in action. In Arbroath Academy I was particularly pleased to see the interesting scheme in which able-bodied children worked with children with special educational needs.

Accident and Emergency (Glasgow)

7. Robert Brown (Glasgow) (LD): To ask the Scottish Executive what steps it intends to take to address the concerns in the south-east area of greater Glasgow at the proposed concentration of accident and emergency services at the Southern General hospital and the associated run-down of the Victoria infirmary. (S1O-152)

The Minister for Health and Community Care (Susan Deacon): Greater Glasgow Health Board has over the past 18 months been engaged in debate with hospital clinicians about the future configuration of acute hospital services in Glasgow. In due course there will be a period of public consultation to allow all interested parties the opportunity to put forward their views. Only when the outcome of the consultation is known will any final decisions be made by the board. The board's proposals will then be submitted for ministerial consideration and approval.

Robert Brown: I thank the minister for her answer and for those assurances. Does she accept that the views of the public in south-east Glasgow also need to be taken into account?

Does she realise that there is a strong view that movement of services to the Southern General hospital is highly inappropriate for the needs of the south-east? Is she prepared to meet local members and the Greater Glasgow Health Board to consider and cost alternative proposals for the provision of a new southside hospital on a suitable site?

Susan Deacon: I recognise that there are strongly held local views on various aspects of the issue. I must stress again that there are currently no firm proposals for change. As and when any such proposals are put forward, the health board has a statutory obligation to consult; I would ensure that full and effective public consultation on any proposals for change took place. I plan to meet the Greater Glasgow Health Board and a range of other bodies over the recess. I want to be assured that any proposals for change and the reasoning behind them will be well explained to the public. We want to achieve high-quality services that meet local needs and are fit for the 21st century. I hope that we can achieve that in Glasgow and elsewhere.

After-school Clubs

8. Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): To ask the Scottish Executive whether it will make a statement on the provision of after-school clubs in Scotland. (S1O-127)

The Deputy Minister for Children and Education (Peter Peacock): The extension of after-school clubs throughout Scotland is being supported by the excellence fund for schools and the new opportunities fund. Over the next three financial years, more than £50 million will be made available to local authorities.

Cathy Jamieson: That is a very helpful answer. Is the minister aware of the special circumstances of rural communities in Scotland, particularly in areas such as Carrick, Cumnock and Doon Valley? Will he consider visiting some of the successful projects in that area and consulting people who want to set up similar projects?

Peter Peacock: Cathy Jamieson makes an important point: it is often more difficult to make provision in rural areas because of the smaller school rolls. We want broad equality of provision in rural and urban areas throughout Scotland. I would be happy to consider a visit to her constituency to consider the projects that she mentioned.

Teachers (IT Training)

9. Mrs Mary Mulligan (Linlithgow) (Lab): To ask the Scottish Executive whether it will make a statement on its plans to improve information

technology resources and training for teachers. (S1O-143)

The Minister for Children and Education (Mr Sam Galbraith): The sum of £100 million for IT resources has been allocated over the next three years, supported by £23 million from the new opportunities fund. We will announce shortly details of a scheme to help teachers to buy computers.

Mrs Mulligan: I thank the minister for that response. Over the weeks since the election, I have met a number of teachers in my constituency of Linlithgow who have said that they very much welcome the resources that are being put into schools for information technology. However, they have some concerns about the speed at which training is being made available. They appreciate that, without that training, they will not be able to get the best out of the facilities that they have or to pass skills on to the children. Will the minister comment on that?

Mr Galbraith: We are all on a learning curve with computers, including myself—[*Laughter.*] Surely not, they say, but I am afraid so. However, computers are important and one of my aims for the teaching profession is to enhance teachers' general training, professionalism and continued professional development. From here on in, I intend to take that work forward on computers and on a range of other issues.

Fisheries

10. Tavish Scott (Shetland) (LD): To ask the Scottish Executive what plans it has, within the context of negotiations on the reform of the common fisheries policy, to argue for the implementation of regional fisheries management regimes. (S1O-167)

The Deputy Minister for Rural Affairs (Mr John Home Robertson): The Scottish Executive will press for improvements to the common fisheries policy with the objectives of conserving fish stocks and protecting the interests of fishing communities. The "Partnership for Scotland" document includes a commitment to encourage greater local involvement in the development of sustainable fisheries.

Tavish Scott: Given the widespread support from Scottish fishermen for the regionalisation of the common fisheries policy, does the minister accept that the proposals of the Scottish Fishermen's Federation constitute an important step forward and provide a basis for the Executive's policy position on this important matter?

Mr Home Robertson: I stress that we want a constructive relationship with the Scottish Fishermen's Federation on matters that affect

Scottish fishing communities and I welcome the positive point made by Tavish Scott, the member for Shetland. The fact that Mediterranean countries have a say in the management of North sea fisheries and that we have a say in the management of Mediterranean fisheries is an idiosyncrasy that we could probably do without. We welcome the proposals of the Scottish Fishermen's Federation for regional management in the North sea as a useful contribution to discussions about the future of the common fisheries policy.

Housing (Glasgow)

11. Fiona Hyslop (Lothians) (SNP): To ask the Scottish Executive whether it intends to provide details about the revised timetable for housing stock transfer in Glasgow City Council. (S1O-188)

The Minister for Communities (Ms Wendy Alexander): There is no timetable, revised or otherwise, to announce. The council has undertaken a feasibility study of the potential for a whole stock transfer and has submitted a bid for further funding to develop a transfer proposal, which is under consideration.

Fiona Hyslop: One of the main concerns of the people of Glasgow and elsewhere about stock transfer and the lack of a timetable is security of tenure. Until this chamber deals with that issue and provides people with security and confidence, it would be unfair to force them to vote in a ballot without knowing what is happening, where it is happening and when legislation on security of tenure will be introduced.

Ms Alexander: Essentially, I agree wholeheartedly with Fiona Hyslop. We applaud the courage shown by Glasgow in taking forward the proposals. There are critical matters around security of tenure that need to be examined.

Sport

12. Fiona McLeod (West of Scotland) (SNP): To ask the Scottish Executive how it intends to support efforts to bring major international sporting events to Scotland. (S1O-158)

The Deputy Minister for Culture and Sport (Rhona Brankin): The Scottish Sports Council operates a major events programme to assist eligible bodies to attract and stage major events in Scotland. Since its inception in 1996, it has supported 19 events of Commonwealth, European and world level in Scotland.

Fiona McLeod: I notice that Ms Brankin made no mention of the Ryder cup. Is she aware of plans to prepare a bid to bring the Ryder cup to Scotland in 2009? That is a long way away, but it gives us time to set up a cross-party working group to support and promote that bid to bring a

major supporting event to Scotland.

Rhona Brankin: Many of us would love to see the Ryder cup come to Scotland. In the first instance, that is a matter for the relevant golf associations, although we would all like to the event to take place.

Fiona McLeod: I understand that the relevant golf associations need to be involved. The idea is to promote a cross-club bid, which would, in the first instance, bring the event to Scotland. That bid is coupled with the imaginative idea of establishing a youth Ryder cup at another club the week before the main tournament. Will the minister support such a bid?

Rhona Brankin: That would be an interesting development and I would be happy to talk to Fiona McLeod about it.

Multilateral Agreement on Investment

13. Mr Adam Ingram (South of Scotland) (SNP): To ask the Scottish Executive whether it intends to make representations to HM Government to ensure that the potential impact in Scotland on matters within its responsibility of any future multilateral agreement on investment is taken into account during any negotiations to establish such an agreement. (S1O-135)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): The Executive will put forward views as appropriate on the implications for its responsibilities for issues as they arise in international trade negotiations, including any future negotiation of international investment rules.

Mr Ingram: Does the minister acknowledge that such an agreement would cut across the jurisdiction of this Parliament? What areas of the Executive's programme would be constrained by a future MAI agreed by the Westminster Government?

Henry McLeish: Mr Ingram's first point about a future MAI cutting across this Parliament's specific powers is not correct. These are important issues and we have to take them seriously. Anything that would adversely impact on our world trading position would be a matter for concern. However, negotiations and discussions are continuing. I can give an absolute assurance that we will consult closely with ministers at Westminster to ensure that the Scottish perspective is firmly put and that they are aware of the implications of any decisions made on a worldwide basis.

New Deal

14. Mr Duncan McNeil (Greenock and Inverclyde) (Lab): To ask the Scottish Executive whether it intends to make a statement on the

number of young unemployed who have benefited from the first full year of the new deal. (S1O-146)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): By the end of the new deal's first year, 28,300 young people across Scotland had benefited from the scheme. Of those young people, 14,700 had taken up sustained employment, had gone into full-time education or training or had taken up work experience opportunities.

Mr McNeil: I welcome the minister's statement, but does he agree that short-term unemployment is a growing problem in places such as Greenock and Inverclyde, where the electronics industry is a major employer? People have been asked to accept either short-term employment or long-term educational opportunities. We need to create local flexibility in the new deal to ensure that it works properly. One solution could be to count together periods of unemployment, which would allow people to qualify for the new deal if they had been unemployed for six of the past 12 months and were identified as needing extra support to compete more effectively in the labour market. That would ensure that Labour's new deal worked effectively for them.

Nicol Stephen: Although the new deal is a new scheme, everyone will agree that it has had some considerable successes. However, as with any new scheme, it has to be kept under constant review; we will examine Duncan McNeil's suggestion about flexibility. Flexibility is important in many aspects of the new scheme. A Scottish advisory group is considering all aspects of the new deal; it has been concerned specifically with how the new deal can more fully support the most disadvantaged individuals in Scottish society. Many suggestions have been made to the UK Government, which has ultimate responsibility for the scheme. I am sure that the Scottish Executive will listen to suggestions such as those from Duncan McNeil and other MSPs to create flexibility and to improve the scheme.

Perth College

15. Bruce Crawford (Mid Scotland and Fife) (SNP): To ask the Scottish Executive whether in view of the current financial difficulties being experienced by Perth College it has any plans to increase the level of grant payable to the college in this financial year. (S1O-132)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): On 1 July, the responsibility for direct funding of further education colleges passed to the new Scottish Further Education Funding Council. I understand that Perth College has already written to the council about its financial position.

Bruce Crawford: The minister will be aware that Perth College is successful and has responded well to the Government's new proposals to enable wider access, college collaboration and social inclusion. It has also been involved in the University of the Highlands and Islands project and in setting up new outreach learning centres. Its business has grown by about 34 per cent. Does the minister agree that it is difficult for an organisation such as Perth College to square the mantra of education, education, education with the stark reality of cuts in its expenditure? Spending was £5.7 million in 1996-97 and £5.1 million in 1999-2000. [MEMBERS: "Ask a question."] It is difficult to keep going and to ask a question when it does not suit the Government.

Henry McLeish: I acknowledge that the points that Bruce Crawford has raised are important, but the facts, too, are often important. The grant allocation for the college in 1999-2000 is to be increased by £0.4 million, a 7 per cent increase on the previous year. In the comprehensive spending review settlement over the next three years, we have provided additional funding to stabilise the financial set-up in a number of colleges. That will be very important.

On an optimistic note, the further education sector provides a great contribution to the economy of Scotland and Perth College makes a great contribution to its local community. Last week, the college and the Scottish Office met to draw up a financial recovery plan. Every college must look closely at its financial set-up. I want efficiency and a return for every pound of public sector money that we spend. Perth College is capable of rising to that challenge and a programme will be devised to ensure that it and other colleges in Scotland progress positively.

Bruce Crawford: Will the minister supply the chamber with information about the financial position of all the colleges in Scotland from 1996-97 to now?

Henry McLeish: This is a commonsense issue; there is no need for the slight aggression shown. The National Audit Office report published a few days ago contains an update on the financial position and on the question of efficiency and value for money for every college in Scotland. I am sure that it will make good reading.

Stephen Lawrence Inquiry

16. Shona Robison (North-East Scotland) (SNP): To ask the Scottish Executive what plans it has to implement the recommendations of the Stephen Lawrence inquiry as contained in the Macpherson report. (S1O-126)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The Executive fully

recognises the important issues raised by the Macpherson report, which clearly have implications for Scotland and not just for England and Wales. I intend to publish shortly an action plan to take forward the Macpherson report in Scotland. We will then consult widely on the proposals in the plan to implement the recommendations.

Shona Robison: The recent case of Ghulam Rabbani raises many issues relevant to Macpherson, such as the chronic underfunding of interpreting services in Scotland. What does the minister intend to do about that in relation to the criminal justice system?

Mr Wallace: As Shona Robison knows, there are a number of recommendations in the Macpherson report. Some of them do not apply to Scotland, but our working presumption will be that we will seek to implement those that do. As I said, we will bring forward an action plan to deal with issues such as the ones that she raises. In parallel with the position taken by the Home Secretary in England, I intend to set up and chair a steering group to oversee progress in the implementation of those recommendations.

Open Question Time

SCOTTISH EXECUTIVE

Scottish Parliament

1. Mr Alex Salmond (Banff and Buchan) (SNP): To ask the Scottish Executive what measures it intends to take to ensure that the Parliament meets the expectations of the people of Scotland. (S1O-154)

The Presiding Officer (Sir David Steel): Briefly please, First Minister. [*Laughter.*]

The First Minister (Donald Dewar): Sir David, I always enjoy answering a precise question.

We have already announced an extensive legislative programme, which in range and scope could not have been matched under the previous dispensation from Westminster. We are concentrating on issues such as education, health, jobs and social inclusion—issues that I believe reflect the priorities of the people of Scotland and command their broad support. As we tackle those issues, I look forward optimistically, but not with complete confidence, to the support of the nationalists.

Mr Salmond: Is the First Minister aware that the main headline on Ceefax at 1 o'clock this morning said that MSPs were happy and emotional at events? I was tempted to ask which MSPs and which events; but I think the headline summed up a highly successful day. That success was acknowledged generally, and not just by members of the Parliament.

As was referred to in speeches yesterday, one of the expectations that people have of this Parliament is that there should be vigorous debate. Does the First Minister agree that that vigorous debate should, in this new democracy, extend not just to people in this chamber, but through all Scottish society?

The First Minister: That is a proposition that I might even assent to. However, I am not sure that I was emotional or tired last night, but I certainly was not sitting at 1 am looking at Ceefax. [*Laughter.*] That, Sir David, was a distinctly alarming piece of information from the leader of the nationalists.

I accept that there will be vigorous debate in this chamber. We all want that debate to be extended, when appropriate, into civic society and across the communities of Scotland. We will try to give impetus to that.

A clear message came out of yesterday's happy celebrations: people in Scotland value co-operation among politicians; and on initiatives and

areas of policy on which there ought to be agreement, they look forward to the musketry in the party trenches being dumped. I commend that to him.

Mr Salmond: I fully accept that some people returned home slightly earlier than others.

To ask a precise question: if vigorous debate is to go through Scottish society, will the First Minister join me, Unison, and the Transport and General Workers Union in condemning the action that is being taken by Edinburgh City Council against Mr Dorman and Mr Corsie, whose offence appears to be that, during an election visit by Mr David Blunkett, they voiced their concerns to the press over the private finance initiative?

The First Minister: I have a prejudice against condemning situations of which I have no direct experience. That is perhaps the rather cautious approach of a lawyer; but one has to know the circumstances in their entirety before starting to condemn. Although I realise that there are always attractions in making public denunciations and gestures, before doing so it is important that one equips oneself with real knowledge.

Mr Salmond: The matter has been well reported in the press, as I am sure that the First Minister is aware. Mr Dorman and Mr Corsie are school janitors. When Mr David Blunkett attended their school during the election campaign, they expressed their concerns over the PFI in terms of jobs. One of the gentlemen is a Labour supporter, one is a Scottish National party supporter; both were concerned about their jobs. The disciplinary charge that they face is that they interfered with a Government minister's visit. Does the First Minister agree that the vigorous new democracy and debate should extend not just to members of the Parliament, not just to leaders of civic society in Scotland, but to every citizen of this country?

The First Minister: We are all in favour of justice and equity as general propositions. All my knowledge of the affair of the two janitors comes from reading published articles. The case is at present subject to an appeal and, in any decent judicial system, politicians do not go around making denunciatory statements in the middle of process.

The Presiding Officer: Lewis Macdonald.

Lewis Macdonald (Aberdeen Central) (Lab): I would like to ask the Scottish Executive what areas of policy it plans to treat cross-departmentally to fulfil its commitment to integrated government.

The Presiding Officer: I apologise, Mr Macdonald. Your name had come up on my computer screen to ask a question on the issue that Mr Salmond raised.

Lewis Macdonald: My apologies.

The Presiding Officer: Members should not press their buttons before their question is called. Members who wish to ask questions after this should now press their buttons. I will move now to question 2.

Homeless People

2. Mr Keith Harding (Mid Scotland and Fife) (Con): To ask the Scottish Executive whether it has any plans to set and monitor targets to reduce the numbers of homeless people. (S1O-159)

The Minister for Communities (Ms Wendy Alexander): On 17 June I announced that the Deputy Minister for Communities is to lead a major new task force to take an in-depth look at the causes of homelessness in Scotland, with the aim of developing a long-term strategy. The Government is already committed to ensuring that by the end of this session of Parliament no one will have to sleep rough.

Mr Harding: I thank the minister for that reply and I am glad that the Government is beginning to address that situation. Labour has been in power for two years and homelessness has increased by 14 per cent. What immediate initiatives does the minister intend to implement to reduce the level of homelessness?

