

MEETING OF THE PARLIAMENT

Wednesday 3 November 1999
(*Afternoon*)

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Scottish Parliament

Wednesday 3 November 1999

(Afternoon)

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

Time for Reflection

The Presiding Officer (Sir David Steel): The first item of business this afternoon is our time for reflection. I have much pleasure in inviting His Eminence Thomas Cardinal Winning to lead our time for reflection.

His Eminence Thomas J Cardinal Winning (President of the Bishops Conference of Scotland): Thank you, Mr Presiding Officer. Before we begin our short time of prayer and reflection, I thank you for your invitation on my own behalf and on behalf of the Catholics of Scotland. I bring with me the good wishes and prayers of all Scotland's Catholics for the success of the new Parliament, for which we have waited so long. I pray every day for the Parliament's success.

Let us gather our thoughts and place ourselves in the presence of God.

Our Lord and our God,
We firmly believe that you are here
That you see us
That you hear us.
We worship you and give you thanks.
We ask you to make this time of prayer fruitful
For us and for all the people of Scotland.

As children, we learned that prayer was "talking to God". For any conversation to have value, it must be two-way, and so, before speaking to God, let us listen to His word.

It was before the festival of the Passover, and Jesus knew that the hour had come for him to pass from this world to the Father.

He knew that the Father had put everything into his hands and that he had come from God and was returning to God. He got up from the table, removed his outer garment and, taking a towel, wrapped it around his waist. He then poured water into a basin and began to wash the disciples' feet and to wipe them with the towel he was wearing.

When he had washed their feet and put on his clothes again, he went back to the table. "Do you understand," he said, "what I have done to you? You call me Master and Lord, and rightly; so I am. If I then, the Lord and Master, have washed your feet, you should wash one another's feet. I have given you an example so that you may copy what I have done to you."

That was a reading from St John's gospel. Those words and actions of Jesus are a reminder

to all of us called to public service that our work is a work of service first and foremost, a work of serving our fellow citizens and our God. Let us recommit ourselves to our calling to serve the people of Scotland.

Let us pray.

We thank you, O God, for the call you address to us
To serve the people of Scotland
Accept the prayers we offer for our nation.

In the guiding principles of our Parliament
By the wisdom of our leaders
And integrity of our citizens
May compassion and justice be secured.

May our land enjoy and promote lasting prosperity
Respect for life at all stages
And educational opportunities for all.

Bless our families: May our people witness to stable family life and our children enjoy the blessings of a happy home.

Give us the courage to be the kind of Scots You want us to be.
We ask this through Christ our Lord.

As children of the one Father, let us pray together in the words our Saviour gave us.

Our Father, who art in heaven, hallowed be thy name.
Thy kingdom come. Thy will be done on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, the power and the glory, for ever and ever.

Before debates begin for the day, let us call down God's blessing on this Parliament of ours and on the people of Scotland in the words of the ancient Celtic blessing.

May the road rise to meet you,
May the wind be always at your back,
May the sun shine warm upon your face,
May the rains fall gently upon your fields.
Until we meet again
May God hold you in the palm of his hand.

May the peace and blessing of Almighty God, the Father, and the Son, and the Holy Spirit, come down on all of us, and remain with us for ever.

Amen.

Voluntary Sector

The Presiding Officer (Sir David Steel): The next item of business is a debate on motion S1M-240, in the name of Miss Wendy Alexander, on the Scottish Executive's compact with the voluntary sector, and the amendments to that motion.

I invite members who wish to speak in the debate to press their request buttons now.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): On a point of order. Rule 13.2 of the standing orders provides for ministerial statements. In the light of what we read in the press this morning, do the standing orders provide for ministerial retractions?

Mr Kenny MacAskill (Lothians) (SNP): On a point of order.

The Presiding Officer: Mr MacAskill, is it the same point of order?

