

MEETING OF THE PARLIAMENT

Thursday 30 September 1999

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Scottish Parliament

Thursday 30 September 1999

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

Michael Russell (South of Scotland) (SNP):

On a point of order. Presiding Officer, you are aware that this is our third non-Executive day, and that the Procedures Committee has been discussing the issue of who should wind up on such days. On the first occasion, when allowing the Executive to wind up, you said that you had not set a precedent. Will you consider allowing the Opposition to wind up on this occasion, so that the Procedures Committee can make a judgment based on both precedents?

The Presiding Officer (Sir David Steel): That is a very polite point of order, Mr Russell, but I have decided to keep to the previous practice, with the compromise that the Opposition and Executive spokespersons will have the same amount of time. However, I make it clear again that my decision is not to be regarded as setting a precedent, and that the Procedures Committee is currently considering the question of who should wind up such debates.

Before the meeting begins, I wish to inform members that I am to participate on behalf of the Parliament in an international conference on federalism in Quebec. The conference is to be opened by the Prime Minister of Canada, Jean Chretien, and closed by President Clinton. I might add that all costs for the conference are to be met by the organisers. While there, I shall take the opportunity to meet the Speaker of the House of Commons in Canada, and shall therefore be absent from the meetings in this chamber next Wednesday and Thursday. I trust that members will grant me leave of absence.

Before we come to the first item of business this morning, I wish to announce that there will be a ministerial statement at 12.30 pm on Beattie Media and the activities of professional lobbying firms.

Non-Executive Business: Education

The Presiding Officer (Sir David Steel): The first item of business this morning is a non-Executive debate on motion S1M-172, in the name of Mr Alex Salmond, on education, and amendments to that motion.

09:32

Nicola Sturgeon (Glasgow) (SNP): To begin, I would like to say a word or two on why the Scottish National party has chosen as the subject of our Opposition debate this morning the pay and conditions of teachers. I will talk about the reasons for the overwhelming rejection by the teaching profession of the offer made by the Convention of Scottish Local Authorities, and the position that we find ourselves in as a result.

There are three reasons for holding this debate. First, and most important, this is without doubt the most serious issue in education at present. From the wording of its amendment, the Executive's tactic will be to deflect attention on to other issues in education. I urge them not to do that. This issue has the potential to derail every other educational initiative that the Executive has in the pipeline. Teachers today are closer to industrial action than they have been at any time in the past 10 years. I do not want to depress the Minister for Children and Education too much so early, but—as someone who was still at school during the previous teachers' strike—I know how devastating and disruptive industrial action will be for every child in every school in Scotland.

The second reason is that the SNP's decision to initiate this debate was the only way in which the Parliament would get the chance to vote on this issue and, in particular, on the course of action adopted by the minister.

Last week, when the minister announced the establishment of the committee of inquiry into teachers' pay and conditions, and detailed its terms of reference and its membership, he did so by way of ministerial statement, thus ensuring that there would be no debate and no vote. When I expressed regret about that, the minister replied:

"I am also surprised that she objects to the fact that I have brought a statement to this Parliament. I would have thought that that was part of the normal democratic process."—[*Official Report*, 22 September 1999; Vol 2, c 627.]

I would have thought that the "normal democratic process" demanded a full and open debate and the chance to vote on whether we thought that the minister was on the right track. That is what happened when a committee was established to look into student finance, under the

chairmanship of Andrew Cubie. On 17 June there was a debate followed by a vote on the establishment of the committee, and on 2 July there was another debate on the terms of reference and membership of the committee. Why has that not happened in the case of the committee looking into teachers' pay and conditions? Did the minister feel less than secure in his position and his arguments?

Today, we will have the debate. The people of Scotland want the Parliament to debate this issue. In the course of the morning, I think that we will see why the minister was so reluctant to have the debate in the first place.

The third reason for having the debate is the need to put the record straight on why we are in this situation and where the responsibility for it rightly rests. For the past few weeks, the education minister—in the best traditions of his predecessors, Tory and Labour—has been doing his utmost to convince the Scottish people that what we have on our hands is a straightforward pay dispute. He has implied that teachers rejected the COSLA offer because they are greedy and intransigent. He has refused point-blank, time and again, to recognise the glaring defects in COSLA's proposals, defects that would have damaged the quality of education in our classrooms. That is a disingenuous approach, and one that, frankly, stands no chance of resolving the dispute.

It is time for a bit of honesty from the minister and from the Executive. I hope that we will get that this morning. The hard fact of the matter is that the final offer from COSLA, presented to teachers on 20 August, was defective in a number of key areas. The minister should have accepted that, sent COSLA back to the negotiating table, and given it the wherewithal to compromise. If he was not prepared to do so before 98 per cent of the teaching profession rejected the offer, he should certainly have been prepared to do so immediately afterwards.

I would like to refer to a comment that the minister made in his statement last week.

"I must emphasise that this offer did not come from the Executive. We did not formulate the offer; we did not put it on the table. It was the product of discussions between the Convention of Scottish Local Authorities and the teaching unions. I am here neither to support it nor to reject it."—*[Official Report, 22 September 1999; Vol 2, c 624.]*

The only thing that he could have added was: "A big boy did it and ran away." If that statement was not a desperate attempt to pass the buck, I do not know what is. It does not wash: the minister cannot get off the hook that easily.

Hugh Henry (Paisley South) (Lab) *rose—*

Nicola Sturgeon: I will give way in a minute, Hugh.

The Executive is the third party in the Scottish Joint Negotiating Committee for Teaching Staff in School Education, albeit with observer status. It has never departed from COSLA's line, it encouraged teachers to accept the offer, and it criticised teachers when they rejected the offer. In truth, COSLA's final offer was as much the Executive's creation as it was COSLA's. Arguably it was even more the Executive's creation, for reasons that I will come to.

Hugh Henry: Will Ms Sturgeon tell us whether the SNP recommends paying in full the demand from the teachers' unions for an 8 per cent pay rise this year? Is the SNP prepared to support collective bargaining between employers and employees, or does Ms Sturgeon believe that the Scottish Parliament should interfere in that process?

Nicola Sturgeon: No, Mr Henry, I believe in the continuation of the SJNC and that this year's pay dispute is a matter for teachers and COSLA to deal with through the SJNC. The real question this morning is for the minister: if, next Friday, when the SJNC meets, COSLA and the unions agree on an offer that is in excess of the money that is provided by the Executive for teachers' pay, will Sam Galbraith make up the difference? That is the real question, and I hope that we will get an answer to it.

Let me turn to the offer that has been rejected by 98 per cent of the teaching profession—an offer that by any standards of democracy and partnership should, in its current form, be dead and buried, but an offer that is still hanging around by virtue of the committee of inquiry's terms of reference, which state:

"The committee's recommendations may cover any or all of the issues set out in the SJNC management side's offer to the teachers' side."

Let us look at pay. It has been argued that the teachers' pay offer of an average of 14 per cent over three years is generous, because it is above inflation. The minister said last week that it was not unreasonable. The argument is not bad, until it is put into context—the context of the dramatic erosion of teachers' pay over the past 30 years. The index of average earnings shows that teachers' salaries have fallen behind by 8 per cent. When they are compared to the average salaries of other graduates, the position is even worse—teachers' salaries are now a staggering 16 per cent behind. COSLA's proposed increase averages 4.7 per cent a year for the next three years. However, the increase in average earnings is more than 5 per cent. By encouraging teachers to accept the offer, the Minister for Education was asking them to sign up to a deal that would see their pay further eroded over the next three years. Would he have voted for that? I think not.

Dr Elaine Murray (Dumfries) (Lab): Will Ms Sturgeon inform the chamber whether the SNP councils represented on COSLA supported COSLA's proposed offer?

Nicola Sturgeon: I will do better than that; I will read from a motion that was passed by SNP-controlled Clackmannanshire Council. The motion says:

"This council notes with concern recent developments in the negotiation of pay and conditions for teachers. In particular, the council does not wish to be associated with attacks on teachers representatives."

The motion then details the council's concerns. Therefore, no, the SNP councils did not support COSLA's offer.

The other aspect of the pay offer that the minister failed to point out is that it has lots of strings attached. The offer of more money—which would last for three years—comes with dramatic changes in working conditions that would last indefinitely.

It is important to point out that the teaching profession is not hostile to changes in conditions, and nor should it be. Like any other profession, teachers must move with the times and recognise that the old ways of doing things are not always the best. However, teachers have embraced change. They were enthusiastic participants in the millennium review and they endorsed that review's recommendations. In the course of negotiations on pay and conditions, teachers suggested counter-proposals which, had they been accepted, would have improved the final offer. Teachers did not reject the principle of change two weeks ago; they rejected the particular changes proposed in the COSLA offer. Such changes would have damaged the quality of education in our classrooms and the educational experience of children across Scotland.

That brings us neatly to children. No doubt the minister would say that children are the first priority, and he would be absolutely right. However, in the past, he has gone on to imply that the interests of children somehow conflict with the interests of teachers. Nothing could be further from the truth. If we put to one side the fact that most teachers are parents and the fact that the working conditions of teachers are the learning conditions of children, the central overriding truth is that teachers and the education system are indivisible. One cannot be attacked without harming the other, which is why teachers were right to reject proposals that were educationally deficient and why the minister was wrong to try to bludgeon teachers into acceptance.

Apart from pay, the COSLA offer covered changes in three main areas: to the management structure in schools; to teachers' working hours;

and to class sizes. My colleagues will return to those issues later. However, I want to outline briefly some of the reasons why COSLA's proposals were defective.

There were proposals to abolish principal teachers, assistant principal teachers and senior teachers—the middle management of schools—and to create a new post of professional leader. I do not know anyone who does not agree with a simplification of the school management structure. However, the COSLA offer would have removed the middle management without a clear idea of what to put in its place. The professional leadership post was vague and ill defined. At a time of considerable curricular change in the form of programmes such as higher still, the offer was a recipe for instability in schools, which is hardly in the pupils' interest.

That part of the offer would not have helped the commendable objective of trying to attract more graduates into the teaching profession, which is one of COSLA's stated aims. For reasons that can only be financial, the number of professional leadership posts was to be restricted to 8,000 across nursery, primary and secondary education sectors. However, there are already 7,000 principal teachers and around 4,000 senior and assistant principal teachers. All the professional leadership jobs would have gone to principal teachers, which would have left senior and assistant principal teachers, and any other qualified teacher, on a waiting list. It does not do much for new graduates to be told that, when they come into the profession and climb to the top of the basic scale after five or six years, they will sit in a holding post for goodness knows how many years behind thousands of others waiting for any meaningful promotion. The truth is that those proposals were ill thought out and finessed for financial reasons to the point of being unworkable.

Last week, the minister described the issue of class sizes as an old chestnut. It must have slipped the minister's mind that that old chestnut was one of Labour's key pledges at the previous two elections. As has been said in the Parliament, the offer to teachers would have raised the limit on composite class sizes from 25 to 30, which was a move to raise £20 million and had the potential to affect 100,000 children in Scotland. That move runs counter, if not to the letter, then to the spirit of Labour's election pledges.

The minister has said that no research shows that kids in composite classes should be in smaller classes. The minister should have a little common sense. Composite classes are an exaggeration of the age range that exists in any class. It is more difficult for teachers to teach classes in which dramatic differences in ability arise from different ages. It stands to reason that smaller classes

would alleviate some of that difficulty. That is not just my view; it is the view of parents. Earlier this month, the Scottish Parent Teacher Council said:

"The teachers' determination to stick at a maximum of 25 in composite classes is very much in line with parents' views. At the end of last session, we were inundated with phone calls from parents who were anxious because their child was going into a composite class . . . The only comfort such parents had was that the class numbers were limited to 25."

The offer would have removed such comfort from parents.

The offer was clearly defective in a number of ways. However, I want to move on to the crux of the matter. Why, after so many months of negotiation, were we faced with an offer that was so unacceptable to the teaching profession? In Parliament last week, the minister said:

"It has been suggested that some more money would automatically lead to a solution. I do not believe that money is the real issue".

Let us examine that statement for a moment. The COSLA offer would have added £187 million to local authorities' pay bill for teachers by 2001-02. The comprehensive spending review provision for teachers' pay over the same period is £120 million. By my arithmetic, that leaves a funding gap of £67 million. In fairness, COSLA has explained how that gap could be reduced to £16 million by 2001-02 by making efficiency savings through other aspects of the offer such as changes in management structure, the increase in composite class sizes and the diversion of money from the flagship excellence fund. In his statement last week, Sam Galbraith said:

"We had guaranteed an additional £8 million to COSLA prior to the last stages of their negotiations to help achieve a settlement".—[*Official Report*, 22 September 1999; Vol 2, c 624.]

That still leaves a funding gap of £8 million, which raises two points. The first is a question to the minister. If the offer had been accepted by teachers, where would the additional £8 million have come from? The second point is that, if COSLA could not fund the offer as it stood, it is clear that it had no room at all for manoeuvre. Compromise might have brought about a settlement and avoided the prospect of industrial action by teachers, but that would have cost money that COSLA did not have.

The statement that money is not the issue would deserve to be laughed out of Parliament if it was not so serious. In a paper about the funding of the offer, COSLA said:

"There is a need for Scottish Executive assistance in bridging the funding gap."

Even COSLA is clear about that. The only thing that might have broken the recent deadlock was

extra resources from the Executive, which were not forthcoming. Perhaps instead of picking a fight with Scottish teachers, the minister should have picked a more productive fight with Gordon Brown, who is building up a war chest while Scottish teachers are forced ever closer to industrial action.

However, the minister is trying to pick a fight with Scottish teachers. The course of action that was announced last week was provocative and doomed to failure. We have a committee of inquiry that does not have the confidence of the teaching profession. This week, the Scottish Trades Union Congress said:

"The composition of this committee of inquiry is staggering in its lack of balance."

The minister talks about working in partnership with teachers. Those are laudable sentiments; however, the only partner in education not represented on the committee is the classroom teacher in the form of the teaching unions. Why? The committee of inquiry is also subject to the same financial constraints as COSLA, so, in his remarks, the minister might like to explain to the Parliament how he thinks that the committee will come up with a better deal than COSLA managed.

The committee is by no stretch of the imagination independent. At least one of its conclusions has been predetermined by the minister. He has already decided to take away the statutory basis of the SJNC. Why? Why not let the committee decide? If a committee of inquiry is being set up, why not let it decide on those issues? The minister seems so sure that the SJNC is indefensible. Why not leave it to the committee to come to the same conclusion? Is it because Mr Galbraith is not confident that the committee will reach the same conclusion, or is it because he decided to remove the SJNC a long time ago, and has been looking for an excuse to do so ever since?

I will now read from an extract from *The Guardian*, taken from an interview with Lord Baker, the former English education secretary under Margaret Thatcher, on 16 September. It begins:

"When Margaret Thatcher moved him"—

Lord Baker—

"to education, he decided to deal with them (the teachers). His first move was quite open. He cut off their muscle."

I quote Ken Baker:

"I took away all negotiating rights from the union. It was quite brutal."

The interviewer reflects that Ken Baker chuckled as he recalled how he

"removed their right to negotiate . . . by statute . . . and set up an advisory committee which would set the rates of

teacher pay."

I again quote Ken Baker:

"It was absolutely extreme stuff."

Does that sound familiar to anybody? The Minister for Children and Education is provoking confrontation with Scottish teachers, and the only people who will suffer at the end of the day are Scotland's children. I ask everybody in this Parliament to reflect on that at decision time this afternoon.

I ask the minister to withdraw his threat to the SJNC and to abandon his proposal to set up a hand-picked committee of inquiry. He should let this Parliament's Education, Culture and Sport Committee—a democratic body that all sides of this dispute can have faith in—examine the issue and work towards a settlement that can be accepted by all sides.

If teachers take industrial action—I certainly hope that they do not—it will not be possible for the education minister and the Executive to escape responsibility for it. Everything else on its education agenda will be undermined as a result. I hope that the Executive draws back from such a situation, and I hope to hear something more constructive from the minister this morning than has been the case up to now.

I move,

That the Parliament notes the overwhelming rejection of CoSLA's pay and conditions offer (dated 20 August 1999) by Scotland's teachers, recognises the validity of the concerns expressed by the teaching profession and parents' representatives about the details of CoSLA's offer and agrees that the implementation of the offer in its current form would have resulted in a deterioration of standards in our classrooms and a further decline in teachers' morale; considers that the defects in CoSLA's offer are the result of a lack of resources and that the current impasse between CoSLA and the teaching profession is a direct result of the failure of the Scottish Executive to make sufficient resources available to local government to fund an acceptable settlement and further considers that the approach adopted by the Scottish Executive on this issue has been deliberately provocative to Scotland's teachers; and calls upon the Scottish Executive to adopt a genuine partnership approach to reaching a settlement with teachers, to abandon its proposals to remove the statutory basis of the Scottish Joint Negotiating Committee and establish a Committee of Inquiry, and to refer the findings of the Millennium Review (a joint inquiry established by COSLA and teachers' unions in 1997 to look at various issues in education) for investigation by the Parliament's Education, Culture & Sport Committee.

The Presiding Officer: Before I call on the Minister for Children and Education to reply and move his amendment, I wish to remind members that yesterday's opening speeches overran by a total of a quarter of an hour, cutting out three back benchers who wanted to speak. We are on time this morning; I hope that the two other front-bench

speakers will also remain on time. I shall give signals from the chair if they do not.

I have said that by way of allowing time for the lectern to be moved.

09:53

The Minister for Children and Education (Mr Sam Galbraith): I will try to keep to time.

I was pleased that the SNP spokesman, Nicola Sturgeon, mentioned children—at least in her speech. One of the striking features of the motion is that it does not mention children once. [*Laughter.*] At that they laugh—I wish it to be noted on the record that SNP members laughed at the fact that their motion on education does not mention children.

Nicola Sturgeon rose—

Mr Galbraith: No, I have just started. Please sit down.

I welcome this opportunity to set out again the clear and positive thinking behind the Executive's decisions on the future of professional conditions of service for teachers in Scotland. A great deal has been spoken and written on the subject in recent weeks, much of it reiterated in the opening speech and most of it misleading. It must have caused unnecessary concern to many teachers and parents.

Let me remind the Parliament of the background to our radical and imaginative strategic agenda for school education. Scotland's children are Scotland's future. Education is the highest priority in "Making it work together", our programme for government, which we published in early September. The programme reinforced our commitment to working together with parents, teachers and pupils to achieve a world-class reputation for Scottish education and to create the high standards in our schools that will be the foundation for success in the future.

To make this vision a reality, we have initiated a radical improvement programme in all aspects of our schools. That includes work on developing the curriculum, on modernising assessment, on new ways of learning, on new forms of school organisation and on improving communications between schools and the communities and parents that they serve.

Our programme is supported by a substantial injection of new resources. Overall, local authorities are budgeting to spend £2.715 billion on education this year. That is an increase of 8.1 per cent on the previous year. We have ensured that those resources are well used. More than half the money that we found in the comprehensive spending review—£377 million—was targeted

through the excellence fund, which directly contributes to raising standards by providing support and assistance to children and teachers in the classroom.

We recognise the need to work together with those who are charged with delivering education to our children. We have consulted on our plans and we continue to do so.

Our approach is constructive and is designed to deliver improvement. We are not seeking to manufacture conflict; in all we do, we strive to avoid it. We want schools and local authorities to work together effectively.

We do that for our children, because it is they and only they who are at the heart of our policies, and to do that—I agree with Ms Sturgeon on this—we must secure the best from our teachers. Successful schools depend on the professionalism, commitment and skill of the head teachers and teachers who manage and staff them. We are lucky in having many teachers of outstanding quality who are dedicated to their task. I take this opportunity to reaffirm my admiration for their work.

Nicola Sturgeon: Which individuals and bodies did the minister consult before taking the decision to set up the independent committee of inquiry? Will he justify his decision not to have on that committee any representatives of classroom teachers or of teaching unions? Can he explain how he can square that with his desire to work in partnership with the teachers? I am sure that the teachers will be delighted to hear his words of praise, but they will ring hollow—he says that there are many talented teachers in Scotland, yet he could not find one to serve on the committee of inquiry.

The Presiding Officer: Order. Interventions are supposed to be brief.

Mr Galbraith: Ms Sturgeon has already made her speech and she should be content with that, be a bit patient and let me deal with the matters before me.

As part of our constructive approach, we are committed in the partnership agreement to establishing an education forum to review and raise standards in schools. I have carefully considered how we should implement that commitment. Our approach to raising standards depends centrally on teachers' practical experience and understanding of the process of teaching and learning. I want the forum to provide an opportunity for that, not as another standing advisory body or task force, but as part of a continuing participative process.

I therefore propose that the education forum will build on the recent innovative and highly

successful summit meetings with head teachers. I propose two forum meetings each year and that attendance at each forum should be widely drawn from head teachers and teachers from throughout Scotland.

A priority will be to ensure that the practical experience of teachers can be balanced against the work of researchers on teaching and learning. I shall ask the existing National Education Research Forum to assist in that process. Our objective will be to improve our collective understanding of the implications of research for teaching and learning and the experience of children in our schools, and to ensure that research priorities properly reflect current experience in schools.

Each forum will review items of current interest in the light of relevant practical and research experience and reach a view about the implications for further policy developments. I will also ensure that the discussion and its implications are widely disseminated to all interested parties.

I will seek views as soon as possible on the detailed arrangements for the establishment of the forum and on issues that it might address in its first meetings. As before, the Education, Culture and Sport Committee will be consulted on this matter.

For teachers to be able to provide an excellent and improving education for our children, their professional status must be enhanced. That is why a responsive and flexible system of professional conditions for teachers is essential. That system must reward excellence and encourage innovation and commitment. It must allow us to recruit and develop the teachers whom our children deserve and it must be able to adapt to new challenges and methods. We need a system in which professional conditions can regularly be reviewed and updated as circumstances change, without our schools suffering dislocation and disruption.

This debate is not about the management offer that foundered in the Scottish Joint Negotiating Committee for Teaching Staff in School Education earlier this month. Plainly, that offer was unacceptable to teachers around the country. We should not now argue about the rights and wrongs of the offer. We have a much wider and more important duty to perform.

Nicola Sturgeon rose—

Mr Galbraith: We need to consider why the process of discussion and deliberation, which took so long, led to such an outcome. We need to consider how we can deliver the kind of system that our children and our schools so clearly need. We need to consider the future, not the past.

The current system for negotiating teachers'

conditions of service, the SJNC, has failed to deliver the new approach that we need. That should not surprise us. The SJNC has failed before, when negotiations aimed at securing changes in conditions failed in the early 1990s. In May 1997, the millennium review was set up under the SJNC. It reported in September 1998. The review promised another approach to modernising the structure of teachers' conditions of service. Once again, however, negotiations within the SJNC have failed to deliver change and have led only to stalemate.

I do not believe that there is a lack of recognition of the need for change, nor a lack of will for change on the part of the education authorities or the teachers. The problem lies in the SJNC machinery.

We should ask not what is wrong with the SJNC, but who would wish to defend it. I ask teachers whether the SJNC has enhanced their salaries and professional status and whether it has rewarded their commitment and excellence. Teachers know that the answer to all those questions is no.

Dennis Canavan (Falkirk West): Will the minister give way?

Mr Galbraith: No thanks.

My job is to raise teachers' salaries to the highest possible level. Like the Prime Minister, I see no reason why some teachers cannot be paid as well as doctors are. However, that will require reform and change. Such salaries can only be a reward for commitment and excellence. The current arrangements cannot deliver that for teachers.

Above all else, the SJNC has encouraged mistrust and dissent. We need only look at recent press reports to see that. The SJNC has put local authorities and teachers in adversarial positions, when we wish to encourage co-operation and consensus.

For all those reasons, it is clear that the SJNC cannot and should not remain as the statutory authority that determines the professional conditions of service for Scottish teachers. I have therefore given notice that the Executive will take steps to remove the statutory basis of the SJNC. That does not mean that the SJNC will immediately cease to exist. It will remain in place as a forum for negotiating a pay settlement for this year, on which I trust the management and union sides will make swift and early progress. No one in this Parliament or outside wishes to see disruption to our children's education.

So that the SJNC can be succeeded in an orderly and considered way, I have announced that I am setting up an independent committee of

inquiry, which will have a wide-ranging remit to make recommendations on professional conditions of service for teachers and on the future machinery for determining those conditions. On 22 September, I made a detailed statement on the setting up of the committee, which I will not repeat now. The need for modern, professional conditions of service for teachers is clear and, I believe, widely accepted.

Tommy Sheridan (Glasgow) (SSP): I do not know whether the fact that the minister has given way is an indication of favouritism. He was asked a question on the committee of inquiry, which I repeat now. Can he justify to members the fact that no representative of the teaching unions or of classroom teachers is involved in the committee?

Mr Galbraith: The member forgot to point out that representatives of the teaching profession are involved in the committee. Two head teachers, one from a primary school and one from a secondary school, are on the committee. That is important and more than fulfils the need for such representation.

Michael Russell (South of Scotland) (SNP): Will the minister give way?

Mr Galbraith: I will give way, but for the last time, as I am trying to keep to the time limit.

Michael Russell: I hear the minister's point. Will he, however, respond publicly to the official letter that he received from the Scottish Trades Union Congress? The letter says:

"Our General Council is extremely surprised and disappointed at the complete lack of balance in the Committee's composition."

It goes on to say:

"It is, therefore, quite staggering that of the seven members of the Committee announced so far, not one comes from a Trade Union background or from a constituency that suggests that they may be able to take an employee's perspective on pay and conditions issues."

That is the view of the STUC, which is, ostensibly, one of your friends.

The Presiding Officer: Order. I have no friends.

Mr Galbraith: It is a principle of mine always to respond privately to letters that are sent to me. I suggest that the member does the same, rather than, as he always does, conducting his business through soundbites in the press. Perhaps he will change his ways, but I suspect that a leopard does not change its spots.

The need for modern and professional conditions for teachers is clear and widely accepted and is an essential part of our wider strategy of developing Scottish school education so that we can deliver the best for our children. The existing negotiating machinery cannot deliver

what is required. The Executive did not choose nor want the circumstances in which it finds itself. Indeed, the Executive tried very hard to avoid them.

Nicola Sturgeon: Will the minister give way?

Mr Galbraith: I am winding up.

Nevertheless, we have acted decisively and positively to show the way forward. Our approach allows the existing machinery of the SJNC to deliver a pay settlement in the short term, while a strong and independent committee develops considered proposals for change for the future.

I invite the Parliament to recognise the need for change and to endorse our considered approach to securing the professional conditions of service that our teachers deserve and that our schools need.

I move, as an amendment to S1M-172, in the name of Mr Alex Salmond, to leave out from "notes" to end and insert:

"supports the Executive's intention to earn a world class reputation for the Scottish education system; calls upon the Executive to ensure that all children get the best start in life by maximising pupil attainment; welcomes the provision of substantial new resources for education including an additional £51m for school education identified in the Partnership Agreement; agrees that the quality of education in our schools depends on the professionalism and commitment of teachers; recognises the high standards and dedication of Scottish teachers; endorses the Executive's commitment to a programme of continuous professional development to assist teachers in maintaining and improving professional standards; agrees that the Scottish Joint Negotiation Committee machinery has failed Scottish teachers, pupils and parents, and calls upon the Executive to continue work towards its objective of ensuring a modern, adaptive and flexible mechanism for determining the professional conditions of service for teachers in Scotland's schools through the appointment of an independent Committee of Inquiry."

The Presiding Officer: Both front-bench speakers have kept within the time limit, which is a new record for the Parliament. I call on Mr Monteith to do likewise and to move amendment S1M-172.2. To get everybody in, back-bench speakers will be limited to four minutes.

10:08

Mr Brian Monteith (Mid Scotland and Fife) (Con): I am pleased to take part in today's debate, because it is important that someone tries to bring the two sides together. In these days of cosy consensus politics, that is what we are meant to be all about. It appears that entrenched positions have been taken on the millennium review and the associated pay dispute, which is reflected in the Scottish National party's motion and the minister's amendment.

It is important to encourage teachers and to

build, not dash, their morale, while trying to modernise some of their working practices. There is a need for more extra-curricular input, but we must recognise the work that teachers already do in that field. Teachers taking pupils' work home, which they spend hours correcting, is extra-curricular activity.

This Government's approach to the teachers' dispute is a model exercise in how not to run employee relations. Simply because COSLA is the employer, Sam Galbraith cannot behave like Pontius Pilate, washing his hands of the dispute. The Government is a member of the SJNC and has a role to play. Sadly, Sam Galbraith has not been willing to play that role. It is not enough to say that an extra £8 million was provided to COSLA. Once it was clear, as it was to many of us, that negotiations were going to break down, he had a duty not just to the teachers and the employers but to the children of Scotland, to whom he often refers. The last thing that anyone wants is for the situation to erupt into an industrial dispute.

The Government's dealings with the teachers are already a plague on its cosy, consensual style. No sooner did Brian Wilson become an education minister than he suspended the introduction of higher still for a year. By the time that Mary-doll had taken over from Brian Wilson, higher still was so confused that strike action was averted only by phasing it in. What had Brian Wilson been doing for the year—sitting on his hands?

Now the third education minister in two years refuses to use his good offices to calm down the situation. Instead, he incites teachers, before their ballots, with talk of the suspension of the SJNC and the establishment of a committee of inquiry. As the Conservatives have pointed out, that seems to many people like a threat. I am not sure how many teachers believe that it is a threat, because, like many other people, we have been saying for a number of years that the SJNC is failing to deliver the pay and conditions that teachers should enjoy. There was evidence to show that teachers in Scotland were some 6 per cent behind their brothers and sisters in England. We proposed the abolition of the SJNC in 1997; at the time, the Labour party opposed that proposal, but it now sees it as necessary.

The Education (Scotland) Act 1980 makes it perfectly clear that arbitration can be part of the established statutory process. All that Sam has to do—and there is still time—is to pick up the phone and get the parties together. We suggest that, following initial discussion with the Advisory, Conciliation and Arbitration Service, the employers and the teachers unions should make fresh submissions and pendulum arbitration should be used to determine the best settlement.

For those members who do not follow football

transfer deals, I had better explain pendulum arbitration. The system helps to bring parties to the table in a way that makes them closer. ACAS would have to recommend to the First Minister the better of the two proposals, which would force the two parties to work to find a solution. That would ensure that even those who did not make the successful submission are closer to the submission that is finally adopted.

There is also the proposed committee of inquiry. When a problem is kicked into the long grass, I do not feel that it is important or necessary to worry about who will sit on a committee when the minister is choosing members—it is the minister's committee. My colleague asked last week what would happen if the committee of inquiry delivered a result that was either what the teachers wanted now or that was even more than that. Will Sam Galbraith meet the committee's recommendation? He could not give a guarantee last week and I suspect that cannot give us a guarantee this week.

Some aspects of the SNP motion might seem attractive. Certainly, more resources need to be made available, possibly in the form of an ex gratia payment to buy teachers out of their contracts. That method would not increase future salary costs, which is an important consideration. However, it is wrong to pretend that resources are fundamental to the process, because there is no doubt that many aspects of the process require structural change.

Nicola Sturgeon: I am sure that Mr Monteith would agree that teachers have embraced the concept of change. There has never been resistance to change from the teaching unions—that is not the issue. If additional resources had been available and if the education minister had put more money on the table in order to bridge the £8 million funding gap, does he agree that a compromise could have been entered into by COSLA and that agreement could have been found? If that had happened, we would not have been having this debate this morning.

Mr Monteith: I would like to think that that might have been the solution, but I do not believe that it would have been, nor do I think that it would have given us the chance to resolve the dispute. I will explain why I take that view and a number of my colleagues will elaborate on those matters.

The suggestion that the Education, Culture and Sport Committee should be the vehicle to resolve the dispute shows that, although the SNP is the largest Opposition party in this chamber, it is not yet mature enough for Government. As my colleagues will say, we have grave concerns about raising the limit of composite class size from 25 to 30. In a circular, the Government proposed the reduction of composite class sizes, but it now seems willing to give up on that proposal. We

have grave misgivings about the removal of promoted teacher posts and senior teacher positions, which were introduced by the Conservative Government to reward teachers who stayed in the classroom. These issues are not specifically about resources—they are management issues and, even if there had been more money, I believe that teachers would still have rejected the settlement.

The Education, Culture and Sport Committee already meets weekly. To be honest, it could easily meet twice weekly, such is the size of its brief. It covers not just education, but culture and sport, and it has to deal with the education bill. At the end of last week, another report—on special educational needs—was published, which the committee has not yet discussed. That is not to mention other subjects such as Hampden, which comes up perennially, the cultural strategy review, with all that that entails, and the new architectural strategy, which was launched yesterday.

If the committee is to work properly, those issues have to be given time. I do not believe that the committee has the time, given the education bill in particular, to take on the teachers' dispute. So busy is the committee with briefings and deliberations that only two members have attended every meeting. Some of the worst attendees are members of the SNP. Before they pop up and complain, that is not through any fault of their own; it is because of the heavy work load that those members face—Mike Russell is the SNP's business manager—and because of the conflicts of committee scheduling.

Michael Russell: I am not quite sure that being excused by Brian Monteith is a privilege. I am sure that he will confirm the points that I made to the convener of the committee and others that such conflict of scheduling is a difficulty that is found throughout the Parliament. I would like to see a little more understanding about that for all members.

Mr Monteith: I thank Michael Russell for buttressing my point. Such is the difficulty of scheduling that I do not believe that trying to resolve such an important dispute—which would be an additional work load—is a job for the Education, Culture and Sport Committee.