Ms Alexander: There is consensus that one of the reasons for the rise in homelessness is the increase in applications from homeless people through the new code of better reporting that we have introduced. All housing organisations acknowledge that our legislation is 21 years out of date. It does not tell us what we need to know. We have an opportunity to legislate and we will do that based on recommendations as to how homelessness can be prevented, and how we can assist those who are homeless.

Mr Harding: I thank the minister for that comprehensive answer, but why is that not in the legislative programme for the coming year?

Ms Alexander: We have already discussed this and, in keeping with the spirit of consultation in this Parliament, the consultation period for the green paper on housing closed just a few days ago. We have said that we will consult on those proposals and we look forward to introducing legislation.

We picked the area of homelessness because there was unanimity to move forward and to set up a review straight away. Jackie Baillie is now leading that review.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): The minister will know that Shelter and many others have welcomed new housing partnerships, but have expressed concerns about

the loss of homeless people's statutory rights under the new arrangements. When the Executive brings forward housing legislation, will it consider legislating in that area, or does it consider that contractual rights are adequate?

Ms Alexander: That is an area that we will consider. There is increasing consensus that we should move towards common registers and common allocations policies that will allow those sorts of issues to be taken into account.

Integrated Government

3. Lewis Macdonald (Aberdeen Central) (Lab): To ask the Scottish Executive what areas of policy it plans to treat cross-departmentally to fulfil its commitment to integrated government. (S1O-148)

Thank you, Mr Presiding Officer, for giving me the opportunity to be the first member to ask the same question twice at the same meeting.

The First Minister (Donald Dewar): The Administration regards this as an issue of considerable importance. New ministerial committees on rural development, drugs, social inclusion and the creation of digital Scotland will soon be in operation. One of the failures of the past has been that we have talked a great deal about cross-cutting but we have not made it as effective as we would have liked. I have been in office and must take some of the blame for this. The new Parliament and the new Administration have an opportunity to pick areas of the kind that I mentioned—areas that genuinely straddle the portfolios of a number of ministers—and to set up machinery that is structured and that has the strength to ensure that there is genuine co-operation and co-ordination of attack and progress. These are sensitive, key areas of policy and I look forward to seeing that working and to making progress.

Lewis Macdonald: I welcome the First Minister's commitment to those matters and to making the policies work in practice. I commend to him the work that is being done at a local level by the great northern partnership in deprived areas of Aberdeen Central and Aberdeen North. That partnership is developing a cross-cutting approach at local level. Does he agree that tackling urban disadvantage and promoting a policy of social inclusion and regeneration in areas such as Woodside and Tillydrone in Aberdeen not only requires that housing is regenerated, but that GPs are encouraged to move their surgeries into communities? Does he further agree that we should develop a child care strategy that will allow young mothers to work and that we should provide work and training opportunities for young people?

The First Minister: I congratulate Lewis

Macdonald on that omnibus supplementary question, which covered a remarkable range of issues.

I was talking specifically about the machinery of central Government, but I accept that it is important that such models are also considered locally and that we try to build the same level of co-operation and integration in our attack on urban and rural regeneration.

I fear that all of us think about our own patch when such matters are raised. In the city of Glasgow, Glasgow Alliance has an effective focus. It is trying to ensure that the £1.5 billion of public funds that goes into agencies in Glasgow every year has the maximum impact by developing a genuinely co-ordinated approach and by ensuring that when relevant organisations take decisions on their areas of responsibility, they bear in mind what other agencies are doing. Each should buttress the others' efforts, which is the right approach.

The attack on deprivation and poverty and the fight to unlock opportunity for the disadvantaged is an enormously important priority not only for this Administration, but, I hope, for the entire Parliament.

Mr Keith Raffan (Mid Scotland and Fife) (LD): Does the First Minister agree that, while the Executive wants to improve cross-cutting, the onus is also on the parliamentary committees to develop sub-committees and working groups, particularly on the issue of drug misuse? Bearing in mind that some committees, such as the Social Inclusion, Housing and Voluntary Sector Committee, have a very broad remit, members of such a working group could be drawn from the Health and Community Care Committee, the Education, Culture and Sport Committee, the Justice and Home Affairs Committee and the Social Inclusion, Housing and Voluntary Sector Committee. Sub-committees and working groups need to be set up as soon as possible to address issues such as drug misuse effectively.

The First Minister: I do not dissent; indeed, I positively agree with Keith Raffan's remarks. There are opportunities. However, in the early days we must watch that we do not become over-complex and end up with a multiplicity of committees, each trying to take in someone else's washing. The point of cross-cutting is to simplify and focus on particular issues. That must be the result of any move towards the phenomenon to which he refers. However, if he means that there should be flexibility, I agree entirely.

Alex Neil (Central Scotland) (SNP): Bearing in mind the principle of cross-departmental co-operation, will the First Minister speak to the Secretary of State for Social Security about the

holiday trap in which school cleaning, catering and clerical staff have found themselves? Staff have suddenly been denied benefit for the summer holiday period because there is a date in their contracts—12 August—for starting back at school. Surely, these people are either entitled to benefit, as has always been the case during the summer, or they are entitled to holiday pay from the devolved Administration.

The First Minister: Social security is not a direct responsibility of this chamber. Although I recognise that Mr Neil has been elected only recently, I am astonished to hear him say that this is a sudden and unexpected problem. I have been aware of it for a considerable period of time. The rules are complex. As Mr Neil no doubt knows, a lot has been going on behind the scenes in the social security world and some settlements have been reached. However, I agree that there are important issues to do with definition. Members of Parliament at Westminster, who have the particular constituency responsibility, will no doubt be corresponding about and examining this issue for a considerable time.

Phil Gallie (South of Scotland) (Con): Has the First Minister given much thought to implementation costs? To improve services we must ensure that we achieve best value for the money available. The massive increase in the number of ministerial positions and the escalating costs for the new Parliament building will put an added drain on the funds available. Will he comment?

The First Minister: My first comment is to congratulate Phil Gallie on the consistency of his approach. When he gets something in his mind, he certainly does not forget it in a hurry.

It is enormously important to get value for money. That is a recurrent theme of this Administration and will be of all Administrations. However, if Phil Gallie is inviting me to endorse the principle that proper democratic scrutiny should be taken on the cheap, and that we should not get some of the advantages of the constitutional reform that we represent, I disagree with him deeply.

Of course there will not be profligacy and it is important, whether it be in local government or central Government, that we get value for money. If we fall down on that, we are clearly open to considerable criticism and our ability to argue the case in other areas is greatly undermined.

The Presiding Officer: That concludes question time.

It might be helpful for members to know that, following the constructive letter about question time that I received from the First Minister and the general feeling that perhaps others should be able

to ask questions, I have had a meeting with the Convener of the Procedures Committee. Whoever else is on holiday, the Procedures Committee certainly will not be. The committee will consider the matter urgently over the recess, so we might have a slightly more generous form of question time after the recess.

Local Government

The Presiding Officer (Sir David Steel): The next item of business is a ministerial statement on the McIntosh commission report.

Michael Russell (South of Scotland) (SNP): On a point of order, Mr Presiding Officer. As this is the first day that the Parliament is invested with its powers, I was interested to hear the Minister for Communities talk about a spirit of consultation. Will you rule on the fact that the statement that we are about to hear was given, substantially, to the nation at quarter to 8 this morning on Radio Scotland? That was an hour before the statement was made available to the Opposition who have to comment on it.

The Presiding Officer: I will not answer the point of order just now, but I have been reflecting on precisely the same point. If I may, I will deal with it privately afterwards.

I call on Wendy Alexander to make the statement. There will be questions at the end of the statement before we move on to the debate, so there should be no interventions during the statement.

10:16

The Minister for Communities (Ms Wendy Alexander): Yesterday marked a renewal of Scottish democracy. It is fitting that our first task with our full powers is to continue that process of renewal by considering our relationship with the other democratically elected tier of government in Scotland—local government.

Local government is of crucial importance to every person in Scotland. It provides democratic leadership for cities, towns and communities. I applaud the work undertaken by committed councillors from all parties and recognise the hours that are given up, the service that is offered, the good work that is done and the achievements in building stronger communities.

Through the dark times in the 1980s it fell to local government to uphold the values of fairness, justice and opportunity. Those values are close to the heart of many members in this Parliament and we are now charged with upholding them. As we forge a new democracy, we know that our ability to deliver better services to the people of Scotland depends on the dedication of those who provide local services.

It is time for a new partnership, not of words, but of actions. Today I want to describe how the Executive will build upon the McIntosh proposals, and indeed go beyond them, to ensure that local government takes its rightful place at the heart of the new Scotland.

I want today to pay tribute to the work of Neil McIntosh and his team. The principle underlying their report is parity of esteem: a meeting of equals, with mutual trust and respect on both sides.

We will shortly publish a consultation document setting out how the Executive plans to develop the McIntosh recommendations. In the partnership document we promised an immediate programme of change in response to the McIntosh report; we will honour that commitment.

I now want to make a number of announcements that will build on the McIntosh recommendations, none of which featured on the radio this morning. McIntosh asked us to consider his recommendations as a package and we have done that.

I will start with a matter that the McIntosh report does not deal with directly but which is of much wider importance. The Executive and this Parliament expect the highest standards throughout the public service. We therefore intend to change the previously announced local government ethics bill to a local government and public bodies ethics bill. We will hold further discussions with interested parties over the next few weeks, including discussions on the scope for a statutory code of conduct, and proposals that the new standards commission for Scotland should have powers to investigate issues of probity concerning members of public bodies.

Good local government demands good leadership, and as part of our agenda for change I have asked the Deputy Minister for Local Government, Frank McAveety, to establish a new leadership forum, bringing together ministers and all 32 council leaders. The first leadership forum will convene in September, and at that time we will unveil a package of support for member and officer development.

In line with our commitment to community planning, I want to consult carefully on the case for a power of general competence. We will consult further on that important issue.

The heart of McIntosh is a process of self-renewal for councils, rather than prescribing changes in law. I am happy to endorse that process of self-renewal. We need structures that support change, rather than obstruct it. The current committee system was designed for the 19th century, not the 21st. The public sees delays, bureaucracy and confusion. We welcome McIntosh's recommendation for councils to move towards executive systems that formalise the existing political leaderships. Some councils have already begun to reform in that way. I want all councils to think about following suit. We recognise that no one structure will fit all but, in

future, the Scottish public want to know when decisions are taken, how they are taken and who can be called to account for them.

However, once again, we want to go further. We want to raise aspirations, set ambitions high and enthuse members and officers, so before setting up the McIntosh panel of advisers on new structures we want to encourage some fresh perspectives from individuals who have led effective reorganisations and cultural change in their own organisations. I am delighted to confirm that the first two champions for change will be Brian Souter and Doug Riley. Other champions of change from the public and voluntary sectors will follow.

Modernising structures should be a priority for every council. McIntosh offers a time scale for action, and we accept it. We expect all councils to embrace reform by the end of 2000, and we will take steps to monitor progress and secure results.

There are several areas in which I would like the Local Government Committee to inform the process and lead the public debate. I have in mind issues such as the operation of the covenant and the joint conference, the arrangements for local elections and the political restrictions on council officers. The arguments concerning council employees standing for election are complex. No decision has been taken on that matter, but there is evidence that the current arrangements on political restriction are not working: of the 184 appeals since it was introduced, 161 have been upheld. Clearly, there is a case for reform.

McIntosh has made significant recommendations in relation to community councils. Again, I accept them all, but I want to go further. As Minister for Communities, I am acutely aware of the need to involve people in decision making. No one has a monopoly on wisdom, so we will cast the net wide. We will include the full range of community organisations, such as tenants groups and housing associations, and make use of new mechanisms, such as citizens' juries.

McIntosh also suggested that councils should be elected for a four-year term. I am sympathetic to that case, but the discussion must also address whether those elections should be held midway through the parliamentary session, as McIntosh suggests, or coincide with the Scottish Parliament elections, to reduce voter fatigue and increase turnout.

The challenge underlying all of McIntosh's recommendations is how we renew local democracy in Scotland. That can only happen if we make public service more attractive to those who might be attracted to serve in it. That should be the backdrop to the question of electoral reform

and the recommendations on proportional representation.

The partnership document committed us to progress on electoral reform. McIntosh has argued the case for it. His report asks us to look at the most appropriate voting system for Scottish local government. That we shall do. Today, I am announcing the formation of the working party that McIntosh recommends. It will be cross party, and the chair will be Richard Kerley.

The working party will have three crucial tasks. First, it will consider ways in which standing as a councillor can be made more attractive to more people.

Secondly, it will advise on the appropriate number of members for each council, taking account of the different characteristics of cities and rural authorities. On electoral reform, it will take into account the criteria that were suggested by McIntosh: proportionality; the councillor-ward link; fair provision for independents; allowance for geographical diversity; and a close fit between council wards and natural communities.

Thirdly, the working party will advise on an appropriate system of remuneration for councillors. Because we want to see real leadership properly rewarded, there will be an independent element in the setting of allowances that takes account of the available resources.

We will ensure that the working party has access to the widest possible range of expert advice and analysis, and we look forward to receiving its report.

Finance was not included in McIntosh's remit, but we take seriously his view that financial matters are a vital part of the agenda for change. Today I simply want to lay out the Executive's general approach; my colleague Jack McConnell will want to consult further over the summer.

The central financial challenge for local government is the same as that which faces this Parliament: how do we achieve better government, rather than bigger government? I want to congratulate local government on its recent achievements. Since 1997, average council tax increases have been halved and halved again, to a figure this year of only 2.6 per cent. Best value is now delivering real improvements in services.

We recognise that many aspects of the present financial arrangements need to be addressed, and that we can work closely and constructively with local government on that. We intend to respond to McIntosh's call for a review by pressing ahead vigorously with action on a number of fronts.

First, the reviews of distribution arrangements that were begun after reorganisation in 1996 are

under way in conjunction with the Convention of Scottish Local Authorities, and should be completed as soon as is practicable. We are also undertaking a review of the capital finance system, which will continue.

Secondly, we are about to embark on a revaluation of business rates. Differences between the commercial property markets of Scotland and England are likely to lead to different rate poundages in the future as at present, even when the intention is to raise identical sums. That being the case, the Executive believes that it would be wrong to create any further turbulence for business by altering the national regime for non-domestic rates at this time.

Thirdly, there is a modernising agenda for local government finance. We in Government have ideas, councils have ideas and third parties have ideas. We must examine how local government can benefit from the long-term stability that we have brought to national financing. We must also investigate how we can pool funding streams between central Government, local government and other public agencies, to deliver savings and joined-up government, and look at new ways of drawing in private sector resources. Finally, we must examine whether business improvement districts could promote closer working between councils and the businesses in their area.

All that adds up to a serious and heavy agenda for local government finance. We will pursue it vigorously and keep the area under review. In partnership with COSLA, we will progress the priorities that I have outlined.

In conclusion, the McIntosh report contains many recommendations. Among them are many things for which local government has lobbied over many years. I have not been able to mention every one of the recommendations, but I can confirm today that the Scottish Executive proposes to accept the overwhelming majority of them. Today is a good day for local government in Scotland.

I started by talking about the need for partnership. The partnership will come alive not simply by providing modern services, but when all Scotland's politicians live up to the challenge of co-operating to tackle the root causes of the poverty and social division that scar Scotland.

Our challenge as politicians, whether local or national, is to deal with those old problems in new ways. We will look for trust instead of distrust, for mutual respect instead of mutual suspicion, and for partnership instead of conflict. Individuals will not always agree, but will strive in partnership for common goals.

What we are proposing today will bring fundamental change to local government across Scotland. I hope that the 1,222 councillors of all

parties will join us in renewing local democracy to meet the challenges of the 21st century.

The Deputy Presiding Officer (Ms Patricia Ferguson): A number of members have indicated that they wish to participate in the debate. The minister will now take questions on her statement.

Tommy Sheridan (Glasgow) (SSP): First, does the minister agree that council tax is one of the most regressive forms of taxation and that a fairer, local government income tax is required to redistribute some of the massive wealth that exists in our country? Secondly, will she explain why, among all the recommendations in the McIntosh report, the recommendation for an immediate independent inquiry into local government finance has been completely and utterly fudged?

Ms Alexander: I disagree wholeheartedly with Tommy Sheridan's assessment of the council tax. I am astonished that someone who purports to be a socialist should stand up and recommend that Scotland is left without any form of personal property taxation. On his second question, it is for this Parliament, this Executive, our Local Government Committee and COSLA to make the decisions about financing local government. We see no need to outsource that process to any independent body. Contrary to what Tommy Sheridan suggests, we are suggesting immediate progress on a number of fronts rather than a review, which would be likely to take two years if its time scale were comparable to that involved with the McIntosh commission.

Richard Lochhead (North-East Scotland) (SNP): In her opening remarks, the minister stated that local government should take its rightful place in the new Scotland. Will she respond to my suggestion that that includes bringing Scotland's water authorities back under local government control? I draw the minister's attention to the advertisement in today's recruitment pages, through which the Executive wishes to employ directly a water industry commissioner—on a handsome wage of £65,000 a year—to give

"the Scottish Executive independent advice".

I suggest to the minister that this commissioner, if employed directly by the Scottish Ministers, will be likely to let them hear what they want to hear, as they will be the paymasters. Does the minister agree that the Parliament should be responsible for employing the water industry commissioner?

Ms Alexander: My recollection is that, as a result of the reorganisation enforced on local government, we have ended up with 32 local authorities. We have no desire to have 32 water bodies. We have three, and we have taken steps to put many more councillors on those bodies. I remind Richard Lochhead that, unlike in England, water remains in the public sector in Scotland. On

his second point, there is an interesting issue at root: how to encourage more people to stand for public office, and the sort of scrutiny that exists of the individuals who stand and who are appointed. In my speech, I said that we expect public bodies to continue to play a major role, but we are anxious that the people who take up appointments to them are subject to the same form of scrutiny as people who stand for directly elected office.