Mr MacAskill: Yes. I wish to raise the concern that my colleague just made regarding repeated statements to the press before matters are announced in this chamber. Last week, a public transport fund allocation was intimated in a press release. Like Fergus Ewing, I heard on the BBC this morning that there will be a recanting with regard to road tolls in tomorrow's debate on the strategic roads review. Neither of those matters have come before the Transport and the Environment Committee, any other committee, or this chamber.

Sir David, I ask you to rule that that democratic deficit is unacceptable and that matters should be brought to this chamber first, rather than the press corps.

The Presiding Officer: I have had a letter from Lord James Douglas-Hamilton on the issue that was addressed by those points of order. I do not know whether the subject of tolls will be included in tomorrow's statement on the roads strategy. If it were raised, I would deprecate that information being given to a newspaper before it is given to this Parliament. On the other hand, if the information came from a leak from a ministerial meeting, that is not a matter for me, it is a matter for the Executive. We will wait and see what happens tomorrow.

14:38

The Deputy Minister for Communities (Jackie Baillie): The Scottish Executive places particular importance on its relationship with the voluntary sector. I know that this Parliament also values the voluntary sector, and acknowledges its significant contribution to Scottish society.

In this debate, we have the opportunity to outline

our thinking in taking that relationship forward, recognising the central role that the voluntary sector has in policy development, service provision and community empowerment and, indeed, recognising the sector as an economic force in its own right.

We need to put in place the foundations to realise our shared vision for Scotland and create a framework to sort out institutional relationships, enhance local capacity and establish a solid platform from which the sector can grow and flourish.

Clearly, given the importance that we attach to the voluntary sector, and given that the public and voluntary sectors find their respective interests overlapping more and more frequently, there are benefits in setting out the principles that should underpin the relationship between the two sectors, when they choose to work together.

We talk a lot about partnership, but we have to mean it. We have to understand each other's working methods, strengths and constraints. That means giving recognition to the third sector through a new relationship. The focus of this debate is on a new way of working with the voluntary sector. We aim to do that through the Scottish compact.

As many of you will know, the Scottish compact was launched exactly a year ago by Sam Galbraith and enshrines the mutual commitments to partnership working on the part of central Government and the voluntary sector.

The compact applies to all central Government departments and agencies. It was developed by a joint working group drawn from across the Scottish Office and the voluntary sector in Scotland, and was subject to wide consultation before it was published in October 1998. The compact is one of four: England, Wales and Northern Ireland each have one. The Convention of Scottish Local Authorities and the voluntary sector are working on equivalent guidance for use at local level.

Partnership can, of course, be based only on shared values. The compact is built on those shared values: a democratic society, the rights of individuals to associate freely in pursuit of a common purpose; active citizenship that recognises that the participation of individuals is a key mechanism in our drive for community empowerment; pluralism; and equality. We share the common commitment to quality of services; to collaboration to address people's often complex needs; and to sustainability, the ability to address today's needs without damaging the interests of future generations.

The objectives of the compact are to encourage good practice and co-operative methods of decision making and to nurture the voluntary

sector infrastructure. We also want to encourage voluntary organisations and charities through co-operation and training; to encourage volunteering as an expression of active citizenship; and to recognise the specific needs and special contributions made by groupings within the sector, such as the black and ethnic minority voluntary sector, organisations for disabled people and voluntary groups in rural areas. The compact was also designed to ensure that we in government measure and recognise the things that really matter; that we co-ordinate the relationship with the sector across public bodies; and that we take carefully into account the impact of policy changes on the sector.

The compact aims to deliver benefits by enabling the voluntary sector to have a voice in the development of public policy and by making Scottish Executive departments, agencies and non-departmental public bodies responsive to the needs, and the potential, of the sector. It achieves that by strengthening the dialogue between Government and the voluntary sector, providing channels of communication for its wider constituency. The compact will assist us in developing our strategic thinking and long-term vision; more important, if the sector is directly involved in the design of policy, we are more likely to get it right.