Why does the SNP motion opt for that? Even in these days of cosy, consensus policies, the SNP cannot bear to accept that the Tory arbitration proposal is superior to its proposal. It had to cobble something together to develop a position that was different from those of the Government and the Tories and that gave it something to say. Nicola Sturgeon may have perfect teeth, but she does not give me the ring of confidence when it comes to education policy.

Fiona Hyslop (Lothians) (SNP): Is that the sort of statement that Brian Monteith would make about a male member of this chamber?

Mr Monteith: Yes—if the SNP passes the brief to a male member, I would be happy to make that statement in the future. I say that as someone who does not have perfect teeth.

Although this is an SNP debate, the problem was created by the Government. The Government wanted to make education its priority—such a priority that there have been three education ministers in two years. The Government talks about standards, but the only ones that it has are double standards. The Government talks about the importance of children, but it is willing to incite industrial action in order to get its way. The Government proposes removing grant-aided status from specialist national schools, but the minister sends his children to a grant-maintained school. The Government wants to abolish the SJNC but in opposition defended it.

This is a Government of double standards that has kicked the issue into the long grass; it will pay a heavy price for dealing with teachers so dismissively. Let us hope that it is not a price that the children have to pay.

I move, as an amendment to motion S1M-172, in the name of Mr Alex Salmond, leave out from “the overwhelming” to end and insert:

“the entrenched positions being taken by the teaching unions and CoSLA in regard to reaching a settlement for teachers’ pay and conditions and calls upon the Scottish Executive to bring both parties together for a settlement through the Advisory, Conciliation and Arbitration Service.”

The Deputy Presiding Officer (Mr George Reid): We are on time, and I remind members that, as from now, speeches are limited to four minutes.

10:21

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I hesitated to intervene in what was becoming something of a dental debate. This might come as a surprise to some of my colleagues, but I enjoyed the speeches by Nicola Sturgeon and Brian Monteith. I welcome Brian’s new peacemaker—Mother Teresa-type—role. His former boss, Maggie, was not keen on the Advisory, Conciliation and Arbitration Service, if my memory serves correctly.

We are all in a bit of a bind over the teachers’ pay dispute, so my colleague, Donald Gorrie, and I will be meeting the Educational Institute of Scotland and other unions later this morning to try to understand the issue and to see whether we can help to find a way forward.

Nicola was long on the rhetoric of past wrongs.

What we are talking about now, however, is what we will do in future. The points that Nicola made are fair in terms of the mistakes that may or may not have been made in the past. When the minister said that he wanted to get rid of the SJNC, I did something that was probably quite wise—I conducted a straw poll among teaching friends. The reaction was always the same—they shrugged their shoulders and said that the SJNC had not done much for them. There had been years of feast and of famine. The question that bothers the teaching profession is what will emerge to replace the SJNC. That should emerge from the committee of inquiry. What will replace the SJNC, and how will it affect teachers’ lives for the better?

Shona Robison (North-East Scotland) (SNP): Given Mr Stone’s description of the importance of the teachers’ voices, does he agree that it would have been better to have a classroom teacher on the committee of inquiry?

Mr Stone: The minister has dealt with that in terms of the head teacher. I am now talking about getting rid of the SJNC. Nicola made great play of the inadvisability of doing that. The point is that the system is perceived not to have worked, so we are wiping the decks clean and finding out how to improve things.

The committee of inquiry is free to come up with whatever recommendations it sees fit, which the Liberal Democrats will follow very closely. That aspect of its work is crucial, and we must not lose sight of it.

Nicola Sturgeon: Does Mr Stone agree that the committee of inquiry’s terms of reference invite it to bring back proposals on the COSLA offer, which is why it is important to discuss them and to ask Sam Galbraith to admit the defects in that offer? I am interested that Mr Stone is meeting the unions, but as a Liberal Democrat would it not be more constructive to ask the Liberal Democrat members of the Executive to put pressure on Sam Galbraith to resolve the dispute?

Mr Stone: Nicola Sturgeon is a superb political player. Of course, I shall not do as she suggests because Donald and I are taking a genuine back-bench initiative to find out what can best be done. The committee of inquiry has been established. We are talking about the future. We are in a bind. We must have the courage to go out there and find out what can be done. The Executive is addressing the issue and ultimately all the facts will be on the table. For too long, the mechanism of the SJNC has been something of a dark art to the layman. The sooner that information comes into the open, to this chamber, the better.

I support the amendment in the name of Sam Galbraith.

10:25

Fiona McLeod (West of Scotland) (SNP): The minister cannot get away with posing as the children's champion when his Government has brought the teaching profession to the brink of strike action.

Brian Monteith spoke of the work load of the Education, Culture and Sport Committee. That committee must set priorities, and I would have hoped that Brian would agree that our children's education should be the highest priority.

The SNP condemns the Labour Government's hypocrisy of constantly repeating the mantra of lowering class sizes, first stated in its election manifesto, while forcing COSLA to abolish the maximum class size for composite classes. Currently nearly 3,000 composite classes in Scottish primary schools—26 per cent of Scottish classes—have between 21 and 25 pupils in them. If that number is raised to 30, as proposed, on a conservative estimate, nearly 7,000 pupils in Scotland will be forced into bigger classes at a time when, we are told, it is the Government's mission to reduce class sizes. How will that help all children to get the best start in life?

When I questioned the minister on that at the Education, Culture and Sport Committee, he asserted that there was

"no educational reason why composite class sizes should be any different from non-composite class sizes".—[*Official Report, Education, Culture and Sport Committee*, 8 September 1999; c 44.]

He failed to answer me then, so I will ask him again now where his evidence for that statement is. If he has the evidence, why has COSLA stated that

"the abolition of composite classes is a key target"?

Why does the Scottish Parent Teacher Council say that

"the teachers' determination to stick to a maximum of 25 in composite classes is very much in line with parents' views"?

Why does a literature review of the subject reveal that policy makers should not

"adopt the multigrade form of classroom organisation . . . because of economic or cost saving reasons"?

I can give Sam the references.

Teachers' concerns about composite classes include the lack of time to cover course work, an increased work load and less individual attention for pupils. How does that accord with the Government's stated aim of earning a world-class reputation for the Scottish education system? International comparisons show that in Norway the average number of pupils in a composite class is 9.1 and in Slovenia it is 12.23—and in Scotland

we are proposing to raise the number to 30.

The situation in our small, often rural, schools is special. Peter Peacock told the Education, Culture and Sport Committee:

"Most of the kids"—

Peter's words, not mine—

"in rural areas will remain in exactly the same situation."—[*Official Report, Education, Culture and Sport Committee*, 8 September 1999; c 44.]

In Dumfries and Galloway there are 287 composite classes. If the class size is increased to 30, 30 fewer teachers will be needed. What will that do for teachers' morale? Castle Kennedy School near Stranraer has two teachers. That means that the head teacher must teach a composite class and still perform all the duties of a head teacher. If the number in her composite class continues to rise, how is she expected to cope? How do the school and the pupils cope, Peter? The proposal will disadvantage pupils and further stress teachers—and all for an efficiency saving of £20 million. How many billions does Chancellor Brown have stuffed in his war chest, Peter?

I conclude by reminding the minister and the Parliament that it is the pupils who are in the middle of this mess, and no one is asking them what they think. I have been listening, and I can tell members loud and clear that pupils do not like big classes and they do not like stressed-out teachers.

10:29

Maureen Macmillan (Highlands and Islands) (Lab): I stand before members as a real teacher, and a member of the EIS until May. All my previous working life has been spent as a teacher of English. I am not sorry to see the collapse of the SJNC negotiations. The proposals would have done nothing to address the deep disillusionment that has built up among teachers over the past 15 years. Settlement after settlement has failed teachers on pay and conditions of service. As Sam Galbraith said when he announced the committee of inquiry, two of the key issues are the conditions in which teachers work and the support facilities that are available to them.

As a teacher I have had, over the past 15 years, to cope with a never-ending series of new initiatives that has included standard grades, Scottish Vocational Education Council modules, revised higher grades, five to 14 and higher still. Each has brought an additional work load that has had to be absorbed by teachers.

The amount of course development, reporting, preparation and correcting time has varied from subject to subject in education. I want to describe the impact on a teacher of English—a subject that

carries probably the heaviest work load of all.

I taught for 27½ hours per week. If a teacher has five year groups of 30 pupils each, the teacher is responsible for 150 pupils. If the teacher spends 10 minutes a week correcting work, that adds another 15 hours' work. The teacher must then spend a minimum of one or two minutes putting marks and comments on pupil profiles, and that adds another two or three hours a week.

We should add two or three hours for lesson preparation time, photocopying, collating worksheets, chasing up sets of books and preparatory reading. On top of all that is added the time spent talking to and writing to parents, speaking to pupils in free time, filling in guidance forms, filling in University and College Admissions Service forms and all the administrative work that a teacher finds piled on them with no administrative help. Administrative help in schools is scarcer than hens' teeth.

Fiona McLeod: Maureen Macmillan gives us details of all the hours that a teacher must work. How will the teachers' situation be helped by adding 50 hours of social inclusion work to that?

Maureen Macmillan: I was hoping to make that point. It is crucial that the proposed committee examines teachers' working conditions.

This is a chance in a generation to address the problem of teachers' work loads in detail. It should be done not in a general way, but subject by subject. In that way, we will be able to see how the load can be lightened before we contemplate any further changes to school structures and management.

Nicola Sturgeon: I appreciate that Maureen Macmillan is a teacher and a member of the EIS, and that some of the points that she made are constructive. If there is to be a committee of inquiry, does she agree that the best way to arrive at a solution that is acceptable to teachers, which meets their demands and which addresses their concerns, is to have teachers represented on the committee of inquiry?

Maureen Macmillan: The composition of the committee does not concern me too much. There are two head teachers on that committee who were classroom teachers in the past. I know that they are good head teachers who are well aware of the concerns of ordinary classroom teachers. We should not make false distinctions.

I welcome the committee of inquiry—as I said, it is a chance in a generation to do something about teachers' work loads. Work load is important to teachers.

Mr Lloyd Quinan (West of Scotland) (SNP) rose—

Maureen Macmillan: I am winding up.

We must sort out work loads before we go further.

10:34

Mr Murray Tosh (South of Scotland) (Con): I would like to begin by declaring a registrable interest—until 11 May I was the principal teacher of history in a state school in Ayr, and I remain an associate member of the Scottish Secondary Teachers Association.

Old habits die hard; I found as I listened to Sam Galbraith's speech that I was instinctively marking it. It failed in both content and relevance. That was not entirely surprising, because he was not listening while Ms Sturgeon set out the basis for the debate.

Sam Galbraith failed to answer the question about the absence of a teachers' representative from the committee of inquiry, which was put to him serially by Ms Sturgeon, Mr Sheridan and Mr Russell. As a former teacher, it gives me great pleasure to say to a politician that teachers would like to see some commitment and excellence from ministers in their handling of education.

However, I want to be constructive and to say something that I hope will help. There are a number of teachers in the chamber who could speak usefully and constructively to ministers. Maureen Macmillan has just made a telling speech, and I hope that Mr Galbraith reads what she said in the cold light of day because it spoke volumes for the position of English teachers in particular. I will say no more about that, although I had intended to make similar points.

I read and I hear what the strengths of a school are perceived to be, but in my humble opinion and in my experience—which might not accord with everybody's experience—the strength of a good school is, among other things, the strength of its principal teachers. They deliver the curriculum. They organise courses and adapt all the documents that flood in. They take on board the revision of assessment and marking when the syllabus changes, when examinations change and when courses are scrubbed. They are there when the traditional gives way to the alternative, when alternative gives way to revised, when revised gives way to higher still and when intermediate 1 and intermediate 2 come in on the heels of that. Principal teachers deal with that day in, day out. They do the nitty-gritty and they are in the firing line.

I am not sure what I think of Sam Galbraith's attitude to COSLA's proposals. At one point he seemed to be the cheerleader for COSLA and—I think—called the teachers dinosaurs. On another

occasion he was behind the teachers and took a flexible line.

I do not know where Sam Galbraith stands or whether his view is that the COSLA proposals are still in the frame. As a former principal teacher, I would like to put it to him that teachers' status is not recognised, nor are they motivated and inspired by the creation of 10 professional leader posts in a typical school with some 20 principal teachers. If those posts are given to existing principal teachers, where does that leave the other 10? What is their status? What are their responsibilities and their remit? How they have been degraded and dispirited.

What of the new professional leaders? I read the COSLA offer; one of the serious suggestions is to put a professional leader in charge of the five to 14 groupings. That means that somebody on the management side thinks that it is realistic for an individual to lead curricular change and cross-curricular teams of collegiate teachers in the preparation of courses in history, geography, modern studies, economics, technical subjects and the three sciences of physics, chemistry and biology. That is what is in environmental studies, a five to 14 grouping subject.

That is a nonsensical point of view—one individual is massively overloaded. It is simply not possible. No one who knows anything about teaching thinks that that is achievable.

What happens to all the senior teachers and assistant principals who are in the promotion queue when the 10 professional leaders are created? Do we say, "Sorry chaps, your day is done and there will not be vacancies for some years to come, so sorry and cheerio"? That is a devastating blow to the professionalism, the practice and the strengths of our education system.

I suspect that I am exhausting your patience, Presiding Officer, so I will conclude. I had not intended to say much about resources, but as a teacher I was as interested in money as anybody else was. Money is part of the picture, although many other things count.

A huge demographic time bomb is ticking away in our schools in relation to the vast majority of teachers of around my age. That is not good news. Most of them will go in the next 10 or 12 years and they must be replaced. If committed and capable people are to be recruited to replace them, more than is currently being paid to teachers must be offered. That is not necessarily only about rewarding today's teachers, although that is a worthwhile exercise. If we think about how we will recruit in future, that will take us some way towards putting a decent offer on the table and providing a management structure that accords

with reality.

10:39

Ms Margo MacDonald (Lothians) (SNP): Murray Tosh is absolutely right—the offer made by COSLA is not enough. It is not enough to prove to teachers that the Government values them. COSLA made the offer, but it is the Scottish Executive that will carry the can for the disappointment and bitterness that will result from this situation, which comes in the wake of a new Labour Prime Minister who promised so much for education and devolved so little power to the Scottish Executive.

I do not believe that Sam Galbraith wants to defend the indefensible offer that has been made, but he has been left with no choice. Murray Tosh eloquently described the bottleneck in career development, promotion and management that would arise in schools under the arrangement proposed by COSLA. Sam Galbraith knows that that can only damage children and education.

I believe that the minister also knows that the percentage increase in salary that he is offering, compared with that offered to other professions, is no motivation for young people to enter teaching. We need younger people in teaching for no other reason than to take up the slack that has been left by the experienced older teachers who are being forced out of the profession early because they cannot take any more.

We talked yesterday about the need for a highly educated, flexible work force. Where will that come from, without teachers? Without teachers, there is only ignorance. It is an insult to teachers to try to compare them with other professionals, as previous Conservative Governments did. With their partisan pecking order, those Governments are to blame for much of the disappointment that has been visited on the SJNC. The Conservative Government wanted to ensure that it paid policemen—it did no harm to policemen. It wanted to pay people in the armed services—it did no harm to them, either. However, teachers paid the price for that.

As a young teacher, more than 30 years ago, with my first pay packet I was able to buy my mother a three-piece suite. I know that it is anecdotal, but it happened. No young teacher leaving a training college or university now can walk into the Co-operative store, as I did, and put their money down to buy a suite. I am sorry if that sounds homespun, but a lot of teaching is homespun: that is how we have asked teachers to be over the past 30 years. As we have been cutting their status and their purchasing power relative to other professions, we have asked them to buttress the breakdown of the family unit. We

have asked them to buttress the effects of horrible poverty in schools, amid the plenty that children see on television. We have asked teachers to make good all the gaps that have been left by the social changes of the past 30 years—and how have we rewarded them?

I regret, as I think that the minister is a decent man, that he is having to pursue a policy of further reducing the status of teachers. I will not repeat the arguments in favour of the diminution of career development paths, which is what that policy will do. I have a letter from someone who teaches in a school in Lothian, asking me whether I know of any comparable professional team that suffers the same percentage of nervous breakdowns during its work. Among teachers in that school, the figure has been 17 per cent over the past five years. That is what teaching is about.

If we value teachers, we will not take away the only protection that they have, which is the statutory role of the SJNC. That body has disappointed people—much of what Jamie Stone said was correct—but teachers know that they would lose a great deal if they lost the means to enforce the results of an objective review of their salaries and conditions. The representation of their interests would have only the status of a pay review board, and we know what Governments have done with the salary recommendations of pay review boards.

We are asking teachers to give up far too much, and I am asking the Government to think again. I am asking it to think about arbitration, and about whether the Education, Culture and Sport Committee of this Parliament can contribute more. Sam is shaking his head, but he is writing down this Parliament and its responsibility for education, and I am sure that he does not want to do that.

10:43

Mrs Mary Mulligan (Linlithgow) (Lab): I welcome any opportunity to discuss education in this chamber, but the timing of this debate is all wrong if the SNP is, as it suggests, trying to be helpful. Members will know that the Education, Culture and Sport Committee has invited members of the SJNC, the teachers union and their employers to attend its meeting next week to discuss the current state of affairs.

Without giving both parties a chance to have their say, or allowing members to ask questions of it and, later the same day, the minister, the SNP seems content to say how the dispute should be resolved and that we should continue with the SJNC in its present form despite the fact that after almost two years it has not been able to deliver a proposal for wages and conditions that is acceptable to teachers and employers.

Nicola Sturgeon: Does not Mary accept that it is the minister rather than the SNP who is predetermining the future of the SJNC? I hear what she says about the timing of the debate. The choice of timing was not ours: I would rather have had the debate last week, when Sam Galbraith made his announcement about the committee of inquiry. Does she not agree that it would be wiser, following Sam's logic, to refer the issue of the SJNC to the committee of inquiry to decide, rather than to predetermine the outcome, as he is trying to do?

Mrs Mulligan: If we are to get out of the present impasse—and the SJNC has not been able to do so—setting up an inquiry into how that organisation operates is a way forward. Although I hope that the Education, Culture and Sport Committee will be able to ask questions and extract information on the present impasse, it will in no way operate as an arbitrator. That is not its role, and there are people who are much better skilled to offer that service if it is deemed necessary.

It is important to reiterate that this Parliament is not the employer. As someone who has come from a local authority, I can assure members who have any doubts that the local authorities have made it clear that they want to handle their own employment negotiations. At the beginning of the draft improvement in Scottish education bill, it is stated clearly that the responsibility for managing education will continue to lie with the local authorities. I do not remember any members suggesting otherwise.

Mr Monteith: Mrs Mulligan implied that there are people who are better suited to the role of arbiter. She then talked about the role of local government. In other areas of employment, outside education, local government has a procedure that involves the Advisory, Conciliation and Arbitration Service. Does she accept that those people are professionals and that they would become the arbiters in the dispute?

Mrs Mulligan: I accept that those people are professional in that way. However, it is up to the teachers and their employers to decide who they want to arbitrate.

I strongly recognise the importance of teachers working with management and this Parliament to deliver the highest quality of education for all our children. I feel strongly that their professionalism should be recognised. There are several ways in which that is already being done—just three are the introduction of classroom assistants; improvements in information and communications technology facilities; and plans to improve continuous professional development opportunities for teachers. Much is going on in education that everyone would agree is good, but

the present unresolved situation is holding back further improvements.

At best, the SNP is being opportunistic in lodging the motion. If the SNP had lodged a motion on an issue such as the way in which a wider view of education could be encouraged, or how we could encourage our children to take part in sport, appreciate culture and play a full part as citizens, I might have felt that we were beginning to move forward in the debate on education. We should consider how we can give our children and young people a fuller appreciation of the education process. One of the most worrying aspects of the education system is the number of children who opt out of that system. Let us debate how we can make school more relevant to those children.

Many issues have been raised in the Education, Culture and Sport Committee, as Brian Monteith said. I hope that we will be able to discuss them over the coming months.

Mr Quinan: Will Mrs Mulligan give way?

The Deputy Presiding Officer: No. Will Mrs Mulligan wind up, please?

Mrs Mulligan: Yes.

Both in the Parliament and in the Education, Culture and Sport Committee, many education matters need to be discussed. I believe that the present problem can be resolved if we allow the teachers and their employers to negotiate. At this stage, the Parliament does not need to get involved in the way that has been suggested. We owe it to our children, our teachers and our parents to take a more constructive and positive approach to education.

10:49

Dennis Canavan (Falkirk West): In the recent ballot, 98 per cent of Scottish teachers rejected the employers' offer, which they considered to be a demand to work longer hours for less pay on a pro rata basis. Accepting that offer would also have led to larger class sizes and the abolition of the post of subject principal teacher. In my opinion, and that of the majority of teachers, such measures would threaten rather than improve educational standards.

The Executive's response to that democratic ballot, however, is to propose the abolition of the Scottish joint negotiating committee and to set up yet another inquiry. The minister appeared to be saying that no one is defending the SJNC. If he seriously believes that, why does not he have a ballot of all the teachers to see whether they want to retain or abolish the SJNC before he goes ahead with his legislation?

The business of having another inquiry seems to

indicate an element of indecision and prevarication on the part of the Executive, particularly in its education policy—or lack of it. There is already an inquiry into student finance; now we are to have another into teachers' pay and conditions.

The composition of the committee has also come in for criticism, particularly by teachers' unions and the Scottish Trades Union Congress. A minister—especially a Labour minister—excluding from membership of the committee anyone from a trade union background and any practising classroom teacher is a deplorable example of industrial relations.

There seems to be an element of pre-emption on the part of the Executive. The committee's terms of reference include an inquiry into the future arrangements for determining teachers' pay and conditions following the removal of the statutory basis of the SJNC now proposed by the Scottish Executive.

Ministers seem to be pre-empting the will of Parliament, because the abolition of the SJNC would require parliamentary approval and legislation. I would be grateful if the minister would tell us what advice he has had as to whether such legislation would be dealt with by the Scottish Parliament or by the Westminster Parliament. Education, as we all know, is a devolved matter, but employment legislation is a reserved matter. The minister would be heading for trouble if he depended on votes down at Westminster to bring about a reduction in Scottish teachers' pay and conditions of service.

The minister keeps saying that all this is part of the Government's modernisation programme. Last week, he told me that I was hanging on to the past, but it is the minister and his comrades in the Convention of Scottish Local Authorities who are trying to turn back the clock.

I recall the first teaching job I ever had. I was still a student at the time. I got a job during the university holidays as a temporary unqualified teacher at a school in a deprived mining community in Fife. Such was the level of deprivation among the children that at one stage I had to give a pair of my wee sister's shoes to one of the pupils so that she could come to school. There were more than 30 pupils in the class, ranging in age from eight to 12, and every child in the class had learning difficulties. Looking back, I now realise that I probably learned more from them than they learned from me.

Later on in my teaching career, I was a principal teacher in one of the largest comprehensive secondary schools in Scotland. At that time—during the late '60s and early '70s—there were classes of about 50. That would not be tolerated now. Why? Because teachers and the teachers'

unions have fought hard over the years to improve working conditions. Teachers have won contracts stipulating maximum class sizes and other matters affecting their work and, when the SJNC was set up, such agreements had a statutory basis. Those were hard-won gains by the teaching profession, and the minister is now to abandon all that by abolishing the SJNC.

The proposal seems to be part of the teacher-bashing agenda that started down south with David Blunkett, which was copied by Helen Liddell and which is now being continued by Sam Galbraith. The minister's attitude will do nothing to improve the status or morale of the teaching profession. More important, it will do nothing to improve educational standards. The children in our schools deserve much better and I therefore urge the minister to think again. Let us have a fair deal for Scottish teachers to ensure a better future for the children in our schools.

10:55

Michael Russell (South of Scotland) (SNP): I want to address two issues: the working hours of teachers and the structure of the profession. Before I do that, however, I must declare two interests—as the husband of a teacher and as a parent. There are many parents in this chamber who are concerned about the future of their children and of children such as those in the public gallery this morning. That is what this debate is about.

Many teachers will take severe offence at what the minister has said today. At the beginning of the debate, he attacked the SNP by saying that our motion has nothing to do with children. Every teacher puts children first, second, third and right the way through. By protecting, supporting and encouraging teachers, we intend to get the best out of children. It is extraordinary that society exhorts our children to listen to their teachers, but that the Government remains deaf to the teachers of Scotland.

The structure of the profession is a vital matter for teachers, but it is a vital matter for children too. As Murray Tosh correctly and very movingly pointed out, it is the teachers in schools who can get the best out of children. I have not heard of or read about one teacher who supports the restructuring of the profession as the offer suggests. Yes, teachers support the restructuring of the profession and do not want the best teachers to be distanced from the classroom, but Kevin Nolan, a principal teacher in a Dundee secondary school, writing in the current issue of the *Scottish Educational Journal*, says of the proposals:

"The plans to remove all Principal Teacher posts lack coherence, present an ill-defined method of progression

from one stage to another and have little to do with improving educational provision for young people."

He goes on to describe the plans as

"unworkable, divisive and woefully ill-thought out."

I encourage the minister to listen to the teachers and not simply to his advisers.

Nicola Sturgeon has described what the proposals will do in terms of career blocking. Rather than encouraging people into teaching and encouraging them to move through the profession and aim ahead, the proposals will stop progress in the profession and result in an even worse recruitment crisis.

At a recent meeting of the Education, Culture and Sport Committee, Sam Galbraith moaned on about teachers not reading professional journals. Sam Galbraith is a professional and I hope that all of us in this chamber are professionals. What underpins professionalism is constructive self-management of time. One might argue that that is what differentiates professionals from others. However, in the proposed hours for teachers, there is not a moment for such constructive self-management. All time is to be allocated; all the time, teachers are to be told what to do. That rigid control will result in two things: in the best teachers working even longer hours for their pupils and the worst teachers giving up all hope that they can do better. If that is at the heart of the proposals, they are deeply flawed.

I encourage the Executive and all the members sitting behind them, who are trying to defend the indefensible—including the Liberal Democrats, who have a choice on this matter in the partnership—to listen to the teachers. In the Educational Institute of Scotland ballot, 33,678 people voted no and 656 voted yes. There were 10 spoiled papers. Only 656 people voted in support of the proposals. That is a damning refusal. The figure is only slightly more than the number of votes polled by the Liberal Democrats in the Hamilton South by-election—which shows just how low it is.

I say to Sam Galbraith, as many members do, "Play it again, Sam." I appeal to him to rewind from where he is and pick the right fight—a fight on behalf of teachers in Scotland—to get some money out of Gordon Brown's war chest. Sam Galbraith is involved in a fight with Scottish teachers that will damage our children.

10:59

Dr Sylvia Jackson (Stirling) (Lab): I declare a particular interest in the debate as an EIS member—as others in the chamber are—as a former teacher and as a teacher trainer.

The 98 per cent rejection of the salary and

conditions offer shows clearly that a new approach is needed. It is obvious that something is drastically wrong, either with the substance of the offer or with the mechanism by which the package was agreed—or possibly both. I have difficulty with the SNP motion as it presents the root of the problem as financial.

Although it is true that money is at issue, those of us who are closely involved with the profession know that there are a number of other deep-seated problems, such as those Maureen Macmillan alluded to. One is work load. There is no doubt that the curricular changes that have taken place over the past 10 years, standard grade, the five to 14 programme and more recently the higher still development programme, have meant teachers being asked to make significant changes to their way of working.

Those are not simply changes to the syllabus but changes in how classes are grouped and taught. There have also been significant changes in assessment requirements: more paperwork and more internal assessment. While most of the changes represent good practice, they are all time consuming and need to be assimilated into the everyday routine.

To give some idea of the continuing problems with the implementation of the higher still programme, I will quote from a Stirling secondary school. Departments were asked to comment on their progress with higher still. One said that there was a

"limited supply of exemplar material; more paperwork for all staff—course logs, internal assessments, assessment proformas; limitations and pressure on time for assessing and re-assessing; limitations on IT resources for use of CD rom and inventing; at Higher, too many 'new' types of questions—no link with previous learning from S Grade."

It is hardly surprising that in the present pay and conditions round, teachers rejected the deal. The proposal suggests, as Brian Monteith and Murray Tosh said, that the principal teacher posts in secondary schools should be abolished. They are the very people who are needed to spearhead the higher still programme. A new management structure was proposed in their place, but the teaching unions think it is less than clear.

Even if those arguments are not accepted—although I think we do accept them—there is the further aspect, on which I think there is universal agreement, which is that the negotiating machinery of the SJNC has not worked. As a result, teachers in Scotland are falling further and further behind their colleagues in England and Wales in financial terms.

Nicola Sturgeon *rose—*

Dr Jackson: No, Nicola, I want to finish.

It is time, therefore, to look for solutions other than the SJNC. Last week, Sam Galbraith gave details of the independent committee of inquiry that will make recommendations on a future mechanism for determining pay and conditions for teachers in Scotland. As an EIS member, I initially felt uneasy about the possibility of a pay review body that could reduce the bargaining powers of the unions, but it is imperative that we find a mechanism that leads to teachers being given a just financial reward and being listened to, so that more long-standing concerns are adequately addressed. The independent committee is only one way of doing that.

The Government has education as its No 1 priority.

Fiona McLeod (West of Scotland) (SNP) *rose—*

The Deputy Presiding Officer: The member is winding up.

Dr Jackson: The programme for government and the consultation document "Improving our Schools" lay great stress on supporting teachers, enhancing professionalism and thus improving teaching and learning. All are critical to improving standards. I believe that we can deliver our promises and deliver real improvements in the performance of our schools and in the education we provide for our children, but we can do so only by continuing to work in partnership—I emphasise partnership—with teachers. I commend the Government's amendment.

11:04

Nora Radcliffe (Gordon) (LD): One of the major concerns of head and senior teachers in my constituency about the offer is the lack of clarity in the proposals to change school management. They feel that the proposals have not been thought through. Those I spoke to could not see how their schools would implement the proposals or how the work currently done by staff would be redistributed.

Class sizes may be an "old chestnut" but they are an on-going concern. There are good reasons why the issue comes up again and again. Sam Galbraith said this morning that he wants to see

"schools and local authorities work together effectively".

Schools and local authorities may work together effectively—setting a budget, agreeing priorities and preparing a plan for the year—then a new initiative is announced and bids have to be prepared at the expense of a great deal of staff time and effort and often at short notice. However well intentioned or desirable the objectives of the initiative, the effect is to cut across and disrupt local priorities, to divert staff time and effort, and to

take resources from a finite budget. Whatever the outcome of the current discussions, the plea will remain that schools should not be made to jump through so many hoops or be forced to bid for targeted resources that supersede local priorities.

11:06

Mr Lloyd Quinan (West of Scotland) (SNP): When the Labour party came to power, it said its priority was education, education, education. It seems to think that education can be divorced from teachers.

It is extraordinarily arrogant of the Labour party to believe that it and it alone has the future of education and of children at heart. It fails to take into account the fact that the vast majority of teachers are themselves parents. It is absurd to suggest that teachers are not interested in education and standards, only in money. Consultation, openness and partnership are buzz words of new Tory-Labour, but it does not listen to the results of consultation—the SSTA and EIS ballot results. It is wilful stubbornness of the education minister to sit on the beach like King Canute.

Our teachers care about education, about children and about protecting their own families and their future. Why will the Executive not listen to teachers? Why does the STUC have to write to Sam Galbraith and every other MSP to point out that the committee of inquiry is not acceptable to it? Why has the head of the EIS had to write to us to say that the scope of the inquiry is unacceptable and, because there is no trade union representation on it, the EIS will not accept its findings? What are we doing? Why is the Executive pretending that it is right and ignoring the people involved in the dispute?

Like Mrs Mulligan, Mr Galbraith talks about education but divorces it from teachers. That is ludicrous. It is nonsensical to take the pretended moral high ground and tell us that only the new Labour party has the best interests of education and our children's future at heart. Where is the consultation? Where is the listening to the teachers? I do not hear it from any of the Labour benches here. I hear anecdote.

I would like to ask the MSPs who are EIS members how they voted. Did they vote with their colleagues or with the 650 recalcitrant EIS members who seem to be blinded? Were new Labour members the 650 who did not vote against the deal? That is quite likely.

We have to make progress. That requires money but, more important, if the minister does not sit down with the trade unions and speak to them directly, they are likely to take industrial action.

The few members of new Labour who were here yesterday for Donald Gorrie's debate on football will remember that the enormous effect of the previous teachers' dispute on sport in this country was mentioned. What effect will a dispute have this time? Why does the minister want to push through concepts of industrial managerial structures in an area that cannot be assessed in that manner? I urge the minister to listen to the STUC and the EIS and to stop being blinded by a mindless and foolish ideological position.

11:11

Robin Harper (Lothians) (Green): As a former president of my local EIS association, former member of the national council and someone who has remained in contact with my local union branch over the past few months, I must declare my interest in this matter. What I have to say therefore carries more weight than Jamie Stone's straw poll.

I have in my hand the latest EIS response to the consultation on the improvement in Scottish education bill. I draw members' attention to the first paragraph, which states:

"There is much in the introductory remarks to this document with which the EIS would want to be associated. Improvement should take as its starting point the needs of schools and their children and it is the task of the many agencies concerned to support that process."

This document is peppered with phrases such as, "we welcome" and "strikes a good balance". It is absolute proof that the EIS is prepared to take part in constructive dialogue with the Government and COSLA on the future of education in Scotland. I recommend that people read it: in particular, Mr Galbraith should pay close attention to the caveats in it.

I would like to convey to members the feelings of an EIS member, expressed in a letter I have received:

"Robin . . . In the statements which have come from the Executive and the Local Authorities in the current debate there has been a constant thread of circumscribing and tying down the job of a teacher. No thought seems to have been given to the work which teachers do over and above that carried out while teaching classes. Nor has anything like adequate account been taken of the amount of preparation, correction and study which goes into making a well taught course of lessons."