David McLetchie (Lothians) (Con): I note that the process of re-writing history continues apace in the Administration. When the minister referred to the dark times in the 1980s, she was obviously referring to the dark times when businesses large and small were being ripped off by Labour-controlled councils—a process that was remedied only by the introduction of the uniform business rate.

Will the minister clarify some of her remarks about business rates? She talked about there being no need for further turbulence. Can she categorically advise us whether the Executive will, during this parliamentary session, rule out any abolition of the uniform business rate or any return to local councils of the power to levy a supplementary charge on top of the uniform business rate? The minister will know that that is a matter of great concern to Scotland's business community, and to organisations large and small.

Ms Alexander: In my statement, I confirmed that we intend to retain a national non-domestic rating system that will be set annually by the Government.

The Deputy Presiding Officer: I call Mr Hugh Henry.

Hugh Henry (Paisley South) (Lab): I do not have a question.

The Deputy Presiding Officer: Do you want to make a contribution, Mr Henry?

Hugh Henry: A contribution?

The Deputy Presiding Officer: No. Do you want to ask a question?

Hugh Henry: No.

The Deputy Presiding Officer: Thank you. I call Mr Andy Kerr.

Mr Andy Kerr (East Kilbride) (Lab): Several authorities have done a lot of work to consult communities. Will the minister use those authorities as models of best practice throughout Scotland?

Ms Alexander: Very much so. As I said, using community councils as the sole forum of interaction with communities does not reflect the diversity within communities throughout Scotland. I am particularly anxious that the Local Government

Committee should examine, on an all-party basis, new ways of involving and empowering communities and spread best practice in such areas.

Mr Kenneth Gibson (Glasgow) (SNP): I thank the minister for the positive nature of much of her speech. SNP members will agree with a lot of what she said, but I have a number of questions for her and I hope that members will bear with me.

First, I am concerned about the minister's apparent refusal to sanction an independent inquiry into local government finances, which the McIntosh commission strongly recommended. Only three days ago, COSLA reiterated a view that was expressed in its manifesto, "A Local Government Contract for Scotland". That document said:

"Too much financial dependency on central government confuses accountability and contains too many central controls both over funding and spending".

Will the minister explain her rationale in ignoring the overwhelming view of all those who represent local government at the coal face, including the four political parties that are represented on COSLA, the independent group of councillors and the Society of Local Authority Chief Executives?

Secondly, given that the minister has signalled the Executive's intention to proceed with the McIntosh commission's recommendation on PR—we welcome the establishment of the task force—will she give an assurance that the working party will report in time to fulfil the McIntosh commission's recommendation, on page 25 of its report, that PR should

"take effect in time to govern the next council elections in 2002"?

Thirdly, does the minister agree that the logical position of cabinet or accountable executive local government is that that structure should be extended to cover the work of COSLA? Does she agree that COSLA should review its own structures in the light of the McIntosh report's recommendations specifically in relation to the operation of party groups and whips within COSLA's decision-making structure?

Finally, we welcome the minister's commitment that the Executive will accept the overwhelming majority of the recommendations. Will she clarify whether it is the Executive's intention to implement the recommendations that it accepts prior to the next local government elections?

Ms Alexander: I appreciate Kenny's welcome of the statement that we have issued. We very much hope that the spirit in which we have approached the McIntosh commission's report is an example of the new politics in Scotland. I think that there can be some measure of cross-party agreement on a

wide range of areas. More important, there can be agreement with our colleagues in local government.

The issue of refusing to sanction an independent review arose in response to Mr Sheridan's question. We believe that it is for this Parliament to act on issues of finance, and we have laid out a wide-ranging programme to examine the distribution committee capital, the revaluation and a whole set of modernising reforms in finance. I have made it clear that we will involve many independent experts, but we feel very strongly that it is wholly inappropriate simply to out-source the financial relationship between this Parliament and local government.

Mr Gibson asked for an assurance that we would implement, by 2002, the recommendations of the working party on proportional representation. I cannot give him that assurance, partly because, as I said in my statement, we are particularly attracted by the idea of moving to a four-year term. As he will know, that is something for which COSLA has long argued.

Thirdly, on the point about the internal relationships in COSLA and the issue of political whipping, it seems to me that, in keeping with the spirit of self-renewal that we are encouraging, although the Executive would be supportive of COSLA's organisation of its internal affairs, it would be inappropriate for me to comment on the matter at this stage.

I am sorry; what was Mr Gibson's final point?

Mr Gibson: Do not worry; I do not think that anyone could have memorised it.

We welcome the minister's commitment that the Executive will accept the overwhelming majority of the recommendations. Will she clarify whether the Executive intends to implement those recommendations prior to the next local government elections?

Ms Alexander: We accept the overwhelming majority of the recommendations. Some of them we accept only in part, and that is what the consultation exercise will flesh out. We want to move as quickly as possible on as many of the recommendations as we can, but it is not possible to go further than that in advance of the consultation exercise, in which we expect COSLA and individual councils to be closely involved.

The Deputy Presiding Officer: Thank you. The debate will run until noon. Members should make their speeches as brief as they can, so that we can allow as many members as possible to take part. Having said that, I now call Mr Kenny Gibson to reply for the Opposition.

10:42

Mr Kenneth Gibson (Glasgow) (SNP): It is with enormous personal pride, satisfaction and pleasure that I reply to the minister's statement on the report of the McIntosh commission—enormous pride because this is the first debate of our new Parliament under its full powers and the first debate after the magnificent splendour of yesterday's ceremony and the huge positive wave that we felt from the Scottish people.

It gives me satisfaction because the first debate is on local government. I trust that signifies local government is now being welcomed in from the political cold to become a full partner in the good governance of Scotland.

It gives me pleasure because I believe in the spirit of our vesting day. Local government is an area in which we can genuinely make a difference through genuine consensus. That is not to say that there is no argument in this chamber about what the minister has announced. Those who heard my questions will have no doubt about where some of the disagreements lie. Where there is agreement, however, it is genuine and heartfelt, and where we can go forward together, we will.

I assure the Deputy Minister for Local Government that, although he and I may have spent the past two years lobbing verbal hand grenades at each other across the floor of Glasgow City Chambers, those days are now behind us.

Members: Aw!

Ms Alexander: Not yet. Wait. *[Laughter.]*

Mr Gibson: There is genuine consensus in Scottish local government, in Scottish politics and in Scottish civic society about the desperate need for modernisation and reform. Local government is tired of being a whipping boy and seeks positive renewal for itself. The Scottish Parliament, conscious of becoming the new media scapegoat, must make local government a full and equal partner in the new Scotland, and I am pleased that the Executive agrees with that aim.

The partnership that McIntosh recommends is a new covenant, as the report calls it. I am, understandably, nervous of using the term covenanters, knowing the history of this chamber. Perhaps, through McIntosh, we will all become the new covenanters for the next millennium.

Members of the SNP thank Neil McIntosh and his commission for the huge effort they have put into the report—both the sheer volume of work that was undertaken and the absolute diligence with which it was carried out. As a participant and an interested party, I found the report and the two consultation papers insightful, innovative and accessible. Neil McIntosh and his commission

deserve our fullest praise.

Members on this side of the chamber are prepared to accept the McIntosh recommendations as a whole. We believed on first reading, and still believe after further analysis, that the proposals represent a balanced outlook, and we have accepted the commission's plea that the proposals should be taken as a package. It is disappointing that, contrary to previous statements in the press, the minister and the Executive have decided on an element of cherry picking.

The lack of an independent financial review of local government is a matter of real concern; the lack of a clear timetable for implementing proportional representation is a matter of some frustration; the fudge on general competence is a real disappointment.

However, the SNP is prepared to work with the Executive to get the best possible deal from this situation, but we issue one word of caution to the Executive—it should not be swayed in its convictions by matters of internal party dispute. The McIntosh commission captured a consensus that carries across the parties in this chamber. When vested interest and narrow gain are taken out of the equation, that consensus spreads across Scotland's town, city and county buildings.

On a minor, discordant note, having looked at some of the local authority submissions to the commission, I find it difficult to take seriously some of the critical comments that some members have made. One example comes from my old friend and colleague, Councillor Charlie Gordon, leader of Glasgow City Council and self-proclaimed hammer of proportional representation. He described the debate around PR as "a dangerous distraction". That is different from what Glasgow City Council's submission said about PR. The city council's submission was made while it was under the leadership of the Deputy Minister for Local Government. It read:

"Glasgow City Council is of the view that a comprehensive review should be set up which looks into all electoral systems. This review should have as its express purpose the task of determining the most accountable system for local government in the 21st century."

I could quote other, similar, statements, but I will not, partly because I fear that you, Madam Deputy Presiding Officer, will not give me the time, and partly because I fear that the new-found consensus with which I so boldly began might break down.

I do not seek to labour the point on PR. I simply want to state that what local authorities, voluntary organisations, trade unions and many individuals submitted to McIntosh represents the broad current of opinion. However tempted ministers are to listen to the voice of vested interest, I trust that

they will resist that temptation and will listen instead to the broad consensus and back the right course.

There are many more subjects I would like to address in detail—indeed, my colleagues will do so during this debate. I look forward to the future of local government with optimism and I have no reservation in commending to this chamber the work of the McIntosh commission in its entirety.

10:47

Mr Keith Harding (Mid Scotland and Fife) (Con): I am delighted that we have this opportunity to debate the McIntosh commission report before the summer recess. It has been long awaited and I, too, would like to pay tribute to Neil McIntosh and the other members of the commission who have put so much time and effort into producing the final document.

There is no doubt that a review of the relationship between local government and the Scottish Parliament was necessary and that reform of the way our local authorities are run was essential. Too many councils in Scotland have failed their communities. The priority for the Scottish Conservatives is to restore public confidence in our councils by ensuring that they are accountable to their local communities and that they deliver good local services that give value for money.

The new Scottish Parliament will clearly change the way in which Scotland is governed. Everyone involved in Scottish politics will have to adapt to that change and local government cannot be exempted from that process. It is important that there is a constructive relationship between the Scottish Parliament and local authorities, but issues such as who controls which functions should not be set in tablets of stone. What matters to the people of Scotland is the quality of the service provided, not who provides it.

The emphasis in any reform of local government must be on improving the quality of service to local communities. The proposals to improve the conduct of council business are welcome as a way of speeding up decision making and increasing accountability. The Conservatives believe that cabinet systems could remove the need for the numerous committees that have become a feature of local government. That in turn could well lead to more efficient local government. Directly elected provosts could also increase local accountability and we would encourage that system where there was a local desire for that type of government.

Both of those moves would mean that there would be a need for a small number of full-time councillors. The Conservatives see no problem with that as long as it is self-financing and

accompanied by a reduction in the total number of councillors. That would mean redefining the role of the other councillors who would act as advocates for their wards and scrutinise the activity of the cabinet through a committee system. That would be an important and challenging role, but a reduction in the number of committees would reduce the time commitment. The advantage of that would be that people from a wider variety of backgrounds would be able to become involved in local government.

We are somewhat concerned about any relaxation in the rules governing council employees standing for election. There is a clear conflict of interest in council employees being councillors in the authority where they work. As far as we are concerned, the case for a relaxation of those rules has not been made.

There is no doubt of the need to encourage greater interest in local authorities and a higher turnout at local elections. The McIntosh commission has proposed some good ideas to simplify procedures and increase participation in local elections. We also go along with the idea of a four-year term in local government, but elections must be staggered so that they do not coincide with Scottish parliamentary elections.

However, we believe that it is vital that the link between a councillor and his or her ward is maintained. We would oppose any reform of the electoral system that breaks that vital link. In the absence of an alternative system that maintains that link, we favour the existing method of voting.

On finance, the small proportion of revenue that is raised locally by councils needs to be addressed in any review of local government finance. As we stated in our manifesto, we believe that a parliamentary committee should consider that. However, we do not believe that giving local authorities the power to set business rates is the answer to the problem.

The uniform business rate has been of immense benefit to businesses in Scotland and it has created a level playing field in the United Kingdom. Scottish businesses remember only too well the penal rates that they had to pay when local authorities in Scotland controlled the setting of business rates. It put Scotland's businesses at a serious competitive disadvantage compared with their counterparts south of the border.

Local authorities in Scotland have a lot of work to do before they are trusted by the business community. All the major business organisations are adamantly opposed to going back to the old system of allowing councils to levy a supplementary rate on top of the UBR.

Despite Mr McLetchie's question this morning, the Labour party has failed to rule out giving

councils powers to levy a local business rate. I hope that the minister will take this opportunity to do so.

The Scottish Conservatives believe that we need to examine ways of increasing the independence of local authorities, which means looking at the functions of our councils. We believe that education should be removed from local authority control and that funding should flow directly to local communities and groups of schools in local authority areas. Schools would then belong to their own communities and reflect the needs and aspirations of those communities.

The proportion of revenue raised locally would be increased, thereby increasing accountability to the local electorate. The reassessment of local government's responsibilities should go hand in hand with freeing local authorities from the obligations imposed by central government. We will advocate that approach in the Local Government Committee.

We do not believe that decentralisation of power stops at local councils. We want to see real power being devolved to individuals, families and local communities and we welcome the McIntosh commission's proposals for strengthening community councils. Decision making must be devolved to the lowest possible level as a way of strengthening civic society and revitalising communities. We will support any proposals that help to achieve that.

10:53

Donald Gorrie (Central Scotland) (LD): On behalf of the Liberal Democrat group in the Parliament and our many council groups, I warmly welcome the McIntosh report. I do not think that I have ever read a public document that hit so many nails so firmly on the head, and we strongly support it.

We also support the general thrust of the minister's statement in support of local government and welcome many of the things she suggested. There is a huge opportunity for a major reform of local government by consensus. We have learned from the past the dangers of major reform without consensus. I welcome the tenor of the first meeting of the Local Government Committee—I am sure that it will do a lot of good work. It shows that even rebels can sook when required.

On a more serious note, we welcome the consensus in the committee on the need for many of the reforms supported by the McIntosh commission, and its feeling of independence. It can play an important role, separate from the Government. We must support local government and, as the minister said, encourage it and try to

restore its self-esteem. It has come in for a lot of criticism.

There is a problem in that, for understandable human reasons, civil servants who advise ministers think that they are competent whereas local government is not. I am sure that many civil servants are extremely competent, but when we examine the record, local government has no disasters that are in the same league as the poll tax, the child support agency, the benefit system or the inability to issue passports. There might be disasters or incompetencies on particular issues and, as in any human organisation, some people are not up to scratch, but the competence of a huge amount of local government is very high.

We welcome the ideas of self-review, finding local solutions to local problems and finding more decentralisation within councils. We support the idea of publicising and learning from good practice in local government. There is too much reinventing the wheel; a lot of good work goes on and people could learn from each other.

We also make a clear statement that this Parliament and, I hope, this Executive, has no intention of stealing powers from local government. Local government has a genuine fear about that.

Like some members who have already spoken, I was disappointed in the iffiness of the minister's remarks about general competence and the ability of some employees to stand as councillors. The issue of general competence is recognised across Europe; there is such a power in many countries and it is sensible that local government be enabled to do anything for the benefit of the local community that is not illegal or not already done statutorily by some other body.

As regards employees standing as councillors, the idea that a schoolteacher, or middle-ranking official of some sort, will somehow pervert the whole system to promote his or her career is a load of rubbish. In many large rural areas, such people represent a reservoir of potential talent that we are not allowed to use. Our party is very keen on the issues of general competence and, with appropriate safeguards, allowing employees to stand as councillors.

The two pillars on which local government should rest are democracy and accountability. Democracy involves making it easier to vote and having a fairer voting system. We will be very happy to take part in debates and education on proportional representation, which is not as complicated as people like to make out. However, I served under a previous party leader who did not understand the voting system at all; ignorance is not confined to other parties.

Dennis Canavan (Falkirk West): Who was

that?

Donald Gorrie: Members can work it out for themselves.

It is not a sin not to understand proportional representation, but it is sensible to discuss it and we will welcome taking part in the debate. We feel strongly that the single transferable vote is easily the best system, because it gives the power to the voters and not to the organisations—which is why organisations are against it. The list systems are awful; the recent European election was awful and, although I got in to this place on a list, I would far prefer to get in by STV. I am all for giving the power to the voter and we will fight hard for that. We welcome the approach to proportional representation, our position on which is well known.

I also put down a marker, here and throughout the country, that our party is very keen on having a proper, overall inquiry into local government finance. We will be happy to co-operate in an overall review, whether it takes the form of a freestanding, independent commission, or is done through the Local Government Committee, using independent advisers. The minister was misleading in one respect when she set out the aspects of local government finance that she thinks, sensibly, need to be looked at in the short term and said that she thought it was an either/or choice between doing that and having an overall review. I do not think that that is the case at all; we can have short or medium-term changes, but we must also look at the long term.

The Deputy Presiding Officer: Wind up please, Mr Gorrie.

Donald Gorrie: If one builds a local government system in which local government raises only 20 per cent of its money, one is building on sand. That system must be reformed. We feel strongly that, one way or another, there must be a really independent inquiry.

On all those issues, the Liberal Democrats will be happy to co-operate and to work hard for the benefit of local government. We have a huge opportunity. Let us not miss it.