The sector has been concerned that its independence should not be threatened by co-operation, collaboration and partnership with the Government. Let me make it absolutely clear that the Executive has never, and should never, seek to own the voluntary sector. That would run counter to our whole thinking about how society should work. All our policy themes—active citizenship, individual participation, volunteering, the giving age, active communities and community empowerment—depend on the freedom and independence of individuals and organisations. The compact defends the independence of the voluntary sector, and emphasises its value as both critic and policy advocate. Let us be crystal clear on this point. We support the sector's right and, indeed, responsibility to challenge Government when we get it wrong. I would expect nothing less.

Of course, as it stands, the compact is simply a statement of principles. Those principles have to be put into practice. To flesh out the Government commitments to the voluntary sector contained in the compact, good practice guides for Scottish Executive departments and the agencies to which I referred previously are in the process of being drafted. They will provide guidance on such issues as funding, consultation, policy proofing, partnership working and cross-departmental working.

As members will know, we have been taking

other measures in the Executive to assist our new relationship with the voluntary sector. Action to strengthen the role of the voluntary issues unit within the Executive has been long campaigned for by the sector under the leadership of the Scottish Council for Voluntary Organisations. As the Parliament is aware, we have relocated that unit to within the Executive secretariat to work exclusively on voluntary sector issues and to champion a more strategic approach to funding and promoting the interests of the sector across the Executive. That signals the central place that the sector has in our thinking.

This time last year, of course, it was not possible for Scottish Office ministers to make future commitments on behalf of the Scottish Parliament and the Scottish Executive. However, it was hoped that the Executive and the Parliament would endorse the compact or draw on it to develop their own agreement with the voluntary sector.

The Scottish Executive has endorsed the compact. My purpose in inviting Parliament to do likewise is to give fresh impetus to the relationship between central Government and the voluntary sector and to signal our commitment to working in partnership with it. This will send a signal of the importance that Parliament attaches to joint working, which lies at the heart of building the new Scotland.

The compact must be only the beginning of a process, a starting point for the really hard work, when we must all learn to understand and accommodate each other's working practices. The compact will really succeed if it not only sorts out relationships between Government and the voluntary sector but helps to build stronger and better relationships at local level. We welcome the work that COSLA has been doing on voluntary sector policy statements and guidance on funding. Those will help to build the new partnerships at local level that we are so anxious to achieve, because it is at that level that the real benefits of our community empowerment approach will be delivered to people.

That leads me on to the issue of infrastructure support at the local level. While the Scottish Executive already supports the voluntary sector infrastructure with core funding to national voluntary organisations, we also recognise that voluntary and community groups need continuing infrastructure support locally. For that reason, we already provide funding to infrastructure bodies in Scotland at the local level, but there are gaps. Arrangements are in place to ensure that every local authority area has a volunteering development agency by the end of March 2000, providing support for and encouragement of active citizenship.

There are gaps in the network of councils for

voluntary service. We want to make sure that community activists in all parts of Scotland have a local CVS to turn to for support, so we have commissioned a review of the present CVS infrastructure. We aim to ensure that crucial services such as training, management support and help with funding applications are put in place. The steering group has representatives from the Scottish Council for Voluntary Organisations and the Councils for Voluntary Service, Scotland, to ensure that we understand the issues.

Our success will be measured by how well we reconcile the different needs of the sector, across urban and rural areas, within a more secure strategy that sets the standards for the years to come. The voluntary sector is changing and we all need to recognise the nature of that change and be willing to promote it.

The review is in the fast track, and I have this week received the first part of the consultants report. The report by Eglinton Management Centre is tasked with addressing the role of the CVS in building community capacity, developing organisational measures to strengthen the network to support the role of the individual CVS in capacity building, and finding out whether the present structure of funding can be improved. The review will also develop qualitative performance measures, building on the work of CVS Scotland.

Let me share with members some of the emerging conclusions. The interim consultants report has recognised the passion and commitment that is common across the CVS network, on which we want to build.

Tommy Sheridan (Glasgow) (SSP): I thank the minister for giving way.