There has been much reference to that on both sides of the debate.

"This is work which is done at a place and time of the teacher's choosing, which is why you see so many carrying piles of jotters out of the door as they leave school . . . The amount of time to be spent on organising up to date teaching materials, trying out new approaches and discussing the problems of individual pupils will not decrease. Many continuing developments, such as the introduction of new courses and the integration into

mainstream education of pupils previously in special schools are already increasing the demands on a teacher's time and skills.

But what is the response of the Minister? He seems to be taking the line that if teachers are spending all this time on school work, and no one doubts that they are, then they will not mind if some of that time is taken up by further duties.

There, plain to see, is the flaw in the argument.

Either even more teachers will crack under the strain,"—
and there has been reference to that—

"or they will have to give up something. What would the Minister like them to give up—organising educational visits to Orkney or France? Marking homework? Taking the football on a Saturday morning?

What is not being recognised here is that volunteers give more than time servers. Teachers who turn out on a rainy weekend morning to take a sports event or drive the debating team to a competition of an evening willingly give the time to this because they see the advantage it confers on their own pupils, not because it looks good on their timesheet.

There are teacher shortages in most areas of schooling now. Organising in-service training for Higher Still is a real headache because there are simply not enough supply teachers available. A flu epidemic this winter could cost more school days than the threatened strikes, as absent teachers cannot be replaced. The Executive's current attack on the professional freedom of teachers, in spite of what the Minister purports to be doing and says he is in favour of, cannot help but add to the problem by making teaching an even less attractive career than it already is.

The SJNC, the negotiating body, contains representatives of the teachers, the local authorities and the Executive. The Minister and his predecessors (of the same political party) have not been playing a full role in the discussions. To hear Sam Galbraith talk you would think he was on the outside of these negotiations, and perhaps he has been. But that is his choice. He could have been helping to find a consensus from the inside, rather than making veiled, and now not so veiled, threats, from the sidelines.

Now the negotiations have not produced the result he wanted, the Minister is threatening to take away the negotiating body. I hope the Minister will not mind my saying that as a teacher I have heard that argument before, but the words were slightly different: 'If you won't let me win, I'm taking my ball away!' This is not the sort of sensible and considered response we had hoped to hear from a Scottish Executive close to the people.

The Minister has set up an enquiry to consider the pay of teachers, almost all of whom spend the bulk of their working week teaching pupils and doing the associated preparation and correction. Yet there is not a single classroom teacher on this committee.

The Minister has further compromised any independence the committee might be seen to have by telling it what to decide about the SJNC—it is to be abolished.

The Executive cannot hide behind these fictions and evade responsibility. The Minister should be taking a full part in discussions and not be attacking those who are working hard to find a just and effective way to organise the pay and conditions of teachers at the start of the next millennium."

Those are the thoughts of an ordinary classroom

teacher.

11:16

Mary Scanlon (Highlands and Islands) (Con):

This debate has been enhanced enormously by the practical experience of teachers such as Maureen Macmillan, Margo MacDonald and Robin Harper. Maureen, I realise that one does not need to be a teacher to speak in this debate. We all feel passionate about this issue. I have never taught in schools but I spent the past 20 years in further education. I have seen people who slipped through the net at school. They left school with no experience and went into dead-end jobs. But I have seen how education can transform people by giving them dignity, self-esteem, belief in themselves and the opportunities that they seek in life, so I am delighted and privileged to take part in this debate today.

As I listened to Sam Galbraith's ministerial statement, on the basis of my experience I could not help thinking how wonderful and impressive it was. I could not help thinking how different it was from the practical experience that people such as I have faced in the past two and a half years. As a parent—and a single parent—I wanted no more than an excellent educational experience for my children. All of us feel passionately about the fact that the one thing that we can do for our children is to give them the best experience possible in life.

I do not see this issue as being all about the EIS, education ministers and teachers; it is about the lives of children and the lives of adults. I hope that members will forgive me if I turn back the clock a wee bit. Having stood in the 1992 and 1997 general elections, I remember how hard people such as Michael Forsyth and other education ministers had to fight to introduce primary school testing, languages in primary schools, school boards, a parents' charter and, indeed, to implement standard grade and higher still. All those initiatives were fought for in the face of bitter, hostile, negative and destructive opposition. If I stand here beside someone who was likened to Mother Teresa and who put forward a positive contribution to this debate, I am proud to be on this side. I am proud that Nicola Sturgeon and others have tried to overcome the historical confrontational approach that did no one any good. I am proud that we have entered into a constructive debate.

Many promises were made by the Government. As a lecturer in 1997 I thought that things would be quite wonderful, with more resources and so on. I can talk honestly from my experience. At Inverness College, where I taught higher national certificate courses, higher national diploma courses and degrees, the size of my classes doubled and trebled after 1997. It did not make

much difference when I was teaching. I could lecture to three, 30 or 300, but when the course work comes in at 300,000 words a time and the evenings and weekends are not long enough to keep up with the marking, it does matter. That is no different from the feedback that I am getting from teachers in schools: there is more work for less money, less value and less recognition. There is a limit to how far you can push teachers.

I will pick up on a point that Margo MacDonald made about teachers' pay. No one enters the teaching profession for financial advancement. My son graduated last year from Edinburgh and I was shocked when the starting salaries of his friends, as new graduates, were higher than the salary that I earned as a teacher at the top of the scale when I was teaching degree courses. That is shameful.

In 1997, Inverness College had a deficit of about £700,000; it is now £4 million. I believe that out of the 53 further education colleges in Scotland—and the minister can confirm or deny this—48 of them are facing financial deficits to the bank. That is hardly a Government that prioritises education.

I will mention Peter Peacock.

The Deputy Presiding Officer: Briefly, please.

Mary Scanlon: As convener of Highland Council, no sooner was the ink dry on Peter Peacock's Labour party application than he secured his place at the top of the list and subsequent ministerial position. Peter is not the flavour of the month in the Highlands, because the promises that he made last year are not being followed through this year. If Jamie Stone will forgive me, I will use the example of Tain Academy.

The Deputy Presiding Officer: Very briefly, please.

Mary Scanlon: It is estimated that Highland Council needs £28 million for essential maintenance work, £30 million for existing capital and a further £20 million, yet this Government asks us to congratulate it for £51 million.

Dennis Canavan mentioned this point. I feel strongly about testing in primary schools. I went to a seminar last week in Glasgow on autism. Far too many people with learning difficulties and disabilities are slipping through the system. It is not right that in this age we are picking up autism, Asperger's syndrome and dyslexia when people are 30 or 35. That should be done in primary schools.

11:23

Malcolm Chisholm (Edinburgh North and Leith) (Lab): As a member of the EIS, I declare an interest and express some difficulties with the

COSLA offer. I am pleased that the Executive has distanced itself from it. I am concerned about the raising of the limit on the number in composite classes. I am also worried about the reduction from 16,000 promoted posts to 4,000 professional leaders. That leaves me wondering how secondary schools are going to work, and how many women are going to be in promoted posts.

Nicola Sturgeon: Malcolm's speech has opened in a positive fashion. He says that he is glad that the Executive has distanced itself from the offer. Might it not have been more helpful if Sam Galbraith and the Executive had distanced themselves from the offer some weeks ago, told COSLA that parts of the offer were unacceptable and provided COSLA with the wherewithal to compromise on the most unacceptable parts of it?

Malcolm Chisholm: I am glad that Nicola Sturgeon found my beginning positive. I will now turn to the SNP. The SNP motion reduces this matter to lack of resources. The SNP position would have some credibility if it had flagged up education as the one area in this Parliament that was to get extra resources, with the consequence that other areas would suffer. However, the motion today lacks credibility as the SNP calls for extra resources in every debate.

It occurs to me that SNP members in this Parliament take a Trotskyist position over and over again. What we hear from them is transitional demands, asking for money across every range of policy that they know cannot be delivered. They must address that if their proposals are to be taken more seriously.

Fiona McLeod: We are discussing lack of resources. Will Malcolm comment on opening up Gordon Brown's war chest of £12 billion?

Malcolm Chisholm: That takes me on to the Executive amendment. The Executive amendment refers to substantial extra resources for education. Without pre-empting decisions that Gordon Brown will make, I am confident that considerable extra resources will be allocated to this Parliament over the next few years, for health and education in particular, although it is up to this Parliament to decide what it spends its resources on.

It is important—and it is acknowledged by the Executive amendment—that we take teachers with us in all those positive initiatives, which are partly to do with money but partly to do with extra places for nursery education and extra help in the primary school. However, I do not believe that the SJNC is the main issue for teachers, so I accept the proposal for an independent committee.

I will make one final plea in relation to that committee. I agree with the STUC in its criticism of its composition. The independent committee would be more widely acceptable to this Parliament and

to the teaching profession if it had at least one trade unionist and, especially, one ordinary classroom teacher on it. The minister must recognise that the experience of ordinary classroom teachers is very different from that of head teachers. With that proviso, I am prepared to accept the Executive amendment.

11:27

Linda Fabiani (Central Scotland) (SNP): The minister explained last week why he was asking an independent committee to consider teachers' pay and conditions. Maybe we need more Scottish history taught, not just in schools, as some members propose, but to the minister and his colleagues. Perhaps Murray Tosh could help to set that up for us.

The minister's script could have been lifted from the Tory archives. This is a rerun of what happened in March 1986 when Malcolm Rifkind, then Secretary of State for Scotland, was desperately looking for a way to end the teachers' dispute. He announced an independent inquiry and the Main committee was set up. It took seven years for the Tories to get into that mess, yet here we are in the same position in the first term of the Scottish Parliament.

Unlike my colleague Nicola Sturgeon, I was not at school during the last series of teachers' strikes, but I do remember them and the damage that they did to our young people, then and since. There was two years and six months of disruption—work to rule, missed lessons and no extra-curricular activities. Lloyd Quinan has mentioned the damage to sport. The problem was, then as now, that teachers' pay had been seriously eroded, with those in power unwilling to make a straightforward settlement, and there was a decent pay rise only for the lucky ones. No promoted posts this time, though, but their removal so that savings can be used to fund the present offer. Now, as then, there is a strong case for a pay rise for teachers and there is also a genuine need for reform. Those two issues need not be too closely linked, unless the minister intends to use pay as a means to blackmail the teaching profession over conditions.

On reform, why is there constant harping on about teachers having to be willing to change? As others have said today, teachers have for many years been receptive to change. The minister tells teachers that they must put children first. How patronising. He overlooks the fact that the vast majority of teachers put children first every time that they teach a lesson.

When the millennium review was reported, the EIS general secretary said:

"I believe strongly that the outcome is a very positive one for schools and teachers and offers now the opportunity for

substantial improvement in the delivery of education and for improved salaries for teachers."

No, teachers are not opposed to change; teachers are opposed to erosion of their pay and conditions and the imposition of ill-considered change.

For reasons known only to himself the minister is being hostile to the teachers, as he never was to his own professional counterparts when he was health minister. Already his approach is bearing fruit. He has achieved more than Mrs Liddell did during her short time as teacher and nat-basher general. Even she did not manage to turn a confirmed 98 per cent of the teaching profession against her.

I echo Nicola Sturgeon's call for honesty in this debate. Labour is spending proportionately less on education than the Tories. That is confirmed by a letter from the House of Commons library, dated 21 September. It states that

"although spending on education is planned to increase as a proportion of GDP during the Comprehensive Spending Review period, it will not return to the levels recorded in the early 1990s".

The minister should stop pretending that the teachers have caused this problem. The dispute could have been settled by negotiation, with the minister playing a constructive role. Instead, he chose to sit on the sidelines issuing threats—having, I suspect, already decided to abolish the SJNC and to bring the teachers to heel. Again, we are reminded that in education, as in many other areas, new Labour is taking forward the old Conservative agenda. The minister is treading a well-worn path—a path that has seen this country slide even further down the international education league tables.

Teachers are not shirkers who demand more pay for less work. Most are committed professionals, who strive to educate their charges in the face of immense social and economic challenges. The teaching profession and the education system are indivisible. We cannot attack one without hurting the other. The minister, like his predecessors, is severely damaging our education system by his incessant and unjustified attacks on those who deliver the service. That is to the potential detriment of those about whom we should care most—our children and young people. I urge members to support this motion.

11:31

Bill Aitken (Glasgow) (Con): When I saw a newspaper headline that read "Crisis in Education", I was reminded of the heady days of 1997, when, to the accompaniment of the mantra "education, education, education", Labour was swept to power. Now, two and half years down the line, we have a crisis in education, with the

Government totally alienated from the teaching profession. Who would have thought that that could happen? The teachers' party has lost the confidence of the teaching profession.

What has been the Government's response to that loss of confidence? Frankly, it has abdicated its responsibilities. Instead of sitting down with the Advisory, Conciliation and Arbitration Service, as it should, to achieve a compromise so that we can reach a settlement to this potentially damaging dispute, the Government has walked away from it. Surely there has never been a more classic case of passing the buck.

Labour's threat to impose a solution to this dispute will have long-term and damaging effects. The party has succeeded in alienating a profession that is instinctively supportive of its ideals. The damage that it has done will stay with us for many years. Why will the Government not sit down and negotiate? Why has it threatened to abandon the SJNC? The Government has chosen a committee of inquiry to replace the SJNC because it regards that as a safe option. If the committee proposes a settlement that teachers do not fully support, the Executive will be able to say that it has taken a hands-off approach and bears no responsibility for what has been decided. It cannot abdicate responsibility in such an irresponsible manner.

The fact of the matter is that the teachers' trade unions have voted overwhelmingly to reject the package that is on the table. They are right to do so. First, there is the money factor. All teachers are dedicated to the profession, and money is often not their prime consideration. On the other hand, they have mortgages to pay and families to support. The package that is now on the table and that may eventually be imposed is short of money.

Secondly, the Executive's proposals to reorganise schools are a recipe for chaos. It has been proved time and again in industry that the flat line of management does not work, so it is not likely to work in education. If we remove a tier of management—principal teachers and heads of department—and replace them with a diktat from on high, the system will fail. That will damage both teachers, who are seeking to make a profession out of a career, and youngsters.

The Government should, as a priority, seek arbitration in the pay dispute. In the longer term, an independent pay review body might be advantageous. At the same time, the Government cannot maintain a hands-off approach. It must be involved, or confidence will continue to be lost until the degree of alienation is such that the education system disintegrates completely. As I said, who would have thought that two and a half years after the general election we would be in this position? That is an appalling indictment of the way in which

education in this country is being run.

11:36

Mr Kenneth Macintosh (Eastwood) (Lab): As Malcolm Chisholm said, the SNP identifies the problem here as one of a lack of resources, the solution being to throw money at it. As usual, the SNP cannot explain where that money should come from.

Fiona McLeod: As we have said several times already, the money is there. It is being saved to buy votes in a year or two. Why not use it to secure children's future now?

Mr Macintosh: I disagree totally. It is our job in this Parliament to manage the resources at our disposal. We have £15 billion to tackle the problems that face Scotland, but the SNP's solution is to look for magic pots of gold elsewhere—money that is not under our control. The SNP should focus on the real situation in which we find ourselves.

I also disagree fundamentally with the SNP's analysis. The problem is one not of resources, but of a profession that feels undervalued and demoralised. It is difficult for those of us who are not teachers to appreciate the pressure that they are under daily in the classroom.

Nicola Sturgeon: Would Mr Macintosh mind explaining how Mr McCrone, the chair of the new committee of inquiry, can gain an insight into the feelings and experiences of classroom teachers when there is no classroom teacher or representative of the teaching unions on the committee? Can he answer that question, given that so far this morning none of his colleagues has been able to do so?

Mr Macintosh: I hesitate to speak on behalf of ministers, but I think that Sam has already answered the question. There are teachers on the committee.

The McCrone committee has been set up to solve a particular difficulty, but the fundamental problem is not one of resources. There is a lack of appreciation of that—certainly in the SNP's motion, which concentrates on resources. Teachers have the task not only of educating children and building their self-confidence, but of coping with behaviour that is often unruly and disruptive, and maintaining discipline. That can be very draining, but it is not a problem that can be framed in terms of resources.

In her speech, Nicola Sturgeon suggested that one solution to the current difficulty might be to have the Education, Culture and Sport Committee take charge of teachers' pay negotiations. That is to misunderstand fundamentally the process of collective bargaining. As a member of the

committee, I want to distance myself—and the committee—from Nicola's suggestion. Teachers would not appreciate their commitment, their future and their pay becoming a political football. That is what would happen if teachers' pay became a matter for the committee.

Nicola Sturgeon: I must put the record straight, because Mr Macintosh is deliberately misleading this Parliament. I have said on a number of occasions, including this morning, that I support the continuation of the SJNC as the mechanism for negotiating teachers' pay. However, does Mr Macintosh not agree there are a number of issues outstanding from the millennium review—issues raised by both sides in the dispute? Those need to be examined before we can decide where we go from here. That examination is best conducted by the Education, Culture and Sport Committee, which is part of the democratic structure of this Parliament.

Mr Macintosh: I am trying to make a point and you have already made a speech, Nicola.

Nicola said in her speech this morning that she wanted the matter to be referred to the Education, Culture and Sport Committee. That committee is going to take evidence from both sides, but it is not our purpose to replace negotiating machinery. It is terrible to suggest that it should.

I particularly object to the suggestion because of the behaviour of you and your colleagues in the committee. On two occasions, you have left the committee within an hour of its starting to release a press statement. That shows that the SNP members have their minds made up when they come to the committee. You are not coming to listen, you are coming with a narrow prejudice. I find your behaviour in that committee insulting to other members and to those who are giving evidence.

The Deputy Presiding Officer (Ms Patricia Ferguson): Could you wind up now, please.

Nicola Sturgeon: Mr Macintosh has made an allegation—

Mr Macintosh: I am sorry, Nicola, but I have let you intervene three times already and each time I have let you, you have made a speech. Are you going to make another speech?

Nicola Sturgeon: I am giving you an opportunity to withdraw the comment that you have just made because it is not founded in fact.

Mr Macintosh: What is not founded in fact? That you have not released press statements twice during committees?

The Deputy Presiding Officer: I remind members that it is up to individual members to decide whether to accept an intervention. All

remarks should be addressed through the chair. This is not a debate from one side of the chamber to the other.

Mr Macintosh, would you wind up your speech, please.

Mr Macintosh: I am sorry, Presiding Officer. You are quite right.

Mrs Margaret Ewing (Moray) (SNP): On a point of order, Presiding Officer. I would like to know whether any indication was given to Nicola that Mr Macintosh was going to raise that point outside the committee. That would be courteous behaviour and it is important that Nicola has the right to respond in the chamber.

The Deputy Presiding Officer: Mr Macintosh, please continue.

Mr Macintosh: I do not think that the committee is the place to negotiate pay. The behaviour of Nicola and her colleagues shows that the committee is a political battlefield, not a place for negotiations.

Tricia Marwick (Mid Scotland and Fife) (SNP): On a point of order. Is it in order for one member to abuse another in the way that Mr Macintosh has done without the abused member being given the right to reply?

Mr Macintosh: I am not abusing anybody.

The Deputy Presiding Officer: Both members who have been involved in the conversation that has been going on across the chamber have had ample opportunity to put their points across.

I remind members that they should indicate if they wish to speak. Members should not speak until they have been asked to.

Mr Macintosh, would you quickly wind up, please.

Mr Macintosh: I am not personally abusing Nicola; I am making a point.

I object to the motion because it is not designed to resolve the issue. It will do nothing to help the lot of teachers. It accuses the Executive of being deliberately provocative, but I think that it is the SNP that is being provocative. The motion fails to understand that the Executive's primary aim is to improve the lot of teachers: the Government is rebuilding schools, investing in computers and investing in classroom assistants. All that shows how much we value education, our children and our teachers.

I urge members to reject the motion, support the amendment and allow the Government to support teachers and reward them for their efforts.

11:43

Mr Gil Paterson (Central Scotland) (SNP): I would like to examine not pay, but the importance of national conditions of service for teachers. For years, the Scottish joint negotiating committee has been responsible for ensuring that, in all areas of Scotland, children are taught by teachers working under the same pay and conditions. It has driven up standards of education and was responsible for delivering a national maximum for class sizes. Abandoning national conditions of employment will be detrimental in the classroom and will create divisions between schools in rich local authorities and those in the poorer ones.

If the committee is such a bad thing, how was it able to deliver in Scotland something that could not be delivered in England—the maximum class size? How did it manage to deliver a reduction in class sizes against a background of Thatcher's savage cuts? If the committee is abolished, when will the minister legislate to ensure that the current maximum composite class size of 25, the current maximum of 33 in the upper primaries and in secondary school classes and the limit of 20 in practical classes will be maintained? Will that be left to local bargaining? Will Labour preside over rising class sizes?

The committee protected children from educational disruption. A national agreement ensured that supply teachers are drafted in after three days if a class teacher is absent. Without a national agreement on that, there will be variations between local authorities. The quality of education that a child receives will be dependent on the wealth of the child's local authority area. Without a national agreement, it will not be possible to drive standards higher across the country and poor authorities will lag behind.

Dr Murray: Will the member give way?

Mr Paterson: I am squeezing a five-minute speech into four minutes, so I will not. I apologise.

The committee ensured that all Scottish teachers were employed under the same basic conditions. That means that there are no discrepancies between richer and poorer authorities. If conditions of employment are to be negotiated locally, the good employers will be undercut by the bad and the bad undercut by the very worst. As a consequence, local authorities that have less money to spend will be less attractive to teachers. Certain authorities will attract the best teachers and others will have difficulty attracting teachers. That discrepancy will be a barrier to ensuring that all children have access to education of the best quality, regardless of where they live.

The minister should recognise that the Government is continuing the old Tory

handbagging of teachers—he seems to be chatting too much to notice, however. Mr Galbraith seemed to suggest that legislation would replace negotiation. He said that the committee was inflexible because its agreements have the force of law and cannot be changed without further agreement.

Does the Government want to replace negotiation with legislation to get its own way? Proposals have been agreed by teachers and local authorities that would reform the committee and make it less flexible to local needs. Why is the Executive not taking those proposals on board? The Government's proposal to abandon the SJNC is a petulant response to not getting its own way with the teaching profession.

The committee was responsible for safeguarding and improving Scottish education through Thatcher's years. I find it strange that a Labour Government wants to take the regressive step of abandoning national conditions. That move will not drive standards up; it will do the opposite: conditions in the classroom will deteriorate rather than improve.

Proposals for reform of the SJNC have already been agreed and consideration of their implementation should be undertaken.

I dedicate this debate to the unsung heroes in Scottish education who dedicate their lives to educating people in deprived areas.

11:48

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): I should declare that I am a member of the Educational Institute of Scotland. As a former principal teacher, I was warmed by Murray Tosh's remarks but, when Maureen talked about all the marking, I shivered and thought that perhaps I was better off out of teaching—I do not always think that.

A lot of what I wanted to say has been said. I would like to associate myself with what Nicola Sturgeon said about the disastrous package that was offered to the teachers, which cut out the heart of the management structure. I have said that before and I do not want to repeat myself. However, if the minister has not heard that message clearly, something is wrong. I do not assume that he has not heard the message; in fact, I am sure that he has.

The dispute is not primarily about pay; it is about all the proposed changes of conditions that accompany the pay negotiation. I believe that the whole perspective must be changed. The SJNC, which Nicola and others think is such a wonderful body, had better get it right for this year and, if the minister can, he had better do something to help it

to do so. We must have a year in which the teachers get something like 4 per cent. They would love 5 per cent and they will not take 3 per cent, so let us give them 4 per cent straight away. Sam will give them money. The McCrone committee will then have time to get on with its inquiry.

I would have been pleased if a practising teacher had been on the committee, although that would have been a token gesture. One practising teacher could not tell the committee all it needed to know. It is important that the committee exists, whoever is on it. It will be independent and rigorous; it will think and take time. It will not have just two meetings—one before Christmas and one after—and make sweeping decisions.

Mr Tosh: There is a difference between the perspectives and interests of head teachers and those of classroom teachers. The danger is that the head teacher's voice will be taken as the voice of teachers in general. Does Mr Jenkins accept that, without a practising teacher, the committee will be limited in its information and perspectives?

Ian Jenkins: I agree with Mr Tosh. I would have preferred a practising teacher to have been on the committee. I hope that Mr Galbraith will think about that again. However, one teacher would not necessarily have stood for everybody. I would hate to have to talk for the whole teaching profession, or even for just secondary teachers.

Mr Quinan: As Mr Jenkins does not want only one teacher on the committee of inquiry, does he accept that a representative of one of the teaching unions should be able to speak for teachers? Will he urge the minister to contact the EIS and the Scottish Secondary Teachers Association immediately and request that they are represented on the committee?

Ian Jenkins: I do not think that one member of the EIS could speak for all teachers, either. Once the committee is framed—and I would have preferred it to have been framed differently—the whole point must be that it takes evidence. Those listening to this debate will know what teachers think about the previous package—they must know that it will be rejected. The committee must do its job. I say to the minister that I hope—

Mr Monteith: Will Mr Jenkins give way?

The Deputy Presiding Officer: No, Mr Jenkins is trying to wind up.

Ian Jenkins: I hope that everything that Mr Galbraith said about working together as teachers is correct. I believe that it will be. I promise him my whole-hearted support as long as he keeps delivering. When he stops delivering, my support goes out the window. A settlement must be reached for this year. The McCrone committee

must have time to do its job properly. If it does not deliver, I will be out of here.

11:53

David Mundell (South of Scotland) (Con): At the very least, today's debate is to be welcomed, as the current crisis in our schools cannot be glossed over. It is worthy of more consideration than was afforded by last week's statement and questions.

I thank the SNP for using its time to debate this important issue. I understand its political rationale in lodging a motion that backs teachers 100 per cent in their dispute with the Government. It is exactly the sort of motion that the Labour party would have put down under the Conservative Government.

Perhaps that is why the applause from the Labour benches was so limited, even after contributions from Labour members. As Labour has found, unreserved support for good causes is the luxury of opposition. It understands that now, although it took the late, lamented Helen Liddell to spell it out. With children present in the gallery, I could not find an appropriate quote from Helen to use. One benefit of Mrs Liddell is that she can make her successor Mr Galbraith look caring and conciliatory, at least for a few days.

The Executive has not realised that government is about taking difficult decisions—decisions that are not always popular with focus group members in those new Labour strongholds of Kelvinside and Morningside. Labour has talked tough when there has been the right audience, but has failed to follow through on its rhetoric when the political heat has become too much. It is time for that to stop and for the Executive to show some leadership on this issue.

Most classroom, principal and head teachers have to take difficult decisions every day. I note that, when the new professional leadership grade is determined, evidence is required of successful classroom practice. I wonder whether, on the basis of the examples set by the Executive, that will involve a teacher referring a difficult decision on resources in the classroom to an expensive independent inquiry. Under all the suggested definitions and criteria—professional knowledge, satisfactory staff review and contribution to rising standards—the Executive will never attain the professional leadership grade.

If that were not the case, Mr Galbraith, as the EIS has suggested, would not have sat so long on the sidelines of the negotiating process. Rather than seeking to destroy that process, he would have used his statutory power—as the third party involved in the SJNC—to become directly involved in negotiations, allowing teachers, councils and

the Government to work towards an early agreement to which they could all subscribe. I should add that I am using Ronnie Smith's words, not mine.

Despite the entrenched position adopted by the Executive, there is no reason why the existing mechanisms in the SJNC could not be used to end the dispute. As my colleague Brian Monteith has suggested, the matter should be referred to pendulum arbitration through ACAS, which would involve professional arbiters who would be ready and willing to take on this matter at no additional cost to the public, unlike the proposed costly independent inquiry.

I cannot understand why the Executive is so reluctant to take that route. The only explanation is that it does not want to be bound by the outcome of the arbitration. Indeed, that is the great benefit of the inquiry, as Mr Galbraith made clear in his response to my question last week. As with Mr Cubie's inquiry into tuition fees, the Executive gives no undertaking to implement whatever Professor McCrone and his colleagues come up with. Surely the Executive must see from the tuition fees farce that those issues will not go away, just as Mr Galbraith must understand that difficulties with teachers' pay, conditions and negotiating mechanisms will not go away. Hard decisions will have to be taken and they might as well be taken now.

On the specifics of the offer, I am staggered by the Government's blatant hypocrisy on class sizes. While seeking to give the public the impression that class sizes are to be reduced, we find in the small print that the numbers in the more teacher-demanding composite classes are to be increased from 25 to 30. There can be no clearer evidence of how shallow the Executive's commitment to education is. The individual child is irrelevant; the external gloss is everything.

I ask the deputy minister to clarify the position on composite classes. That issue is of great concern to me and to a number of constituents who have approached me on the matter. The COSLA document, "Teaching into the Millennium", claims that the abolition of composite classes is a key target, with an agreed review date of 2003.

As the deputy minister will appreciate, most rural schools cannot function without composite classes. I do not mean only schools with very small rolls, as that can be true in schools with more than 100 pupils. There is no suggestion in any inspector's report that composite classes fail rural children educationally.

Fiona McLeod: Does David Mundell agree that, although composite classes do not put children at an educational disadvantage, there is evidence that large classes, especially large composite

classes, could?

David Mundell: I agree—I have made that point already.

I will pass over the Liberal Democrats, having heard that Jamie Stone and Donald Gorrie are to establish a mini-task force to resolve this issue. It is interesting to note in the Liberals' educational policy document that they are opposed to the constant denigration of teachers by ministers. I hope that, in summing up, the deputy minister will say what other input the Liberal Democrats have had into the handling of this dispute.

Resolving this dispute is not rocket science. Virtually every organisation in Scotland has to face buying out existing terms and conditions and moving forward with new, flexible practices. It is the minister's approach that is the problem. I urge members to support Mr Monteith's amendment.

12:02

Nicola Sturgeon: Despite the Executive's best efforts, we have had an extremely constructive debate, which vindicates the SNP's decision to use its Opposition time to bring this matter before the Parliament.

Mary Mulligan said that she regretted the timing of this debate. I repeat what I said in my opening speech: initiating this debate was the only way in which the SNP could give Parliament the opportunity to debate this issue. Last week, the minister presented proposals behind the protection of a ministerial statement and refused to open them up for debate, even though, as Dennis Canavan said, they should have been for this Parliament to decide on. The SNP was right to bring this matter before Parliament. Teachers and parents will be grateful for that decision.

As I predicted, Sam Galbraith completely ignored the issue that is at the heart of the debate. He chose instead to concentrate on other developments in education, as though they somehow take place in a vacuum. He again refused point-blank to get to the heart of the matter. It was interesting to note that he tried, as he did last week, to distance himself from the COSLA offer to teachers, although for the past few months he has praised the offer and urged teachers to support it. He refused again to accept that the offer was deeply flawed and that teachers were right to reject it for sound educational reasons. He has also refused to confirm that the offer is now off the table and will not be brought back in its current form by the committee of inquiry.

I was delighted to hear Sam Galbraith's proposals for the establishment of an education forum. I have pressed him for details on that since

May. I look forward to flesh being put on the bones of that proposal—sooner rather than later.

Parents and teachers will note Sam Galbraith's failure to answer any of the key questions that were posed. He failed to answer the key question about resources. He did not say from where the missing £8 million would have come if the offer had been accepted. He did not say how COSLA could have entered into further negotiations with a view to compromise when, quite simply, it did not have the resources to do so. He talked about extra money in education, but refused, as did his deputy in question time last week, to explain why this Government is spending less on education as a proportion of gross domestic product than the Tories did at the start of the 1990s.

The minister also refused to answer a question that was put to him by several members from across this Parliament, including his colleague Malcolm Chisholm, on the lack of representatives on the committee of inquiry of any teaching union or of classroom teachers.

Maureen Macmillan thought that the committee of inquiry was a chance in a lifetime—I remember that the same thing was said about the millennium review. If it were the chance of a lifetime, I would have thought that the Executive would have been determined to ensure that, from the outset, the inquiry had public confidence and the confidence of all partners in education.

Why has the Executive ensured that there is no representation from the people who, Sam Galbraith claims, really matter in education—the teachers—especially as there is local authority representation and the directors of education and Her Majesty's inspectorate will act as advisers to the committee?

The deputy minister will be aware that one place on the committee will be filled only after discussions between Sam Galbraith and Gavin McCrone. Will the deputy minister give a commitment that, in the light of the views that have been expressed across the Parliament, the remaining place will be filled by a representative of the teaching unions? I hope that, in summing up, the deputy minister will break the pattern of the morning by answering that question. If he does, he might be able to salvage something from the mess that he has made.

Sam Galbraith avoided saying why he would not let the committee of inquiry decide on the future of the SJNC. Mr Paterson outlined some of the good things that the SJNC has done. Nobody would argue that there is no room for reform, but for Mr Galbraith to criticise the SJNC is like a bad workman blaming his tools. The problem was not the negotiating machinery; it was the offer. If the minister is so convinced that the negotiating

machinery is defective, he should be prepared to trust that view and let the committee of inquiry consider the matter.

I make a plea to the Executive to recognise that the morale of teachers is at rock bottom. A profession that is regularly criticised for being resistant to change has implemented more change over the past 10 years than any other profession in this country. Moreover, that has happened while teachers' pay has been steadily eroded relative to that of other professions.

When the teachers take a stand and reject by a margin of 98 per cent an offer that was defective—as has been demonstrated by members across this Parliament—the Executive's answer is petulantly to remove their negotiating rights. Does Sam Galbraith now model himself on Ken Baker, the former English Tory education secretary, who described removing teachers' negotiating rights as "absolutely extreme stuff"?