11:00

Brian Adam (North-East Scotland) (SNP): I would also like to start by welcoming much of what the Minister for Communities said. I welcome her positive response to the idea of a four-year cycle. In winding up, will she tell us whether she is in sympathy with the idea of general competence? She did not give any indication of where her sympathies lie on that or whether she is sympathetic to introducing a system of PR. Despite what we have heard through the media

about the Government's view on PR, if one looks closely at her statement, it does not say whether she is sympathetic. Although the statement refers to the formation of the working party that McIntosh recommends, it does not suggest that its remit or direction will arrive at PR.

I welcome unreservedly the McIntosh report in its entirety. It reflects not only the majority view in Scottish local government but the views of the electorate. As Mr Gibson said, I hope that we will not have any delays, especially in the areas where there is clear-cut agreement, so that implementation takes place as soon as possible.

I am a little concerned by some of the comments made on PR since the McIntosh report was released. Some councillors seem to resent intervention from an outside body. It is almost as if some of our council barons have adapted the idea of the divine right of kings to the modern age. They seem to believe that no one knows better than they do how to run local government and that they have a divine right to do it, and they will brook no interference in their traditional role, which is to tell us what to do and what kind of services we will get. Like the great political dinosaurs of the past, they refuse to accept that times have moved on.

We should be in no doubt that the political mood in Scotland has changed and for the better. We have moved on from choosing between Tweedledum and Tweedledee, when the first-past-the-post system was acceptable. These days, Tweedledum does not seem to attract much support from Scottish voters. Members who have studied the results of the past four elections will have no doubt that we are now firmly in the realm of four-party politics—indeed, after the most recent election, we are moving on to five or six parties. I welcome that, because it reflects the political diversity in our society. Political pluralism is healthy for democracy. The age-old adage that power corrupts and absolute power corrupts absolutely is borne out whenever political parties gain huge majorities on the back of minority support. There can be no doubt that one of the reasons why McIntosh put PR at the top of the political agenda is the abuse of power and the appearance of political corruption that flows from that abuse in certain great former Labour fiefdoms in west central Scotland, which does no credit to politics.

I have heard some Labour politicians say that they have already given up too much. They point to SNP members and say that without their grace and favour in introducing PR, the SNP would have only a fraction of the seats that it currently holds. They point to the Tories and say that without Labour's grace and favour they would not have been here at all. Without PR, I doubt whether any of us would be here today. That kind of agreement

was required to achieve the referendum result.

Mr David Davidson (North-East Scotland) (Con): I take it that Brian Adam is winding up to say that this Parliament is all the better for having the Conservative list contingent here today, along with people such as him, so that we reflect society. I assume that he will expand on that point, but I thank him for noticing that we are here this morning, unlike many other members.

The Deputy Presiding Officer: Mr Adam, please wind up when you respond.

Brian Adam: I thank Mr Davidson for his intervention. I welcome the Conservatives' presence as a reminder to the public of just how bad they were.

I will highlight one or two examples from recent council elections. There are real problems in our councils. The situation cannot continue in which, in one local authority, the Labour party had 32 per cent of the vote—less than a third—but won 22 seats and a majority on the council. The Liberal Democrats gained 12 seats from 25 per cent of the vote. The SNP also had 25 per cent of the vote, but gained three seats.

The Deputy Presiding Officer: Please wind up, Mr Adam.

Brian Adam: That is a fourfold difference.

That does not reflect any kind of fair voting. It happened in Aberdeen, but the same is true throughout Scotland. It is a travesty of a result, an affront to democracy and an insult to the voters. The same can be said in many areas.

This is not idle whingeing. Such results matter because they are unjust, not just to my party, but to many other parties and to the voters.

The Deputy Presiding Officer: Please come to a close now, Mr Adam.

Brian Adam: I am not whingeing because the SNP did not do well; in the European elections we would have won an additional seat through the first-past-the-post system. We are prepared to accept that, from time to time, PR will not be to our advantage, but consider PR to be the best route. I hope that the minister will indicate whether she is sympathetic to the introduction of PR in local government.

The Deputy Presiding Officer: I indicated earlier that it might be necessary to put a time limit on speeches in the debate. Unfortunately, there will now have to be a time limit of three minutes per speech.

11:08

Trish Godman (West Renfrewshire) (Lab): I welcome the minister's statement and the debate.

I was especially interested in the working group to consider the renewal of democracy, which will, of course, include PR. I look forward to examining the report that Jack McConnell and COSLA will produce.

The minister said that the Local Government Committee will consider a range of issues. They will include the relationship between the Parliament and local government, the operation of a covenant, a joint conference and arrangements for local elections. I look forward to scrutinising closely the consultation document that the Executive will eventually present.

The first meeting of the Local Government Committee was this week. As convener, I was heartened by the experience of committee members. Some had worked in public service; some had been local councillors; and some, like me, had done both jobs. What was more heartening was their 100 per cent commitment to local government. That is a clear recognition that local government is more important than this Parliament in the daily lives of our constituents, because this Parliament does not deliver services to people directly. That is the remit of local government.

The committee's role is wide-ranging: to report on and consider matters relating to local government, the Scottish Administration, and the Executive. At first, second and even third glance, that is an all-embracing remit. The committee, like others, also has the power to legislate. We will use that power sparingly, but—I hope—wisely.

The committee's priority is clearly the McIntosh report. I assure councillors and council employees that they need have no fear or anxiety about the committee's deliberations and recommendations on, and criticisms of the report.

I hope that the Executive will be reassured by that statement, but I want to make it clear that the committee is not a limb of the Executive; like all other committees, its responsibility is to Parliament and, ultimately, to the people of Scotland. However, we will take cognisance of what the Executive has to say.

The committee will seek the widest possible engagement with councillors and officials in the examination of the McIntosh proposals. There will be genuine consultation with community councils, tenants associations, providers and users of services, voluntary organisations and with Neil McIntosh and his colleagues. We know that local councils provide excellent services in our cities, towns and rural areas and that they seek to protect vulnerable people. The McIntosh report is not a vehicle for sucking local authorities' powers into the Parliament. The principle of subsidiarity should be applicable to the relationship between

this Parliament, local government and the communities that we seek to serve. However, no institution or organisation should be immune from tough-minded examination or be afraid of change or reform, as long as that change has been based on genuine consultation and fair representation.

The committees are independent of other groups, but no doubt many people will lobby us. Perhaps I should declare an interest: I have known Neil McIntosh for many years. He has 100 per cent commitment to public service. I thank him for his report and, like other members of the Local Government Committee, I look forward to scrutinising it thoroughly.

11:12

Fiona Hyslop (Lothians) (SNP): Yesterday was a day to reflect on Scotland and our sense of who we are, from the fine speech made by Donald Dewar to Sheena Wellington's excellent rendition of "A Man's a Man For a' That" and Amy Linekar's witty poem. Even last night, Shirley Manson of Garbage got into the spirit of the day when she introduced a song that reflects the Scottish psyche, aptly titled, "Only Happy When it Rains".

Another sense of Scotland that was reflected yesterday was the intimacy and accessibility of government of all levels. Scotland is a small place. I took time out from the celebrations to speak to Norman Murray, the new president of the Convention of Scottish Local Authorities. He left me in no doubt as to what COSLA wants: an independent review of finance.

I pay tribute to the McIntosh commission for its fine work. It should be a matter of great pride to the many hard-working members of the commission that they created the consensus that has emerged in the debate. Nowhere is the consensus greater than on finance. In all the debates before the McIntosh report was published, finance was raised time and again. I have yet to find a local authority politician, officer or user group who does not believe that it is absolutely necessary that local authority finance be subject to an independent review. I regret that McIntosh was not given a brief to examine finance—reading between the lines of the report, I think that the authors agree with me.

I regret also that the minister has chosen not to accept the recommendation for a review. If McIntosh is to have any meaning, a review will be necessary sooner rather than later. I do not think that the minister's proposal of

"pressing ahead vigorously with action on a number of fronts"—

however useful that might be—is an adequate response. Our fear is that we are seeing a fudge on finance. We do not want to see tinkering at the

edges; we want a full review. Donald Gorrie is right: issues relating to the initiatives are not mutually exclusive of an independent review.

We are in an extremely serious situation. Scottish local government has taken a battering in the past decade, from local government reorganisation to huge expenditure cuts. Scotland's local authorities are £968 million worse off after the first three years of the Labour Government than they were under the Tories.

We need to consider other reforms in that financial context. Local government has an uncertain financial future. We know that the projections for 2001-02 highlight a potential real-terms shortfall of £170 million in the amount that local government will need to sustain services that it is required to provide.

The Executive might be able to address some of those problems in the budget bill—when it arrives—but we still need to highlight them in today's debate.

The Deputy Presiding Officer (Mr George Reid): Please wind up now.

Fiona Hyslop: We heard about a review of capital finance; will the minister consider the clawback rules on housing and the general services capital programme? Will the capital finance review include a review of those matters?

11:16

Des McNulty (Clydebank and Milngavie) (Lab): I welcome the McIntosh report and the minister's initial response.

I have three main points. First, the financial settlement that was imposed on local government following its reorganisation was manifestly unfair to local authorities with high concentrations of multiple deprivation. That reorganisation—partisan in nature—resulted in disruption and major reductions in services in many parts of Scotland; it affected the operation of voluntary organisations and community services, as well as that of local councils. I was working with Neil McIntosh at the time of reorganisation and I know the efforts that he and his colleagues in local government were obliged to make to combat the uncertainty generated by an illogical and ill thought through reorganisation.

The most lasting damage was done in terms of finance. The current system for allocation of local government finance takes little account of need: cash is distributed on a population basis, almost irrespective of the social and economic circumstances of the different localities in Scotland. We need to address that unfairness as a matter of urgency. We cannot allow two or three years more of misery in places such as West

Dunbartonshire, which has the highest unemployment of any local authority area in Scotland.

Financial allocations should be determined on the basis of clear principles and need must be at the core of the discussions. There will be winners and losers in any distribution change.

Bruce Crawford (Mid Scotland and Fife) (SNP): Will Mr McNulty give way?

Des McNulty: However, debate on local government finance has been stymied because, until now, Government has not led the way. It is difficult for individual authorities to agree to pass resources elsewhere. The current system cannot continue if we want to tackle social exclusion as well as ensure the continued delivery of quality local services for everyone in Scotland. Changing the distribution system would be the biggest contribution that the minister could make to addressing the problems of social exclusion.

Mr Gibson: Will Mr McNulty give way?

Des McNulty: Secondly, I want to highlight a weakness in the McIntosh report, in paragraphs 60 to 62, which deal with local government and the wider public sector. We should work from the presumption that local government, properly accountable to local people, should meet local needs. If it is in the public interest that an appointed body should deliver a function rather than local government, the justification for that choice should be made against well-understood criteria.

I welcome the fact that there will be a periodic review. However, we should start from the principle that local democracy is crucial to the management of public services. As someone who has served on a health board as well as in local government, I am certain that the management of health service provision should be done by the health service rather than by local government.

However, there must be a much closer relationship between health services and local government services. For years, previous Governments denied any links between health and poverty. In doing so, they inhibited effective action on health by councils, the services of which could make a huge contribution to the improvement of health standards. Representation is not enough: we need joint working, more imaginative ways of working and recognition of the leading role of local government in co-ordinating the planning of services across the locality. Partnership arrangements have done much to achieve that, but we need to move further.

Mr Gibson: Will Mr McNulty give way?

Des McNulty: I am sorry Kenny, but I do not have time. As part of the reform of local

government and the widening of democratic accountability, we need to go beyond what has already been achieved.

Finally, I would like to make a few comments on proportional representation.

The Deputy Presiding Officer: Please be brief.

Des McNulty: I detect no upsurge or pressure for the creation of list councillors in Scotland; nobody wants that or sees it as part of the panacea. I think that Donald Gorrie put an argument against proportional representation of which we must take proper account.

The implementation of proportional representation runs the risk of handing power from the electors to the party managers. Remember Portillo—the people of Enfield threw him out. Some systems of proportional representation will not allow the voters that same opportunity. If we are to have proper, accountable local government, it is vital that the voters can get rid of people who are not doing the business, and that is the central aspect of democratic accountability—and one which we should sustain.

11:20

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I firmly welcome the McIntosh report. I will not go over many of the issues that have already been discussed, particularly those raised by my colleague Donald Gorrie, who represented the Liberal Democrat interest.

I will focus on just two of the recommendations. The first one that I wish to examine, following on from Des McNulty's speech, is that:

"proportional representation be introduced for local government elections . . .

the subject be given immediate and urgent study, with a view to legislation which should take effect in time to govern the next council elections in 2002".

The second recommendation that I will examine is:

"an independent inquiry into local government finance should be instituted immediately."

I am becoming a little wary of some of the comments that have been made today about proportional representation. I will also quote from the partnership agreement of 13 May, so that we are absolutely clear what we are talking about:

"We will ensure that the publication of the final McIntosh recommendations is followed by an immediate programme of change including progress on electoral reform . . .

we will keep under review wider issues of local government finance."

Donald Gorrie is absolutely right. One can have day-to-day reviews of distribution of local government finance, but that does not stop one

putting into place a long-term review, so that the whole issue can be examined. It is fundamentally wrong that 20 per cent of local government income is gained locally and 80 per cent is dependent on sources elsewhere. I am surprised that the Executive seems to take a view of reform except when it comes to monetary issues, and I want to flag that up.

We must have an immediate commitment to electoral reform and a long-term review of government finance. Audrey Findlay, the leader of the Liberal Democrat-led Aberdeenshire Council, to whom I have spoken, is firmly of that view. As Brian Adam said, almost all views from local government and COSLA are the same—they want a review, and it is about time that we delivered it.

11:23

Mr Gil Paterson (Central Scotland) (SNP): I pay tribute to the minister and congratulate her on her statement. It was a wide-ranging statement, and very welcome.

Cabinet-style local government—or, to be more accurate, the role of an accountable executive in local government—has been one of the main debates, both pre and post-McIntosh. The functions of these new-style executives and their interrelationship with an elected provost—or mayor, as some Labour members choose to call them—have generated many column inches of copy in our national press. That is one of the issues that interest the public most.

Of course, some of the people who are particularly interested are those who have been badly affected by the present system and who may have lobbied a committee or even a full council to find that the decision has already been made. What they see is merely a rubber-stamp exercise. In many ways, local government is very unaccountable.

Of course, at election time, we are all accountable, and councillors and councils are accountable. Councillors are, indeed, accountable at surgeries. However, we can all think of examples—and I am sure that most of us have been involved in such situations—of when perhaps a parent comes along who believes that a bad or wrong decision has been made about, say, a local school closure. They go to an education committee where they see no real debate and where a decision is ratified—which was, in fact, taken previously, behind closed doors. After that, what can they do? They can go to the surgery and complain to their councillor. They might be reassured or placated, but they will probably be ignored. I doubt whether they would vote for that councillor again. That would be detrimental to local government, because one such incident might

blow an otherwise very good councillor out of the water. In those situations, it is the community that loses out.

The difficulty is that councillors have been whipped into line; it is not necessarily the councillor who is wrong, but the system. Is the real reason for voter apathy that the public can no longer influence decisions when the elections are over and so feel powerless? The McIntosh report attempts to address that very problem. Under the McIntosh recommendations, decisions will be open and transparent and people will understand why they have been made. Paragraph 103 on page 28 of the report says:

“Our recommendation to councils is that they should review their own procedures with the principal objective of ensuring that policy proposals and matters for decision by the councils are subject to open debate; and that the council may effectively scrutinise the actions of the leadership and hold it to account for its performance: that is to say that these matters should be debated in public and there should be opportunity for them to be examined and questioned, without unnecessary constraint imposed by a party whip.”

The McIntosh report has kicked the policy of elected provosts into touch. We welcome that very much and I hope that the minister takes it into account. Such a policy goes against the grain of the McIntosh report—God help us if we have a reincarnated Pat Lally in Glasgow.

We support the findings of the McIntosh commission and believe that the recommendations will form the basis of the rebirth of local government. However, as other members have said, we must refrain from cherry picking. Kenny Gibson made that important point well. As the McIntosh report comes as a package, let us take it in that way and start building a new local government for Scotland in Scotland.

11:27

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I welcome both the minister's statement and her robust defence of the socialist principle of property tax and of the democratic principle of decisions about local government finance being made here. In line with that, I hope that the McIntosh commission's recommendations will be seen not as set in stone, but as a useful starting point for the debate on the renewal of local democracy.

We should all record our thanks to the commission. Having been the local government minister in its gestation, I probably should not say that the commission was well chosen and had a well-defined double-pronged remit, but I will anyway. The first part of its remit has been brilliantly discharged in the assertion of the principle of power sharing and in the

recommendations of a covenant and a joint conference. Although the commission establishes subsidiarity as the fundamental principle, that does not mean that we should not give strategic direction to local government. More controversially, I believe that money should be ring-fenced for vital projects such as the carers strategy and the strategy against violence against women.

I feel some disappointment with the second part of the commission's remit about responding to people. I welcome the report's recommendations on community councils, as there are many excellent ones in my constituency. I also welcome the minister's statement that we need to go much further in involving local communities in local decisions. We have to start with the fundamental principle of a more responsive local government with a strengthened role for local councillors as representatives and champions of local people. All local groups—such as tenants groups, community groups and community councils—must be involved in that.

It is in the light of that fundamental principle that I hope that the debate about executives and PR systems will take place, because some of those systems make for less responsive local government. I hope that we will have a full and frank debate about that. If we are going to have an executive system there has to be, as the commission admits, a different kind of whipping system so that back-bench councillors can put forward the views of their communities. I am glad that the commission has recommended that and hope that the Executive will take it on board.

With more proportional systems we must preserve the link between a councillor and an area; a closed list PR system, for example, would result in far more power going to parties, with councillors becoming far less responsive to local communities.