This Executive must go back to the drawing board. It must stop working with threats. It must withdraw the threat to the SJNC and allow the matter to be negotiated for this year within the SJNC, with the resources to fund a proper pay settlement. Through its democratic structures, this Parliament should then be allowed to decide how the outstanding issues in the millennium review are to be taken forward. Everybody in education could have confidence in that process; we might make progress.

It saddens me that teachers will have taken no heart from the minister's speech. I hope that, in summing up, the deputy minister will put that right.

Mr John Swinney (North Tayside) (SNP): On a point of order. Throughout my colleague's speech, Labour members were involved in a number of most discourteous sub-committee meetings in this chamber. Can the chair protect speakers against the discourtesy of Labour members?

The Deputy Presiding Officer: I remind the chamber that the guidelines say that members must respect the needs of other members to participate in the Parliament and that loud, prolonged discussions that may distract others should be avoided. I ask all members to adhere to those guidelines.

12:10

The Deputy Minister for Children and Education (Peter Peacock): When Sam Galbraith spoke earlier, he set out the vision for education of Labour and the Liberal Democrats, our partners in the Administration. It is a vision that will see Scotland once again being regarded as a world leader in education. We will have an innovative, flexible and adaptable system,

constantly capable of responding to change in our society and to the expectations of parents, pupils and communities throughout Scotland.

Education is our top priority, which is why we have released a substantial increase in resources for it. We are employing more teachers and providing a pre-school place for every three and four-year-old. We have created the national grid for learning, using broad-band technology. We are increasing the number of classroom assistants, promoting early intervention programmes and creating new community schools.

We are producing education action plans, reducing class sizes and developing study support programmes. We have introduced a qualification for head teachers. Spending is up by 8 per cent this year. The improvement in education bill will be introduced shortly. We are abolishing opting-out schools.

That is just a flavour of the most comprehensive programme for education in decades. There has been no mention of any of those points by SNP members, who are incapable of recognising that development is taking place. Across the whole of Scotland, parents and teachers alike welcome our programme.

Nicola Sturgeon *rose—*

Peter Peacock: I will give way for a moment.

Nicola Sturgeon: That was an interesting rundown of the Labour manifesto. Mr Peacock has gone through a range of Labour policy initiatives, some of which I agree with, which may come as a surprise. Does he not agree that all that will be put in serious jeopardy if the teachers have to go on strike? Does he not think that that, more than anything else, will threaten the reputation of Scottish education and the standards of education for our children?

Peter Peacock: I am glad that, at last, there is some recognition that many positive things are happening in Scottish education. The initiatives that I outlined form only part of the picture. We desperately want a teaching profession in Scotland that is well rewarded and well respected. We want to attract new entrants into teaching and to hold them in their careers for longer than we do at present. That is our objective and that is why the Executive has set up a committee of inquiry.

Earlier in the debate, considerable concern was expressed about the decline of the status of teachers in our communities. We share that concern. Margo MacDonald, Robin Harper and Dennis Canavan referred to that. I associate myself with Margo MacDonald's analysis—in what she described as her own homespun anecdotes—of the decline of the standing of teachers in terms of pay and respect. That is precisely the question

that we want the committee of inquiry to address.

Ms MacDonald: I am concerned that, although the minister and I would agree on the general approach that is needed continuously to modernise education and teaching methods, not one of the manifesto points that he mentioned will make life easier for teachers. It appears to teachers that the offer that they have been made simply adds salt to the wounds that have been inflicted by the innovations that the minister mentioned.

Peter Peacock: Margo MacDonald seems to misunderstand the central point of what we are trying to achieve. We are trying to ensure that, for the first time in decades, teachers are given proper recognition for the role that they perform. That is precisely what Sam Galbraith and I want to happen in Scotland. We want to raise the status of teachers so that they feel rewarded for their work and so that all the tasks that they undertake are properly recognised by the wider community.

I think that it was Malcolm Chisholm who—perhaps more appropriately than anyone else—picked up a point that Lloyd Quinan had missed. Malcolm Chisholm made it clear that COSLA had made the offer and that the impact of Sam Galbraith's proposal to establish the committee of inquiry was to put that offer to one side. All the questions about composite classes and the professional leader grade are all on one side. The committee of inquiry, as Maureen Macmillan indicated, has, quite properly, the opportunity of a generation to examine the way in which we can improve the status of teachers. That is the purpose of the inquiry.

Bruce Crawford: Will the minister give way?

Peter Peacock: No, I need to get on.

Nicola raised many points in today's debate. She has displayed the confusion at the centre of the SNP's policy on the SJNC. The motion is logically inconsistent; it calls for a retention of the SJNC, but also wants to refer the matter to the Education, Culture and Sport Committee. As Ken Macintosh said, it would be inappropriate for a committee of the Parliament to become involved in an industrial dispute.

The SNP says that it wants to keep the SJNC and that it wants the minister to intervene. It cannot have it all ways. We are trying to find a way through the arguments to provide a sensible solution for the future. We have been asked why we have announced that we want to remove the statutory basis of the SJNC. As Sam Galbraith said, anyone who has examined the outcomes of the SJNC negotiations over many years will know that the SJNC has failed to deliver for teachers. The situation described by Margo MacDonald and others is the one that we have now.

Mr Monteith: Will the member give way?

Peter Peacock: I will just finish this point. The SNP frequently argues that the Parliament does not have enough power. At the same time, it is asking the Parliament to give up power to a negotiating body for the local authorities and the trade unions.

Nicola Sturgeon *rose*—

Peter Peacock: That is precisely what the SNP is asking. The question of composite classes—to which the SNP has drawn so much attention—is for the Parliament to determine.

I make another point to clear up the confusion about the basis of the SJNC. Half the members of the SJNC believe that it has no future. The employers have lost confidence in the SJNC's ability to continue. It has no future and that is why we are removing it.

Ms Sandra White (Glasgow) (SNP): Will the minister give way?

Peter Peacock: No, I will not give way on that point.

I welcome the generous offer that Brian Monteith made for the Conservatives to mediate in the dispute. I am not sure how convinced the parties to the dispute will be about the Conservatives' credentials, given their record in the 1980s and 1990s. I suspect that I know which way the teachers would have liked Brian to swing during that period. He said that arbitration between the different sides in the dispute should be invited, but it would require both sides in the SJNC to ask for arbitration, and it is clear that the employers do not want it under current circumstances. The negotiations have come to a conclusion; they have not been satisfactory and we want to move on from that.

Mr Monteith: The statute says:

"The Secretary of State shall make arrangements whereby, in . . . matters in respect of which agreement has not been reached in a committee after they have been considered by the committee"

he shall consult the bodies which are represented on the committee and may include those bodies and call for arbitration. It is clear that the minister can encourage some movement towards that and show that he wants them to come together. Whether he can convince the parties to come together remains to be seen, but we do not see any evidence of an attempt to bring them together in that way.

Peter Peacock: As I said, it is clear that the employers' side has moved beyond that point. We share the view that we have to move on. The SJNC has had its day and we must find a better way forward.

Some members, particularly Jamie Stone, Sylvia Jackson, Maureen Macmillan and Ian Jenkins, spoke about the need to look to the future rather than to dwell on the past. We have to find a better way forward. I welcome their support for breaking the deadlock through the committee of inquiry.

Fiona McLeod, Nicola Sturgeon, David Mundell and Brian Monteith talked about composite classes. We have to be very careful about their arguments. We must remember that a significant number of pupils in Scotland, particularly those in rural areas, will always be educated in composite classes. There is no alternative, because the number of pupils relative to the size of school determines that. It is important that we do not undermine confidence in Scottish education and in the ability of composite classes to provide as strong an education as any other structure can—the evidence is that composite classes will deliver as good an education as standard classes do, if not better.

Both the SNP and David Mundell for the Conservative party implied that, if the offer had been accepted, there would have been a compulsion to raise to 30 the number of pupils in every composite class in Scotland. That is simply not the case. To do so would physically not be possible in most of the country. All that is proposed is a potential maximum number, in circumstances where that would be justified. It would still be for local authorities to manage the situation, and their clear intentions are not only to phase out composite classes, but to reduce class sizes throughout Scotland.

Mr Monteith: Will the deputy minister give way?

Peter Peacock: No, Brian, I have already given way to you.

Dennis Canavan asked about the competence of the Parliament to deal with the question of the SJNC. If there were ever a question over that, we would look to people such as Dennis Canavan to ensure that the Parliament had the powers to deal with matters within its competence.

I remind Dennis that the two teachers on the committee of inquiry are trade union members—one is a member of the Educational Institute of Scotland. They will bring their knowledge of trade unions to the inquiry.

Lloyd Quinan said that we had not been listening to teachers or taking account of the outcome of the ballot. However, Sam Galbraith acted within moments of hearing the outcome of the ballot to try to end the deadlock, to move the debate forward and to find the solutions that I have been hinting at.

Mary Scanlon rightly referred to the conflicts that have dominated teaching and education over

many years and to the difficulties involved in changes in teaching. I cannot give an answer to her question on college deficits, other than to say that her redundancy package may have contributed to costs at Inverness College. I am delighted to say that Highland Council's capital programme for education this year is almost twice what it has been in recent years—no doubt that is owing to the wisdom of the previous administration there.

Many members rightly drew attention to the improvements that are taking place in education under this Administration. They were also right to highlight the need to find a solution to the problem of teachers' pay—a long-term solution at the right level, with the right terms and conditions of service and the right mechanisms for keeping those terms and conditions under review. We need a package that will attract and retain well-motivated teachers. That is why the work of the independent inquiry is so important.

I am conscious of the time, Presiding Officer. What time do you want me to wind up? Now?

The Presiding Officer (Sir David Steel): You should have wound up already.

Peter Peacock: The lesson from the current dispute is that we must find a way of moving forward. We must change the basis of recent negotiations, which have patently failed teachers. That is why we are committed to the independent inquiry. We want an answer to the very real problems that face Scottish education. The SJNC has failed to deliver a better way forward. What Sam Galbraith has set out today and in his statement last week provides a real way forward, and gives ground for some optimism that we can find the right answer for Scottish teachers. I commend his amendment to Parliament.

The Presiding Officer: Decisions on the motion and the amendments will, of course, be taken at decision time at 5 o'clock.

Business Motion

The Presiding Officer (Sir David Steel): The next item of business is the consideration of business motion S1M-175, in the name of Mr Tom McCabe, on behalf of the Parliamentary Bureau, setting out the revised business programme. Any member wishing to speak on this matter should press their button.

12:23

The Minister for Parliament (Mr Tom McCabe): Motion S1M-175 sets out the business for next week and the provisional business for the week commencing 25 October. On the afternoon of Wednesday 6 October, the first item of business, at 2.30 pm, will be a ministerial statement and debate on the Executive's expenditure plans. That will be followed by any motions put forward by the Parliamentary Bureau in respect of Scottish statutory instruments—to be taken without debate—and by any procedural motions to be considered by the Parliament. Decision time will take place, as usual, at 5.00 pm. There will then be a members' debate on motion S1M-162, in the name of Ms Pauline McNeill, on breast cancer.

On Thursday 7 October, the first item of business, at 9.30 am, will be a debate on an Executive motion on a memorandum of understanding and concordats. The memorandum of understanding sets out the basic principles that will underlie relations between the UK Government, Scottish ministers and the National Assembly for Wales. The overarching concordats will ensure uniform arrangements in the handling of international relations, European Union matters, statistics and financial assistance to industry. Immediately before lunch, I will move a business motion outlining future business.

The afternoon meeting will begin with question time at 2.30 pm, which will be followed at 3.15 pm by a ministerial statement on the transfer of executive functions for railways. There will then be a debate on an Executive motion on Agenda 2000 and the development of agriculture in Scotland. That will be followed by any motions put forward by the Parliamentary Bureau in respect of SSIs—to be taken without debate—and any procedural motions to be considered by the Parliament. After decision time at 5 pm, there will be a members' debate on motion S1M-156, in the name of Mr Andrew Wilson, on criminal checks for voluntary organisations.

The Parliament will be in recess during the weeks beginning 11 and 18 October. It is too early to give precise details of the business for the first week after the recess—the week beginning 25

October—as that is nearly four weeks ahead. However, it is proposed that Executive business will be considered on Wednesday afternoon and all day Thursday. Details of the matters to be discussed, including members' business, will be contained in next week's business motion.

This motion also sets out the date—29 October—by which the Enterprise and Lifelong Learning Committee must report to the lead committee, which is the Education, Culture and Sport Committee, on the Educational Development, Research and Services (Scotland) Grant Regulations 1999.

I move,

That the Parliament agrees:

(a) the following programme of business -

Wednesday 6 October 1999

2.30 pm Ministerial Statement and Debate on the Executive's Expenditure Plans

followed by Parliamentary Bureau motions

5.00 pm Decision Time

followed by Members' Business Debate on the subject of SM1-162 Pauline McNeill: Breast Cancer

Thursday 7 October 1999

9.30 am Debate on an Executive Motion on a Memorandum of Understanding and Concordats

12.20 pm Business Motion

2.30 pm Question Time

3.00 pm Open Question Time

followed by, no later than 3.15 pm Ministerial Statement on the Transfer of Executive Functions for Railways

followed by Debate on an Executive Motion on Agenda 2000 and the Development of Agriculture in Scotland

followed by Parliamentary Bureau motions

5.00 pm Decision Time

followed by Members' Business Debate on the subject of SM1-156 Andrew Wilson: Criminal Checks for Voluntary Organisations

Wednesday 27 October 1999

2.30 pm Executive Business

followed by Parliamentary Bureau motions

5.00 pm Decision Time

followed by Members' Business

Thursday 28 October 1999

9.30 am Executive Business

12.20 pm Business Motion

2.30 pm Question Time

3.00 pm Open Question Time

followed by, no later than 3.15 pm Executive Business

followed by Parliamentary Bureau motions

5.00 pm Decision Time

followed by Members' Business

and (b), the following dates by which other committees should make any recommendations on instruments or draft instruments to the lead committee:

the Enterprise and Lifelong Learning Committee to report to the Education, Culture and Sport Committee by 29 October 1999 on The Educational Development, Research and Services (Scotland) Grant Regulations 1999, SSI 1999/65.

The Presiding Officer: No one has asked to speak against the motion. The question is, that business motion S1M-175 be agreed to.

Motion agreed to.

Beattie Media

The Presiding Officer (Sir David Steel): There is now a ministerial statement on Beattie Media and the activities of professional lobbying firms. I will conclude this business no later than 12:57, and preferably earlier.

12:27

The First Minister (Donald Dewar): With permission, Sir David, I would like to make a statement about Beattie Media and the activities of professional lobbying firms.

I learned last Friday, 24 September, that there was to be a report in *The Observer* of the following Sunday about the activities of the public relations firm Beattie Media. The report duly appeared. It has been widely read and a matter of much comment.

The report was based on a conversation between two employees of Beattie Media and an employee of *The Observer* who was posing as a representative of clients who were seeking public relations and lobbying assistance. I think it is fair to describe the exchange as being essentially a sales pitch by Beattie Media. The circumstances raise sharply ethical issues. But my particular concern, which I will deal with in this statement, is the claims that were apparently made during the meeting about the conduct of Scottish ministers.

Although I was aware from newspaper reports of the principal allegations, the full text of the transcript was not made available to me until late yesterday afternoon. I am grateful to you, Sir David, for agreeing at short notice to allow me to make this statement.

The first major matter relating to the conduct of ministers concerns an invitation to Sam Galbraith as sports minister to attend the Glasgow Rangers v Beitar Jerusalem game on 1 October 1998. The representatives of Beattie Media claim privileged access to the minister and his diary and the ability to influence his thinking on policy matters. They are quoted as saying:

"We took the Sports Minister along to the Rangers game . . . we did it . . . we started the debate".

The Scottish Premier League issued a straightforward invitation to the minister to attend that match. There is no reason whatever why the sports minister should not have attended a football game, and indeed it would be extraordinary if he did not discuss the future of the game with his hosts. I am satisfied that there was no impropriety involved. Any involvement by Beattie Media had no influence on the handling of that invitation.

Secondly, Beattie Media representatives are quoted as saying:

"Yeah, we landed a major project"—

[*Laughter.*] I am quoting accurately. I might not be very good at the slang, but I am doing my best to pronounce it correctly.

Beattie Media representatives are quoted as saying, "Yeah". [*Laughter.*]

David McLetchie (Lothians) (Con): Okay, man.

The First Minister: If there is one person to whom I do not intend to listen about the vernacular of Scotland, it is the leader of the Conservative party.

Mr Gil Paterson (Central Scotland) (SNP): May I help the First Minister?

The Presiding Officer: No, not during a statement.

The First Minister: Beattie Media representatives were quoted as saying:

"Yeah, we landed a major project, £60 million tourism project on the banks of Loch Lomond . . . we asked Henry McLeish if he'd come along and make the official presentation. He turned up, made the presentation, had a chat with the principals involved, and then had a very newsworthy photocall with a golden eagle on his arm".

Again, I am entirely satisfied that the invitation to a minister to attend that event was received in the normal way and dealt with appropriately. Indeed, the invitation first came to my own office from the developers. After receiving advice from the department, I suggested that the Minister for Enterprise and Lifelong Learning attend because of his responsibility for tourism. Again, any involvement by Beattie Media had absolutely no bearing on ministers' decisions in that matter.

Thirdly, it is suggested that there was a problem with the Loch Lomond project relating to an environmental issue and that Beattie Media

"briefed Jackie Baillie on that as well . . . It was done . . . it wasn't too difficult to achieve".

The truth is that the Deputy Minister for Communities received an invitation from the developers in her capacity as a local member, and she accepted in that capacity. She was not briefed by that company and is not aware of having been instrumental in solving any "problem", at least on that occasion. It would have been very odd if the local MSP had not been present at the opening of such a major development in her constituency. Once again, any involvement by Beattie Media had no influence on the minister.

The fourth point relates to the Minister for Finance. The suggestion is that Beattie Media has privileged access to him. Again, I quote:

"We speak to Jack regularly. I can pick up the phone to Jack, as Kevin can, as Gordon can."

Further, it is implied that Beattie Media had access

to the minister's diary and was in a position to commit him to engagements on behalf of its clients. There is an account of a conversation about a particular event with the minister's constituency secretary, who strongly denies Beattie Media's version of events.

There is no record of any invitation to the event in question being received by the minister's private office and it does not appear even provisionally in his official diary.

Jack McConnell tells me that he has had no discussions with either of the Beattie Media representatives at the meeting since the Scottish elections in May.

Finally, the transcript contains a reference to Lord Macdonald of Tradeston, in his capacity as a United Kingdom minister. It is said that he had been "very, very useful" in relation to trans-shipment arrangements at Prestwick airport. Gus Macdonald does not, of course, answer to me for his conduct as a minister. I have, however, spoken to him and he tells me that he had not spoken to Beattie Media about those negotiations. He was totally unaware of its interest and had neither contact with nor knowledge of APCO UK. Gus Macdonald has made it very clear to me that he would strongly resent and refute any allegation that his decision in that case had been in some way influenced by Beattie Media or its associates.

I need not deal in any detail with other suggestions that have been made on the back of those reports, most of which are based on nothing more than tittle-tattle. Anyone who has been a minister knows that there is a constant stream of invitations, requests for meetings, petitions and demands for one's attention. Firms organising events often seek a minister's presence. Some of them engage PR companies to help them organise the event and to issue such invitations. Beattie Media is in that business. However, involvement in organising events—procuring golden eagles, for example—does not amount to exerting influence over ministers.

I have concluded on the evidence available and in the light of the assurances given to me that there has been no breach of the ministerial code in relation to any of the claims made by representatives of Beattie Media in the meeting reported in *The Observer* last Sunday. I believe that the ministers concerned have acted properly in every respect and have held to the very high standards laid down in the ministerial code, as I would have expected them to do.

I am reinforced in that conclusion by the statement issued by Beattie Media on Sunday 26 September, in which the company said:

"Like all public-relations consultants and journalists, we do know many Scottish politicians, including Government

Ministers. However, the reality is that Beattie Media has no influence on the Government at Westminster or Holyrood or individual politicians.

I want to make an unreserved public apology therefore to those political figures mentioned in the conversation between the bogus businessman and the two Beattie Media executives."

It was reported on page 2 of *The Scotsman* on Wednesday 29 September that an investigation into the incident had concluded that the Beattie Media representatives had been guilty of "over-enthusiasm". Others might choose very different words, or find something to say about the way in which they came to be uttered. Clearly, however, the firm does not now maintain that there is substance to the comments. Beattie Media's full apology allows us to draw a line under this particular part of a very unfortunate business.

I believe, however, that the matter should not end there. However baseless the allegations, the very fact that claims of that sort have been made must raise serious concerns in the public mind.

In the light of those events, I have asked my officials to investigate the use of public relations and professional lobbying organisations by all the Scottish public bodies for which we have responsibility. I want to know the full details of the contacts and contracts involved, and I will want to ensure that there can be no question of impropriety, conflict of interest or any other grounds for public concern. I am determined to take every practical measure to ensure that abuse does not occur in future.

It is important that the Standards Committee should take forward its work to put in place a code of conduct for MSPs, building on the work done by the consultative steering group. I encourage the committee to look with care and in depth at any effective safeguards that can be introduced to govern the activities of professional lobbying firms and their contact with members of the Parliament. The public will expect their elected representatives to take the issue very seriously.

The Scottish ministerial code demands, and I expect, that ministers should behave according to the highest standards of constitutional and personal conduct; should account to Parliament, and be held to account, for the policies, decisions and actions that they take; should protect the integrity of public life; and should adhere at all times to the requirements that the Parliament itself lays down. All the ministers in my Administration are fully aware of the requirements of the code and are committed to maintaining its standards.

This has been an unpleasant business, which has attracted much notice. It is clear that the ministers named have not been at fault. I hope that members in all parts of the chamber will work together to achieve the democratic politics that we

seek: politics that is open and accessible but also, to the best of our ability, proof against abuse.

Mr Alex Salmond (Banff and Buchan) (SNP): I welcome both the Executive's statement, a copy of which I received in advance, and the announcement of an Executive inquiry into the role of lobbying organisations and PR firms as they affect Executive ministers.

However, am I right in interpreting from his statement that the First Minister is withdrawing his support for a specific inquiry to be carried out by the Standards Committee into the allegations? It would be surprising if that were now his position, as Monday's *The Express* and Tuesday's *The Scotsman* have reported. Does not he agree that it would be surprising if he took an apology from Beattie Media—a company that he says tells untruths—as ground for saying that a line should now be drawn under that aspect of the matter? Does not he accept that the Standards Committee has a role in inquiring into the allegations to see whether they are founded?

It would be wrong to condemn anyone before such an inquiry. However, would not it also be wrong to exonerate people before such an inquiry took place? The First Minister says that the ministerial code has not been breached. That would not be surprising as the word "lobbying" appears nowhere in the code. Is not it the case that the ministerial code says that it is improper for ministers to accept honours from foreign Governments, but makes no mention of lobbying organisations in Scotland? In other words, although the code says that it would be wrong for a minister to accept the Légion d'honneur, it gives no guidance about issues such as hospitality from lobbying companies. Does the First Minister accept that the ministerial code is defective in that respect and will he consider changes to the code, which could then be submitted to the Standards Committee?

If the First Minister supports an investigation by the Standards Committee into the specific allegations, will he furnish that committee with copies of the ministerial diaries that he has inspected? Furthermore, on a matter of enormous importance to which he has referred over the past few days, does he accept that evidence to such a committee should be heard in public, not in private?

The First Minister: I welcome very much Alex Salmond's suggestion that we should not jump to conclusions. I hope that that message will remain vividly in the minds of some of his colleagues. I have experienced what has perhaps been the difficulty of listening to some of the broadcasts of recent days—but enough of that.

I am of course interested in Alex Salmond's

comments on the ministerial code of conduct. As he knows, it was published some time ago. It was approved by the Westminster Parliament, as I remember. It is no doubt a document of importance and Alex Salmond, as a busy and effective MP at that time, will have examined it. If he is now saying that it is inadequate, we will of course listen to argument and debate—I do not have a closed mind on the matter.

However, I would certainly not accept the implication that, in some way, the document was carelessly put together or does not cover most of the ground that it ought to. If Alex Salmond has points to make about that, I am perfectly prepared to examine them.

The Standards Committee is certainly entitled to conduct its own affairs, and must take advice from its own advisers, including the clerk, on this matter. I will content myself by saying that, when the committee has taken its decisions on what it wants to do, the Administration will, as we would expect, want to co-operate with it as fully as possible.

I repeat that the key is to look forward; to try to put a framework in place within which PR firms can operate, and which does all that can effectively be done—although there are great difficulties about systems—to ensure that there is not abuse in future.

This has been an unhappy business. I thought that it was right to come to the chamber at an early stage—yesterday. I have seen some biting criticism of the fact that I did not make a statement yesterday. Yesterday, I had not even seen the full transcripts, never mind anything else. I had had to rely on press reports as to what the charges were. I have now had inquiries made, and on that basis I said what I said this afternoon.

I would like to think that what I have said has been welcome to the chamber, irrespective of party loyalties.

Mr Salmond: I have two further questions: one specific and one general.

First, when the First Minister said that the invitation, claimed by Beattie Media, to Mr McConnell did not even appear, even provisionally, in his diary, was he talking just about his ministerial diary, or had the First Minister also made inquiries into Mr McConnell's constituency diary? Is he satisfied that the invitation never existed?

Secondly, we all want to look forward: I welcome the Executive examining the whole issue of PR companies and I welcome the Standards Committee examining it. All of us in this Parliament should do that. Can the First Minister tell us whether he supports—if it is the Executive's

position—the Standards Committee examining the specific allegations, hearing evidence in public and being provided with the ministers' diaries, so that the matter can be cleared up to public satisfaction?

The Presiding Officer: Before the First Minister answers that, I must point out that Mr Salmond's second point is a matter for the committee. The First Minister may be able to give an opinion, but he cannot decide it.

Mr Salmond: I was seeking his opinion.

The First Minister: It is very much a matter for the Standards Committee, and I have made it clear that we will co-operate. I do not want to get into a situation in which we further damage this Parliament and its activities. I agree that we should all be satisfied that there has been no breach of the ministerial code. It may be, from the apology that has been given—there may be further information to come on that—that it is the firm concerned, rather than my colleagues, which must answer questions. I take that view on the basis of what I have seen.

I want to be clear, and I am always glad to clarify anything that is required. My understanding is that the diary of my colleague, Jack McConnell, was kept by his private office, and that any invitations that came to him through his constituency office which were relevant to him in his ministerial capacity would be transferred to his ministerial diary and would appear there—that is the only diary that stands.

In my statement, I did not say that there had been no conversation with Beattie Media. I said that there had been a conversation, but the constituency secretary strongly denied the version of it that appeared in the sales pitch, recorded in the document that we have now received from *The Observer*. I went on to say that no formal invitation was ever received, and did not appear in any diary of any sort, even on a provisional basis.

David McLetchie: I welcome the First Minister's statement. It is important that we repair the damage that the affair has done to the reputation of the Scottish Executive and, by association, to that of this Parliament. As everyone knows, mud sticks, and we have to be seen to be cleaning out the stables: the primary responsibility for that rests with the First Minister and with the Labour party in Scotland.

It is a great pity that the statement has had to be dragged out of the First Minister today, in response—[*Interruption.*—let me finish: in response to demands from Opposition parties and to mounting public concern.

The First Minister tells us that the reason for that delay is that he was aware of the full text of the

transcript only yesterday afternoon. He seems to have been the last to know. If he was aware of the full circumstances only yesterday afternoon, how is it that one of his many spokesmen issued a statement that was reported in *The Express* on Monday, which said:

"The First Minister does not believe that there has been any breach of the Ministerial Code?"

If the First Minister did not have a full text of the transcript and did not have all the evidence available to him, how come there was such a rush to judgment on his part on Sunday? It seems an odd statement for one of his spokesmen to issue.

I wish to take up the point made by Mr Salmond on the pending investigation by the Standards Committee. In the First Minister's view, will the Standards Committee be entitled to examine the whole question of the ministerial code of conduct and, in the light of the requirements of the code, this whole affair? Will he give a specific answer to the diaries question, which I think Mr Salmond asked on two occasions and on which, frankly, I do not think we have had a clear answer? Will he have the diaries published, however many may be kept and in whatever format?

I wish to raise two points on the text of the First Minister's statement. As regards the Deputy Minister for Communities and the Loch Lomond project, the First Minister tells us that the deputy minister accepted an invitation to attend an event relative to that project. He says:

"It would have been very odd if the local MSP had not been present at the opening of such a major development".

I accept that: it would be very odd if she had not been present. However, it would be equally very odd if the local MSP was wholly unaware of any problem with that development and apparently took no steps to investigate it or to help to resolve it.

The First Minister received from Mr McConnell the assurance that he

"has had no discussions with either of the Beattie Media representatives at the meeting since the Scottish elections in May."

In other words, Mr McConnell has assured the First Minister that he has had no discussions with Mr Kevin Reid or Mr Alex Barr. Could he please advise us what discussions, if any, Mr McConnell has had with Mr Gordon Beattie or with other members of his organisation during this period?

Does the First Minister consider amendments to the ministerial code to be necessary to cover the relationship between ministers and not only lobbying firms operating as external consultancies, but the lobbying divisions that are employed in-house by many companies and organisations?

The First Minister: I fear that there is nothing

that I can welcome in what Mr McLetchie said, and I genuinely regret that.

The conduct of the Standards Committee's business is for the members of that committee. I do not think that it is helpful for them to have people such as Mr McLetchie standing up in the chamber trying to dictate to them what they should or should not do.

I have already said to Mr McLetchie and to the chamber that the Administration will co-operate with the decisions of the Standards Committee. This is a matter for the members of that committee. It is not helpful to turn them into a battering ram with political connotations.

Mr McLetchie mentioned the statements that I made while in Bournemouth. At that stage, all I had was an abbreviated account from *The Observer* of what would be in the story and press speculation. I knew enough to talk to colleagues who were to be named to get their assurances. At that stage, given the pressure that I was under, it was proper that I said that I had had assurances and that I did not believe that the ministerial code had been breached. That was the most that I could have said at the time and I was careful in my phraseology of that statement.

I returned to Edinburgh yesterday at about 2 o'clock, which is when I saw the transcripts. It was clear at that stage that if I was to make a fuller and more detailed statement than the three or four lines that I issued when the story first broke, there would have to be some investigation. I therefore looked at the original correspondence and the invitation to the famous football match, which came from the Scottish Premier League and was signed by its chief executive, as well as at the history of the Lomond development invitations. I established that there was not a trace of outside influence from any media or public relations firm in those invitations. That allowed me to come forward today, at the earliest opportunity, with the agreement of the Presiding Officer. I could not have made this statement yesterday. That should be self-evident to anyone who is prepared to consider the circumstances fairly.

I accept entirely that the matter will alarm the public, but it is quite clear that ministers have acted properly. It is a matter for ethical debate—which I do not want to enter into at the moment—whether the two employees of Beattie Media acted properly, or whether, as the firm says, they were carried away by over-enthusiasm.

It is important to work hard to establish that proper safeguards are, if possible, in place. Mr McLetchie is concerned that mud sticks. I hope that in the days ahead he will remember that it helps not to throw mud, because it does stick.

Mr Keith Raffan (Mid Scotland and Fife) (LD):

I welcome the First Minister's statement. Does he agree that the convener and members of the Standards Committee are accountable solely to this Parliament and not to the First Minister or the Scottish Executive? Will he join me in condemning the ignorant, inaccurate and—quite frankly—malicious report on the front page of today's *Daily Record*, which suggests the opposite?

The First Minister: There are so many reports that—[*Interruption.*]

The Presiding Officer: Order.

The First Minister: I do not want to comment on any particular report. If I did, we would be here for a very long time. I have just made the point that the Standards Committee is independent and reports to the Parliament. I have been sparing in my diktats as to what the committee should or should not do. It would be helpful if others were equally restrained.

Dennis Canavan (Falkirk West): Does the First Minister agree that the reputation of the Scottish Parliament is far more important than the reputation of any political party, and therefore that sleazemongers must never, ever be allowed privileged access to members, irrespective of the fact that they may be relatives of Cabinet members, ex-employees of the Labour party or ex-employees of Beattie Media who have transferred to Labour's so-called second team?

The First Minister: Mr Canavan makes a series of rather prejudiced statements and value judgments that do not help us at all. If he is asking whether I believe that sleazemongers should not be able to influence this Parliament, I certainly agree. However, that does not tell us what a sleazemonger is.

As Mr McLetchie will confirm, as we all could from our experience, a large number of lobbying organisations have access to the Parliament, many of which are a world removed from sleaze. A large number of charitable organisations with special interests lobby ministers. It is a phrase—we all go to be "lobbied" on occasion. Those are excellent organisations. At the other end of the scale, there are dangers and possibilities of abuse that must be addressed.

The kind of blanket statement made by Mr Canavan does not advance the cause of finding the right solution at all. I hope that he will consider that before he takes the platform again.

Mr John Swinney (North Tayside) (SNP): The First Minister referred to the fact that he has asked his officials to investigate the use of public relations companies and professional lobbyists, which Mr Salmond welcomed. Will the First Minister agree to publish a list of the contracts operated by Beattie Media on behalf of the

Scottish Executive, local authorities, local enterprise companies, health boards and health trusts in Scotland, as well as specifying the value of each contract and stating whether they were secured by competitive tender?

The First Minister: I must give an important explanation. We have asked officials to investigate the use of public relations and professional lobbying organisations by all Scottish public bodies for which we have responsibility. The investigation is not directed at Beattie Media alone, although any contracts that it has will be included in the examination. That is the right thing for us to do. I have already made it clear that we will make every effort to ensure that there is no possibility of abuse in the future. Mr Swinney will no doubt lodge questions on the matter, which, as always, the Executive will try to answer as honestly and as fully as possible.

Phil Gallie (South of Scotland) (Con): Given everything that the First Minister has said today, does he agree that the message that must come out of the chamber is that there is no advantage in using lobbying companies? There are 127 members of the Scottish Parliament. [MEMBERS: "There are 129."] Sorry. There are 129 MSPs. I was excluding one or two of them. There are 72 Scottish members of Parliament at Westminster. Surely the best way for people to approach ministers is through the people who have been elected.

The First Minister: As a generalisation, there might be some force in that. However, if Mr Gallie were to discuss the matter with his friends in industry and business, he would discover—and there were instances of this in the events that we have been discussing and to which my statement refers—that when large and complicated events are mounted, to inaugurate a new project, for example, or if a conference needs to be run, organisations that have taken the business decision not to have a large in-house department to deal with such events might employ outside experts and specialists. Most of the companies that do such work also make representations on behalf of companies. The line is very blurred. It is easy to generalise, but the Standards Committee will have some difficult questions to answer about definitions and the framework in which we want lobbying organisations to operate, if it wants to examine future access by such organisations to this Parliament.

The best defence is the vigilance of individual MSPs. However, if a £20 million industrial development were opening in my constituency—I wish one were—and the firm wrote to me to ask whether I would like to come along and be part of the opening ceremony and join my constituents in celebrating the event, it is difficult to imagine that I

would phone the firm to ask whether it was using a PR company to organise the event, and that if it was, I would say that I could not go. Such difficulties can arise. We should all recognise them before we start to talk in absolutist terms, although there were nice, easily defined groups of organisations and companies at the heart of the current problem.

Question, That the meeting be now adjourned until 2.30 pm today, put and agreed to.—[Lord James Douglas-Hamilton.]

Meeting adjourned at 12:59.

14:30

On resuming—

Question Time

SCOTTISH EXECUTIVE

The Presiding Officer (Sir David Steel): The first item this afternoon is question time and I make my usual plea for short questions and answers. I call Duncan Hamilton.

Islands Needs Allowance

1. Mr Duncan Hamilton (Highlands and Islands) (SNP): To ask the Scottish Executive what support it is giving to the efforts of Argyll and Bute Council to secure special islands needs allowance for the area. (S1O-391)

The Presiding Officer: Mr Jack McConnell?

Members: Where is he?

Mr Lloyd Quinan (West of Scotland) (SNP): Phone Beattie's. [*Laughter.*]

The Presiding Officer: Would somebody else like to answer?

The First Minister (Donald Dewar) *rose—*

The Presiding Officer: Are you deputising?

The First Minister: I appear to be.

The Presiding Officer: In that case, I am happy to call you.

The First Minister: I am grateful to you, Presiding Officer, particularly as you have been so helpful and useful today—sorry, perhaps I should not use the word useful, as it now has other connotations. [*Laughter.*]

The Executive has been discussing the special islands needs allowance with Argyll and Bute Council for some time. We recognise that the council feels strongly on the issue, which is still the subject of discussion and consideration.

Mr Hamilton: I am not sure which of Mr McConnell's diaries his current appointment was in, but I note that he is now here. [*Laughter.*]

Does the minister—whichever of the two ministers cares to answer—recognise the threat to the sustainability of island communities caused by the cuts in the budget for Argyll and Bute Council? Does he recognise the absurdity of a council that has 27 islands under its jurisdiction getting not one penny of the £90 million that has been allocated since the reorganisation of local government? Will he recognise the necessity for an interim payment to Argyll and Bute Council to stop rural schools shutting and island communities withering?

The First Minister: I certainly recognise the strength of feeling in Argyll and Bute. As Mr Hamilton will recognise, the Convention of Scottish Local Authorities has a substantial say in the distribution of the funds that are available. The special islands needs allowance is top-sliced in the distribution formula and it therefore has an effect on other councils. Obviously we must discuss those matters and consider them carefully. I cannot undertake to make a provisional payment that would prejudice any outcome, but I have no doubt that Argyll and Bute Council will be suitably generous in its appreciation of Mr Hamilton's efforts.

Accident and Emergency Units

2. Kay Ullrich (West of Scotland) (SNP): To ask the Scottish Executive whether it can give an assurance that plans are in place to ensure that there is no repeat during the coming Christmas and new year period of the situation experienced in accident and emergency units over the last Christmas and new year period. (S1O-379)

The Deputy Minister for Community Care (Iain Gray): Every winter places additional demands on the NHS and I pay tribute to the NHS staff who respond to those peaks in demand year in, year out. We require all parts of the NHS in Scotland to prepare plans for the coming months. Officials are currently visiting all health boards and trusts to ensure that adequate local arrangements are in place.

Members will wish to note that agreement has been reached with staff in the NHS on pay for the millennium period, which will ensure that our health services are able to operate effectively throughout the Christmas and new year period.

Kay Ullrich: Will the minister comment on the current admission problems in Scottish hospitals? Will he tell us why some hospitals are already operating a non-admissions policy for elective surgery? Why, for example, in the past two weeks, has Edinburgh royal infirmary been on red alert and unable to accept any admissions because no beds are available? If that is happening in September, what will be the state of affairs come the so-called peak period of Christmas and new year?

Iain Gray: The NHS has to deal with admissions day in, day out, year in, year out, and there will be times of peak demand. In every NHS service—be it acute services or psychiatric services—there are contingency plans that can be put in place. As I have said, officials are speaking to all health boards and trusts, including the ones to which Mrs Ullrich referred. They will check the existing situation and the plans for the coming months to ensure that contingency plans will allow hospitals to cope with the peak period over Christmas and

new year and throughout the winter months.

Kay Ullrich: As I said, if this is happening now—

The Presiding Officer: Excuse me, Mrs Ullrich.

Students Awards Agency

3. Mr Andrew Welsh (Angus) (SNP): To ask the Scottish Executive what the current backlog for processing applications with the Student Awards Agency for Scotland is and when it is expected to be cleared. (S10-380)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): As at 27 September, the agency had received just under 102,000 applications for student support and had processed or otherwise actioned some 89,000—88 per cent—of them. I would like to give an exact date by which the 13,000 or so outstanding applications will be processed, but some are late and in other cases the full information has only just been received. Thirteen thousand applications represent about 14 days' work. The only assurance I can give is that the remaining cases will be dealt with within the agency's target time of 28 days of receipt.

Mr Welsh: One college was told by the awards agency a week ago that there is a five-week backlog of unopened mail. In the past, it has taken until October or November before such backlogs have been cleared up. Is the minister aware of the enormous impact any delay can have on individual students and their families? Will he take every step to ensure that the backlog is cleared up urgently?

Nicol Stephen: I give every assurance that action will be taken to process the outstanding backlog as quickly as possible. Where there are particular cases of hardship, temporary funding can be given by institutions from their access funds. I share Andrew Welsh's concern and everything will be done to process the 13,000 outstanding applications as quickly as possible.

Secretary of State for Scotland (Meeting)

4. Dennis Canavan (Falkirk West): To ask the Scottish Executive what is on the agenda for the next meeting between the First Minister and the Secretary of State for Scotland. (S10-383)

The First Minister (Donald Dewar): Matters of mutual interest.

Dennis Canavan: Is it not rather humiliating that the First Minister apparently required the intervention of Downing Street to bury the hatchet with the Secretary of State for Scotland? Will the First Minister tell the Secretary of State for Scotland that the First Minister's first loyalty is to

this Parliament and to the people of Scotland? The forthcoming memorandum of understanding should make that absolutely clear, even though the First Minister might feel tempted to bury the hatchet in John Reid's heid. [*Laughter.*]

The First Minister: I think it entirely appropriate that people should laugh at Mr Canavan as he makes such statements. I do not regard that as a very serious contribution. I work very closely with the Secretary of State for Scotland. It is important that I do so and in the interests of this Parliament, of the country and of the United Kingdom. I am pleased to say that I will continue to work very closely with him and enjoy and benefit from the process.

Paisley

5. Hugh Henry (Paisley South) (Lab): To ask the Scottish Executive whether it will back the campaign organised by the *Paisley Daily Express*, "It pays to be in Paisley". (S10-408)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): As an MSP from the north-east it seems appropriate for me to say that the Scottish Executive commends the campaign "It pays to be in Paisley" as promoting a positive image of Paisley as a place to live, to work, visit and invest in, and as complementing other initiatives being taken to achieve the physical regeneration and economic renewal of the town.

Hugh Henry: While the minister acknowledges the contribution made by the *Paisley Daily Express* campaign in promoting Paisley and its economy, does he agree that traffic access to Paisley is critical for the survival of its economy? If so, does he agree that urgent action is necessary to tackle traffic congestion on the M8? Otherwise, not only Paisley's economy will be prejudiced—so will the future of Glasgow airport.

The Presiding Officer: That is a question for another minister.

Local Enterprise Companies

6. Alex Neil (Central Scotland) (SNP): To ask the Scottish Executive whether local enterprise companies in central Scotland are achieving their performance targets. (S10-394)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): The setting and monitoring of performance targets for local enterprise companies is a matter for Scottish Enterprise. I understand from Scottish Enterprise that Enterprise Ayrshire, Forth Valley Enterprise and Lanarkshire Development Agency are on course to achieve their operating targets for 1999-2000. I will ask Scottish Enterprise to provide Alex Neil with more detailed information.

Alex Neil: Can the minister confirm whether Strathclyde police is currently investigating irregularities in training contracts awarded by Lanarkshire Development Agency? If it is, will he advise when he will be in a position to make a statement on the outcome of those inquiries? Will he confirm that no similar irregularities are present in the training contracts awarded by other local enterprise companies?

Henry McLeish: I have always believed that Parliaments are serious forums for serious business. In view of the seriousness of the issue that Mr Neil has raised, it would have been courteous of him to inform me of his question. I would like to think that the matter was raised out of concern about the operation of enterprise companies. Suffice to say, I will examine the matters that he raised.

Local Government Funding

7. Nora Radcliffe (Gordon) (LD): To ask the Scottish Executive how much flexibility local authorities are allowed in respect of the indicative spending guidelines it sets for each authority. (S1O-406)

The Minister for Finance (Mr Jack McConnell): I expect all councils to budget within guideline. However, where a council exceeds its guideline I will consider each case on its merits before deciding what action, if any, to take.

Nora Radcliffe: In that case, why have historically low-spending councils such as Aberdeenshire and Perth and Kinross had their budgets held at levels close to the grant aided expenditure figure while other councils have been allowed to spend much more than the GAE figure?

Mr McConnell: Aberdeenshire and Perth and Kinross were spoken to last year because they had exceeded the guideline figures that they were well aware of in advance. We received good submissions from them in the summer asking us to consider that position. I will respond to them within the next week or so to inform them of my decision on next year's budgets.

Housing

8. Pauline McNeill (Glasgow Kelvin) (Lab): To ask the Scottish Executive what plans it has to amend local authority regulations to ensure safety in houses of multiple occupation. (S1O-388)

The Minister for Communities (Ms Wendy Alexander): I can announce today that I plan to introduce mandatory licensing of houses in multiple occupation. The new licensing scheme will cover fire safety, the physical condition of such buildings, the nuisance caused to neighbours and the availability and cleanliness of sanitary and cooking facilities.

Pauline McNeill: Can I say to the minister that I welcome—

The Presiding Officer: No, you cannot say anything to the minister: you can ask a question.

Pauline McNeill: I shall ask a question. How many households will be affected by the proposed legislation?

Ms Alexander: Under the previous, voluntary scheme, a mere 287 houses were registered. Under the new scheme, we envisage that somewhere between 7,000 and 10,000 properties in multiple occupation will be covered. I know that there are many students in the member's constituency. I expect that when Scottish students return to classes this time next year there will be a mandatory licensing scheme in place.

East Ayrshire Council

9. Mr Adam Ingram (South of Scotland) (SNP): To ask the Scottish Executive what recommendations have been made by the Accounts Commission regarding the financial problems of East Ayrshire Council, and what plans the Executive has to implement those recommendations. (S1O-412)

The Presiding Officer: I call Frank Macavity—*[Laughter.]* I mean Frank McAveety.

The Deputy Minister for Local Government (Mr Frank McAveety): Presiding Officer, I am extremely fond of TS Eliot's work and I recommend that you read it—*[Laughter.]* There is a wonderful opportunity to transfer the letters of TS Eliot for some other offensive title.

I understand that East Ayrshire Council's external auditor, who is appointed by the Accounts Commission, has made a wide range of recommendations to the council as part of the audit process. I understand also that the recommendations include a request for the preparation of an action plan to deal with a backlog of benefit cases. The controller of audit also submitted a statutory report regarding East Ayrshire's direct labour organisation to the Accounts Commission in December 1998, and the commission asked the controller to report back within a year. It is not appropriate for me to become involved in the audit process, as it is a matter between a council and its auditor.

Mr Ingram: Is not the minister aware that the financial mismanagement, which prompted the intervention of the Accounts Commission, is continuing, to the point where council services and jobs are being destroyed? He gives the distinct impression of sitting on his hands while that is going on.

Mr McAveety: I often sit in the most appropriate fashion for this Parliament—on my bottom.

We are aware of concerns raised by the Accounts Commission. This is a local matter, which the local authority, through the establishment of a working group involving elected members and officers, will address. I am pretty certain that East Ayrshire will address the concerns raised by Mr Ingram.

Mr Ingram: Will Mr McAveety take any responsibility for what is happening in East Ayrshire Council?

Mr McAveety: I will clarify the roles of the minister and the local authority. The local authority is responsible for its audited accounts and will be held responsible for them when they are published. We have encouraged the local authority to ensure that it meets the specifications set by the Accounts Commission. I am sure that East Ayrshire Council is endeavouring to do that.

Fish Farming

10. Mr Jamie McGrigor (Highlands and Islands) (Con): To ask the Scottish Executive whether, in the light of the £9 million aid package on offer to the salmon farming industry, it will consider the provision of support to wild fishery management in the west Highlands to reverse the decline of salmon and sea trout stocks. (S10-399)

The Deputy Minister for Rural Affairs (Mr John Home Robertson): We are concerned about the decline in wild salmon and sea trout stocks, so we have established a working group which includes Scottish Natural Heritage and the Scottish Environment Protection Agency as well as salmon fishery interests. I look forward to receiving its recommendations shortly.

Mr McGrigor: Does the minister accept and understand the value of wild salmon and sea trout stocks to the overall Scottish rural economy, which in 1997 was estimated by the Nixon task force report to be in excess of £70 million annually?

Mr Home Robertson: We appreciate that this is an important resource and we are concerned about the drastic decline of those stocks. That is why we set up the tripartite group, from which we are looking forward to getting practical recommendations—I hope next month. We will look to act on those recommendations.

Pig Industry

11. Mr John Swinney (North Tayside) (SNP): To ask the Scottish Executive what measures it plans to put in place to improve the competitiveness of the pig industry in Scotland. (S10-398)

The Minister for Rural Affairs (Ross Finnie): Competitiveness is a complex issue which the industry itself needs constantly to keep under

review, taking account of a range of factors such as input costs, productivity, general efficiency and marketing strategy. For the Executive's part, as announced on 20 September, a review of the industry's costs and burdens in relation to meat hygiene regulations is now under way. The Executive will also continue to work with the industry to promote home-produced pigmeat and pigmeat products that are produced to the highest welfare and feeding standards in Europe.

Mr Swinney: I thank the minister for his answer, and for the announcement that he made some time ago. Does he accept that due to the superior animal welfare regulations that exist in the pig industry in Scotland, there is a case for some of the cost of this regime to be carried by the Executive? What action has he taken to reduce the impact of high fuel prices on the competitiveness of the pig industry in Scotland?

Ross Finnie: Mr Swinney will be well aware that there are two major elements of welfare standards. The first is the stall and tether ban. As he will know, European directive 91/630 sets the minimum standard. Unfortunately, that did not carry through Europe and it will not be fully applied until 2005. That is not necessarily a cost that we could bear. I think that the correct course of action is the one that we are taking, which is to tell Europe at every opportunity that we want it to accelerate uniform standards.

The second element relates to meat and bone meal. As Mr Swinney will also be aware, the Spongiform Encephalopathy Advisory Committee recently recommended that porcine meat and bone meal was not suitable, so that cost remains.

In my discussions with the industry, it has become clear that while transport costs are a factor, the most pressing cases were about welfare and the importation of animals that were alleged not to meet our welfare standards.

Sea Transport

12. Mr Murray Tosh (South of Scotland) (Con): To ask the Scottish Executive what proposals it has to review Scotland's strategic transport links by sea. (S10-402)

The First Minister (Donald Dewar): The Scottish Executive takes full account of strategic transport links by sea in developing its transport policies and services for Scotland.

Mr Tosh: Given that 90 per cent of UK trade is dependent on seaports, ought not the Scottish Executive to introduce proposals to address increasing congestion on the access routes to the ports in the south of England that Scottish industry uses? Should not it consider giving the support necessary for infrastructure developments to create a Scottish port with direct access to the

European mainland?

The First Minister: Which ports are used depends to some extent on the commercial judgment of those who operate the shipping. However, I am anxious for our shipping trade with Europe to develop; I understand that many of the east coast ports are doing rather well at the moment. If the member has some specific concerns about ports in Scotland, he will no doubt write to me with his suggestions, which will be considered.

Road Safety

13. Mr Duncan McNeil (Greenock and Inverclyde) (Lab): To ask the Scottish Executive whether it has any plans to introduce traffic calming or other measures to protect pedestrians on the A78 trunk road from the IBM plant to Inverkip. (S10-403)

The Deputy Minister for Highlands and Islands and Gaelic (Mr Alasdair Morrison): There are no plans to introduce traffic calming or other measures on the A78 from the IBM plant to Inverkip.

Mr McNeil: Is the minister aware that 48 accidents were reported on that stretch of road between 1 January 1998 and 31 July 1999, including two fatalities? Is he also aware that the pedestrian bridges that are to be built along the road, at a cost of £200,000 each, have been described by the Royal Society for the Prevention of Accidents as an expensive second-class alternative to reducing the speed limit? Will he assure me that a representative of the appropriate department will meet the parties concerned to discuss the problem?

Mr Morrison: Mr McNeil raises legitimate concerns, which I will be happy to refer to my colleague Sarah Boyack and the relevant officials.

Late Payment

14. Mr Kenneth Gibson (Glasgow) (SNP): To ask the Scottish Executive whether it will name the 10 local authorities, identified by the Forum of Private Business in Scotland on 12 July, who pay 35 per cent or more of their external invoices after 30 days. (S10-382)

The Deputy Minister for Local Government (Mr Frank McAveety): The Forum of Private Business in Scotland identified the following 10 authorities that pay 35 per cent or more of their invoices after 30 days: Dundee City Council, City of Edinburgh Council, Fife Council, City of Glasgow Council, Midlothian Council, North Lanarkshire Council, Renfrewshire Council, Scottish Borders Council, Stirling Council and West Lothian Council.

Mr Gibson: Can the deputy minister say whether the fact that Jack McConnell has scurried away rather than answer this question has anything to do with the written apology that was issued to Councillor Bruce Crawford and me earlier today? The apology was for the slur on my colleague in Mr McConnell's inaccurate and misleading reply to a very similar question that I asked two weeks ago.

Mr McAveety: That was incandescently read.

In his letter, Jack indicated that he had misheard the figure given by Mr Gibson as 25 per cent, hence his reference to Perth and Kinross Council. I was troubled and intrigued by the figure of 35 per cent. For the sake of accuracy, I should inform members that two authorities whose performance falls just below that figure are Perth and Kinross Council and Moray Council. Interestingly enough, both were previously SNP led.

Mr Gibson: Why is the Minister for Finance not here to answer my question on his own behalf?

Mr McAveety: The question was directed at me, Presiding Officer.

Driving Test Centres

15. Bruce Crawford (Mid Scotland and Fife) (SNP): To ask the Scottish Executive whether it has been consulted by or has made representations to the Driving Standards Agency over its programme of review of the viability of driving test centres classified as outstations or occasional centres, given the implications for centres in Scotland. (S10-395)

The Deputy Minister for Highlands and Islands and Gaelic (Mr Alasdair Morrison): The Driving Standards Agency consults local interests, such as driving instructors, local authorities and elected members, on proposals relating to the future of individual driving test centres in Scotland. The Scottish Executive will, of course, also be consulted.

Bruce Crawford: Does the minister agree that investigation into the viability of outstations and occasional centres by the DSA in Scotland is particularly concerning for rural areas, given that all rural test centres are to be reviewed? Does he also agree that any future closure programme may have an economically debilitating effect on the independent driving school sector, especially given the high fuel costs in Scotland? Does he accept that any closure resulting from the DSA investigations will inevitably lead to increased motor usage and, therefore, militate against achieving the carbon dioxide emissions targets that were agreed at Kyoto?

Mr Morrison: The issues relating to the closure of centres will be subject to legitimate and

comprehensive consultation at a local level. The Executive will be consulted on any issue relating to any of those centres.

Aberdeen City Council

17. Brian Adam (North-East Scotland) (SNP): To ask the Scottish Executive whether it will congratulate Aberdeen City Council on its recent success in the world in bloom competition. (S1O-396)

The Deputy Minister for Local Government (Mr Frank McAveety): I am tempted to respond facetiously, but I will be serious on this occasion.

The Executive and—I am sure—the Scottish Parliament will want to pass on their congratulations on this achievement to everyone involved at Aberdeen City Council and to the other Scottish towns in the British team, Perth and Alness. We think it is blooming wonderful.

Brian Adam: Will the minister discuss with his colleagues the possibility of improving the litter situation by amending the Environment Protection Act 1990 to return to environment protection officers the power that requires persons who are littering to give them their names?

Mr McAveety: I welcome any measure that will improve the environment. I recommend that we encourage local authorities to have proper anti-litter strategies in their areas.

On visits to Aberdeen, I have been impressed by the quality of the work that has been undertaken by Aberdeen City Council. It realises the importance of visual attractiveness to a city centre.

Bus Services

18. Karen Whitefield (Airdrie and Shotts) (Lab): To ask the Scottish Executive what measures it is taking to ensure that a comprehensive bus service is available to all areas of Scotland, with particular regard to rural and village communities. (S1O-397)

The Deputy Minister for Highlands and Islands and Gaelic (Mr Alasdair Morrison): Buses can provide a lifeline for rural communities. We are providing £3.5 million each year to local authorities to improve public transport services in rural areas. Later this session, we will introduce a transport bill that proposes a framework for the improvement of bus services throughout Scotland.

Karen Whitefield: I welcome the minister's answer. Does he agree that the provision of a comprehensive bus service, especially to outlying villages, is a vital part of a sustainable and environmentally friendly transport strategy?

Mr Morrison: We realise that buses are a social necessity for people who live in rural areas. It is for

local authorities to provide the level of bus service that is required to meet the needs of rural communities in their areas through the adoption of local transport strategies. We remain committed to ensuring that our transport policies continue to support rural communities.

Petrol Pricing

20. Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): To ask the Scottish Executive what representations, if any, it has made to Her Majesty's Government regarding the publication date of the Office of Fair Trading report on petrol pricing in the Highlands and Islands. (S1O-385)

The Deputy Minister for Highlands and Islands and Gaelic (Mr Alasdair Morrison): I understand that the Office of Fair Trading is aiming to conclude its work in November. The Executive awaits its conclusions with interest.

Fergus Ewing: Is the minister aware that in many parts of the Highlands and Islands the price of fuel is the highest in Europe, if not the world? Is he aware that even if the Office of Fair Trading makes a finding of profiteering, the regulatory mechanisms that Westminster has dictated—which include a reference to the Competition Commission, a reference to the OFT and a reference to the Department of Trade and Industry—mean that no progress can be made on the issue until the end of 2000? I received that date from the OFT this morning. Is the minister aware that that means nothing will happen to benefit motorists in the Highlands and Islands until the end of next year, at the earliest?

Mr Morrison: We have to deal with reality. We are awaiting the conclusions of the OFT investigation. The OFT became involved for the second time following the intervention of Calum Macdonald, who was then the transport minister. It would be foolish to pre-empt its conclusions. We welcome the OFT's interest in the Highlands and Islands. There are legitimate concerns about profiteering, but we must await the OFT's conclusions.

Levi Strauss Co

21. Lord James Douglas-Hamilton (Lothians) (Con): To ask the Scottish Executive whether it will make a statement as to the possible outcome of recent discussions with the Levi Strauss Co. (S1O-405)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): I met Mr Carl von Buskirk, the president of Levi Strauss, Europe on Friday 17 September in Scotland. I met Mr Bob Haas, the chief executive officer and chairman of Levi Strauss, in San Francisco on 23 September. Both meetings were conducted in a very positive

and constructive manner.

The proposal to close the Whitburn factory and the Bothwell depot and to reduce staffing levels at Bellshill was a difficult decision for the company. I received assurance that the company is committed to helping both the work force and the affected communities.

Lord James Douglas-Hamilton: In view of the welcome news that Motorola will provide many more jobs in the vicinity, will the minister do everything in his power to ensure that the necessary retraining and training programmes are put in place, with one-to-one counselling for the work force?

Henry McLeish: I can assure Lord James that that is the case. Indeed, this morning the First Minister made the point that we want to ensure that every possible help is given to the work force at Levi Strauss so that it can take advantage of existing opportunities. I spoke to Harry Donaldson, the General, Municipal, Boilermakers and Allied Trades Union official, this morning. The union is about to enter negotiations with the company about the redundancy package. We hope that there will be a successful outcome. Everything possible will be done to commit ourselves to a task force to ensure that job opportunities are to the fore.

Open Question Time

SCOTTISH EXECUTIVE

Chancellor of the Exchequer (Meetings)

1. Mr Alex Salmond (Banff and Buchan) (SNP): To ask the Scottish Executive when the First Minister last met the Chancellor of the Exchequer and what subjects were discussed. (S10-400)

The First Minister (Donald Dewar): That is becoming the equivalent of the question about engagements for today. Mr David McLetchie asked a remarkably similar question last week. I suppose it could be telepathy and further evidence of a rather unlikely alliance [*Laughter.*] I can only recommend to Mr Salmond the answer I gave to Mr McLetchie last Thursday.

Mr Salmond: Only yesterday, my colleagues pointed out the First Minister's record on voting with the Conservative party.

Can the First Minister arrange a further meeting with the Chancellor of the Exchequer to look at the question of the fuel price escalator? Does he recall telling me on 1 February that, in his opinion, oil prices would be between \$10 and \$12 a barrel for the foreseeable future? Now that oil prices are double that, with clear implications for the price of petrol and fuel, is it not time that the First Minister arranges a meeting with the chancellor, to lobby to come off the fuel price escalator as soon as possible?

The First Minister: I hope that Mr Salmond is not complaining about the rise in the price of oil. If so, perhaps he could take his case to Aberdeen and see what kind of reception he gets. I can assure him that there are constant discussions between a range of United Kingdom ministers and me. In the course of those discussions, it is self-evident that Scotland's interests are being fully represented. Mr Salmond will accept that the chancellor is well acquainted with Scotland's problems and its opportunities and advantages.

Mr Salmond: What I am complaining about is the price of petrol and fuel and the damage that that is doing to the Scottish economy. Does the First Minister consider that indirect—or unfair—taxation such as tuition fees, toll taxes and fuel taxes is among the reasons for Labour's incredible shrinking majority in Hamilton South, from 16,000 to 600? Or does he accept the view of Westminster Labour MPs who say that it is all the fault of the Scottish Executive? To quote one, "It could not have been our fault. We were not even in session." Who is responsible for Labour's shrinking majority in Hamilton?

The First Minister: I thought that Mr Salmond was about to ask a serious question, pressing me about the problems that he sees arising from the fuel tax escalator. That would have been perfectly legitimate. Unfortunately, he has spoiled it by moving off into rather cheap political points, based, apparently, on gossip that he has presumably picked up from afar, as these days he seldom visits Westminster to defend Scotland's interests.

Mr Salmond: When people complain about cheap political points, it is usually because they are losing. *[Laughter.]* I suggest that the First Minister gets together with his close colleague the Secretary of State for Scotland, perhaps over a cup of tea, and agrees on a concordat jointly to lobby the Chancellor of the Exchequer about fuel prices in Scotland and the damage that the escalator is doing to the Scottish economy. Will the First Minister agree to get together with John Reid and lobby the chancellor on that point?

The First Minister: I do not think that there is any reason for me to agree to get together with the secretary of state. I have seen him several times this week and am seeing him several times more. *[Laughter.]*

The results of the Government's stewardship in Scotland that I see are the lowest unemployment for 25 years, inflation at under 2 per cent, more people employed now than were two years ago, and a modernising of our economy that is instanced by Motorola's announcement this morning. That is a genuine vote of confidence, which gives us every ground for optimism in the future. I would like to think that Mr Salmond recognises those facts occasionally.

Freedom of Information

2. David McLetchie (Lothians) (Con): To ask the Scottish Executive what are the aims of its proposed freedom of information regime. (S10-407)

The Deputy First Minister and Minister of Justice (Mr Jim Wallace): The aim of the statutory freedom of information regime will be to provide a right of access to information that is held by Scottish public authorities. The Executive will publish a consultation document in the autumn setting out its proposals.

David McLetchie: As the Deputy First Minister knows, the Scottish Executive's code on freedom of information states that in making decisions, ministers will publish the facts and analysis of the facts that ministers consider relevant.

In view of the disquiet in the medical community which has been voiced by senior figures such as Dr John Garner, the Scottish chairman of the British Medical Association, and Professor Arnold

Maran, the president of the Royal College of Surgeons, about the background of the decision of the Minister for Health and Community Care to centralise paediatric cardiac surgery at the royal hospital for sick children in Yorkhill rather than at the royal hospital for sick children in Edinburgh, will the Executive publish the report of the national services division, for which it, and the Liberal Democrat group on City of Edinburgh Council, called?

Mr Wallace: Mr McLetchie's familiarity with the code of practice on access to Scottish Executive information means, I am sure, that he has got as far as reading part II, which sets out some of the exempt categories. Those include information whose disclosure would harm the frankness and candour of internal discussion, which covers internal opinion, advice, recommendation, consultation and deliberation, and projections and assumptions relating to internal policy analysis.

The advice that was supplied by the national services division is exempt from publication under the section that I have read out. It counts as part of the advice that was put to the Minister for Health and Community Care. Such advice is treated as confidential.

David McLetchie: The advice is exempt because the minister chooses to make it exempt. I am indeed familiar with that caveat. Of course, that illustrates that the commitment to freedom of information is skin-deep. The minister will publish when it suits him to do so, and he will suppress when it does not.

Does the Deputy First Minister not accept that the failure to publish the secret report undermines confidence in the decision-making process? Will he give a categorical assurance that the decision that was taken in this case was taken on clinical grounds alone?

Mr Wallace: I will not take lessons on freedom of information from the member of a party that, when in government, sent a senior civil servant halfway round the world to be economical with the truth.

It is misleading to suggest that the decision was based directly on the work that was done by the national services division. That work was only one part of the advice on which the minister drew. It was complemented by a joint study by Greater Glasgow Health Board and Lothian Health. There was also a pan-Scotland dimension, which neither the national services division nor health boards were able to offer—that was supplied by the chief executive of the national health service in Scotland and the chief medical officer. The whole process was set out in a written answer that was given to Mr Kenneth Gibson on 10 September. The national services division's work does not give

anything like the complete picture of the issues that were raised in this highly complex and difficult decision.

Ms Margo MacDonald (Lothians) (SNP): Will the minister think again about what should be reserved information? I have it on the best possible authority that the three independent reports to which he referred all recommended Edinburgh royal. We do not question the clinical assessment that there is a need for only one centre of excellence, but we question the minister's refusal to make the reports public. There is no issue of commercial confidentiality in this case or anything like that. One of my colleagues from the Health and Community Care Committee, Margaret Smith, has added her voice to mine, and those of the BMA and David McLetchie, in asking to see the reports. In the spirit of the freedom of information legislation that will be introduced, can we see those reports now?

Mr Wallace: The reports formed part of the advice that was given. Susan Deacon has been very open about this. She has written a four-page letter to the chairman of the trusts, has issued detailed news releases and has written a newspaper article setting out her reasons. The whole Parliament is agreed that this is a complex and difficult issue. Ministers receive advice from a number of sources. If frank and candid advice is to continue to be given to Government, it must, in many cases, remain confidential.

Land Reform

3. Allan Wilson (Cunninghame North) (Lab): To ask the Scottish Executive what plans it has to reform crofting legislation to encourage absentee crofters to release land for potential usage by fellow crofters. (S10-413)

The Minister for Rural Affairs (Ross Finnie): Our plans for reformed crofting legislation do not include that subject. Existing legislation gives the Crofters Commission adequate powers to remove absentee croft tenants from their crofts and to control the re-letting of those crofts.

Allan Wilson: Will the minister clarify who has the authority to exercise the powers to which he refers? Is he aware of the widespread view in crofting areas that problems of absenteeism and other issues could be more effectively addressed if crofting estates were under community ownership? Is he also aware of the concern about the fact that the white paper on land reform did not contain the commitment that was given in Lord Sewel's green paper to the proactive right of crofting communities to buy land? Will he give an assurance that the community right to buy will be included in the first tranche of land reform legislation?

Ross Finnie: Landlords have the ultimate control in respect of removing absentee crofters. It must be said that most landlords do not act or exercise those powers. In terms of future legislation, we will consider the possibility of giving the Crofters Commission greater powers to act in place of a landlord who is not pursuing the matter.