Mr Alex Salmond (Banff and Buchan) (SNP): Given that the McIntosh commission was so expertly chosen and had such wise people on it, will Mr Chisholm accept that those wise people must believe that there is a substantial argument in favour of the recommendation that local government elections should be held between national elections rather than on the same day as them?

Malcolm Chisholm: I do not think that that is one of the commission's fundamental recommendations. However, I support it because I agree that it is important that people should focus on local government in local government elections. In the recent local government elections, people focused on the Scottish Parliament.

We should approach all the recommendations

with an open mind. The McIntosh commission has given us an excellent foundation. I hope that the Local Government Committee and this chamber will be able to have a full, frank and open debate about its recommendations so that we renew democracy at a local level, just as we intend to renew it at this national level.

11:31

Robert Brown (Glasgow) (LD): I, too, welcome the McIntosh commission report and Wendy Alexander's speech in support of it. Her speech was stylish but I am bound to say that, as one listened to the detail and examined it afterwards, the substance appeared to retreat a little.

On the voluntary sector, we live in a pluralist society and the aims of the Executive and of the commission are to enhance that part of it. That means not only working with local government but making sure that the voluntary sector in Scottish society is enhanced and protected.

Over the years, I have had some involvement with citizens advice bureaux. An awful lot of the time of the management committees of those bodies—and many others, I am sure—is taken up with complicated negotiations with local government and central Government to secure core funding. An example of that—it has been in the press during the past few days—is the Bath Street CAB, which faces a major financial crisis. It is important that we protect the financial structures and organisational independence of the voluntary sector. If the sector has an agenda that does not quite fit the objectives of central and local government, it is important that we recognise that that agenda is equally valid; it should not affect its financial support.

The issue of long-term financial support for local government has been mentioned. I support the comments made by Donald Gorrie and others that, as well as changes in the short term, we need a longer-term review of the system of local government finance.

An awful lot of fluff is talked about proportional representation; indeed, we heard some from Des McNulty earlier. We need accountable local authorities—accountability means that we must be able to get shot of them when they do not do their job. It is no doubt purely by accident that Labour has controlled the vast bulk of authorities in Scotland over the past few years. There have been all sorts of difficulties in one or two of them. There have been some good ones and some bad ones but, under the current system, there is an inability to get rid of any of them.

Some PR systems are better than others. We need a system, such as the single transferable vote, which retains the local link with the councillor

and allows the elector to choose who is to speak for them; it also allows an element of independence and breaks any excessive party rule.

Unless that central issue is dealt with, we will have problems in taking seriously some of the other issues. Against that background, the failure today by the Executive to give an assurance that there will be legislation on PR before the next local government elections is a major fault in the Government's proposals.

Mr Gibson: Would the member support the withdrawal of the Liberal Democrats from the coalition if the Government failed to introduce PR in time for the next local authority elections?

Robert Brown: I have finished my speech.

Mr Gibson: Silence speaks louder than words.

11:35

Tommy Sheridan (Glasgow) (SSP): It has been with some frustration and anger that I have listened to some of the contributions to the debate—especially the one made by the minister. I have been a serving councillor for the past seven years and I remind the chamber that the background to the McIntosh inquiry has been seven years of the withdrawal of funding, of the undermining of local democracy and of the undermining of authorities' ability to serve their citizens. I remind the minister that—especially in the past three years—my city of Glasgow has been hammered. Glasgow, which is clearly the most poverty-stricken city in Scotland, has suffered budget cuts of £200 million and the loss of 4,000 jobs.

Much has been said about the fact that we formally assumed our powers only yesterday but I remind the minister that the Labour Government assumed its powers more than two years ago. In that time, it has done absolutely nothing to address the problems of poverty-stricken areas such as Glasgow. Those areas have faced horrendous cuts as a result of both the withdrawal of central Government support for local authorities and the maintenance of the completely unfair and unworkable local government reorganisation, which especially penalised the City of Glasgow.

Why, after two years of the Labour Government, has the capital receipt payback rule not been rescinded? Why, after two years, have the regulations on the retention of rates within the City of Glasgow not been changed? If those regulations were changed, it would allow additional expenditure this year of some £60 million. I am not talking about legislation, which would not be required; we are looking for a change in regulations.

It was with a sense of disappointment that I listened to the minister's speech, because although the overriding concern of McIntosh was the modernisation of local authorities—he makes some worthwhile and welcome suggestions about improving their transparency and accountability—he makes the point at the start and end of the report that there should be an independent review of local government finance.

This debate is just talk unless there is a review that results in the return of financial powers to local authorities and that improves their ability to deliver services to our pensioners, to our young people and to our disabled. The McIntosh recommendations will not deliver improvements in any of those areas unless there are additional resources to go with them. Will the minister join me in condemning the Labour Government for its failure in the past two years to address the horrendous problems that I have spoken about?

11:39

Kate MacLean (Dundee West) (Lab): I hope that Tommy Sheridan will forgive me if, like the minister, I do not join him in condemning the Labour Government.

I welcome this opportunity to discuss the McIntosh report. I imagine that chapter 4, which contains recommendations about the electoral system, will be the most hotly debated part of the report in this chamber, in council chambers and in the media. Unfortunately, that will probably deflect from some of the other issues that the commission discussed. I say unfortunately, because although PR will exercise the minds of politicians and journalists, I suspect that it is the issue of least interest to the general public. As long as the link is maintained between councillors and the community, people are more concerned about what local government does than about how it is elected.

I agree with everything that Des McNulty said about local government finance. After local government reorganisation, Dundee was left in a similar position to that of Glasgow—in terms of poverty indicators and league tables, the two cities vie for first place.

That is why I welcome the fact that, although finance was not included in the remit of the McIntosh commission, the commission recognised the importance of the way in which local government was financed and recommended a review, particularly of the distribution formula, which would be welcomed in my area—Dundee City Council has campaigned on that issue for a long time.

Bruce Crawford rose—

Kate MacLean: I have limited time, Bruce, so I would rather not give way.

Although the McIntosh report covers many important issues, the key section is chapter 6—“The Voice of the People”. I welcome the recommendations as far as they go but, like Wendy Alexander, I do not think that they go far enough. When community councils operate well—as they do in some parts of Dundee West—they ably articulate the views and concerns of local people.

Community councils are not, however, the only representative bodies in communities. In some areas they do not exist or are less relevant than tenants organisations or other local groups. That is particularly so in areas where groups have been brought together to combat poverty and deprivation and to improve and regenerate communities. I hope that ways can be found in which to give representative groups equal status in the democratic process. That is only briefly mentioned—in paragraph 164 in chapter six—and I think that the proposal should be strengthened.

Finally, I hope that local government will not be used as a political football in this chamber as it has been in other forums in the past. I was a bit disappointed by Brian Adam’s contribution in that respect. People come into contact with local government 24 hours a day from cradle to grave, and the majority of that contact is positive and beneficial. Councils of every political persuasion or none provide excellent services to the people that they represent.

I hope that the McIntosh report can be seen as the first step towards strengthening the role of local government and that this Parliament and local government can work in partnership to achieve that aim. There will be no partnership if local government is a subordinate partner, as was seen to be the case in the past. The partnership must be equal and must be built on trust, understanding and common goals.

11:41

Colin Campbell (West of Scotland) (SNP): I rise with a note of dissent—my colleague Kenneth Gibson is trading in the metaphorical trench warfare equipment of his Glasgow council experiences. I feel that we are all afloat in a sea of consensus that is unlike anything on which we have floated for a very long time. I will strike a discordant note in referring to the fudge that Kenny mentioned in relation to the power of general competence.

The minister’s speech was beautifully delivered, but here and there the voice fell and the wording changed. In other areas of interest in which the minister is enthusiastic we hear phrases such as

“happy to endorse”, “inform the process and lead”, “I accept them all”, “sympathetic” and “committed”. Then we get to general competence. Ms Alexander said:

“I want to consult carefully on the case for a power of general competence.”

That is just a wee bit canny and cautious—I hope more by accident than by design.

She also spoke about consultation. Those of us who have been out in the world in local authorities—or even as citizens before we ever got into politics—have come against consultation head on. As has been mentioned, when a council says that it will close a school, it has a statutory obligation to consult. The consultation is carried out; the council listens and closes the school anyway. Consultation has a bad name. We all have a heavy responsibility to ensure that we make consultation a meaningful process that draws people into the decision-making process.

We endorse the McIntosh commission recommendations because the essence of the report was in the Scottish National party’s 1999 general election manifesto and in our 1999 local government manifesto; indeed, much of it was in our submission to the commission. The principle of subsidiarity is important and the power of general competence is part of that. I conclude by saying simply that our commitment to real democracy will be judged by the extent to which we devolve power down the system away from ourselves.

11:45

Helen Eadie (Dunfermline East) (Lab): I congratulate the Minister for Communities on her statement and welcome its sensitivity. I agree with the minister’s praise for the McIntosh team and praise also the dedication of the many councillors and officials who were involved in the McIntosh report.

Our challenge in this chamber is to demonstrate, against the background of perceived threat, that we are totally committed to local government. Our mission will be to persuade local government that we have an opportunity for a fresh start and that the two organs—local government and the Scottish Parliament—can work together in real partnership.

I welcome the minister’s emphasis on renewal rather than legislative change and support Donald Gorrie’s comment about building on consensus, which is vital. From what the minister said and the way in which she said it, I sense that she understands and is sensitive to the issues that confront local authorities.

Our mission will be to reassure local authorities that we recognise that what makes them different

from other agencies makes them unique: the fact that local authorities are elected and can claim the same democratic mandate as this Parliament; the fact that they have the power to tax, albeit that they are constrained from doing so in various ways, and that that power requires accountability through the ballot box, setting local authorities apart from every other body except Government; and the fact that local authorities are multipurpose and provide a uniquely wide range of services to the community.

Local authorities perceive significant, imminent change as a threat. They see the Parliament as an institution that will further erode their autonomy. Proportional representation must acknowledge the different views across Scotland. I share Des McNulty's concern. However, I believe that if there is an open, honest and transparent debate, council members will accept the wisdom of this Parliament.

There is one key omission from the McIntosh report. We have made the connections between the Scottish Parliament and local government, but we have failed to set up connections with the Westminster Parliament and the European Parliament. There has been major apathy towards Europe across Scotland. Europe controls and influences our lives a great deal. While I welcome the McIntosh report, I hope that this Parliament will go beyond it and address such issues.

Finally, finance is critical. Within two or three years, the point will be reached in the area of Fife in which I was a councillor where there is absolutely no capital for various capital projects.

The Deputy Presiding Officer: I apologise to members who have not been called to speak. Members will, however, be aware that that is an area that will be investigated by the Procedures Committee. There is about four minutes each for the Tory and SNP winding-up speeches.

11:48

Bill Aitken (Glasgow) (Con): Local government should be effective, efficient and responsive to local needs. I doubt that any member of this chamber would disagree with that statement. We should be grateful to McIntosh and his colleagues for identifying the way in which local government is falling short of those aims. There is no doubt that, despite the best efforts of many people, local government is falling short of the standards that we would like to impose in partnership with local authorities.

We must examine the membership of councils. Members who served with me on City of Glasgow Council will agree that many of the council's members were drawn from the ranks of the unemployed, housewives and people who worked

for other local authorities, together with the occasional person who ran their own business. I am not saying for one moment that there is anything wrong with those sections of the community, but they are hardly representative. We must make every effort to make local government more inclusive and to encourage more people to stand.

How do we do that? We must examine the way that councils are run. Few can doubt that the present cumbersome and laborious structure of many local authorities is a disincentive for people to enter local government. It is pleasing that the McIntosh commission suggested that the cabinet system might be considered. The report also suggests that the time of the full-time councillor has perhaps come and that the councillor should be remunerated accordingly. Conservative members would argue that that must be self-financing and that it must be achieved by a reduction in the number of councillors.

McIntosh identifies the real problem of local government as voter apathy. Why are people not interested in councils? Mike Rumbles put his finger on it when he pointed out—I do not know which local authority he had in mind—that 20 per cent of local government finance is financed by the local authority and the electors in that area. In my experience the proportion is usually much smaller; for example, Glasgow is somewhere in the region of 14 per cent. When there is no pecuniary interest, people are reluctant to involve themselves in the affairs of local authorities, which is bad. Local authorities should be subject to scrutiny and electoral questioning to a much greater extent than they have been up to now.

I think Disraeli said:

"The ability to tax and please is a gift not given to man."

Various experiments have been carried out about how local government finance should be reorganised. None of the experiments have been successful. That brings me to the conclusion that the only solution to that difficulty is to recognise that some of the powers of local government—I know that there will be resistance to this—should be taken from them. Education, which is one of the big spenders, should, possibly, be administered by this Parliament. That would enable local government to look more closely at the powers with which it has been left.

Dr Elaine Murray (Dumfries) (Lab): In view of the earlier comments made by Mr Mundell, I wonder if Bill Aitken will outline how rural schools will be protected should education be centred in Edinburgh.

The Deputy Presiding Officer: Bill Aitken, you are beginning to run out of time.

Bill Aitken: I do not recall David Mundell contributing to this debate. The point raised by Dr Murray would be a matter for the Parliament. Basically, local government finance is a burning issue that we must consider. If the education function was removed and dealt with here, it would enable local government to concentrate its mind somewhat better than it is able to do at the moment.

11:53

Bruce Crawford (Mid Scotland and Fife) (SNP): I think that we can all be confident that everybody in local government will recognise that the consultation process undertaken by the McIntosh commission has been an exemplar in terms of active listening and deserved outcome. It would be too much to expect everyone to be fully satisfied with the outcome of the commission's work. The least that we can expect is for all, especially the Government, to give its findings full, detailed and proper consideration.

From the minister's statement, I am glad to see that the Executive has, for the most part, embraced the spirit of the commission's findings. Having said that, I am concerned, like others, about the departure from the report of an independent inquiry into local government finance. I am disappointed that the Executive has not considered building on the commission's report by taking the imaginative step of announcing how it may deal with community planning powers for local government. The minister will be aware that for the past year, five local authorities—I will not name them because of time restrictions—have been battling the authorities in that area. I hope that the deputy minister will deal with that in his summing up and tell us when we can expect that area to be considered.

I will comment quickly on the prospect of proportional representation, local government, pay and conditions for councillors and the potential for executives. The Executive is be applauded for not allowing the self-interest factions, which have been so vociferous in the past 10 days, to deflect them from the path of improved democratisation in local government. It is good to see recognition of the fact that changes are badly required in political decision making and remuneration.

It is a great pity that the political dinosaurs who currently form the administration of Perth and Kinross Council do not have the foresight to grasp this culture of change. That unholy coalition of Tory, Labour and Liberal councillors recently refused to endorse a report from a forward-looking chief executive who recommended a review of the council's political decision-making process and remuneration packages for councillors. Perhaps the minister would have a word in the ear of the

Labour provost, the Tory depute provost and, while she is at it, the Liberal depute leader of the administration, and see if she can drag them into this century before we reach the next.

Impossible tasks aside, I would like quickly to turn to the matter of local government finance. I say in all sincerity that, in terms of laying down a solid foundation for the future and creating a real and meaningful relationship between local government and the Parliament, all the good intentions could be in danger of being undermined if we do not have an independent review.

We need an independent review with a brief to establish a needs-based methodology that assesses the demographic and social profile of an authority, and not just on the basis of per head of population and geographical location. The issue is not just about how the cake is distributed: it is also about the size of the cake—the amount of money that is available to local authorities. That needs to be taken on board.

McIntosh raised that issue in his report because of the din that was made by local authorities across Scotland. Indeed, that din was converted into fine words by COSLA in its document about local government in Scotland, which was endorsed earlier this year by all of Scotland's former council leaders, including Frank McAveety, who is now Deputy Minister for Local Government, Kate MacLean, Tom McCabe, Ian Welsh, Peter Peacock, and, I have no doubt, many other councillors here. I hope that they will continue to lobby in the same way that they did when they signed up to that contract.

This has been an interesting and lively debate. I will make one final point, because I can see the Deputy Presiding Officer looking at me. It is crucial that we agree to four-year terms for councillors, but it is also crucial that we resist robustly the idea of having council elections on the same day as the parliamentary elections. That would not be good for democracy and the empowerment of local authorities in this country.

The Deputy Presiding Officer: I call Mr Frank McAveety to wind up this debate.

11:57

The Deputy Minister for Local Government (Mr Frank McAveety): I am delighted to be standing here as the surrogate of Wendy Alexander. For the benefit of members I hope to sum up the debate, which I think has been helpful to the response that we must have on McIntosh.

Like many others, I pay tribute to the work of Neil and the members of the committees and for their consultation across local government, where I previously existed. I was aware that some

members might raise an issue that Mr Crawford raised, which was that we served different roles than those from which we speak today. It is important that that is recognised in the contribution.

I am delighted to have served in local government in the largest authority in Scotland. I depend on local government to deliver good-quality services for people like myself and my family, as, I am sure, do many people present today. My experience was in the quiet, non-eventful and placid political culture of Glasgow City Council. I am delighted to hear the consensual comments made by many of my former colleagues but, not surprisingly, Mr Sheridan decided to change—again—and continued with the single transferable speech that he has made on every occasion during his seven years in the city chambers.

McIntosh stated that local government serves the people and represents the community. Everyone present welcomes those features of local government. In the ministerial statement we made it clear that we want local government to serve the people and to represent their communities. I hope that local government is up to the challenge and rises to it, and ensures that we work in partnership to make a difference for all Scotland.