The second point raised by Allan Wilson relates to the right to buy, and I am pleased to say that we are currently examining the responses to the first white paper on land reform. We are giving earnest consideration to including a crofting community right to buy in the first tranche of land reform legislation.

Tavish Scott (Shetland) (LD): Does the minister recognise that one of the reasons Ollaberry in Shetland won the crofting township of the year award is that it is an active and vibrant community? A crofting outgoers scheme, which would free up crofts for new entrants, would be a helpful reform. Does the minister agree that that would help to revitalise crofting communities?

Ross Finnie: There are no firm proposals for an outgoers scheme, as that would principally rely on financial instruments. The thrust of any crofting legislation that we introduce will be designed to amend legislation to enable greater entry—and new entry—to crofts and crofting.

Mr Jamie McGrigor (Highlands and Islands) (Con): Does the minister accept that if there is no improvement in sheep prices and no reduction in fuel prices, there will not be many crofters left?

Ross Finnie: I am not entirely sure. This gets back to the ewe question, Sir David, which I know you are very sensitive about. [*Laughter.*]

I do not think that there is anything in particular that I can do to raise ewe prices. As members know, we are taking positive steps. We announced that we are putting £20 million into hill livestock compensatory allowances. More than 40 per cent of that money will go to sheep farmers and therefore to people in the less favoured areas, in our crofting communities. The Executive has taken positive steps to assist in the financial circumstances of those areas. It is not simply a question of fuel prices, but of the support that crofters receive.

The Presiding Officer: That concludes question time.

Public Finance and Accountability (Scotland) Bill

The Presiding Officer (Sir David Steel): We move on to the stage 1 debate on the Public Finance and Accountability (Scotland) Bill. I invite members who wish to speak to register by pressing their buttons.

15:14

The Minister for Finance (Mr Jack McConnell): This is an important day for the Scottish Parliament and an important debate for all of us who were elected on 6 May 1999 to serve the people of Scotland. It is with great pride that I move this motion to approve the general principles of the Public Finance and Accountability (Scotland) Bill.

I first exercised my right to vote as an 18-year-old in the devolution referendum of 1979. I remember to this day the hours spent before the referendum debating, campaigning and putting up posters around Stirling and elsewhere in Scotland. I remember even more clearly the deep sense of disappointment when it became clear that the Scottish Assembly, as it would have been known, was not to happen.

For 20 years, Scots from all corners of our nation and from all walks of life have campaigned and worked tirelessly to create the Parliament that we sit in today. During those 20 years, we all increasingly dreamt of a new Parliament that embodied a new politics and new style of government for the good of the people of Scotland and for the future of the United Kingdom.

The principles which will underpin that new politics include honesty, transparency and an inclusive approach to consultation and political debate. I wholeheartedly endorse those principles and, as Minister for Finance, I will work tirelessly to ensure that they underpin our financial decision making and our accounting. As Gladstone said:

"Finance is, as it were, the stomach of the country from which all the other organs take their tone."

Members: Hear, hear.

Mr McConnell: I thought that that might appeal to my colleagues in the coalition.

The Public Finance and Accountability (Scotland) Bill is the first bill in the full legislative programme of the new Scottish Executive. Our financial procedures in the Executive and in the Parliament will set the standard for all other decisions that follow, and they will be based on the principles that I mentioned. The reputation of this Parliament and of the Scottish ministers should be our top priority, because, across the world,

perceptions of Scotland will be affected by all that we do. Specifically, in the areas of budgeting, of consultations on financial priorities, of auditing and of accountability, we must and we will create a system of which not just I, but all MSPs and all Scotland, can be proud. The people of this nation deserve no less.

The bill faces a tight timetable. It is wide-ranging, and I am grateful to the members of the Audit Committee and the Finance Committee for undertaking to finish their own deliberations in the time available.

The general purpose of the bill is to set out the framework of the financial relationship between the Parliament and the Executive. It sets out the conditions under which the Executive can spend money, how that money must be accounted for, the arrangement for the auditing of our accounts and the accounts of other public bodies, and the accountability of officials.

At its heart lie the recommendations of the financial issues advisory group. FIAG, which is made up of individuals who are drawn from a cross-section of the community, was set up in 1998 and reported early in 1999. It was not until the Executive was elected that we were able to go out to consultation and start the process of working FIAG's recommendations into a bill. Before moving on, I would like to thank the members of FIAG again for doing such a thorough job and for preparing recommendations that we could take forward into legislation.

The general principles of the bill build on those of FIAG itself. They set out five key objectives to ensure that our procedures would: first, ensure probity in the handling of public funds under the Parliament's control; secondly, help to maximise the cost-effectiveness of expenditure; thirdly, provide the information which the Parliament needs to make informed and timely decisions and to judge the probity and wider value of the actions of the Executive; fourthly, provide the Scottish people with understandable, consistent, relevant and timely information; and lastly, contain the overhead and compliance costs of the procedures.

The Executive has every intention of living up to those aspirations. I hope that the Parliament will seize the opportunity that that presents. I hope that members will help the Executive to take the, sometimes hard, funding decisions that will be necessary and to ensure that the money that we spend delivers the results that we all expect.

The bill deals only with the FIAG recommendations that require legislation. The rest are to be implemented in other ways. Some of them have already been implemented. They have been written into the Parliament's standing orders. The procedures for budget bills, for example, are

based on FIAG's proposals.

A number of other issues will need written agreements between the Parliament and the Executive so that the rights and obligations of both parties are made clear. Such an approach would be more appropriate than producing legislation, and would be used, for example, for the procedures to be followed by the Executive for agreeing the format of accounts. At stage 2 of the debate on this bill, I plan to submit to the Parliament proposals on how the Finance Committee and the Audit Committee might, on behalf of the Parliament, work with the Executive to decide on accounting formats. I will also submit other proposals for agreement on various procedures at that time.

Finally, there are recommendations on which the Parliament will need to legislate by using budget bills. That is partly because the recommendations are inherent in the purpose of the budget bill—the level of Parliamentary control, for example—and partly because the standing orders mean that certain proposals can be only in budget bills. The proposal, for example, that revisions to budget acts might be made in secondary legislation will have to be in budget bills, unless the standing orders are changed while this bill is still before Parliament.

The bill is in two main parts. The first part sets out procedures for authorising the use of Scottish public resources, and the second concentrates on holding to account those who spend our money. Together, both parts provide the framework for sound management of Scotland's finances.

The first principle is that resources can be used only with the approval of Parliament. In other words, the Executive can spend money only if Parliament so authorises. That fundamental principle is at the heart of the relationship between Parliament and the Executive.

The bill rules that cash cannot be spent without the Parliament's approval and enables the Parliament to set limits on the amount of cash that can be spent. As a further control, the bill establishes a rule that ministers may not draw on the Scottish consolidated fund without the written authority of the Auditor General for Scotland.

Having set out the principle that resources cannot be used without the Parliament's consent, however, the bill goes on to consider situations in which the Executive might need to use resources before the Parliament has agreed them.

The first such situation is in the event of Parliament being unable to approve a budget act before the start of the financial year. The bill provides a system which will enable front-line services to continue to receive limited funding until a budget act is agreed.

The second is to meet urgent unforeseen demand. No matter how good our financial planning is, there will be cases where money will need to be spent quickly. The bill provides ministers with a limited spending capability for such occasions. That will not be a charter for ministers to print money, as the bill requires ministers to report to Parliament as soon as they can. We plan to propose a written understanding to ensure that the Parliament hears of any contingency spending promptly, and hears of it first.

Spending bodies in Scotland currently have a range of borrowing powers. In the past, the borrowing of those bodies has been controlled by ministers without any annual parliamentary control. We agree with FIAG's conclusion that such borrowing may be subject to the control of Parliament. The bill puts that principle into practice.

Finally, this part of the bill has a section on the financial arrangements for the Keeper of the Registers of Scotland, which makes provisions for the Keeper of the Registers to operate on a trading fund basis.

As I have said, the second main part of the bill deals with audit and with holding the spenders of money to account. It puts in place arrangements for the establishment of a unified public audit service staffed by personnel who currently work for the National Audit Office and the Accounts Commission. That organisation, called Audit Scotland, will provide all the functions needed for the Auditor General for Scotland and the Accounts Commission to carry out their statutory duties. While the Auditor General and the Accounts Commission will have policy responsibility for their own areas and will decide who should carry out an audit, Audit Scotland will carry out on their behalf all the actions needed to deliver that audit.

Mr John Swinney (North Tayside) (SNP): On the issue of the statutory responsibilities of the Auditor General, does the minister agree that there is a case for examining the audit arrangements for local enterprise companies? As I understand it, those companies will, due to their status, be outwith the scope of the Auditor General's responsibilities. Does he think that this issue should be examined further outwith the scope of the bill and that further legislation should be introduced?

Mr McConnell: As we have discussed, it would be inappropriate to do what Mr Swinney suggests in this legislation. It is also right to point out that the bill will allow for the Auditor General to carry out value-for-money studies, even into local enterprise companies. There is a case for continuing to monitor the situation and for Mr Swinney's committee to consider the matter in the

months and years ahead.

The bill will transfer some of the Accounts Commission's responsibilities to the Auditor General and Audit Scotland. However, the commission will retain its critical role in ensuring that public money is properly spent.

The Accounts Commission will retain control of local authority audit to help ensure that the unique status of local authorities is respected. The same cannot be said of health bodies, currently audited by the commission.

Mr Keith Raffan (Mid Scotland and Fife) (LD):

I am sorry to interrupt the minister in full flow, but local government expenditure is an important issue. I accept that the Accounts Commission will still perform local authority audits, although the organisation may subcontract that responsibility to Audit Scotland. However, if we accept that local authorities have their own mandate, what opportunity will the Parliament have to examine the overall global expenditure of local government?

Mr McConnell: Overall expenditure totals will remain a matter for this Parliament. However, it is only right and proper for the individual auditing of individual councils to remain the responsibility of the Accounts Commission. Health bodies have no democratic mandate and for this reason, we propose that in future, their audit will be a matter for the Auditor General.

I would like to stress the independence of the Auditor General for Scotland. The Executive has absolutely no control or influence over his activities. As the Scotland Act 1998 specifies, the Auditor General for Scotland is also independent of the Parliament. I highlight this point because the bill provides for a Scottish commission for public audit. That body will be required to scrutinise the expenditure proposals for Audit Scotland and arrange for its audit, but the commission will not oversee the work of either the Auditor General or Audit Scotland.

In some ways, I see the final principles of the bill as the most important in that they govern the way in which the Parliament will be able to hold the Scottish Administration and other bodies to account. The bill provides for a system of accountable officers. The system is designed to ensure that ministers and office holders such as the Auditor General for Scotland and the Scottish Parliamentary Corporate Body are accountable for the way in which they use the resources which they are authorised by the Parliament to spend.

In particular, the system places a duty on certain nominated senior officials to seek written instructions from the relevant minister or office holder if they feel that they are being asked to do something which is improper, irregular or which

would represent poor value for money. They must then report those instructions to the Auditor General. A similar system exists in Westminster, but there, the idea that officials should take this kind of action exists only as a convention. We propose that that requirement is placed firmly in statute, thus giving it a robust and secure foundation.

The bill makes provision for audit and for value-for-money investigations. It grants the Auditor General and those working on his behalf statutory rights of access when carrying out audits or VFM studies. It also rationalises the audit arrangements for all those spending bodies that are within the competence of the Parliament.

I hope that we will have unanimous support in this chamber for the principle of our Public Finance and Accountability (Scotland) Bill. With that endorsement of our basic principles, the Audit Committee, the Finance Committee and other committees must then ensure that the detail meets the ideals that we have set out to achieve. I hope that their scrutiny will be vigorous; it will come from members of all parties represented here, and will produce an act before Christmas that will allow us to progress with a budget that is based on our own procedures, agreed here in Edinburgh, and on which our people can rely.

We must all remember, as I can assure members that I do, that the money which we as elected politicians spend comes from the hard-working families and businesses of Scotland. We must remember, every year in our budget decisions and every day as we spend the money that is allocated to the people's priorities, that it is their money. We hold it for them, we spend it on their priorities, and we must explain clearly and openly where it has gone. That is the fundamental duty of elected politicians and public officials the world over. Here in Scotland, I want a first-class system to assure those whom we represent that they will always come first.

I move,

That the Parliament agrees to the general principles of the Public Finance and Accountability (Scotland) Bill.

15:28

Andrew Wilson (Central Scotland) (SNP): The purpose of a stage 1 debate in this new system is, as Mr McConnell has pointed out, to debate the general principles of a bill. In that light, I congratulate Mr McConnell and his excellent advisers in the finance divisions of the Scottish Executive for bringing the bill to Parliament in what I can only describe as jig time.

Before Mr McConnell gets too flushed with success, I join him in thanking the financial issues advisory group of the consultative steering group.

He will agree that it is through FIAG's endeavours that the bill has been able to go through the Finance Committee and Audit Committee with such speed. There are many issues of detail to be raised, but the broad thrust of the bill and what it drives at is largely non-contentious and is to be welcomed.

I want at this stage to raise some points of principle. Others will be raised by my colleagues during this debate and, perhaps more important, in later stages of the bill's passage.

From the SNP's perspective, the key theme is what the bill misses out, rather than what it includes. The bill's principles do not seem to include the capacity for a reserve. I am concerned at the implications that that has for the prudent management of budgeting and for the prevention of what we have all become used to with public sector budgets—the rushed year-end spending. If the bill does not allow for the capacity for a reserve, the whole process could be undermined. We need that reserve not just for the emergency reasons that the Minister for Finance outlined, but to allow a much more sustainable approach to resource allocation.

We know from bitter experience that there is often a rush to spend budgets at the end of the year. That encourages, rather than discourages, waste and institutionalises a public sector culture where departments, authorities and agencies look solely for short-term spending projects. With more substantial capital projects, there is always scope for underspend, when money can be put aside. However, that structure encourages the search for short-termism, which is to be regretted. The Minister for Finance's response to that is resource account budgeting, but I am yet to be convinced that that provides all the answers.

On audit, on which many of my colleagues will focus today, I would like the minister to give an assurance that the bill will accommodate the need for cross-departmental and cross-agency auditing by policy area, rather than by delivery area. That would allow us to assess the extent to which the different operatives within Government chase the same objectives and duplicate cost and effort.

Every agency, department and authority that spends public money should be subject to potential scrutiny by Audit Scotland and the Parliament's Finance Committee and Audit Committee. As my colleague, John Swinney, said, there are numerous examples in enterprise of projects receiving public funds from a variety of sources using the same measure—jobs created—to justify each separate amount. The Parliament should take an interest in that. However, that point and many others will be raised during the passage of the bill, when we will be able to remedy the structural weaknesses.

The most important structural weakness is our situation within the settlement. It is to be regretted that the Scottish Executive is no more than a conduit for finance—the grateful recipient of a hand-down from the Secretary of State for Scotland. If the Executive had more of the normal powers of responsibility enjoyed by any Government, or for that matter, any local authority—the power to build up reserves, to borrow prudently, to focus on the longer term and to exercise effective control over the flow of revenue—rather than having to accept what is fed to it from external sources, the impact on expenditure would be much more healthy and would ensure better quality and more strategically focused spending decisions.

Dr Richard Simpson (Ochil) (Lab): Will the member join me in welcoming the three-year expenditure plans that the Government has developed, which allow the sort of forward planning that he talks about?

Andrew Wilson: The plans are a step forward in terms of the broad structure of budget lines. However, as I said, in terms of building up reserves, I have yet to be convinced that the plans are enough. I hope that that will come out during the debate. At the moment, I want to focus on accountability. The fact that the Executive is not responsible for raising the money that it spends is bad for democracy and for accountability. It is not good for prudence in the longer term.

One of the most substantial points for debate in our financial matters is the remarkable fact that the entire Scottish budget, as determined by the Barnett formula, comes in the first instance not to Mr McConnell and to this Parliament, but to Dr John Reid at the Scotland Office. It is up to Dr Reid to decide what amount he keeps back for his own activity.

It is constitutionally and politically unsustainable for that to continue. Things are fine at the moment because the First Minister and the Secretary of State for Scotland enjoy such a close, warm and harmonious relationship. They therefore know how to box clever with the nation's finances. However, the settlement has remarkable potential for dispute. Imagine if the secretary of state were Michael Forsyth or—God forbid—Brian Wilson. The scope that the present settlement gives them is worrying. I suspect that the gloves may come off.

In the absence of a change to the Scotland Act 1998, little can be done. However, it is imperative that the Executive makes approaches to the Scotland Office to ensure that the Parliament can set a precedent for positive dialogue with the secretary of state and the Scotland Office about the basis of his decision to hold back as much as he is from the Scottish budget.

The cleanest and simplest approach would be to secure a more responsible and modern settlement, where the Parliament is responsible for raising the revenue that it spends and for ensuring that it is spent wisely. That would make us more democratically accountable to the people who elected us. We could then subvent funds to London for centrally provided services. There need be no debate about who subsidises whom and the system would have the advantage of making the value for money of those services more apparent. I must point out that no best value test is applied to UK central departments.

The approach already carries the support of four parties in this chamber. It should carry the support of the Liberal Democrats, if they still believe in more progressive federalism. I have no doubt that it would also find some support among those former members of Scottish Labour Action who sit on the Executive benches and among some of the Labour party's back benchers. In passing, I also point out that it is also the editorial position of *Scotland on Sunday* and *The Scotsman*, which means that it must be right.

It is critical that we do not lose sight of the bigger picture of the structural reforms within the settlement that would allow us a better financial settlement for Scotland. As far as the rearrangement of the deckchairs goes, this bill has done a job well and quickly within the constraints that have been laid down. I hope that we will improve it as it goes through the process. I plead with all members of the Parliament to think laterally about how the Parliament should grow, how we can improve the settlement and how we can improve the strength of the Parliament to deliver the best for the people.

15:35

Miss Annabel Goldie (West of Scotland) (Con): I endorse much of what Mr Wilson said. This party also welcomes the bill and the general principles that are set out in it. In terms of content, it may be riveting to the point of being dangerously exciting, but none the less it deals with some serious matters. Like Mr Wilson, we congratulate the minister, his team and others who have assisted in producing a very complex bill in a very short time.

We may express slight concern about the budget amendments. I think that it is now accepted that the budget will be set out through primary legislation. As a member of the Audit Committee, I am concerned, as is the Conservative group, that amendments should also be made through primary legislation. In his opening remarks, the minister mentioned honesty and transparency and we all applaud that. However, there is a need to ensure that that is

effected in reality and that it does not become just a verbal shibboleth.

In the interest of flexibility, we accept the concept of ministerial direction on the format of accounts. However, we hope that the courtesy of allowing the Finance Committee to comment on format will be observed. That would be a proper demonstration of transparency.

My colleague, Mr Davidson, who is in his sick bed and cannot be with us today, serves on the Finance Committee and has asked me to raise one or two points on his behalf. He had a slight concern that the bill makes no mention of the role of the Finance Committee. I accept that the minister considers that that role will evolve and that he may not wish to make any prescriptive mention of it now. However, it might give some comfort to the chamber if he were to expand a little on how he sees the role of the committee unfolding, because there is no doubt that it is an important committee and one that is singularly relevant to the matters under discussion today.

I have been asked to point out—although I do not wish to be polemical—that when the bill was put out for consultation, it went into the public arena before the Finance Committee had an opportunity to view it. In the interests of a more harmonious relationship between the Executive and the committee, perhaps the minister will have regard to that sort of omission in future.

There is also a feeling that the budget bill, whenever it appears, ought to be in the province of the Finance Committee and, unless I have failed to read the bill correctly, there does not seem to be any specific provision for that. For example, does the minister intend to allow the Finance Committee to see the draft budget for some predetermination of how matters look, or is it simply to be landed straight into the parliamentary chamber?

Mr Wilson alludes to his concerns about audit functions, which I will come to in a moment. However, I have a concern—I have already placed it on record in the Audit Committee—about the position of local authorities. While I understand the constitutional precedent that allows the Accounts Commission to audit local authorities, I think that it is necessary for me to put the following comments on record in the chamber, for the public information of the electorate.

We, as a Parliament, are attempting to deal responsibly with the expenditure of very large sums of public money, as the minister said. It seems anomalous that the bill does not provide for the slice of expenditure that goes to local authorities, which currently spend approximately £6.4 billion, to be examined in more detail. I accept the minister's response that the Parliament

would have access to the overall figure. However, an overall figure of that magnitude in isolation is not very meaningful. There are serious concerns that—when we talk about expenditure of the size and extent currently seconded to local authorities—the creation of this Parliament affects constitutional precedent.

Finally, Mr Wilson described the Scottish Executive as a conduit—I pronounce the word slightly differently, but that is a small matter. Mr Wilson was making an articulate and skilful attempt to justify an agenda of independence. Not surprisingly, he will find little support for that from these benches.

Andrew Wilson: I am grateful to Miss Goldie for allowing an intervention at this stage. Will she agree that many members of her party, including Michael Fry, Peter Snell and Murdo Fraser, published a pamphlet calling for just the fiscal autonomy that I have outlined?

Miss Goldie: It happens that none of them is on these benches for which I specifically said that I speak, and where, again as I said, Mr Wilson will find little sympathy for the concept of independence.

Mr McConnell: I would be interested to know whether Miss Goldie finds it interesting that there is an agreement between the nationalist party and some of the more extreme members of her own party, with whom I am sure she does not agree.

Miss Goldie: I shall refrain from comment. Mr Wilson made an important point about the constitutional arrangement. Now that there is a Parliament in Scotland, we have a distinctly altered relationship with the Secretary of State for Scotland and the United Kingdom Cabinet. As long as we have a strong Secretary of State for Scotland I have some confidence that Scotland will have a strong figure batting for it in the Treasury.

I do not share Mr Wilson's apprehension that a Secretary of State for Scotland would try to cream off significant sums of money because the devolution settlement makes it difficult to see where he would cream them off to. Given Dr Reid's recent comments at the Labour party conference in Bournemouth that he was less than confident about the continuation of the office of secretary of state, will the minister clarify how the budget on which this Parliament depends and which is vital for Scotland will be negotiated and who will be responsible for that negotiation within the United Kingdom Cabinet? Is the minister confident that he will not be left—as Mr Wilson has suggested—a hapless puppet with a hand stretched out, waiting for something to happen?

The Scottish Conservatives endorse the principles of the bill and we are minded to co-

operate with its swift passage.

The Deputy Presiding Officer (Ms Patricia Ferguson): At the moment it is possible to allow members five minutes for speeches in the open debate. We will begin with that time limit, but if it becomes necessary we will drop down to four minutes. If members stick to their time limits, we might manage to include everyone.

15:43

Mr Keith Raffan (Mid Scotland and Fife) (LD): I was entertained by Miss Goldie's speech, and even more by Mr Wilson's intervention reminding her of the more extreme members of the Scottish Conservative party. May I remind her of what some of the moderate members of her party have said—those that have not left to join the Liberal Democrats, that is?

The current chairman of the Conservative party, Michael Ancram—the Earl of Ancram, to give him his full courtesy title—was the founder chairman of the Thistle group. That group's main policy was a Scottish Parliament with full tax-raising and revenue-raising powers. Those are all things that the Scottish Conservative party has abandoned. It has returned to a prehistoric, Neanderthal age and given up the progressive views of enlightened men such as Alick Buchanan-Smith; it has regressed into a deep, black hole and those are the views that we heard from Miss Goldie today.

I thought that Miss Goldie gave a stage 2 rather than a stage 1 speech. This debate is about the broad principles of this bill, not its details, which we will come to later. It is interesting that, before lunch, the press gallery was full of people—absolutely packed—for the discussion of what is, frankly, a relatively trivial and minor matter. Where are they now? The bill is uncontroversial, but it is very important. It would be a model of financial management for any country, and other countries will be beating a path to our door to learn how we are laying down the framework for budget scrutiny. The difference between Holyrood and Westminster—and I wish that there was more than one sole person in the press gallery to report it—is the fact that we are ensuring that the Parliament rather than the Executive will dominate this process.

Miss Goldie rose—

Mr Raffan: I will gladly give way to Miss Goldie in a moment. I know that her mental processes are rather slow—no doubt she wants to come back to some of the points that I made earlier.

The crucial point is that the Scottish Parliament is superior to Westminster in terms of the process of budget scrutiny that we are setting out. In view of Mr Salmond's question to the First Minister

today, I hope that when the First Minister next meets the Chancellor of the Exchequer he will bring this model of budget scrutiny to his attention.

Miss Goldie: I wish merely to observe that perhaps the reason why there is only one member of the press in the gallery is that the rest had some prescience that Mr Raffan was going to speak.

Mr Raffan: Miss Goldie must do better than that. She spoke immediately before me and I am afraid that the press evacuated the gallery just before that. They might return if they realise that somebody else—anybody but Miss Goldie with the Neanderthal views that she expresses on behalf her prehistoric party—is speaking.

Brian Adam (North-East Scotland) (SNP) rose—

Mr Raffan: I have given way once. I should not really get involved in this political divorce—it is very disturbing, Presiding Officer, to watch.

The Deputy Presiding Officer: It would help if you were to get to the point, Mr Raffan.

Mr Raffan: We ought to get Relate involved in the marriage guidance process between the Scottish Conservatives and the Scottish National party, as their unholy alliance seems to have broken today.

Let me make some important points about the bill and the budgetary process. What is crucial is that—as the minister said—the bill goes to the heart of the relationship between the Parliament and the Executive.

I pay tribute to the FIAG report and to all those who worked on it. It has set out the framework for the parliamentary scrutiny of the allocation of public money so that we can secure best value from our financial resources.

The minister has said that the Executive wants a world-class financial management system, that it wants the Parliament to be constructive and that the Executive wants its decisions to be open and transparent. I can almost hear Louis Armstrong sing, “Oh what a wonderful world”.

Seriously, however, those are desirable objectives. Of course there will, more often than not, be tensions between Parliament—mainly through the Finance Committee and the Audit Committee—and the Executive. There will be differences and conflicts but—crucially—those can be worked out within the framework that has been laid down.

I would like to raise two points of detail. The first point has been raised by members of the Finance Committee and the Audit Committee. Making the process work will depend on members having access to very detailed information. Mr Swinney admirably made that point in the Finance

Committee. We must have access to the detailed information—in its most accessible form—that underpins “Serving Scotland’s Needs” if we are to scrutinise the budget effectively.

My second point relates to the written understandings, for which we are waiting, between the Executive and the Parliament. I believe that a draft of those will be available to the Parliament prior to the stage 2 debate of this bill. They may affect stages 1 and 2 of the budgetary process. Stage 1 will happen in the spring when strategic priorities will be discussed. Detailed discussion of the draft budget will happen during stage 2 in the autumn.

The onus is on the Finance Committee, as the lead committee, to oversee the process. We must set up an appropriate and effective system to ensure that the subject committees can give detailed input to stage 1 of the budgetary process. That is crucial and we have not yet looked at how we are going to achieve it.

We are having, for obvious reasons, a curtailed process this year. We came into existence only in May and took over our powers at the beginning of July. However, we must set out the detailed process by which the Finance Committee and the subject committees can consult in that important preliminary, spring phase, during which we will discuss the strategic priorities of future budgets.

15:49

Karen Whitefield (Airdrie and Shotts) (Lab): The Public Finance and Accountability (Scotland) Bill provides the statutory framework that the Scottish Parliament needs to function effectively, efficiently and—if necessary—swiftly. It provides clear measures to ensure transparency and public accountability at all times.

I believe that this bill complements and enhances other initiatives to increase public awareness of the functioning of the Parliament—initiatives such as the Scottish Parliament and Scottish Executive websites, the ability to have direct access to MSPs through e-mail and the partner libraries.

The bill recognises the need to use plain English and standard accountancy terms, so that everyone will be able to understand the Parliament’s spending. It provides strong lines of accountability—accountability of public spending bodies to Audit Scotland and accountability of the Executive to the Parliament. The latter relationship is crucial, as it is the means by which public spending becomes accountable to the public.

To quote the Minister for Finance, this is

“a bill that goes to the heart of the relationship between Parliament and the Executive”.

The bill includes provisions to make officials personally answerable to the Parliament on matters of regularity, propriety and value for money. Once again, transparent and open procedures will enhance the reputation of the Parliament.

The Scottish public rightly demand that their taxes are spent in a way that ensures best value for money. I am pleased that the bill sets out clear powers to enable the Auditor General for Scotland to initiate and carry out examinations of economy, efficiency and effectiveness. An example of the bill's concern for public accountability is demonstrated by the provision of a right of access for the Auditor General for Scotland to the records of those organisations that depend, to a significant extent, on the money from the Scottish consolidated fund.

The bill contains measures that will allow the Executive to revise budgets and respond swiftly to unforeseen circumstances. The contingency arrangements will allow ministers to respond to urgent need, but will place a sensible limit on that spending. The bill will enable ministers to use secondary legislation to revise budgets through budget bills. That will ensure that the Parliament will be responsive and accountable.

The creation of Audit Scotland will ensure that public money is being spent prudently and that accounting bodies are not just asking for value for money, but practising it. I welcome the rationalisation of the audit arrangements for the national health service in Scotland. The NHS receives large amounts of money from the Scottish consolidated fund, and it is appropriate that the responsibility for carrying out its audit should be with the Auditor General for Scotland.

This bill will ensure that at all times the people's money is handled with the highest standards of honesty and integrity. I hope that members will join me in welcoming the bill and supporting the motion.

15:53

Mr Andrew Welsh (Angus) (SNP): Karen Whitefield has clearly set out the hopes that are being placed in this bill—that this Parliament can do things better and be a model for others to follow. I hope that that will be so. We all have a duty to the people of Scotland to make it so.

We are discussing one of the fundamental cornerstones of this Parliament's work—the best use of public finance for the public benefit. Assurances about probity, efficiency and effectiveness in finance, and rules of accountability and openness between Executive, Parliament and the people, are fundamental to the new Scottish democratic system. Achieving a

broad consensus after widespread consultation has been important as a basis for progress. In drawing on a wide cross-section of opinion, and producing five overarching objectives and 82 recommendations, the financial issues advisory group has made the work of this Parliament easier and I congratulate it on its contribution to this debate.

I can report that the Audit Committee broadly accepts the structures and principles of this Public Finance and Accountability (Scotland) Bill. However, we have caveats on certain specific matters that, no doubt, will be explored further at stage 2. Specifically, although there is a right of access to the accounts of organisations for which public money makes up less than 50 per cent of their income, those organisations are not covered by the Auditor General for Scotland. As 49 per cent of such income can account for very large sums of public money, I think that accountability should eventually be extended to all publicly funded bodies. It is up to the Auditor General for Scotland and this Parliament to decide whether such a right should be taken up.

Being freed from Westminster time strictures should allow this Parliament greater focus and accountability at all levels of public finance. It gives us a chance to allow the people of Scotland to have far greater scrutiny than has ever been possible before to get to the root of how their money is spent, through us, by organisations throughout Scotland.

Higher education should also come under the remit of Audit Scotland, and I hope that that will come about within a reasonable time scale. Although it understands the constitutional problems involved, the Audit Committee has also expressed concerns about local authority accountability—that subject may be raised as the bill progresses. I also refer the minister to the comments of the Subordinate Legislation Committee regarding section 28 of the bill.

Scotland's population of 5 million people makes us an almost ideal administrative unit, making possible the introduction of greater accountability and closer scrutiny of resources. I hope that, using the standard mechanism of annual budgets, this Parliament can influence decision making in the medium and long term. Resources are finite and limited under devolution, so it is crucial to ensure continuity of policy and maximum efficiency for every pound spent. Parliament and the Executive must focus on the priorities to which those resources are put. Any mistakes will be costly and will hold back economic and social developments that have been outlined in debates in this chamber.

I hope that Audit Scotland will play a positive role and encourage innovation and ingenuity. The

end product of its research and development work must be the imaginative and positive use of public assets for the public good. The greater the financial efficiency in the husbanding of present and future assets, the greater the benefit to all the people of Scotland will be. I take it as read that inputs will receive thorough examination to ensure probity, correctness and transparency. I also want ideas and innovation to flourish in encouraging the effectiveness of budget outputs and in the use of existing resources. We should ask how budgets are being drawn up for scarce resources and how the best services can be delivered to the people whom we serve.

Scotland is both a small enough and a large enough administrative unit to allow such detailed scrutiny. The broad outlines of the proposals for Audit Scotland, for the Scottish commission for public audit, for accountable officers, for the transfer of NHS auditing and for inclusion of further education are all sound; they set a pattern for more efficient and effective scrutiny of public finances.

The bill also sets out value-for-money provisions for the Auditor General for Scotland, which should presage future gains, both in financial efficiency and in the quality of financial accounting in Scotland. Any money freed up can immediately be turned to the services that this Parliament provides for the people.

This Parliament can be sure that its Executive is answerable through the bill and is open in its financial dealings. If Audit Scotland is fit for that task, there will be tangible benefits for the Scottish people. We have been given a fixed and finite overall budget and this legislation ensures that that limited finance is openly and effectively used and that reports about its use are brought back to Parliament and to the people. I believe that FIAG has given us a sound democratic basis on which progress can be made. It is now up to us, through this bill, to deliver the reality.

15:59

Mike Watson (Glasgow Cathcart) (Lab): I shall preface my remarks with a comment that, to some extent, reflects what Keith Raffan said. As we begin the development of the first Government legislation in the Parliament, we might reflect on how our deliberations are covered in the media and the importance that they are given there. We do not have to cast our minds back very far to remember some of the appalling coverage of the Parliament and of some members before the summer recess.

When some of us challenged journalists at that time, they said that they were reporting in that way because there was nothing of substance to

cover—give us something to cover and we will be more serious, they said. This is a serious matter, and how full is the press gallery? I give credit to those who stayed, but I make no apology for saying that it is disgraceful that when there is serious discussion, there is no reporting of it.