The issue is not necessarily about delivering services, no matter how important that is at a local level. The issues concern a vision of what local government can achieve—as we have heard today—when it thinks more strategically and in the long term about the needs of its communities, of how it serves the people and how it represents them. For example, it means not just thinking about the housing of the present, but the making of sustainable neighbourhoods for the future.

The issue is not about the service that existed previously. As Norman Murray said this week about the concerns of the past 20 years, local government is almost like the drunken relative at the party. However, it will no longer be the drunken relative at the party. We will drink with local government to make a difference for the future. I say that strictly as a teetotaler, Mr Deputy Presiding Officer. I admit that certain other members enjoy themselves much more fully, although they cannot match the enjoyment and excitement of Alex Salmond's household as he watches Ceefax at one o'clock in the morning. Maybe I will try that for enjoyment the next time that I am up for a wee bit of fun.

Local government should not only address the problem of poverty, but consider the role that it can play in achieving change. I want to address the main points that Mr Sheridan made, because he made them to me for seven years as a member

of City of Glasgow Council. He was wrong throughout that time and he is wrong today. He is not the only person who cares about poverty and deprivation across Scotland. His party received fewer votes in the city of Glasgow even than the Conservatives, yet he claims to represent everyone in Glasgow. He ignores the series of initiatives that the Labour Government has introduced over the past two years to tackle long-term poverty and need.

Where was he during the debate about the minimum wage, the working families tax credit—

Tommy Sheridan *rose*—

Mr McAveety: I will give way to Tommy in a minute; I am always delighted to take an intervention that helps me with my own speech. The schools investment strategy and the largest-ever increase in child benefit should be welcomed, but I have yet to hear Mr Sheridan do so in a debate.

Tommy Sheridan: In 1997, the proportion of schoolchildren in Glasgow who were receiving free school meals because they were living in poverty-stricken families was, as Mr McAveety knows, 37 per cent. By 1999, it had risen to 43 per cent. Why has poverty increased under the Labour Government?

Mr McAveety: Mr Sheridan takes a very narrow perspective, but I will answer his question. The roots of poverty go back beyond 1997. Families have experienced mass unemployment and a lack of employment opportunity; communities have been scarred. It takes longer than two years to retrieve that situation. It is okay for members of the SNP to support Mr Sheridan in this debate—as they have often done in debates in this chamber—but the record since this Government came into office in 1997 shows that it has made a sustained attack on child poverty. I am delighted to say that we stand on that record.

Mr Salmond: Child poverty is increasing.

Mr McAveety: I have told Mr Salmond why it is increasing, in case he was not listening—that is a very common problem of his. The roots of poverty go back much further than two years.

Mr Salmond *rose*—

Mr McAveety: I will give way to Mr Salmond in a moment. Can he say what measures this Government has not taken to deal with child poverty? I have identified a series of measures, which the Labour Government, in conjunction with its Labour colleagues in local Government, will implement to tackle the problem.

Tommy Sheridan: They are not working.

Mr McAveety: I hear Mr Sheridan say that the measures are not working. Has Mr Sheridan

rejected the social inclusion partnership money for the greater Pollok area? Has he rejected the investment in secondary schools that has been made right across Glasgow? Does he recognise the investment in the baseline assessments for local government—4.8 per cent more than in the past two years—and the commitment that was made to local government in the comprehensive spending review? There is an opportunity to change. If Mr Sheridan wants to hold a fixed view, along with his colleagues in the SNP—there seems to be collusion between them on this issue—that is fine, but we want to move forward.

Mr Salmond: Will Mr McAveety give way?

Mr McAveety: I will give way in a moment to Mr Salmond, but I want to continue.

We have a key commitment—

Several members: Give way.

The Deputy Presiding Officer: The minister has indicated that he will allow Mr Salmond to intervene shortly.

Mr McAveety: I may consider doing so later in my speech.

Mr Deputy Presiding Officer, local government seeks parity of esteem. The statement that the Minister for Communities made today indicates that we, too, seek that. It is rather like a brother and sister relationship. I say that with due respect to Wendy Alexander, who this week was disgracefully attacked by the Conservatives in a press release, which made reference to the relationship between her and her brother, Douglas. We want to rise above that puerile contribution. *[Applause.]*

Like a brother and sister, local government and this new Parliament have something in common. We want to get on, but we sometimes have blazing rows. However, like a brother and sister, we can make up. In the first few hours of this new Parliament, and over the next few years, we need to ensure that we bind together the family of government, so that the Parliament and local government can make a difference. Our Parliament is only hours old.

Mr Salmond *rose*—

Mr McAveety: I will let you in in a moment, Mr Salmond.

We are debating an issue which is about real people, real places and real things. It does not involve endless debates about constitutional settlements, or saying that the idea was fixed in time from May 1999. It is not about making the same point over and over again, saying, "If only Scotland had voted a different way." It is not, Mr Salmond, about endless reruns of "The Great Escape", with John Swinney as the dashing Steve

McQueen, or Dorothy in "The Wizard of Oz" on the yellow brick road—with due respect to my friend and colleague Dorothy-Grace Elder.

I wish to conclude on four guiding principles. *[MEMBERS: "Give way."] I will give way to Mr Salmond.*

Mr Salmond: Can I drag the deputy minister back to the subject that he is trying to get away from? *[Applause.]* Poverty has deep, underlying causes. Every member in this chamber will agree with that, but the question that he was asked was why it has been increasing over the last two years, according to the measurement which Mr Sheridan gave. It is a legitimate question, whether asked by a member of the Scottish Socialist party, by the Scottish National party or by any member of this chamber. I suggest that the minister stops dodging it and starts answering it.

Mr McAveety: I hope that I am allowed the time to reiterate what I said earlier, which Mr Salmond seems to have ignored. *[MEMBERS: "Answer the question."] I am trying to answer the question, if members would allow me to do so. The deep, underlying causes of poverty go back long before 1997, which Mr Salmond accepted. The Labour Government has engaged in a series of measures—and will continue to do so—to tackle the underlying causes of poverty. I have already mentioned the series of policy developments that we have made. I do not wish to repeat them, and if members do not like them, tough—they are actually happening.*

I recognise that a consensus is developing on the principles underlying our response to the McIntosh report. This chamber wholeheartedly supports the idea of making a commitment to ensure ethical standards in public office. We are committed to identifying ways in which leadership can make a difference at a local level, irrespective of party or individual. Each and every one of us has a responsibility on that. We want a full and honest debate on democratic renewal, electoral systems and how to support local government in its job. It is important for us to engage in that process. COSLA has asked for nothing less.

Mr Keith Raffan (Mid Scotland and Fife) (LD): Will Mr McAveety give way?

The Deputy Presiding Officer: The minister is winding up.

Mr McAveety: On partnership, there is a shared agenda for trying to ensure excellence and achievement. It is about recognising that we can move together, not about centralising powers, a proposal which some Tory members have put forward as a principle for education. It is about recognising the impact that reorganisation has had on all authorities in Scotland: it was a botched and non-consultative reorganisation. In this chamber,

we have a vision of a good council flourishing and a weaker council being supported and developed.

My opinion is that an agenda for excellence is a noble challenge. I think that, together, we can make the difference. I welcome the contributions from across the chamber today—no matter how heated some of the exchanges were—which were made to ensure that we in the Scottish Parliament use our role to support and develop local government, and that local government recognises our role in setting broad parameters for governance in Scotland. I hope that we can build the family of Government together, and that we can make a difference for the future.

Student Finance (Committee of Inquiry)

The Deputy Presiding Officer (Mr George Reid): The next item of business is a debate on motion S1M-82, in the name of Henry McLeish, on the independent committee of inquiry on student finance. I call Mr McLeish to speak briefly on, and move, the motion.

12:09

The Minister for Enterprise and Lifelong Learning (Henry McLeish): I intend, Mr Reid, to be reasonably brief. The history of the issue of student finance is now fairly well documented. There was a lively exchange of views on tuition fees during the general election campaign. On 17 June, this Parliament decided that it wanted to look seriously at all the contextual issues surrounding tuition fees, and we agreed to set up a committee of inquiry: the motion was passed by this Parliament.

Today, I hope—for two reasons—that the terms of reference, the time scale and the membership will be accepted. The first is that, in our deliberations, we always distinguish between the institution that we are in and the party political differences that might divide us on certain issues. Passing this motion today will reflect 55 days in the Parliament; it will also reflect that this institution is big enough to say that there are political differences in the Parliament and that we want all those differences to be the subject of an objective examination by an expert committee that this chamber has agreed to set up.

The second reason is that the people on the committee have been picked very carefully. In setting up the inquiry, I have met the two education spokespersons of the major opposition parties. That is the first time that that has happened in post-war Britain. I have also talked with Dennis, Tommy and Robin, to try to achieve consensus. Those discussions have been constructive and we have absorbed some of the points that others have made.

As the minutes unfold, there will still be outstanding differences, but I appeal to all members to try to establish unity around the committee after those differences have been voiced. That will not mean making concessions, which was my theme when I spoke before; it will mean that 14 people who have the confidence of Scotland and, I hope, the confidence of the Parliament, will be able to get on with a serious piece of work over the next six months. It will illustrate that, after 55 meeting days and a wonderful opening day yesterday, we can progress towards the new politics.

The committee is broadly based and reflects diversity in geography and gender. Higher and further education institutions are represented, and an independent element is involved. The committee's task is to take written or oral evidence, and to have a debate to which all organisations will have the opportunity to submit their views. After that, it will rightly be for the whole Parliament to review the committee's findings and to deliberate on what should be done.

I hope that all parties can unite around this inquiry. No one who speaks during the next 20 minutes should think that they are making a concession. It is vital that we put that fear aside and get on with the matter that is before us. If we can do that, I hope that we will have six months of debate. Politics is about the general election—that is absolutely right. This Parliament has also had its chance. What is wrong with letting the people loose on this important issue and asking those with an interest in education in every college, university, union and workplace to make their views known?

I move,

That the Parliament recognises the growing importance to Scotland's society and the economy of lifelong learning, the wide range of circumstances of those engaged in lifelong learning and the widespread concern about how students finance their studies; calls upon the Scottish Executive to appoint urgently an independent committee of inquiry with the following terms of reference and membership to report before the end of 1999, and calls upon the Executive to lay a copy of the Committee's report before the Parliament—

Terms of Reference

To conduct a comprehensive review of tuition fees and financial support for students normally resident in Scotland participating, part-time or full-time, in further and higher education courses anywhere in the UK;

To have regard to the desirability of promoting access to further and higher education, particularly for those groups currently under-represented, while taking account of the need to maintain and to develop quality and standards, and the position of Scottish further and higher education in the wider UK system;

To make recommendations for any changes to the current system, and provide costed options where these may require additional resources;

To present a report of its finding to the Executive by the end of 1999.

Membership

Andrew Cubie (Chair), Morag Alexander, Rowena Arshad, George Bennett, David Bleiman, Eleanor Currie, David Dimmock, Marian Healy, Archie Hunter, Dugald Mackie, Ian Owens, Heather Sheerin, Professor Maria Slowey, David Welsh.

The Deputy Presiding Officer: This is a brief debate and speeches will be limited to three minutes.

12:12

Mr John Swinney (North Tayside) (SNP): I will begin with three constructive remarks. The First Minister should not be surprised that I make constructive remarks; it happens quite frequently.

First, the minister spoke of consultation. I appreciated the opportunity to discuss this issue with him. We have had input, some—although not all—of which he has taken on board.

Secondly, what I shall say about the committee of inquiry has nothing to do with the individuals that have been recommended for appointment by the minister. If individuals are prepared to offer their services to such an inquiry, they should be protected from being knocked about in the chamber. I have no intention of doing that today.

My third constructive remark—to complete the hat trick—concerns the minister's closing remarks. I was not surprised when he said that politics is about the general election. He is absolutely right. We had a general election that made it quite clear that the majority of this Parliament wanted the abolition of tuition fees. That inescapable fact has been rehearsed in this debate already and it has been the subject of an enormous amount of debate in this Parliament. By deciding to pass the decision elsewhere, thinking that we are serving our election mandate, this Parliament is losing sight of exactly what the people voted for at the general election.

A student came to see me at my surgery on Monday. She told me that in the first election ballot she had voted for the SNP in North Tayside because she believed that the abolition of tuition fees would be at the top of our priorities. She was confident that I would come to the Parliament and vote for the abolition of tuition fees. She voted for the Liberal Democrats in the second ballot, however, because she wanted the Labour party to be held to ransom over tuition fees. That is an example of the sort of discussions that I have had with my constituents, and it provides real evidence on which this Parliament ought to reflect.

During question time, Alex Salmond asked the First Minister how he felt the Parliament would meet the expectations of the people of Scotland. The Parliament would have been expected to take early steps to abolish tuition fees. The proposal before us today begins to cast doubt on the practicality of abolishing tuition fees for the academic year that will start next autumn. Practicality is an important word in this debate and one that was used by Mr Rumbles in our debate on the subject a couple of weeks ago.

Even with this inquiry, we may face practical difficulties in achieving the abolition of fees. That is a difficult prospect for students to face up to. An increasing number of students tell me that there is

an obstacle to gaining access to higher education because it is perceived that going to university costs a lot of money. Until we do something dramatic—and substantial—to change the situation, we will not deliver the expectations of the people of Scotland.

The minister has presented his recommendations to Parliament today and we will have the opportunity to vote for them in a few moments. Members of my party will register our principled commitment to immediate action to abolish tuition fees, and we will cast our votes accordingly.

12:16

Mr Brian Monteith (Mid Scotland and Fife) (Con): I do not propose to revisit the debate on tuition fees. It would be too painful for Liberal Democrat members to be reminded of the treachery that they visited upon the Scottish electorate when they entered into their deal with Labour.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD) *rose—*

The First Minister (Donald Dewar): Stop smiling.

Mr Monteith: People who know me, Donald, know that I smile a great deal.

The Scottish Tories have made it clear that we oppose the creation of the committee of inquiry because we believe that free higher education is non-negotiable. To link tuition fees to the important question of student hardship is to give up on that principle, to betray it and to put it on the negotiating table. We think it important that there should be a committee of inquiry into student hardship, but that is not what is on offer here.

I welcome, however, the consultation that was provided. That is an important step forward. Although we had some useful input, we are disappointed that there were some matters about which we were unable to convince the minister to change his mind. It is not our committee, nor is it Henry McLeish's committee; it is Jim Wallace's committee and we shall see how the Liberal Democrats respond to its findings.

The committee, who sits on it and who chairs it, are not particularly important issues for us in the chamber today; it is not our committee. We had something to say about the committee's remit and construction and, although Mr McLeish took into account some of what we said about our concerns for Scotland-domiciled students, we were disappointed that there is only one student on the committee, not two. In limiting representation on the committee to one student, it was obvious to us that a representative of the National Union of

Students would be chosen. The universities of St Andrews, Glasgow and Edinburgh, which are not members of the NUS, will not have the direct representation that they would otherwise have had. Edinburgh University Students' Association has a proud and honourable record of dealing with student welfare—it could certainly be claimed to be better than that of the NUS.

The individuals who make up the committee are not our concern, but we are disappointed that there is only one student. There are four business leaders, two trade unionists—

Pauline McNeill (Glasgow Kelvin) (Lab): Will Mr Monteith give way?

Mr Monteith: Certainly.

The Presiding Officer (Sir David Steel): Please do not give way. You must begin to wind up now, Mr Monteith.

Mr Monteith: We can speak outside later. I am sure that it will be enlightening. [*Laughter.*]

The Presiding Officer: I am sorry, but Mr Monteith must wind up.

Mr Monteith: It is a great disappointment that there are people from many different parts of the community on the committee, but only one student. The Scottish Tories will vote against the establishment of the committee, purely because we want to make it clear that, as a matter of consistency, we believe that there is no need for that committee to discuss tuition fees. It is a matter of principle. Were the minister to have proposed a committee to discuss student hardship, we would have supported it. We thank him for the period of consultation, but we must be consistent—unlike some of the other members of this chamber.

Pauline McNeill: On a point of order, Mr Presiding Officer.

The Presiding Officer: I hope that it is genuine.

Pauline McNeill: I think that it is. I am sorry that you would not allow my intervention.

The Presiding Officer: I am sorry, I must ask the member to sit down. Please be seated.

Pauline McNeill: But Mr Monteith must declare his interests.

The Presiding Officer: You must not do that. There are no interventions in the closing stages of a member's speech. I call Mr Canavan.

12:21

Dennis Canavan (Falkirk West): I would like to thank Mr McLeish for giving Robin Harper, Tommy Sheridan and me some advance indication of his thinking before he lodged this motion. I hope that that custom will continue. I would like to make it

clear, as I said to the minister, that I do not see the need for an inquiry. The majority of the members of this chamber were elected on commitments to abolish tuition fees. Now that we have our powers, we should go ahead and legislate to abolish tuition fees.

It was interesting to hear Wendy Alexander say, in the previous debate, that the Executive is unwilling to outsource the important matter of local government finance to an independent committee of inquiry, as it is apparently willing to outsource the equally important matter of higher education finance.

Tommy Sheridan and I have lodged an amendment to the motion that would add Kenny Hannah's name to the committee's membership. I understand that the amendment has not been selected for debate, which is unfortunate. We are not alone in wanting more students to be members of the committee of inquiry. Kenny is president of the students' association at Glasgow Caledonian University, and an executive member of the National Union of Students. He also organised and led yesterday's successful student march from Glasgow to Edinburgh to lobby the Scottish Parliament.

There are different strands of opinion in the NUS on tuition fees. Some, like Kenny Hannah, are absolutely opposed to them. Others seem to take a more ambivalent stand, possibly because of new Labour influence and careerism in student politics. For example, during the election campaign in Falkirk West, some Labour students from the University of Strathclyde were bussed into the constituency to campaign for the only candidate who was committed to keeping tuition fees. That must have been a first in the history of Scottish education—students being bussed from one end of Scotland to the other to campaign for tuition fees. The election result speaks for itself, but I do not want to rub it in.

I do not know David Welsh. It may be that he is absolutely opposed to tuition fees, but will Henry McLeish tell us whether David Welsh was nominated by the NUS, or simply hand-picked by the minister? As I said, there are different strands of opinion among students.

Henry McLeish also said that he would like the matter of tuition fees to be taken out of the hands of the politicians and put into the hands of an independent committee of inquiry. That sounds almost like passing the buck. The committee of inquiry will report back, not only to the Executive, but to this Parliament, and it is this Parliament that will take the ultimate decision about the matter, and legislate on it.

Yesterday, the powers that enable us to legislate on such things were transferred. We ought to use

them to empower the people of Scotland and build a better future for them. Investment in higher education is an investment in that future. By eventually legislating to abolish tuition fees and by bringing back grants for students from low-income families, we can help to build a better future, especially for the young people of Scotland.

12:25

Henry McLeish: I fear that after 55 days we should not be too optimistic—the new politics has some way to go. Nothing that has been said this morning nullifies the need for an independent examination of the major issues that are at stake. I say to Brian Monteith that of course student hardship will be examined. It is important that it is examined in relation to widening access and to tuition fees and their impact on the number of school pupils applying to university. That is already in the committee's terms of reference.

I say to Dennis that everyone signs up to the new politics and then says that they want the people to get loose vis-à-vis representatives on an inquiry. Well, hang on a minute. Politicians can use the general election, parliamentarians can use the Parliament, so what has anyone got to fear from 14 people—who might be representative of real substantive issues—looking at the matter and giving the Parliament and the Executive the wisdom of that inquiry?

Mr Alex Salmond (Banff and Buchan) (SNP): Will Mr McLeish give way?

Henry McLeish: No, I am not giving way Alex.

It comes back to the main stream of politics, because politics is about policies and resources, which it is clear the inquiry will address. I believe that the Executive has attempted to be constructive—the comments have reflected that and I welcome them. On the other hand, we as parliamentarians should never be afraid of putting big issues out for consideration and coming back to the Parliament and the Executive to take the final decisions.

My final point relates to the time scale. Other members have made the point about next year's university applications. I have tried to balance that important issue with the need for a comprehensive inquiry. Six months may seem too short in some people's eyes, but it achieves a balance between having a comprehensive committee of inquiry and providing an important opportunity to acknowledge the politics of the matter.

Mr Swinney: Will Mr McLeish give way?

Henry McLeish: I am not giving way, John, because I am just about to finish.

This is broadly based, it is the way in which we

should go forward and I repeat that nobody is making a concession. Remember that the Parliament has already passed the motion to set up a committee of inquiry. With two of the major parties opposing the committee, we are, in a sense, throwing out one of our first decisions. I ask colleagues to reflect on that simple point—the integrity of this chamber, in terms of the issues it discusses, is at stake. I make a plea to members to allow the committee to be united in its purpose of examining the inquiry issues and coming back to us with its findings.

Dennis Canavan: On a point of order. In view of the debate, can we have a vote on the amendment in my name?

The Presiding Officer: I am sorry, but I have not selected that amendment. There will be a vote on the motion as a whole. Before we move to decision time, I call Mr Tom McCabe to move motion S1M-83 and Mr Mike Rumbles to move motion S1M-73.

Phil Gallie (South of Scotland) (Con): Before we move to any decisions, I would like to raise a point of order on the Commonwealth Parliamentary Association. I understand that the deadline on joining the CPA is the middle of July. Next year, the Commonwealth nations will meet in either London or Edinburgh. Could you, as the Presiding Officer, seek information on an application to join and take that forward in the coming weeks?

The Presiding Officer: That is not a point of order. The CPA is writing formally to me—that matter can go before the bureau or the corporate body during the recess. I am sure that the Parliament will wish us to progress that matter and meet any deadline that exists.

Committee Membership

Motion moved,

That the Parliament approves the addition of Tommy Sheridan to the membership of the Equal Opportunities Committee and the addition of Dennis Canavan to the membership of the European Committee.—[Mr McCabe.]

Register of Interests

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): The Scotland Act 1998 (Transitory and Transitional Provisions) (Members' Interests) Order 1999 requires the Parliament to determine when and how the "Register of Interests of Members of the Scottish Parliament" shall be printed and published. Statements are now due to be made for addition to the register.

I move,

That the Parliament agrees that on or after 2 July 1999 the register of interests of Members of the Parliament be printed in a loose-leaf folder to be kept at the Office of the Clerk of the Parliament and published on the Parliament's website.

Decision Time

12:31

The Presiding Officer (Sir David Steel): The first question is, that motion S1M-82, in the name of Mr Henry McLeish, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: In that case, we will have a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Dewar, Donald (Glasgow Anniesland) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Ms Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Mackay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Ms Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)

Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Welsh, Ian (Ayr) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnston, Mr Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is as follows: For 70, Against 48, Abstentions 0.

Motion agreed to.

That the Parliament recognises the growing importance to Scotland's society and the economy of lifelong learning, the wide range of circumstances of those engaged in lifelong learning and the widespread concern about how students finance their studies; calls upon the Scottish Executive to appoint urgently an independent committee of inquiry with the following terms of reference and membership to report before the end of 1999, and calls upon the Executive to lay a copy of the Committee's report before the Parliament—

Terms of Reference

To conduct a comprehensive review of tuition fees and financial support for students normally resident in Scotland participating, part-time or full-time, in further and higher education courses anywhere in the UK;

To have regard to the desirability of promoting access to further and higher education, particularly for those groups currently under-represented, while taking account of the need to maintain and to develop quality and standards, and the position of Scottish further and higher education in the wider UK system;

To make recommendations for any changes to the current system, and provide costed options where these may require additional resources;

To present a report of its finding to the Executive by the end of 1999.

Membership

Andrew Cubie (Chair), Morag Alexander, Rowena Arshad, George Bennett, David Bleiman, Eleanor Currie, David Dimmock, Marian Healy, Archie Hunter, Dugald Mackie, Ian Ovens, Heather Sheerin, Professor Maria Slowey, David Welsh.

The Presiding Officer: The next question is, that motion S1M-83, in the name of Mr Tom McCabe, be agreed to.

Motion agreed to.

That the Parliament approves the addition of Tommy Sheridan to the membership of the Equal Opportunities Committee and the addition of Dennis Canavan to the membership of the European Committee.

The Presiding Officer: The next question is, that motion S1M-73, in the name of Mr Mike Rumbles, be agreed to.

Motion agreed to.

That the Parliament agrees that on or after 2 July 1999 the register of interests of Members of the Parliament be printed in a loose-leaf folder to be kept at the Office of the Clerk of the Parliament and published on the Parliament's website.

The Presiding Officer: That concludes decision time.

Before we finish, I will take Pauline McNeill's point of order, which I understand is addressed to me and has nothing to do with Mr Monteith allowing an intervention. Is that correct?

Pauline McNeill (Glasgow Kelvin) (Lab): Well, I—

The Presiding Officer: I will give guidance; points of order to me must be direct, without

preamble. I thought that you were raising a point of order about Mr Monteith not giving way and I have already given guidance—

Pauline McNeill: No, I was not.

The Presiding Officer: Unfortunately, that was how you started. If you come straight to the point, I will deal with it.

Pauline McNeill: My point, which I did feel was a point of order, Mr Presiding Officer, was that it would have been in order for Mr Monteith to declare his interest. He said that the National Union of Students was not the appropriate body and that there should be an additional student on the committee of inquiry. To my certain knowledge, Mr Monteith spent most of his student life opposing the universities that he mentioned joining the NUS, an organisation to which he is fundamentally opposed. It was dishonest of him and he should have declared his interest in the matter in the first place.

Mr Alex Salmond (Banff and Buchan) (SNP) rose—

The Presiding Officer: Do you wish to speak on the same point, Mr Salmond?

Mr Salmond: On a point of order, yes. Some of us were hoping that Pauline would raise a point of order about the fact that you seem to have discouraged—twice, I think—interventions in our proceedings. Many of us feel that we should encourage more interventions. I know that there are constraints on time, but we have a recess in which the Procedures Committee, members and you might reflect on how we can encourage more interventions in debates, rather than fewer.

The Presiding Officer: I have reflected on the matter and, if I may remind you, I issued guidance on interventions in the business bulletin some days ago. I encourage interventions, but not during the closing seconds of a member's speech. I was trying, with great respect, to get Mr Monteith to wind up; that was why I did not allow the intervention.

The register of interests is about to be published. It deals with current interests; that is what it is about. It is up to Mr Monteith and Miss McNeill to continue their argument outside the chamber.

That concludes the main business. I remind members who have not yet done so to sign the commemorative volume and collect a copy.

Fish Processing Industry

Motion debated,

That the Parliament agrees that the current expensive implementation proposals for the Urban Waste Water Treatment Directive (91/271/EEC), in so far as they apply to the Scottish fish processing industry in North East Scotland, will effectively close many of the companies engaged in the industry, which provide thousands of skilled jobs; and also agrees that implementation of these proposals should be delayed to allow for proper consideration of the technical review currently being undertaken to produce cost effective solutions for the industry, enabling the industry to continue as a major employer in Scotland.

12:35

Mr David Davidson (North-East Scotland)
(Con): May I first of all recognise the privilege it is to have the first—

The Presiding Officer (Sir David Steel):
Excuse me, Mr Davidson. Please resume your seat for a second. In fairness to the member who has the debate, I ask members who are leaving to please do so quickly and quietly.

Mr Davidson: I repeat that I appreciate the privilege and honour of having the first piece of members' business in the Parliament since we adopted our full powers.

This issue is very dear to me and to the area I represent, North-East Scotland, and I am pleased that there are representatives of the fish processing industry in the gallery today. For them, the past year has been one of great anxiety about the implementation of the waste water directive. The motion is self-explanatory. Because of the implementation of a piece of legislation from Europe, and perhaps the manner of that implementation, the industry will suffer tremendously. We want the Parliament to recognise the need for delay.

Fish processing is a vital industry. In the north-east, businesses range in size from 50 to 500 employees; in some villages and communities it is the basis of the local economy. It is of equal importance to the catching community; the markets of Aberdeen, Peterhead and Fraserburgh, for example, provide a ready place for the fish to go, which encourages catchers to the area. That gives vitality to the ports as well as to the companies that service the industry.

If the solutions that are being offered go ahead, many firms will fold. Some will suffer a twentyfold increase in their waste water charges; many cannot cope with that. As a result, a great many jobs are at stake. In Aberdeen, around 5,000 people are employed in the industry and several thousand other employees are scattered along the north coast. My argument also applies to the fish

processing industry in other parts of Scotland.

When, a year ago, I went to see Lord Sewel on behalf of the industry, he said that the polluter must pay. The industry does not dispute that; its concern is that it has received no help or assistance in meeting the directive. The only assistance on offer was a four-hour consultation—two hours on the premises, two hours to write it up and then the bad news. When I asked for European aid, I was told that it was not available, even though it appears to have been available in other countries. Lord Sewel is no longer the minister responsible, so I hope that the current ministerial team will take up where he left off.

Last Saturday, I had the privilege of attending the launch of an Aberdeen initiative; it is well written up in the Scottish Parliament information centre sheet on the industry, as are the facts and figures, and I commend the paper to members. It also gives the statistics, so I do not need to repeat them. Aberdeen City Council, in partnership with the industry and others, has come up with an alternative scheme to that proposed by the North of Scotland Water Authority. It will produce benefits for the industry by establishing a separate system.

We are talking about an organic product. It came from the sea and it can go back to the sea, because we are blessed with high flows of water around the coast—unlike Denmark, where any waste must be treated in a more expensive way.

The Aberdeen scheme would benefit the industry—the projected net costs would be 50p per cubic metre of effluent in 2003. Under the NOSWA scheme, the cost—approximately £2.50—will be five times that amount. That is serious money. I congratulate the partnership, but it is running out of time. Everybody is telling us that we must deal with the problem now, but I am asking for a full year. The Aberdeen harbour scheme—a model scheme—will take exactly one year to get through planning procedures and be put into action.

We should also consider Peterhead and Fraserburgh, where NOSWA wants to build giant machines to mix human effluent with fish processing waste, which is then unfit to be put out to sea and has to be commercially treated. That scheme is vastly expensive. We need to consider constructive, pragmatic and affordable ways in which to deal with something that everybody recognises to be a problem. The industry must be able to survive, employ people and continue to offer a base for the catching sector, which is very important to the north-east of Scotland.

Euan Robson (Roxburgh and Berwickshire)
(LD): Mr Davidson must forgive me if I have misheard him, but this problem is not unique to the

north of Scotland and the North of Scotland Water Authority. It is of particular concern to Eyemouth in my constituency and to the East of Scotland Water Authority. Does he agree not only that the Government does not seem to have properly consulted, but that the water authorities seem to have been less than forthcoming in their consultation? For example, it appears that people in my part of the world got 10 days' notice of new bills that had risen by an amount similar to the one that he mentioned.

Mr Davidson: That was a nice speech for the south of Scotland. Earlier, I said that, although this item of members' business was about the north-east, it applied to other areas of Scotland. I welcome the intervention, which highlights the problem that the sector faces.

The water authorities have been heavy-handed in their approach, but it should be borne in mind that they are under constraints as to how they are funded and how they raise capital costs. It would be good for the environment if we set up schemes to take effluent straight out to sea as a natural product. The Scottish Environment Protection Agency would control such a scheme, and the process would not be covered by the urban waste water directive.

I am concerned that the water authorities are seeking to mix the fish processing effluent with human waste. The fish processing effluent is then contaminated, which causes unnecessary additional expense. I am asking for time for NOSWA and others. A wonderful report by the environmental consultants Cordah will be published in August. The minister may insist that everything is dealt with by a certain date—there has been due warning—but evidence will be in the public domain as a result of on-going scientific reports.

This chamber must insist that an indigenous industry that is a major part of our economy—it is a way of life in many communities—is dealt with in a less heavy-handed way. We are too quick to gold-plate European regulations. We need time, clear and unbiased thought and professional input. I have given permission for many members to speak; I hope that, collectively, we can get the message across to the new ministerial team about the importance of the matter and the need for a year's delay.

12.44

Richard Lochhead (North-East Scotland) (SNP): I congratulate David Davidson on securing the first item of members' business since yesterday's historic events and for choosing jobs in the fish processing industry as the subject. I am also delighted that we are again discussing fishing

matters—one of our first debates was also on a fishing matter, which shows the priority that this Parliament has given to the fishing industry.

Mr Davidson has eloquently expressed the concerns of the fish processing industry. I do not want to repeat what he has said in detail. I want to put on record the fact that, although the industry agrees with all the aims and objectives of the urban waste water directive, it is concerned that implementation will threaten many jobs in the north-east of Scotland.

The industry seeks a lasting and cost-effective solution. I can see no reason why NOSWA would oppose a delay in the implementation of the directive. There is nothing to prevent the minister from negotiating with Brussels for such a delay; it is a question of political will and determination. This is a new Parliament, the minister has a new position and she can decide to stick up for the industry by flying to Brussels to discuss with the relevant EU officials this important matter, which affects the livelihoods of many people in the north-east of Scotland.

The industry is asking for a breathing space. Even in the past few weeks there have been developments on this issue. Mr Davidson referred to a number of them. Labour-controlled Aberdeen City Council decided to proceed with its widely supported plans for the industry in that city. Today, Aberdeenshire Council is also discussing proposals to help the industry. The area's political representatives are doing what they can to support the industry's demands and industry leaders, some of whom we have with us today, are doing what they can for the employees.

It would be a great pity if Sarah Boyack did not do what she could to help. The key to arriving at an agreeable solution is in the minister's hands. If the minister does not decide today to bring a fresh approach from the Government, there could be job losses throughout the north-east of Scotland. NOSWA's bills could rise even higher. The north-east already pays the highest water bills in the country, but if the private finance initiative projects go ahead, the people of the north-east will pay money that is simply profit for the shareholders of those companies, such as Yorkshire Water, that are proposing to fund the projects. The people of the north-east will not accept that. If the minister takes no action, she will be getting off to a very poor start.

I make four requests of the minister. First, when she winds up the debate, I ask her not to use the dog-eared brief that was used by her predecessor in Westminster. We want to see a fresh approach. Secondly, I ask the minister to show determination and political willingness to negotiate with the EU representatives in Brussels at the earliest opportunity. Thirdly, I ask her to instruct NOSWA

not to sign any more contracts in connection with the PFI projects until the matter is resolved in favour of the food processing and fish processing industries in the north-east. Finally, I ask her to use the opportunity of her visit to Aberdeen, where she will be next week on another matter, to meet representatives from NOSWA, the local authorities and the industry to discuss how the Government can help the industry to overcome the impending crisis. I ask the minister to make a positive response to Mr Davidson's motion.

12:48

Mr Jamie McGrigor (Highlands and Islands) (Con): In the run-up to the European election, our party's slogan was

"In Europe, not run by Europe."

It proved quite popular with the electorate. I submit that this European waste water directive is an example of what we were talking about. It has been landed on the industry without consultation and its implementation will be disastrously expensive for the Scottish fish processing sector, whose 230 units provide 43 per cent of the sea fish processing employment in the UK. The industry is a vital employer in a region that has been decimated by the downturn in the oil and agriculture industries.