I highlight the contribution of my colleague Karen Whitefield, who was the butt of unfair criticism some months ago and who made an excellent, well-researched speech showing wide knowledge of the subject. Who will report that? I hope that some of those who denigrated her will eat humble pie on the basis of what they should have heard this afternoon, and I hope that they will bother to read the *Official Report*.

It is disheartening for those of us involved in the Finance Committee and the Audit Committee to see that the legislation is not getting the coverage that it deserves. It is the first bill for us. The Finance Committee and the Audit Committee, in a joint meeting, were the first to take evidence from a Scottish Executive minister when the outline of the bill was discussed in June. Many of the comments made by the committees have been incorporated in the bill.

It is a sign of the broad measure of agreement that even Andrew Wilson in his comments was not greatly critical of the bill; he talked about what is not in it rather than what is. Of those issues, the relationship between the Scotland Office and the Parliament will be discussed in future, I am sure, and raising revenue is more to do with an amendment of the Scotland Act 1998, or future legislation.

The broad agreement on the bill has also been shown by Andrew Welsh's comments on behalf of the Audit Committee. I do not find that surprising, because we are putting in place one of the building blocks of the way in which the Parliament will operate. When the bill becomes law in a few weeks' time, it will affect for years the way in which the Parliament looks at its budgets and looks back on the effects of spending through the Audit Committee.

In the Finance Committee, we are pleased with the relationship that we have established with the Minister for Finance and we have made clear to him the need for openness, transparency and accountability. That message has been taken on board.

I do not intend to go into the details of the bill now as that is for stage 2, but it is important to re-emphasise a point that Richard Simpson made earlier, that this is about not just annual budgeting, as there will be an annual budget bill and revisions, but forward planning. It is likely that we will have the budget draft for the following year and perhaps the year after that as well. We hope

so, as that would not only allow the Scottish Executive to plan ahead but enable the Parliament to have a fairly clear idea of the thinking of the Executive and the coalition, or whichever party or parties were in power at the time.

That is also important for the way in which the Parliament is viewed by the public. These are detailed and complex matters, but that does not mean that we cannot get it across to people that we are doing a serious job on their behalf. The way in which the money comes to the Parliament and how it is dealt with are important for the messages that are sent out about how the Parliament is operating and hence its reputation.

I want to say just a little bit about—

The Deputy Presiding Officer (Mr George Reid): Just a very little bit.

Mike Watson: Of course. To restate the point that has been made and cannot be made too often, the bill is an example of the way in which the Scottish Parliament can do things differently. I welcome the bill being introduced so quickly; it is early evidence of a system above reproach, characterised by transparency and accountability at every stage of the process. That is a better and more effective way of doing things than has been the case in the UK Parliament.

We are a modern Parliament: we can do things in a modern and responsive way, and we are setting in train the procedures that will allow us to do that. The way in which the Finance Committee and the Audit Committee are already operating shows that at an early stage in this Parliament we want to be involved in establishing the basic foundation and framework that for years to come will underscore the effectiveness of the Parliament's budget and auditing procedures.

16:05

Brian Adam (North-East Scotland) (SNP): I welcome the bill and some of the remarks made by the Minister for Finance. In particular, he referred to resources being used only with the Parliament's approval. He went on to qualify that to some extent by talking about emergency spending and contingency spending. I was glad to hear that even in those circumstances—I hope that I heard him correctly—Parliament would hear first. As we deal with the principles of the bill at this stage, I hope that I will be forgiven if I refer to some details.

Mr McConnell's colleague Mr McAveety was in a little difficulty at the Local Government Committee when he made announcements before Parliament had heard about them. I hope that Mr McConnell's remarks about reporting any contingency spending to the Parliament first will be adhered to. Indeed,

when we come to deal with the detail of the bill, that might be an appropriate point at which to make that principle clear. Perhaps Mr McConnell will address that point when winding up.

One matter that has troubled me since long before I came to serve in the Parliament is the clarity of financial management, which the bill gives us the opportunity to address. Buried in the bill is a reference to the Keeper of the Registers of Scotland and the 6 per cent return on capital. That is a detailed point. The point that I wish to make is not peculiar to the Keeper of the Registers but is relevant to the health service—indeed, a similar point was made about the 3 per cent efficiency savings that are usually sought year on year in the health service, and the 1 per cent efficiency savings that are being sought from further education institutes. I hope that when such matters are reported to the Finance Committee and the Audit Committee, the moneys will be clearly identified as recycled, not as fresh moneys. We need to have a procedure that adheres to the principle that if the hangovers from a more competitive rather than collaborative environment are used, it is made clear that it is the same money that is being used again.

I echo some of the points that members made about local authorities and the access that the Audit Committee might have. I understand that much sensitivity surrounds that issue and I do not want to labour the point, but I would like to highlight a case from this week. Sir Stewart Sutherland identified the fact that across the UK there is a shortfall in elderly care, amounting to a large sum of money. Undoubtedly, that shortfall was measured against the grant-aided expenditure limits that were set by ministers. I know that that matter is left to individual authorities. Indeed, if we are to have local authorities, they still need to make decisions, but when the wishes of the Executive, to some extent, or indeed of the Parliament are ignored in such a way, that might be a matter for the Audit Committee, not just the Executive.

In line with the point made earlier by Mr Swinney, I hope that in future we will follow the expenditure of the public pound all the way down, not just to the local enterprise companies, but to enterprise trusts, and, in similar vein, to the non-departmental bodies: I cannot remember the grand title that they have these days.

I am glad to see that Dr Simpson has returned—I would like to touch on the point that he made on the comprehensive spending review and the introduction of a certain amount of flexibility. Perhaps when we are considering how we are to make that flexibility available, we should write into the legislation the percentages that we can carry over and the mechanisms of review. I accept that

that is there, but the bill lacks clarity in that area. If we insert those details, it will satisfy the point made by Mr Wilson, and it will satisfy me.

I ask that we beef up the paragraph in the report which suggests that Audit Scotland might have some responsibility for development of the service in terms of performance indicators. I hope that Audit Scotland will be a little more proactive than that and will be the leading body for research and development in audit.

16:11

Lewis Macdonald (Aberdeen Central) (Lab):

As another member of the Audit Committee, I will touch on the audit and accountability aspects of the bill. It is in all our interests that we establish as wide a consensus as possible on the processes by which ministers are accountable to Parliament, and by which public bodies are accountable both to the Executive and to Parliament. From what we have heard today, there is the basis for a broad consensus on that, although there are areas of continuing discussion.

On the establishment of Audit Scotland, it is a welcome development to create a single public sector auditing service, which will service both the Auditor General and the Accounts Commission. The National Audit Office has been one of the successful agencies in seeking good government at Westminster and has exposed abuses of power and of public money.

I welcome the bill as a further act of devolution, in that it transfers the Scottish wing of the National Audit Office to a distinctive Scottish agency, making it directly accountable and putting its skills at the disposal of this Parliament.

Like Karen Whitefield, I believe it right that NHS accounts and spending in Scotland should come under the new body, Audit Scotland. It is also right that its remit should extend to cover the further education sector. In our committee on Tuesday, we heard evidence from the head of the new Further Education Funding Council. He confirmed that many of our FE colleges have struggled to achieve effective financial management over the past few years. They will benefit from being made directly accountable through Audit Scotland.

Andrew Welsh raised the point, as did John Swinney earlier, about bringing other bodies within the remit of Audit Scotland. It is important to recognise that the bill does not close the door on that, and leaves open the possibility of further evolution of the public audit system. It is also right that we should not leap ahead of ourselves in its development.

Conservative and SNP members implied that they had concerns about the continuing split, in

terms of local government, between the Accounts Commission and Audit Scotland. Those concerns were raised at the Audit Committee, but were not agreed by the committee. It is a pedantic but important point to put it on the record that we discussed that, but did not take a committee position.

The concern is that local government spends our money and should be accountable, but there is an important distinction between a local council and an FE college.

Brian Adam: I accept Lewis Macdonald's point that there was not an agreement on the committee. Does he agree that in the examination of the global sums, there might be a mechanism whereby it is possible to satisfy the need for accountability and openness at the level of the Parliament rather than just at the level of the Executive?

Lewis Macdonald: I think that to an extent the minister has already addressed that point. The global sum, the allocation to local government, is a matter for Parliament. It is appropriate that supervision and scrutiny of the detailed expenditure are kept at one remove from the way in which non-elected bodies account more directly to this Parliament. That is right and is in line with the principles of devolution and subsidiarity that we should continue to support.

Andrew Wilson: Does Lewis Macdonald agree, therefore, that it is wrong that Westminster has the right to audit our activities? According to the principle that the member has set out with regard to local government, Westminster ought not to retain that right.

Lewis Macdonald: In the bill, we are creating a distinctive Scottish structure for the Scottish Parliament. Its relationship with Westminster will continue to evolve. I recognise the point that Andrew Wilson has just made—which he also made in his speech—but we are engaged in modernising structures. There is a commitment throughout the chamber to achieving value for public money. This is an important step in that direction.

16:15

Mr Nick Johnston (Mid Scotland and Fife) (Con): Perhaps we should be thankful that this is not a particularly exciting bill, as that will spare us the horticultural hyperbole to which Miss Goldie treated us yesterday.

The framework that we establish with the bill will be critical to the success of the Parliament's work and to the way in which the Parliament is viewed by the people of Scotland. It is through the bill that we shall ensure that the budget is not only set

properly, but spent properly.

As a member of the Audit Committee, I pay tribute to the work of the financial issues advisory group, without which we would not have the opportunity to put in place the checks and balances that will ensure that the wishes of Parliament are carried out.

There is no doubt in my mind that, over the next four years, great strains will be placed on the public purse. The bill will have to ensure that savings and efficiencies are identified to deal with the pressures on public spending.

When considering the bill, the Parliament will have to address a number of points. I have in my notes:

“the need to avoid unnecessary democracy”—

I meant “the need to avoid unnecessary bureaucracy”. [*Laughter.*] We must also be aware of the need to fix budgets as early as possible, and to consider that annual processes might detract from long-term planning. As Karen Whitefield said, we must make the bill easy to understand, by using plain English.

We will want to examine the controls that are set out in the bill and ministers’ proposals for the format of accounts. We appreciate that at this stage prescription is probably not wise, but we need to ensure that transparency is maintained.

I would like the minister to clarify the issue of a cut-off date for presentation of budget drafts to the Finance Committee and whether a deadline will be set for budget arrangements—no more than three months, say, into the spending year. I would not feel comfortable about rolling a prior budget on indefinitely. We do not want to have stonewalling in the Parliament. Unless budgets are set, outside bodies cannot project and plan new actions. Prior-agreed projects need to be amended so that they can operate under resource accounting and budgeting. It is also important that the transfers of staff are contiguous, because the transfer of NAO staff will require separate legislation.

Conservative members welcome the proposal that Audit Scotland should in future oversee further education colleges and national health service trusts. We share the belief that the introduction of external audit appointments will complement the measures that have been taken by further education colleges to bring more openness and accountability to their management.

My main concerns, which have been picked up by the Convener of the Audit Committee, lie in the section of the bill that deals with economy, effectiveness and efficiency. I refer members to my remarks of 14 September on the competency of the Auditor General for Scotland. I expressed concern about sections 21(3) and (4), which state

“that he is only competent to examine bodies that have more than half their funds provided from the public purse.”—[*Official Report, Audit Committee, 14 September 1999; c 3.*]

The point that I made was that if a public body receives 49 per cent of its funds from the public purse and 51 per cent from private sources, that is still a hell of a lot of money from the public purse.

Questions should also be asked about the accountability of ministers. To members who have not done so, I recommend that they read the interesting little booklet “Holding to Account” by Robert Black, who is the new Auditor General. He goes into some detail about whether we should hold ministers to account not only in expenditure areas, but for organisation performance and service delivery.

Finally, I would make the point that 85 per cent of devolved expenditure will be in the hands of local government, non-departmental public bodies and other agencies. It is vital for the operation of this Parliament that public auditors should be seen to be independent and unfettered in their ability to publish audit findings to elected representatives and the public, whose money we are spending.

16:20

Euan Robson (Roxburgh and Berwickshire (LD)): At the risk of some repetition, I would like to welcome the bill and the minister’s statement. The bill is clearly the product of exhaustive consultation before and since the establishment of the Parliament. Indeed, the phrase “consultation fatigue” might apply.

On behalf of the Liberal Democrat party, I add our appreciation of the financial issues advisory group’s report. One of our manifesto commitments for the Scottish Parliament elections was to establish a public service performance committee, to hold politicians and civil servants to account for their use of public money. In the Finance Committee and the Audit Committee we have the mechanism that we wanted. They will deliver the scrutiny that was demanded by the Liberal Democrat party and others as long as the Executive maintains the constructive and open approach that it has adopted so far.

We support the three key objectives of the bill: to create a world-class system of financial management that is an example to others; to enable the Parliament to make informed and transparent decisions on expenditure and to hold to account those who spend public money; and to meet the requirements of the Scotland Act 1998. We believe that the bill will achieve those objectives.

There are areas of concern. We accept that the budget revisions should be by secondary

legislation, mainly so that revision can be swift but, nevertheless, transparent. We recognise that local authority arrangements will remain unchanged and accept the importance of the independence of local government, but we have residual concerns about the fact that £6.4 billion might not be thoroughly scrutinised by Parliament.

We want to return to the issue of the quality of the scrutiny of Scottish Enterprise and local enterprise companies during later stages of the bill.

On the format of accounts, we are content that, in consultation with the Finance Committee and the Audit Committee, the minister be given powers to determine the format of accounts. I ask, however, that the accounts be in plain English and that the format should be intelligible to interested laymen such as me.

I share some of the concerns that have been raised about section 21. Why was the 50 per cent qualification introduced? Even 49 per cent of a body's money could be a substantial figure. To use an example from another area, the definition of a monopoly is a company that takes 25 per cent or more of market share. We need to think again about the figure of 50 per cent.

We should also return to the question of three-year budgeting because of all the problems that we well understand at the end of the financial year. Clearly, a three-year horizon is better for planning.

To Andrew Wilson I say that, yes, the Liberal Democrat party still believes in federalism. That, too, is a matter to which we should return later.

I was delighted to hear Jack McConnell quoting Gladstone. I thought that it was only my party's leader who quoted Gladstone—I will tell him of the minister's use of a Gladstone quotation today. I am glad that Jack McConnell chose to listen to the wise words of a former Liberal Prime Minister.

16:24

Mr Adam Ingram (South of Scotland) (SNP):

What concerns me about the bill is not what is in it but what is not. In terms of legislating for transparency in a devolved context, the bill is adequate. In the wider context of Scotland's finances, however, much is missing.

I want to examine the most basic and fundamental flaw in the Parliament's financial system. The Scottish Parliament is expected to take responsibility for the expenditure aspect of the budget, but London holds the control of the revenue that the Parliament receives. In other words, the Parliament is responsible for money out but not for money in. That is a chronic defect. The SNP has always argued that money that is raised

in Scotland should be spent in Scotland and that the Scottish Parliament should have responsibility for the debit and the credit side of the accounts.

Let us look at the relevant parallels with local government. It is beyond dispute that local authority budgets have plunged near crisis over the past few years. From those involved in managing that crisis, it is clear that the problem is caused not only by central Government cuts, but by the fact that local authorities have control over a diminishing amount of their income and are reliant on central Government for around 85 per cent of the money that they spend.

Councils are meant to be financially responsible, but cannot truly be so because they are not responsible for raising their own revenue. That pocket-money principle has been acknowledged as flawed. It does not put elected representatives in councils in control of budgets. It simply thwarts their attempts to provide services and leaves councils carrying the can for being unable to deliver the expectations of the electorate. In the same way that Scotland's councils were given their cash handout from London via the benevolent—or not so benevolent—Secretary of State for Scotland, the Parliament is dependent on a cash handout from London, although not before it is top-sliced on its way here by the Secretary of State for Scotland.

In the same way, the pocket-money principle cannot be applied successfully in the Parliament. How can we undertake to meet the expectations of our nation if it is London that dictates the finance that is available to meet those expectations? I can think of no better way to illustrate that point than to examine Scotland's ability to argue for European funds. We are dependent on the Secretary of State for Scotland going forward, cap in hand, pleading for the UK Government to take Scotland's case to Europe. Already the Government public relations machine has kicked into action, ready to talk up the crumbs swept from the table in Scotland's direction and preparing us for the worst, should John Reid fail on Scotland's behalf.

The Public Finance and Accountability (Scotland) Bill is—commendably—designed to ensure transparency and accountability in decisions made on the use of public money. That is welcome. It will not be possible for the Executive to take financial decisions behind closed doors, away from the scrutiny of members and the public.

I am pleased that the bill makes financial practice in the Parliament accountable. However, I am deeply disappointed that it is an *in loco parentis* measure, to ensure that a devolved Parliament spends its pocket money wisely. I look forward to the day when the Parliament grows up and is both breadwinner and the holder of the

purse strings, so that we can meet and pay for Scotland's aspirations.

The Presiding Officer (Sir David Steel): I call Dr Richard Simpson, after whom—if they keep their remarks to three minutes each—there will be time for Alex Neil and Cathie Craigie.

16:28

Dr Richard Simpson (Ochil) (Lab): I will try to be brief.

The Presiding Officer: You have four minutes.

Dr Simpson: I will cut out all the major welcoming bits that everybody else mentioned. One thing that I want to welcome is the new arrangements for health boards and trusts. That change, which will allow greater democratic scrutiny, is of considerable importance and I am pleased that it is occurring.

I share Mr Raffan's concerns about access to the figures at one level below the global figures that were presented in the initial considerations. I hope that we will address that in the stage 2 consideration. That is vital if we are to appreciate the detail of what is going on and hold the Executive to account in the way that the new arrangements will allow. The combination of that and the early input of the subject committees to the budget process is vital.

Beyond that, we must get the process correct, to allow input into the subject committees by experts and the public. I take the overall strategy one stage beyond what Mr Raffan was suggesting. The process provides what our colleagues in the Scottish National party seem to be calling for—that caught the attention of SNP members. It is now the most democratically accountable and scrutinised expenditure system—a model of democracy. We should deal with that and ensure that it works well, before we move on to other forms of examining income—or variations on income—that might emerge at some point.

The process is not static. Within a Scotland that is not independent, it is perfectly possible for that process to move forward gradually. I hope that the general terms of the process that we are setting up today will be ones that we are proud of in a year's time.

I will refer again to Robert Black's excellent essay, "Holding to Account". The cross-cutting nature of budgeting will be important, but I am not certain that we will get the scrutiny of it correct. I hope that we can consider that at stage 2, as Government departments will have pooled budgets and there will be joint budgets for public bodies. Robert Black has quite rightly drawn attention to the fact that we need to be careful about how such budgets are held to account. I am

giving notice of a matter that I intend to raise at stage 2.

16:31

Alex Neil (Central Scotland) (SNP): I thank the Deputy Presiding Officer for including me in the list of speakers. I want to confine myself to a number of suggestions to improve the bill, as the nationalists' points have already been put adequately by my colleagues.

First, I wish to build on John Swinney's point about local enterprise companies. I realise the minister's difficulty, as they are technically and legally private limited companies but spend something like £370 million of public money a year. Given that the total amount that this Parliament manages is only £15 billion, £370 million is a large chunk of public money not to be covered properly by the bill. I ask the minister to consider that again. There may have to be a change in status of local enterprise companies to wholly owned subsidiaries of Scottish Enterprise, but there is a case for doing that anyway.

Secondly, I welcome the principle of resource—and not just cash—accounting. We are all familiar with what happens in the last three months of the year: new road works start and a massive number of public works take place so that people can spend their budgets before the end of the year. The quicker we move to a better system of accrual resource funding, the better; that should reduce the problem somewhat and let us get better value for public money.

The third issue that I wish to raise is about the Accounts Commission for Scotland. Last year, the Accounts Commission was asked to investigate East Ayrshire Council's direct labour organisation disaster—as it was commonly known. However, the Accounts Commission is also the auditor for East Ayrshire Council. There is a potential conflict of interest in the Accounts Commission acting as the auditor and, when things go wrong during the financial year, as the independent investigator. The bill should provide, in relation to local authorities in particular, but also to other public bodies, that one body cannot be both judge and jury.

My fourth point relates to the act that set up this Parliament rather than this bill. The bill covers the borrowing powers of public agencies other than the Scottish Executive and the Scottish Parliament, which have no borrowing powers. I suggest that the minister should take up that issue with his counterpart in the UK Government as it is a serious deficiency in the financial management of the Executive and the Parliament.

My final point—I will set a personal record by finishing within my three minutes—is on

transparency for the cumulative, year-on-year effects of changes to the Barnett formula. Again, that is strictly not within the scope of the bill, but in the spirit of freedom of information and full access to statistical as well as other types of information, it would be extremely helpful if the minister would publish an annual assessment of the impact of changes to the Barnett formula.

I hope that the minister will consider those suggestions in the spirit in which they are made. Of course, when we become independent, we will make them all even better.

The Deputy Presiding Officer (Mr George Reid): That was three minutes and two seconds.

16:34

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I think that Alex Neil's speech went over that time—he did not see the signals to finish.

Jack McConnell talked about his long campaign to establish a Scottish Parliament—it was a long hard fight. It is an honour to be involved in the debate that establishes the financial framework for the first Parliament. I want to congratulate him and his team, as well as the members of the financial issues advisory group, on all the work that they have done. I thank everyone who was involved in that work.

Participation and consultation with the people of Scotland is at the heart of the Parliament and should be the foundation on which we build all our legislative proposals. The bill has been prepared following wide consultation—before and since the election—with experts and practitioners in public finance and accountancy. They have embraced the consultation process and given their support to the principles of the bill as a mechanism to ensure public accountability. Both the Finance Committee and the Audit Committee are satisfied that there has been adequate consultation on the bill. We are pleased about that.

The minister has expressed his desire for the bill to be subjected to detailed scrutiny by all members of the relevant committees. I welcome those comments and can assure him that, as a Labour member of the Audit Committee, I will hold him to them and will play my full part in examining the details of the bill and comparing them with the principles that we have heard about today.

We promised the people of Scotland that the Parliament would bring power closer to the people. I believe that the approach in the bill is right and that we should leave control over local authority audits to the Accounts Commission. If the bill contained provisions to alter that, to draw control closer to the centre, we would send the wrong message to our democratically elected councils.

In recent weeks I have been pleased to take part in the process of appointing the Auditor General for Scotland. That is a public position, independent of the Executive, with a clear remit to scrutinise public finance and to ensure that the money of the people of Scotland is properly spent. That is a huge step forward, both for our country and for our system of government.

The principle behind that appointment must be followed through into the auditing of large and small public organisations; it must be carried through into the budget decisions of the Parliament and the daily expenditure by the Scottish Executive on our behalf.

I believe that the Public Finance and Accountability (Scotland) Bill puts the principles of transparent and open politics into practice. I am sure that MSPs will give the motion their enthusiastic support. I am sure that we will thoroughly scrutinise the bill so that it will create a sound and secure framework for financial control in Scotland.

16:38

Bill Aitken (Glasgow) (Con): Although today's debate has been highly technical, it is important because we are discussing the proper scrutiny of the expenditure of £14 billion. Many of this afternoon's speeches have left me having mainly to say that we are *ad idem* with regard to the proposals.

Jack McConnell is to be congratulated on the fact that the Executive has introduced the bill so quickly. In a week when lucky white heather has been in rather short supply for the minister, I think he will be the first to acknowledge the fact that the consultative steering group report on the matter enabled his department to draft the bill very quickly indeed. Credit should go to those people and to the financial issues advisory group for their input.

Having said that, there are some aspects of the bill which the Conservative party regards as deficient. The most obvious deficiency is the absence of local government spending. As Annabel Goldie said, local government spends £6.4 billion of the Scottish block. We should be examining that more closely. I am intrigued to know whether that was an unintentional omission.

The Accounts Commission was given the powers to supervise local government under the Local Government (Scotland) Act 1973. However, I wonder whether, when the Scotland Act 1998 was passed, that aspect of the legislation was transferred en bloc without scrutiny. Stranger things have happened. It is open to the Executive to introduce amendments and we would commend that course of action.

Another point—which Brian Adam made—is that audit nowadays should be somewhat more advanced than it was formerly. Frankly, the days have long since gone when the Audit Commission—or the new body that we are setting up—would count the paper clips and check the petty cash. Auditors must now look closely at the way in which organisations spend and obtain money. They must make positive and coherent recommendations on how organisations can make themselves more efficient. I hope that Audit Scotland will do that.

The speeches made by SNP members have intrigued me somewhat. They varied from Andrew Wilson's slightly mischievous interpretation of the Scotland Act 1998, to Andrew Welsh's more subtle interpretation of that act when he talked about the budget process. The Conservative party recognises the merit in what Andrew Wilson said. The new body—Audit Scotland—should be given the power and the facilities to control and scrutinise the budget of all public spending authorities.

I hope that the minister, in his summing up today or in the stage 2 debate, will deal with the fact that, although the bill goes some way towards creating a transparent process, the committees are not being used to the fullest possible extent. We want the Finance Committee and the Audit Committee to be involved as fully as possible in the budget process, at the determination stage and at all subsequent stages. It is not good enough to deal with budget amendments by using secondary legislation—primary legislation should be used.

On the whole, we welcome the bill. We hope that the minister will take on board the suggestions that we have made—suggestions that have been entirely constructive, as I am sure he will concede. We hope that, when it is finalised, it will be worthy of this Parliament.

16:42

Andrew Wilson: I would like to repeat my earlier congratulations for Mr McConnell and his team on the work that they have done on this bill. Andrew Welsh said that Scotland is the ideal size to run. I think that we are seeing the start of how we are going about that in a modern way.

Mike Watson, who is the convener of the Finance Committee, said that the debate is not the most popular among the people in the press gallery, but we should all join in congratulating the Press Association and Joe Quinn—the only representative of the press here—for sitting through the entire debate. There are one or two news stories in this debate, as will emerge in the course of my remarks.

I would like to commend the conveners of the

Finance Committee and the Audit Committee for the way in which they have conducted the passage of the bill so far. In those two committees we have just what we are after in the Scottish Parliament—impartial but vigorous scrutineers of the Executive.

Miss Goldie filled in very ably for the unwell Mr Davidson, whose speedy recovery we pray for. She went about her job with her usual clarity of pronunciation and delivered one of those devilish political snipes where the opponent gets killed with a hug and a smile. It was a performance that I will have to learn from.

Euan Robson had the No 1 exclusive for Joe Quinn in the press gallery. According to Euan, the public service performance committee is a Liberal manifesto commitment that has been delivered. It is the first, and it clearly sneaked through during the negotiations that led to the coalition. However, there was a more important point in Euan's contribution—the figure of 50 per cent in section 21 is random. Why, minister, is it such a random figure, and why cannot we deal with it?

Brian Adam made an excellent and detailed speech. Can we have a commitment today, Mr McConnell, that the Scottish Parliament will always hear first whenever any financial announcement is made, and that we will not again have announcements being made elsewhere? Will he also make a commitment today that when recycled funds are announced, they are announced as just that—recycled funds—and not as new spending commitments?

There is an important point on the accountability and transparency of spending that I would like to address, through the Presiding Officer, to Lewis Macdonald. We cannot close the door—and Lewis Macdonald is right to say that the bill does not close the door—on having the activities of local enterprise companies and local authorities accessed and scrutinised by the Finance Committee and the Audit Committee; but surely at this early stage, when we are setting precedents with our structures, we should actively open the door. Mr Macdonald says that we should not get ahead of ourselves, but this is precisely the time when we should get ahead of ourselves, to set out exactly the structures that we want. That is the kind of point that we want to take through stage 2 of the bill.

I want to endorse Mr Watson's comments about Karen Whitefield. In her very informed speech, she drew attention to the fact that agency heads will now be accountable to the Parliament. Will Mr McConnell confirm that, although those agency heads will be accountable, the final responsibility for all these matters will rest with ministers? Ministerial accountability must not be undermined by any measure introduced by the bill.

I want to return to my point about the unsustainable constitutional anomaly which means that the Secretary of State for Scotland can take what he likes from the Scottish budget. I plead with Mr McConnell to suggest ideas or to be open to suggestions about how we can set a precedent now that prevents us from having, shall we say, any difficult relationships between this Parliament and Westminster in future. Once again, a nationalist has come up with a constructive idea about how we can have a healthy relationship with London, despite rumours to the contrary.

The minister's colleague—and my colleague on the Finance Committee—Richard Simpson gave an excellent speech. I point out to the press gallery that this is the second exclusive of the debate. Does the minister agree with Richard Simpson that the settlement is not static in financial terms and that there are ways of improving it within the current devolved settlement? Dr Simpson seems to hold the same candle as I do to a future where we have a more modern, more accountable and more responsible Scottish Parliament and I welcome him to the nationalist fold on that point.

We will consider at stage 2—the committee stage—some of the ideas that have been suggested during the passage of the bill so far. Alex Neil made several suggestions. To be serious, we need to recognise the limits of this bill, which were so ably outlined by Adam Ingram. We have to aim at growing, not constraining, the settlement.

If Richard Simpson, members on the Liberal Democrat benches and some of Annabel Goldie's colleagues “in the country”—as the Conservatives traditionally put it—can get their views across, perhaps we can grow towards a situation where the Parliament not only talks about good housekeeping but delivers on policy priorities using Scotland's resources in a more constructive way than is presently possible.

The Presiding Officer (Sir David Steel): Mr Jack McConnell will wind up the debate for the Executive. Mr McConnell, you can speak until 16:59.

16:47

Mr McConnell: I will do my best to last that long, Presiding Officer. I am aware of the need to allow members to return before 5 o'clock.

I join members in thanking the finance officials and many other officials throughout our organisation who worked so hard on the bill over the summer. I genuinely thank them for their hard work on preparing the way for today's debate. Their work is often not recognised—indeed, it is occasionally criticised—in this chamber and

elsewhere. They have done a tremendous job and I am very grateful to them not just for the work that they have done but for the work that they will need to do in the months ahead.

I also thank every member who has spoken. This has been a quality debate about a very high-quality subject and I hope that we can have the same quality of debate in the committees and the further Parliament meetings. I am particularly grateful to Euan Robson, Andrew Wilson and Annabel Goldie. I am pretty certain that they indicated their general support for the principles of the bill.

As Annabel Goldie said, this is not a particularly exciting subject. Perhaps it should be. However, although the subject is not necessarily exciting, I am determined that we proceed as far as we can with this bill on an all-party basis. The financial procedures of the Parliament should, if at all possible, be agreed amongst us all to give those procedures the credibility and foundation to allow us to make future individual budget decisions.

As part of that all-party support, I thank Keith Raffan for his contribution to consensus in the chamber. I am sure that his consensual remarks were appreciated by every MSP and it is nice to welcome him back after his operation during the summer. I hope that everyone welcomes him back, even those who are occasionally subject to his speeches.

Keith Raffan made some very important points. In the weeks ahead, we will agree in writing the procedures that will govern access to information, the framework for stages 1 and 2 of the annual budget round and many other matters.

Mike Watson is right to say that the Finance Committee has a vital role in that work. It is particularly important to determine—although it is never the Executive's job to do so—which committees will work on which bills and how the written agreements will be made. We will propose drafts and discuss them in due course. We should ensure, given the importance of this subject, that the committees of this Parliament, not just the Finance and Audit Committees, are involved in the deliberations at all times.

I thank my Labour colleagues, Richard Simpson, Karen Whitefield, Lewis Macdonald and Cathie Craigie for their support for the principles of the bill and for their references to the health service, to further education colleges and to local government. On that subject, I disagree fundamentally on the principles behind the recommendations of Annabel Goldie and Bill Aitken—and, to some extent, of Brian Adam.

I think that local authorities are democratically accountable to the people who elect them, not to this Parliament. We have to remember that

division of responsibilities in all that we do.

Andrew Wilson: I repeat the question that I put to one of Mr McConnell's colleagues earlier: does the Minister for Finance agree that it is wrong for the Westminster Parliament's Public Accounts Committee, or indeed for the National Audit Office, to take any interest whatsoever in the activities of the Scottish Parliament, given the same principle?

Mr McConnell: Given that I did not say that we should take no interest in local authorities, I would not agree with that argument—from the point of view of consistency that Andrew Wilson is attempting to advance.

It is right and proper that the Local Government Committee of this Parliament, in its deliberations, meets, as it has already done, the Accounts Commission, examines Accounts Commission reports, comments regularly and, perhaps, tries to influence the work of local authorities, individually or collectively.

It is right and proper that this Parliament—not ministers; not the Executive—will agree the annual allocations to local authorities, in both capital and revenue. It would not be right, however, for this Parliament and our auditing system to be involved directly in the auditing of local authorities. That is a principle that should be maintained. It was recommended by FIAG, which we have all praised today, and we should go with that recommendation.

Other points made by Brian Adam were much more interesting and important. In particular, he made a point about Audit Scotland's research and development work, which is central to the creation of the new body.

I hope that the amalgamation of the audit offices will let us expand the auditing opportunities, the skills in those offices, make more resources available for research and development work and make Audit Scotland, as Brian said, a champion for good practice.

Brian Adam *rose—*

Mr McConnell: I was grateful for Andrew Wilson's contribution because of the time that I had to fill up, but I think, perhaps, that I should press on.

The points about local enterprise companies that Alex Neil and others made perhaps sounded right in principle. We should have an interest in what is going on—in the money that is spent through the LECs. We will have an interest. The committees will have an interest and the Executive has a direct interest. It would have been wrong to delay this bill to use it to change the status of local enterprise companies or to wait for Westminster to change the Companies Act 1985, which would probably be necessary to give us the right to audit the books of

local enterprise companies.