The directive will obviously affect the fishing industry as a whole, because the extra costs will push up the price of fish products in the shops, which will make them less competitive than other food products. Many processors will go out of business. Not only will jobs be lost, but some skills, such as the filleting of small fish, will disappear. Such skills are specific to the north-east; if they are lost now, they will be difficult to replace.

My friend, David Davidson, has talked about white fish in the north-east, but I would like to draw attention to Scottish salmon and trout producers and processors. The industry provides thousands of jobs in the Highlands and Islands and 38 processing units in Scotland deal only with salmon and trout. Recently, the hard-pushed salmon industry has been hit hard by the outbreaks of infectious salmon anaemia. It is nearly impossible for farms to obtain insurance against the value of their stocks because of the policy of destroying all fish stocks in an infected farm. That is not the case in other fish-producing countries such as Norway, so the Scottish product is already becoming less competitive.

It is vital that we do not simply accept a European directive that damages an enormously important Scottish industry. I ask for support in allowing time to digest the technical review, which, I hope, will provide less costly solutions for the

Scottish fish processing industry. We are here to promote sustainable jobs in Scotland, not sheepishly to accept a European directive that will have precisely the opposite effect.

12:51

Lewis Macdonald (Aberdeen Central) (Lab): I, too, welcome the opportunity to focus on an industry that is a major provider of jobs in my constituency and elsewhere. The fish-catching sector attracts a good deal of public attention but, in providing jobs onshore, jobs for women and part-time jobs for lone parents who want to work—as well as in maintaining a range of skills in a traditional industry that provides a vital link in the food chain—the fish processing sector demands equal attention and status.

When we talk to industry leaders, such as those from Aberdeen who are with us today, we must listen to their concerns about the implementation of the directive. Although I take Mr Robson's point, I think that there is particular concern in the north of Scotland, because of the scale and expense of the proposed plant. The population factor means that fewer people and firms would pay for the plant that we need. That is why so many of the firms in the Aberdeen area face difficulties.

It is clear that my colleagues in Aberdeen City Council have been listening to the concerns that have been raised. I would like to congratulate the council and the Aberdeen Fish Curers and Merchants Association on working together on a practical scheme—the first in Scotland—to implement the regulations at a price that the industry can afford.

Will the minister confirm that the Aberdeen harbour scheme for trade effluent treatment that was announced last weekend will meet the requirement of the European regulations and so have the support and approval of the Scottish Environment Protection Agency? Will the ministerial team acknowledge that the fish processing industry is not opposed to the environmental standards that we have agreed with our European partners?

The industry recognises that those standards must be implemented; indeed, it seeks to meet those standards. Will the minister consider what support can be given to upgrade the industry's premises in order to reduce the cost of trade effluent treatment, whoever provides it? The more effective the industry is in dealing with its own effluent—other industries, such as the meat industry, have the same problem—the less it will be charged, either by the Aberdeen harbour scheme or by NOSWA, to deal with it.

It would be too easy to say that if Europe sets the standard it must foot the bill. However, we

should consider what resources we can bring to the industry, either from our reserves or from Europe, to allow the fish processing industry to raise the standards of water treatment.

Mr Davidson: That was the point that I made. Will Lewis Macdonald confirm that he shares the view of the rest of us in the north-east that Lord Sewel was rather hasty in his decision to turn down the suggestion of seeking support?

Lewis Macdonald: It is too easy to get into a party slanging match and to talk about ministers acting with too much haste, dog-eared proposals and all the rest of it. We should focus on the positive agenda of what this ministerial team and this Parliament can deliver for our industry—that is the key. The timetable is critical and I urge ministers to meet representatives of the industry with the information that is required as soon as possible. Time is important, but getting it right is even more important, and I ask the ministers to arrange matters as soon as it is practical.

12:55

Brian Adam (North-East Scotland) (SNP): In summing up, will the Minister for Transport and the Environment consider the pressures that apply to NOSWA, given that there is already a preferred bidder for the scheme? I also ask her to consider whether the commercial considerations of preferred bidder status will have any implications for the innovative public-private partnership that has been suggested for Aberdeen—and for other schemes, both in Aberdeenshire, which would deal with Fraserburgh and Peterhead, and elsewhere in Scotland. Will she allow time for the Aberdeen proposal, and those suggested for other areas, to be implemented? I am a little concerned that, as preferred bidder status has already been agreed, commercial considerations might preclude other private arrangements outwith the NOSWA proposal.

12:56

Tavish Scott (Shetland) (LD): I congratulate Mr Davidson on raising this important issue, which many members have expressed concern about over the past few weeks since we came to the Parliament. The minister's response today is important in the context of those concerns.

I thank Mr Davidson for recognising that this is not just a problem for the north-east of Scotland. In Shetland, there are 603 direct and indirect jobs in the fish processing industry, which is worth about £57 million to the Shetland economy. It is a considerable factor in our economy and, in that sense, we have the same interests, although on a different scale.

Mr Davidson made an important point about the

manner of the directive's implementation. In future, the Parliament's committees, such as the European Committee, the Transport and the Environment Committee and other appropriate committees, will have a crucial role in considering that.

We need to think a little about the strata of the industry. It is not just a question of the fish processors—who can be seen as the middlemen—as it reaches both up and down the line. The control and power that supermarkets have today mean that the price of the product in the shop will not change. Down at the bottom level, it is the primary producer who may ultimately see the price of his or her product fall. In that context, it affects salmon farmers, pelagic boats and white-fish boats.

Lewis Macdonald made a good point about waste water treatment plants. In Shetland we have tried to tackle investment with the local enterprise company and the council. However, the trouble is that the scale of the increases that NOSWA is looking to put into place is much more than can be offset by the improvements that the processing factories in Shetland are trying to implement.

The briefing that came from the library was useful. The group treatment process that will be established in Aberdeen, if successful, is important, but there are advantages of economies of scale there which are not available in many parts of the Highlands and Islands, where factories may not be geographically close to one another or where there may be other disadvantages of scale. It is important that we consider what will have to be done in parts of the Highlands and Islands to implement the directive. There may not be the opportunity—if that is the right way of describing it—that exists in Aberdeen to deal with this particular problem. As Richard Lochhead said, it is important to ask questions and to ensure that the minister responds to these needs, and that she uses her office in an imaginative way to tackle these problems.

As regards NOSWA, will the minister also bear in mind that water and sewage services should be given back to local control, in the circumstances where they can be administratively and economically delivered in a more efficient manner? That could be a solution that would help the situation in the northern isles.

12:59

Elaine Thomson (Aberdeen North) (Lab): I think that one of the Liberal Democrat members mentioned the other day that he thought that he was the only person in this Parliament who had worked in a fish factory. I am afraid that he was wrong. Like many Aberdeen students, I spent

several summers working "in the fish", as it is known in that city. Having had first-hand experience of the fish processing industry, I am well aware not only of the industry's importance to Aberdeen, but of the sense of ownership and affection with which the people of Aberdeen regard the fishing industry as a traditional north-east industry.

As colleagues from all parties have said, we recognise the difficulties in which smaller fish processors find themselves through the implementation of the EU urban waste water treatment directive. I join my colleagues in welcoming the initiative of Aberdeen City Council and the Aberdeen Fish Curers and Merchants Association in the treatment of fish waste water. I hope that the proposal will meet environmental requirements and ensure not only the survival of smaller fish processors, but their economic viability.

We also have to recognise environmental concerns. Survey after survey has shown that the general public's prime concerns about water are clean beaches, clean seas, clean rivers and good-quality drinking water. My constituency of Aberdeen North is bounded on the east by the beach running up to Balmedie and on the south by the River Don. Those are valuable and valued resources for my constituents for recreation and sporting activities which demand a clean environment and clean water.

The directive is in response to the concern about the environmental health of our seas and marine environment. Many are worried about the health of the North sea and of the organisms within it, whether fish, shellfish or marine animals such as the dolphins in the Moray firth. We all want clean seas and a healthy marine environment with healthy fish. A healthy fish stock is also an essential requirement for the continuation of the fish processing industry.

We have to help the fish processing industry to continue to modernise so that it can more easily meet EU requirements and produce high-quality, high-value products to compete effectively with competitors in Europe and elsewhere.

I urge the ministers to consider sympathetically the fish waste water scheme proposed by Aberdeen City Council and AFCAMA and also to meet representatives of the fish processing industry so that we can meet the twin objectives of a healthy marine environment and a viable fish processing industry.

13:03

The Minister for Transport and the Environment (Sarah Boyack): This has been an intelligent and useful debate and I thank Mr

Davidson for making the most of this early opportunity to get the issue on our agenda paper. We are extremely aware of the serious concerns of fish processors in the north-east and we are concerned about their difficulties. I acknowledge the point made by several members about the industry's importance to the local economy and to the thousands of people who work in the industry. I understand that the figure is around 6,000, although other estimates have put it higher.

The charges set by NOSWA for dealing with waste water containing trade effluent will rise very substantially if we do not take action and resolve the issue. I want to put on record the two main factors behind the increase in charges. First, NOSWA is now fully implementing the Mogden approach to setting waste water charges. Secondly, as several members have said, the implementation of the European directive on urban waste water treatment requires NOSWA to provide secondary treatment for significant discharges by the end of 2000. That means that those who discharge trade effluent into the urban sewerage system will have to pay for secondary treatment.

That is where we have to begin this debate. I appreciate Elaine Thomson's comments about environmental issues. I suspect that most people would be alarmed by the amount of raw sewage that we pump into our rivers and seas with all the resulting problems for bathing waters and public health.

In NOSWA, 65 per cent of sewage is dispersed into our waters with minimal treatment. I am sure that we would all agree in principle that we cannot tolerate that in this day and age. Investing in necessary treatment will mean higher charges for us, but I believe—and I hope that the whole Parliament will agree—that this is a price that we have to pay if we really care about looking after our environment.

On setting charges, NOSWA inherited various approaches from the previous regional authorities. The idea of moving to the Mogden formula is that it is the fairest approach. It has been endorsed by the Confederation of British Industry. Under the Mogden formula, the level of the charge depends on the volume and strength of the liquid that is discharged. Essentially, the greater the pollution, the higher the charge. It is now a standard throughout the water industry and in Scotland people are already paying charges using this formula. The cost of treating waste water has to be paid either by those who discharge the effluent or through cross-subsidy from other customers. The Mogden formula ensures that the polluter pays and there is no cross-subsidy between customers of the water authorities. We welcome NOSWA's efforts to move towards a proper and fairer cost recovery system.

At the same time we have to address the issue of the European urban waste water treatment directive to ensure that specified levels of treatment are provided to meet specified deadlines. In many coastal areas, this means introducing sewage treatment for the first time. In Fraserburgh, Peterhead and Aberdeen, where most of the fish processors are based, there is a requirement for secondary treatment by the end of 2000. That backdrop means that we do not have a long time to debate this issue. Conservative members have suggested that we delay the implementation of this directive to allow consideration of a technical review now being undertaken. I do not believe that a delay would be a sensible option for us to pursue. Failure to implement the directive in time would mean that the UK ran a serious risk of infraction proceedings from the European Commission in the European Court of Justice. We are aware that the European Commission is keen to pursue this issue.

On the point made by Richard Lochhead about trying to receive derogation on this issue, the previous Administration under Lord Sewel attempted to get derogation for Aberdeen and Aberdeenshire to prevent us from having to address this issue. It was given the clear understanding by other European states that this would not be acceptable, so we have attempted to get derogation.

Richard Lochhead: Will the minister give way?

Sarah Boyack: No, I will not take an interruption.

If we were taken to infraction by the European Commission, the money would be taken from the Scottish block. There are already two examples where countries are being taken to the European Court of Justice on the issue of dealing with waste water treatment—Italy and Belgium are both being taken to court—so there is an imperative to implement the directive on time.

I am sure that members who have talked to the food processing industry will know of the lengthy history of this issue. Some firms have begun to address it and NOSWA has attempted to encourage the fish industry to prepare in advance. There has been an extensive information programme, advice packs, consultation documents and there have been hundreds of meetings. NOSWA is sympathetic to the position of the fish processors and has for some time been advising industrial dischargers to attempt to reduce their future charge increases by investing in cleaner technology or minimising the use of water. I understand that some firms have been able to do that. NOSWA has also agreed to phase in the increased charges over a number of years.

Richard Lochhead: Will the minister give way?

Sarah Boyack: I will not give way.

Mr Alex Salmond (Banff and Buchan) (SNP): On a point of order. Members' business is the one time when a minister is duty-bound to give way to members. Can the minister not take that on board?

Sarah Boyack: In my speech I am dealing with the specific points that members have raised. If a member would like to make a new point that has not been made already, I am quite happy to accept an intervention in my speech as long as I get time added on at the end of my speech.

The Deputy Presiding Officer (Ms Patricia Ferguson): That is not a point of order. If Ms Boyack would like to take an intervention, please indicate that.

Sarah Boyack: If it is a new point that has not been raised already, I have to take it. I know that Mr Lochhead has already made a speech.

Richard Lochhead: I thank the minister for allowing me to intervene. The industry is looking for more than sympathy from the new Administration. Does the Administration not have faith in its own ability to do a better job than the previous Administration on negotiating derogation in Europe?

Sarah Boyack: That is a flattering point but that is not the situation. We have attempted to address this issue through the route suggested by Mr Lochhead and we have not been successful.

I will now talk about the solutions that are available. The difficulty of this debate is that we do not have a long window of opportunity. There has been a lot of joint work among NOSWA, local councils, enterprise companies, trade associations and others to try to address the issues of waste minimisation and to offer advice on best practice. NOSWA has contributed £25,000 to a waste minimisation programme for fish processors, and it continues to offer them advice.

Some fish processors have been able to reduce the charges that they will face, but I accept that for many of the smaller ones it has been extremely difficult to do so. I appreciate the anxiety that the increases in the estimated charges has caused to fish processors, and I am concerned about their potential impact on the fish processing sector as a whole.

A number of suggestions have been made on practical ways of taking the debate forward. One suggestion was the development of a separate plant specifically to treat trade effluent. I understand from NOSWA that Mr Davidson's point about its having developed a giant scheme under PFI is inaccurate. The scheme has been developed to deal with the situation in Aberdeen. Storm water, and not just trade effluent, is the key

issue in determining the capacity of the plant.

Mr Davidson: Will the minister give way?

Sarah Boyack: No, I will not.

Richard Lochhead: It is his motion.

Sarah Boyack: If traders do not need to use the plant, the PFI scheme will operate in such a way that the charges can be accommodated. That is the risk that the PFI bidder takes on in accepting this project.

Mr Brian Adam made a point about the PFI project as well. The scheme is one potential way to proceed and it would be dealt with by the Scottish Environment Protection Agency under its regulation and control schemes. However, we urge caution. In the immediate future, I want to have a detailed discussion with people in the fish processing industry and with my colleague John Home Robertson to find a possible way forward.

Mr Jamie McGrigor (Highlands and Islands) (Con): *rose—*

Mr Davidson: Will the minister give way?

Sarah Boyack: Yes, Mr Davidson, if the point has not been made before.

Mr Davidson: A lot of what we are hearing from the minister is common knowledge about the waste water directive for dealing with the disposal of human waste. I hope that she will discuss ways of dealing, whether through NOSWA or some other agency, with waste water from the fish processing industry. Such waste is natural and organic; whenever possible, we do not want to put it into ordinary sewers. I accept that sometimes it will not be possible to avoid that, but the Seafish Authority has produced documentation that gives good advice on the subject. In areas such as Peterhead harbour where there are many small fish processors, there could be a scheme linking only the fish processors to an outfall system in which the waste required the minimum of treatment. I do not see that as part and parcel of what the minister is discussing. The minister is discussing the global issues of human waste water; we are here to talk about the fish processing industry.

Mr Brian Monteith (Mid Scotland and Fife) (Con): On a point of order. The minister said that she was responding to members' comments, but it is quite clear that she is reading from a prepared text. Does that not lead to conflict when people want to intervene?

The Deputy Presiding Officer: That is not a point of order. Carry on, Ms Boyack; and please bring your contribution to an end as quickly as you can.

Sarah Boyack: I hope that it is in order for members to prepare their thoughts in advance of coming into the chamber and to amend them while speaking, as I am doing.

Mr Davidson's motion asks us to delay dealing with the urban waste water treatment directive. That option is not available to us: we have to address the directive. It was enacted in 1991, so there is a long history to this debate. We have to get our treatment schemes in place by the end of 2000. I am keen to have discussions with the fish processing industry. There is going to be a consultation paper on the new criteria for giving financial aid, which will be put in place from next year. We can examine and discuss a number of issues. However, delaying is out of the question. We need to work out effective solutions.

Mr McGrigor: Will the minister give way?

Sarah Boyack: No, I am winding up. The strategic review study will offer us a number of opportunities to examine this issue. Time is short; but in my ministerial position and with my other ministerial colleagues, I am keen that we talk to people to discover what we can do. As everybody has made plain, it is a complex issue with no easy solution. Had there been an easy solution, I am sure that the Conservative Government would have solved it when in power. We need to comply with European directives; we cannot ignore them. We have to work out strategies to help the industries and communities, which will be difficult.

I suggest to Mr Lochhead that, if we are trying to bring a fresh view to the debate, we have to consider the long-term strategic implications of any initiatives. We should not ignore the implications and pretend that they are not going to happen, but we should address them in Parliament and in our committees to ensure that we meet our obligations under the European directives, and that we meet them in a way that is sensible and will benefit our whole community.

The Deputy Presiding Officer: That concludes today's business. I ask members to stand as the mace is removed from the chamber.

Meeting closed at 13:16.

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