I welcome the fact that Mr Swinney's committee, the Enterprise and Lifelong Learning Committee, is examining that matter. I am sure that Mr McLeish and I will continue to discuss it, but I do not think that this is the time to take on the issue. I am very keen, however, that as much public money as possible is publicly accountable and open to scrutiny at all times.

Mr Neil also mentioned end-of-year amounts being spent perhaps too quickly and readily by public organisations of all kinds, at all levels of government. I welcome the situation that exists for the first time this year, which was initiated by Mr Neil's good friend Gordon Brown, who I am sure he knew well in the '70s even if he does not know him so well nowadays.

This year's system, which has allowed us to retain moneys not spent before 31 March, is good, and I think that the chamber will be happy when, next Wednesday, I make the expenditure statement in which I announce the Executive's plans for dealing with the matter in years to come.

Although Andrew Wilson made some good points about the need to carry over money, to be strategic in our thinking and to be policy-driven in our approach to budgeting, I do not think that his point about the need to announce our budgeting decisions in advance to Parliament and get its approval for them can relate to every financial announcement ever made by a minister. That would be impractical, unnecessary and—frankly—inappropriate for the people of Scotland. There are times when it is more appropriate to make announcements elsewhere. The important thing about this bill is that it will ensure that no announcements that authorise expenditure can be made without this chamber's authorisation or, in an emergency, without members having been informed. That is an important principle.

I do not intend to comment in length on the various remarks that have been made about our relationship with London, as Adam Ingram rather unfortunately put it, as if it were the bogey in the south.

A number of important issues will need to be debated in Parliament in years to come—the operation of the Barnett formula, the relationship with the Secretary of State for Scotland and the Parliament's revenue-raising powers—but they are not issues for debate on this bill. We must focus our scrutiny on the elements of the bill that relate directly to the financial procedures of the Parliament.

I know that Andrew Wilson has a particular—indeed an increasing—interest in the workings of the United Kingdom and in the good governance of Britain. I welcome Andrew's new approach.

[*Laughter.*] However, it is important to note, as Adam Ingram almost did—although he reached the wrong conclusion—that the Secretary of State for Scotland plays an important role in fighting Scotland's case inside the UK Cabinet in London, for example our case for European structural funds which, as the member mentioned, are so important for so many communities.

Dr Winnie Ewing (Highlands and Islands) (SNP): Will the minister give way?

Mr McConnell: I have an important point to make.

Dr Ewing: I have an important point to make, too.

Mr McConnell: You did not speak in the debate.

Adam Ingram's point about European structural funds was important. We need a well resourced Scotland Office, based in London, but which operates here in Scotland too, to ensure that the best settlements for Scotland are won at United Kingdom level. I will defend that position in any chamber at any time.

I also hope that the remarkable consensus that appears to be developing on the Liberal Democrat and Scottish National party benches lasts—perhaps Adam Ingram has been at the Keith Raffan school of consensus speech-making.

Dr Ewing *rose—*

Mr McConnell: I have full confidence in the work of Andrew Welsh and the Audit Committee in scrutinising this bill.

Dennis Canavan (Falkirk West): Give way to the mother of the Parliament.

Mr McConnell: No.

Members: Come on. Give way.

Mr McConnell: Okay, I will let Dr Ewing in, because I understand that she is unable to join us for the launch of Scotland week in Brussels a week on Monday.

Dr Ewing: I did not get an invitation.

Mr McConnell: I will intervene to try to get Dr Ewing an invitation. She tells me that she cannot even come, which is very unfortunate, so I will give her the chance to speak today instead.

The Presiding Officer: I call Dr Ewing.

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): On a point of order. Is it appropriate for someone who has not participated in the whole debate to come along and make an intervention?

The Presiding Officer: Yes. I rule not on what is appropriate, but on what is in order and it is perfectly in order for Dr Ewing to make an

intervention.

Dr Ewing: I have sat through the whole debate, except for five minutes, so I think that I am entitled to speak. I have followed the debate with great interest.

My question relates to the situation that we are in regarding Europe and the negotiations that affect Scotland, such as those on structural funds. Does not the minister think that it was disgraceful that the Government boasted about its failure to secure a continuation of objective 1 funding for the Highlands and Islands, considering that we were the only part of the whole European Union to be in that particular near-miss situation? The money for the transitional fund was already on offer, yet Labour boasted about the great job that it had done.

Mr McConnell: Presiding Officer, I have the utmost respect for the mother of the house, as Mr Canavan refers to Dr Ewing, but I think that her constant ungracious remarks about the very good deal that the Prime Minister achieved for the Highlands and Islands do not do her proud at all.

I have the utmost confidence in the ability of Andrew Welsh and his committee to ensure that this bill is properly scrutinised. I wish him well in that task and I hope that all members of all parties will be involved in it. We have an opportunity with the bill—and with an act—to sweep away some of the out-of-date terminology that exists in another place, as Dennis might have said.

The consolidated fund bills and acts, the appropriation acts the supply estimates, the supplementary estimates, the appropriations in aid—these phrases will go when this bill is passed. In place, there will be, if you like, the Scottish people's phrases: budget bills and acts, detailed agreements, budget revisions, retained receipts. We will put in place proper phraseology that people can understand. We will have a transparent financial decision-making and accounting system. The Public Finance and Accountability (Scotland) Bill—with, I hope, all-party support—will allow us to move forward to ensure that this Parliament and this set of ministers have the highest possible reputation.

The Presiding Officer: That concludes the debate.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Public Finance and Accountability (Scotland) Bill, agrees to—

(a) the following expenditure payable out of the Scottish Consolidated Fund—

(i) expenditure of the Scottish Administration and Audit Scotland in consequence of the Act, and

(ii) increases attributable to the Act in the sums

payable out of the Fund by or under any other Act,

(b) payments into the Fund and to the Scottish Ministers, and

(c) charges imposed by Audit Scotland in respect of the exercise of its functions.—[*Mr McConnell.*]

Lead Committee

Motion moved,

That the Parliament agrees the following designation of Lead Committee—

The Education Culture and Sport Committee to consider the Educational Development, Research and Services (Scotland) Grant Regulations 1999 (SSI 1999/65).—[*Mr McCabe.*]

Decision Time

17:01

The Presiding Officer (Sir David Steel): There are six questions to be put as a result of today's business.

The first question is, that amendment S1M-172.1, in the name of Mr Sam Galbraith, which seeks to amend S1M-172, in the name of Mr Alex Salmond, on education, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: In that case, there will be a division. Those members who wish to support Mr Galbraith's amendment should vote yes. The voting time starts now.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (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)
 Godman, Trish (West Renfrewshire) (Lab)
 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)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (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)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 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, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 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)
 Harper, Robin (Lothians) (Green)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnston, Mr Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Mundell, David (South of Scotland) (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)
 Smith, Iain (North-East Fife) (LD)
 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)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result is as follows:
 For 58, Against 45.

Amendment agreed to.

The Presiding Officer: The second amendment, S1M-172.2, therefore falls as a result

of the rewording of the motion.

We move to the third question, which is, that motion S1M-172, in the name of Mr Alex Salmond, on education, as amended, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There are some noes, so there will be a division. Those members who want to support the motion, as amended, should vote yes.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (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)
 Godman, Trish (West Renfrewshire) (Lab)
 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)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (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)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 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, Margaret (Edinburgh West) (LD)

Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 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)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 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)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

Aitken, Bill (Glasgow) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Johnston, Mr Nick (Mid Scotland and Fife) (Con)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Tosh, Mr Murray (South of Scotland) (Con)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result is as follows:
 For 59, Against 34, Abstentions 10.

Motion, as amended, agreed to.

That the Parliament supports the Executive's intention to earn a world class reputation for the Scottish education system; calls upon the Executive to ensure that all children get the best start in life by maximising pupil attainment; welcomes the provision of substantial new resources for education including an additional £51m for school education identified in the Partnership Agreement; agrees that the quality of education in our schools depends on the

professionalism and commitment of teachers; recognises the high standards and dedication of Scottish teachers; endorses the Executive's commitment to a programme of continuous professional development to assist teachers in maintaining and improving professional standards; agrees that the Scottish Joint Negotiation Committee machinery has failed Scottish teachers, pupils and parents, and calls upon the Executive to continue work towards its objective of ensuring a modern, adaptive and flexible mechanism for determining the professional conditions of service for teachers in Scotland's schools through the appointment of an independent Committee of Inquiry.

The Presiding Officer: The next question is, that motion S1M-155, in the name of Mr Jack McConnell, on the general principles of the Public Finance and Accountability (Scotland) Bill, be agreed to.

Motion agreed to.

That the Parliament agrees to the general principles of the Public Finance and Accountability (Scotland) Bill.

The Presiding Officer: The fifth question is that motion S1M-144, in the name of Mr Jack McConnell, on the financial resolution, be agreed to.

Motion agreed to.

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Public Finance and Accountability (Scotland) Bill, agrees to—

(a) the following expenditure payable out of the Scottish Consolidated Fund—

(i) expenditure of the Scottish Administration and Audit Scotland in consequence of the Act, and

(ii) increases attributable to the Act in the sums payable out of the Fund by or under any other Act,

(b) payments into the Fund and to the Scottish Ministers, and

(c) charges imposed by Audit Scotland in respect of the exercise of its functions.

The Presiding Officer: The next question is, that motion S1M-176, in the name of Tom McCabe, be agreed to.

Motion agreed to.

That the Parliament agrees the following designation of Lead Committee—

The Education Culture and Sport Committee to consider the Educational Development, Research and Services (Scotland) Grant Regulations 1999 (SSI 1999/65).

The Presiding Officer: That concludes decision time. We now move to members' business.

Alex Neil (Central Scotland) (SNP): May I raise a point of order?

The Presiding Officer: The member can raise a point of order if it is genuine.

Alex Neil: I believe that it is—I would not raise it otherwise. At 11.30 am tomorrow the First Minister and the Secretary of State for Scotland are giving

a press conference at which five concordats will be published. Some of that information has apparently been leaked to the press already. Would not it be in order to ensure that members of this Parliament had copies of the five concordats before the press?

The Presiding Officer: That is not a point of order for me; it is a point of practice for the Executive. The Parliament will debate the concordats next week. I have not been told when they will be available to us, but no doubt the point has been noted. We now move to motion S1M-140.

Mr John Swinney (North Tayside) (SNP): On a point of order, Presiding Officer.

The Presiding Officer: Is it the same point of order?

Mr Swinney: It is a point that arises from that made by Mr Neil. Will those documents be available to members of this Parliament at 11.30 am tomorrow? It is a clear question, and we are entitled to an answer if they are being released to the press tomorrow.

The Presiding Officer: The point that I made is that that is not an answer which the member can get from me, as I know no more than he does about when the documents will be ready. Can Mr Smith enlighten us?

The Deputy Minister for Parliament (Iain Smith): I can advise the chamber that the concordats will be published and available to members at the same time as they are released to the press conference.

The Presiding Officer: That is extremely helpful. Thank you, Mr Smith. I hope that that keeps everyone happy.

Mallaig Road

The Presiding Officer (Sir David Steel): The final item today is motion S1M-140 in the name of Fergus Ewing, on the upgrading of the Mallaig road. The debate will be concluded after 30 minutes without any question being put.

Motion debated,

That the Parliament calls upon the Scottish Executive to make the planned upgrading and improvement of the remaining single track sections of the A830 road between Mallaig and Fort William a top priority when it announces the results of the strategic roads review.

17:07

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I am grateful for the opportunity to raise this important issue in the chamber today. The Mallaig road—the A830 from Fort William to Mallaig—is unique in Scotland. It is the only single-track trunk route in the whole of Scotland and, I believe, the whole of the UK. It is appropriate that this first debate involving a trunk road should concern the only single-track trunk road.

Members' debates give us the opportunity to raise matters of important constituency interest. We are restricted to two of those debates per member per year and one must therefore choose carefully which subjects to raise. I had no hesitation in deciding that this was the most pressing constituency issue to raise, and I am pleased to see present members of all the other parties. I hope that they will all have a chance to contribute. I will try to keep my remarks to a length that will enable that.

The Fort William to Mallaig road stretches for 57 miles. It is the only access to Mallaig—and also to Morar and Arisaig, which are sometimes forgotten. Mallaig is a designated fishing port and, in terms of the value of fish landed, the sixth largest in Scotland, a fact that is not widely known. In 1997, the value of fish landed—largely shellfish—was £17 million or £18 million. I understand from Andy Race, a fish processor, and Jackie Milligan, a haulier, that in one 24-hour period this summer, no fewer than 60 articulated lorries used the Mallaig road. I see that the Deputy Minister for Rural Affairs, John Home Robertson, is here today. His visit to Mallaig during the summer was welcome, and I know that other ministers have visited Mallaig and are aware of the problem.

It is a statement of the obvious, but on a single-track road, drivers must stop to give way to oncoming traffic. It is not just twice as difficult to drive on a single-track road as on a normal road with two lanes; it involves tenacity and driving skill that are not required on any other roads. I

understand from Hugh Allan of the Mallaig and North-West Fisheries Association that there was not a day last summer when there was not an accident of some kind on that road.

The cost of using the road for motorists and hauliers is substantially in excess of that of driving on other roads because of the time spent in low gear, which leads to higher petrol consumption and—according to Mr Milligan—a cost three times higher for tyres and spare parts.

The road is known as the road to the isles. It is not so long ago that the Highland clearances took place, so there is a lingering memory of what happened in the past that holds a hint of interest for tourists. There is also the romantic ferry crossing. The ferry's capacity to carry coaches has increased recently, and there has been a massive increase in the number of coaches using the road. Also, 60 to 80 cars come off the Armadale ferry at a time.

I pay tribute to the people in Mallaig—to Councillor Charlie King, to Robert MacMillan of the harbour authority, to Andrew Simpson of the chamber of commerce, and to Alistair Gillies of the community council. Other members know those people and how hard they have fought their campaign in a totally united and non-political way.

I also pay tribute to the efforts of Lord Russell-Johnston and of David Stewart MP who have, for their part, lobbied hard on the campaign. It is a campaign that is not years but decades old, and it now deserves to be recognised through an announcement in the strategic roads review that both remaining single-track sections will be upgraded.

The two remaining sections are known as the Arisaig bypass and the Arisaig to Loch Nan Uamh section. I understand from parliamentary answers from the Minister for Transport and the Environment, Sarah Boyack, that both sections would cost around £9 million to upgrade.

So that other members can speak in the debate, I have kept my remarks relatively brief. They have lasted perhaps five or six minutes—I think that that is a new record for members' business.

I urge the minister, with his new and onerous responsibilities, to include the case of the Mallaig to Fort William road in the programme to improve the roads of Scotland. It is a compelling and overwhelming case; I believe that it is also unique.

The Deputy Presiding Officer (Mr George Reid): There have been six requests to speak. If members keep their remarks to under three minutes, they will all get in.

Maureen Macmillan (Highlands and Islands) (Lab): Would it be possible for Rhoda Grant to speak before me, as our speeches complement

one another?

The Deputy Presiding Officer: Very well.

17:13

Rhoda Grant (Highlands and Islands) (Lab): I thank Fergus Ewing for introducing the debate. I am pleased to support his motion.

This is not a recent concern, as Fergus Ewing said. Lord Russell-Johnston mentioned the subject in his maiden speech to the House of Commons in 1964, and David Stewart has campaigned tirelessly for improvements to the road. He took two ministers to see the road for themselves and I am also pleased to say that Sarah Boyack took the time to go and see it for herself during the summer.

The community has fought hard to have the road improved. It set up the Mallaig road action group and sought to use reason and persuasion to help its cause. It has spent a huge amount of time and resources promoting the need for improvement, and as time elapses, patience is beginning to run out.

As Fergus said, the case is special because the road is the only single-track trunk road in Scotland. Those in the local community are not asking for a motorway or even for a dual carriageway—they just want a double-track road.

The stretch of road is only 12 miles long. The part from Morar to Arisaig requires only funding as planning considerations have already been met. The second stretch is currently being examined under the route action plan, but it is important that both sections are completed. Improvements have already been carried out on a piecemeal basis, but they must be completed now.

I represent the Highlands and Islands, and I am aware of the problems with roads and of the dependency of rural areas on roads. Although I welcome the improvements that will be made to public transport through the rural transport fund, I understand that, because of sparsity in the Highlands and Islands, it is difficult to move dependency away from road transport where there is no practical alternative.

Mallaig is a major fishing port, as Fergus said, and I welcome the large investments in the harbour that have been made through objective 1 funding. The harbour has been developed to support increased fish landings. However, Mallaig remains the only port in the country where one suffers sea sickness on the way to the sea. The problems are twofold.

First, because of the improvements, larger boats are landing at Mallaig: up to 500 tonnes of fish per boat can be landed there. Such a catch requires

31 articulated lorries to transport it. If it is taken into account that up to three boats could land in a night, that could lead to up to 93 articulated lorries using the road in one night. Imagine the problems that that would cause during the tourist season.

Secondly, there are community safety implications. If any of those lorries go off the road, they block the only access to Mallaig for long periods. Emergency services are unable to enter or leave Mallaig.

Mallaig also has strong ties with the western isles, through ferry links to Skye, Barra and the smaller isles. To assist tourism and fishing, we must improve the road. I know that we do not have a never-ending supply of money for roads, but we must meet that challenge. I ask the Scottish Executive, local government, transport providers and local industries to join in partnership to find a way of funding those much-needed improvements.

The Deputy Presiding Officer: I call Jamie Stone, to be followed by Jamie McGrigor.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I shall let Tavish speak first, as he is our party's spokesman. Can I do that?

The Deputy Presiding Officer: Very well. What a familiar debate. Tavish Scott, on you go.

17:17

Tavish Scott (Shetland) (LD): I am grateful to Mr Stone for pointing out so quickly that it is my turn.

I congratulate Fergus on securing today's debate. I am also grateful to him for clarifying two points. The first is that we each get only two members' debates a year—a fact of which I was unaware. It will be difficult to think of a subject for my second one, and Duncan Hamilton will probably have the same problem. Fergus's second point was that he intended to keep his remarks short. I am conscious that some of us, when taking an opportunity such as this, tend to waffle on for longer than we might otherwise.

Mr Stone: Hear, hear.

Tavish Scott: Thank you.

Highlands and Islands issues generally play a significant role in this chamber, and it is important that ministers are here to respond to the points that are raised. To some extent, that allays many people's fears that issues that are important in our part of the world will not get a full and proper airing in a Parliament in the centre of Edinburgh.

As my constituency is dependent on fisheries, I want to follow Fergus's lead in speaking of fishing ports and his use of statistics in showing the importance of those ports. That is the key

argument in justifying the need for the changes that he is seeking to make as a constituency MSP.

I understand, from figures that I pursued today, that Mallaig is the second most important port in the UK for landings of prawns and shellfish, of which it handles nearly £11 million-worth annually. Mallaig is important in a European context, as it handles 13 per cent of the European prawn catch and it is a major supplier to European markets. It goes without saying, therefore, that the links that companies and individuals can make with the European markets is an essential part of running successful businesses on the periphery of the European Union. We need to invest in the transport links, as they are hugely important. That is especially so in the context of fisheries.

There are many roads throughout Scotland about which community groups can make strong cases for investment and infrastructure improvements. Having talked to colleagues and having seen it with my own eyes, I suggest that the strong case that Fergus Ewing is putting to the Parliament today is such an example.

I saw Malcolm Chisholm. John Munro was telling me earlier that, when he was the convener of Highland Council's transport committee, Malcolm Chisholm—who was sitting at the back of the chamber a minute or two ago—was, as the Scottish Office transport minister, taken down the road in a 40 ft refrigerated articulated lorry. The council had stitched it up to arrange for bottlenecks all the way down, so that he saw the traffic problems at their worst.

Perhaps we should arrange that sort of subtle investigation for Mr Morrison, so that he can truly appreciate the situation. I support Fergus Ewing's motion and I hope that the minister, in summing up, can give him some comfort.

The Deputy Presiding Officer: I now call Jamie McGrigor—unless, of course, Mary Scanlon is going to appear on your behalf.

17:20

Mr Jamie McGrigor (Highlands and Islands) (Con): Thank you, Mr Reid. It is a coincidence that this debate on the Mallaig road should arise now, as I was on that road just the other day, stuck behind a huge fish lorry on one of the single-track sections. I think that the driver was probably Spanish—the lorry certainly was—as he took no notice of, or perhaps could not understand, the sign suggesting that slow vehicles should use the passing places to allow overtaking. Although I was very happy to be among such beautiful scenery, I reflected that, if I had been a tourist trying to catch a ferry to Skye, Barra or Lochboisdale, I would have been a shade irritated if I had missed it because of the lorry. In fact, I was travelling in the

opposite direction, from Mallaig to Fort William. I had started my journey in North Uist, where I had filled up my car with diesel that cost 89p a litre, which made me a shade irritated, too.

The Mallaig road is special. As Fergus said, it is the only single-track trunk road in Scotland, and it is an important artery for the fishing community in the area and to the many tourists who flock to the area each year and whom we in the Highlands want to encourage. Mallaig services many communities—such as the Knoydart peninsula—by boat; as the road is a main road in principle, it should be upgraded to one in practice.

In the summer, tourist cars and buses mix with the heavy commercial traffic of fish lorries, fish farm lorries and timber extraction lorries, and there are many minor bumps and accidents, especially on the single-track sections. Many loads of sheep and cattle also travel the roads to the market in Fort William. The upgrading of that section would significantly lessen the time taken by service vehicles to reach Mallaig, and I have no doubt that Mallaig and the surrounding communities would prosper from improved and speedier access.

On fuel, it is interesting to note that an average car will do about seven miles less per gallon on a single-track road than on ordinary roads. As I keep reiterating, the key to prosperity in the Western Isles and the western Highlands is cheaper fuel and improved access, and the Mallaig road is a classic example of what we are all talking about.

17:22

Dr Winnie Ewing (Highlands and Islands) (SNP): I first visited Mallaig when I was a student, on a yacht trip with other students. We met the captain of the ferry that plied between Mallaig and Skye. He had just cut the cable that took electricity to Skye, and said rather proudly, "It takes a brave man from Mallaig to put the Sgitheanaichs in the shade, but I put them into total darkness."

That is typical of the spirit of the Mallaig people. I will not rehearse the statistics, as they have been declared by all the speakers, but I want to praise the amazing spirit of those people who, with an enormous geographical disadvantage, have yet a thriving, prosperous town. Its middle name should be Enterprise. The inhabitants have managed to achieve their produce statistics despite the road.

Culturally too, they thrive. Mallaig has a wonderful marine exhibition and museum. Those people do not sit back and ask for help; they are helping themselves in the best possible sense of endeavour. During my 24 years representing the Highlands and Islands in Europe, I have been up and down that road hundreds of times. I am disappointed that we did not achieve objective 1 status, which might have speeded up

improvements, but I still hope to hear good news from the minister.

17:24

Maureen Macmillan (Highlands and Islands) (Lab): I had lots of cousins who lived in Mallaig—they were all railwaymen, so perhaps they would not be pleased that I am talking about road transport—and my grandmother came from Arisaig, so I know the Mallaig road well. Like Dr Ewing, I do not want to go over all the statistics again, but the road should have been upgraded to a double-track road years ago, because it serves one of the country's premier fishing ports and is one of the most popular tourist routes.

I want to broaden the argument. The Mallaig road is only the worst symptom of a severe Highland problem. The Highland roads, both trunk and local, have suffered years of neglect or at best piecemeal development—although I appreciate that sometimes piecemeal work is preferable for environmental reasons. As the arteries of communication and movement of goods in the north and west, these roads are crucial and many are totally inadequate for the kind of modern economy we want in the Highlands.

I am thinking of, for example, the effect of the A9 north of Dornoch on communications with Sutherland and Caithness, and the winding and accident-prone A82 down the side of Loch Ness. Other examples are the roads in Argyll, one of the most difficult counties in terms of internal communication, and the hated A96, the so-called killer road, from Inverness to Aberdeen, which goes through Margaret Ewing's constituency. She may feel that it needs upgrading almost as much as the Mallaig road does.

As for local authority roads, Highland Council statistics show the downward trend over the past 20 years in terms of the money available for spending on road maintenance. That has been a false economy. A particular concern is that many rural roads are no longer adequate for the heavy vehicles moving fish, livestock and timber. The state of the bridges on local roads is particularly serious—I believe that there will be an emergency when the maturing timber crop is extracted, as the bridges will not cope. Bringing the bridges up to standard is crucial and work on them could also be invaluable in providing extra employment in crofting communities.

We must take an overview of Highland infrastructure needs. The Mallaig road is important and needs urgent improvement, but we cannot look at roads in isolation. We must consider the role of an integrated transport system and assess how goods are best and most efficiently moved. I know that the forestry industry, for example, is

looking at both rail and sea initiatives where rural roads are inadequate for heavy loads.

The importance of improving infrastructure in the Highlands and Islands has been recognised in the European Community's consideration of priorities for the use of structural funds. I hope that, whatever the outcome of the strategic roads review, we can draw down money from Government, local government and Europe to make a real difference to the economy of the Highlands by ensuring that we have an infrastructure fit for the 21st century.

17:27

Mary Scanlon (Highlands and Islands) (Con):

The good thing about speaking last in a debate is that my speech is about 10 per cent of what it was. I would like to commend those who substantiated and supported Fergus Ewing's arguments.

Under the Conservatives, 75 per cent of the Mallaig road was upgraded—a £7 million contract upgraded the final section from near Lochailort to Loch nan Uamh, completing that 75 per cent. The remaining objections to the section from Arisaig to Kinsadel, the section that Fergus was talking about, went to a public inquiry in Arisaig on 11 March 1997—about a month before the general election.

Fergus stood three times as a parliamentary candidate for that constituency and I stood twice. At a chamber of commerce public meeting in 1999, the Labour candidate, who was given the title of home affairs spokesman, promised the good people of Mallaig that the A830 upgrading was top of Donald Dewar's priority list.

Mr Stone *rose*—

Mary Scanlon: I have a very brief point, Jamie. I look forward to Alasdair's announcement that it will be top of the list. In a written reply to Murray Tosh, Jack McConnell said that the budget for motorway and trunk road improvements in 1996-97 was £120 million, that this year it was £23 million and that next year it would be £14 million. That is the real commitment to the A830, as opposed to the electoral promises that Fergus and I heard.

The Deputy Presiding Officer: Jamie Stone, there is a minute and a half.

17:29

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Thank you. The good lady will recall that the very heavy cuts in Highland Council's road budget started in the last years of the previous government.

Maureen is correct to say that this is part of a much wider problem for road budgets generally.

We are putting off the evil day when a truly colossal bill will land in our laps. It is hard for the minister because there is only so much cash. The best thing would be to take a look at the overall priorities within Sarah Boyack's budget.

As a good highlander, the deputy minister will not fall for John Farquhar Munro's tricks; if Mr Munro tries to put him in a lorry, he will be able to outsmart him. I think that the important thing is to take a look at the issue because, if we do not, we will reap the whirlwind.

17:30

The Deputy Minister for Highlands and Islands and Gaelic (Mr Alasdair Morrison):

First, I congratulate Fergus Ewing on securing this debate, which addresses a debate that has raged since 1964: thanks for the history lesson, Rhoda. Russell Johnston mentioned the issue in his maiden speech. Sadly, I missed that speech by about five years. Fergus Ewing rightly and graciously commended politicians from all parties for what has been done to progress the debate. Dare I say, governments of all complexions have been lobbied by politicians from the Highlands and Islands.

The mother of the Parliament, Winnie Ewing, did not tell us which year she was in Mallaig, but it was in her student days. We will try to guess when.

Dr Ewing: It was a long time ago.

Mr Morrison: I am told it was a long time ago. Again, Dr Ewing rightly paid tribute to the spirit of the people of that area. They have been fighting against extraordinary situations and they have sustained and stimulated their economy in many respects.

Given my responsibility for Highlands and Islands issues, including transport, I am delighted to have this opportunity to respond to the debate. I know that my colleague Sarah Boyack had a useful meeting with Highland Council during her visit to the Highlands last month, and that the A830 was one of the main agenda items. The visit also gave Sarah the opportunity to travel along the A830—I do not know if it was in an articulated lorry, but she did travel along it—and she saw at first hand the conditions on that road. Sarah and I will meet the convener of Highland Council, David Green, next Monday. I have no doubt that he will raise this issue.

I shall aim to respond to the points raised during the debate by saying a little about the role of trunk roads within the integrated transport strategy that the Executive is promoting—a role which is being examined in the current strategic roads review. I shall then describe briefly the review itself, before

commenting on the potential improvements to the remaining single-track sections of the A830.

The partnership for Scotland agreement committed the Executive to the delivery of

“an integrated transport policy which will provide genuine choice to meet transport needs as well as protecting the environment”.

That commitment reflects our recognition that past transport policies have been too focused on road transport and have neglected alternative modes. In similar vein, the balance has been allowed to swing too far away from public transport. Past policies have imposed significant environmental, economic and social costs. Our policies aim to promote high-quality public transport and to encourage, where appropriate, the transfer of freight from road to other modes, especially rail. Fergus will be aware of the significance of the freight and facilities grant that was awarded earlier in the year to Safeway, which is transferring its cargo to rail.

The agreement noted:

“We recognise that for many people, particularly in rural areas, there is often no alternative to car use and our transport policy will reflect this reality.”

Our approach is neither anti-road nor anti-car. We are looking for transport systems and solutions that are appropriate to the varied needs of different parts of Scotland. Road building, therefore, has a role to play within the integrated transport strategy, but there is a need for all proposals to be carefully scrutinised to ensure that they offer the best transport solution: that is the aim of the strategic roads review.

A major element of the strategic roads review involves the prioritisation of the major improvement schemes—those with a capital cost of more than £3 million—in the trunk road preparation pool that was inherited from the previous Conservative administrations. Seventeen schemes with a total capital cost in excess of £800 million are under review: that includes one scheme on the A830. The review is assessing each of the schemes against the criteria of economy, safety, environmental impact, accessibility and integration. Along with this expensive wish list, the previous Government—bless its soul—also bequeathed a radically reduced trunk road budget. While the comprehensive spending review clawed back some of that ground, the need to address the extensive backlog of repair and maintenance, also inherited from the Conservative Government, means that the resources available for improvement schemes are, inevitably, constrained. I think that everyone appreciates that.

Mary Scanlon: Does the minister disagree with Jack McConnell's figures that in 1997 the roads budget for motorway and trunk road improvement

was £120 million, this year it is £23 million and next year it will be £14 million?

Mr Morrison: I refer Mary Scanlon to the answer given by my colleague Jamie Stone, who rightly pointed out that under the Conservatives the new road building programme was funded by neglecting essential maintenance: that is well documented.

Some difficult decisions on priorities are required. Where does the A830 fit into this? The A830, covering the 45 miles from Fort William to Mallaig, is one of the most remote and lightly trafficked trunk roads in Scotland. Nevertheless, it plays a vital role in the area's transport system, serving local residents—we have heard the well-rehearsed arguments today—a significant and increased number of tourists, especially in the summer months, and businesses in the area, not least hauliers taking fish to markets in the south.

The eastern half of the route, from Fort William to Lochailort, has, for a number of years, offered reasonable driving conditions. Since the 1980s, attention has focused on the 22 miles from Lochailort to Mallaig. At that time, that half of the route was largely single track and followed a tortuous line through some of Scotland's most sensitive countryside. Improvements in the 1980s, going west from Lochailort to the stretch coming out of Mallaig, reduced the single-track element. That process continued with the completion of the Morar bypass in 1993 and the opening of a new stretch of road between Polish bridge and Loch Nan Uamh last year. Fergus mentioned Loch Nan Uamh—if he needs assistance with the pronunciation, I refer him to the mother of the Parliament. She will be glad to help.

Those schemes have reduced the single-track section to nine miles between Loch Nan Uamh and Kinsadel and two separate proposals to remove the single-track road have been developed. The five miles from Arisaig to Loch Nan Uamh pass through some of the most sensitive landscape along the route. This, combined with the difficulty of identifying another alignment for the route, means that the preferred way of dual tracking the road is through a series of on-line improvements, identified through a route action plan study, which was completed recently. Those improvements could be implemented in a phased manner, as a series of minor improvements outside the scope of the strategic roads review. The total cost, Mr Ewing, is estimated at about £10 million.

Decisions have still to be taken on which minor trunk road improvement schemes should proceed in future years, so the upgrading of the route between Arisaig and Loch Nan Uamh does not yet feature in any forward programme. However, that will be considered alongside competing priorities.

Inevitably, given the pressures across the trunk road network, there will be intense competition for the available resources but, again, I assure those supporting the improvements—and there are many of them—that the consideration will be full and fair.

The other remaining single-track section is the four and a half miles from Arisaig to Kinsadel. That is the subject of a proposed off-line improvement scheme. The scheme has an estimated capital cost of £10 million and so qualifies as a major trunk road scheme. It is, therefore, included in the list of schemes under consideration in the strategic roads review. Sarah Boyack has said that she plans to report to Parliament on the review shortly, so it would be wrong of me to give advance indication of the conclusions.

Lord James Douglas-Hamilton (Lothians)
(Con): Will Mr Morrison give way?

The Deputy Presiding Officer: The minister must wind up for time reasons.

Mr Morrison: I assure Mr Ewing that the scheme is being given full and fair consideration in the review and that I will relay to Sarah Boyack the very strong support which has been articulated in the chamber today.

I should also say that the scheme was considered at a public inquiry in March 1997. Assuming that it clears the hurdle of the review, it should be possible to complete the remaining statutory procedures speedily and move towards construction.

Meeting closed at 17:38.

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