I note the minister's words on building strength and building together, with local authorities at the core. Will she join me in asking Glasgow City Council not to quadruple its charges from £5 a day to £20 for letting school facilities to voluntary organisations? At one fell swoop, that will completely demolish many of the voluntary groups in the city of Glasgow, as, quite frankly, they cannot afford those letting charges. Will the minister condemn the council's proposals?

Jackie Baillie: Sometimes I find it difficult to determine whether the member is a member of the Scottish Parliament or a councillor on Glasgow City Council. However, the compact sets out quite clearly the relationship that we want, not just from the Scottish Executive's point of view but from the viewpoint of local authorities and the wider community.

Alex Neil (Central Scotland) (SNP): Will the minister give way?

Jackie Baillie: No, I intend to carry on. I was at

the point of sharing with members some of the emerging conclusions of the review. In fairness to the work of the CVS network, it is important that I put these comments on record.

I said that the interim consultants report recognised the passion and commitment that is common across the CVS network. Its recommendations include the development of the role of the CVS, refocusing their activity to promote and support capacity building in the community. It also recommends reorganisation, where appropriate, along community planning boundaries on a federal or confederal basis; developing a shared funding approach that brings together the Scottish Executive and a range of key agencies; and the possibility of developing a wide-ranging training programme for staff and volunteer managers of the CVS and other agencies.

The review made proposals that should enable the network to build the capacity of the sector and of the local community and to work with local social inclusion agencies to develop their agenda. A further report on performance management will be available at the end of November, and I have asked the consultants to do some further modelling on funding arrangements by the end of the year. These recommendations will be considered in detail, and I will bring back the conclusions to Parliament for discussion.

Let me turn now to charity law, as it is of key importance to the voluntary sector and to charities that we get right the legal framework in which they operate. I will give members a little background. Charities that operate in Scotland are regulated under a number of pieces of statute that have been in operation for some time. The main provisions are in part I of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990. Public charitable collections are regulated under section 119 of the Civic Government (Scotland) Act 1982, and educational endowments are governed by the Education (Scotland) Act 1980. Aside from the plethora of acts, there is a need to assess the effectiveness of the present legislation.

Members will be aware of the work of the charity law research unit at the University of Dundee, which has been researching and examining the effectiveness of the existing legislation. The research has been completed and the unit is close to providing the Scottish Executive with a final report. We are already aware of the key themes and likely recommendations of the Dundee research. We have also been in close touch with the voluntary sector. We feel confident that now is the time to start setting up the mechanisms to meet this partnership's commitment to the voluntary sector. Therefore, I am delighted to announce today the establishment of an independent commission to review and reform

charity law in Scotland.

Although the Dundee research will be a key tool for the commission, its starting point was the existing legislation. We need to move forward. The voluntary sector and charities are changing. Their contribution to the social economy accounts for 5 per cent of gross domestic product and the sector employs 100,000 people. The commission will need to address that and other issues, such as setting the right level of accountability to the donating public without placing too heavy a burden on the charitable sector. Charities also require definitive advice and information and the commission will want to examine how best that might be done.

In due course, I will make a further announcement to Parliament setting out the chair and membership of the commission, its detailed remit and the timetable for action.

The Scottish Executive cares about the voluntary sector. The third sector is about empowering communities. That is our starting point.

The sector is at the sharp end of the problems that exist in society today. Voluntary organisations work with the poor, to tackle the roots of exclusion and to empower communities to plan their own futures. Voluntary organisations frequently speak for those at the margins of society. The sector has values, which we as a Government also hold. Let us recognise the significant contribution that the voluntary sector makes to Scottish society and, today, let us set in place the foundations on which the sector can grow and flourish.

I move,

That the Parliament acknowledges the significant role played by the voluntary sector in service delivery, its commitment to the social economy and its growing role in policy development and in strengthening communities, and in recognition of the commitment to the voluntary sector welcomes and endorses the Scottish Compact which has been developed in partnership with the sector, as this will provide the basis for a shared understanding of the relationship and responsibilities between the Scottish Executive and the voluntary sector to their mutual benefit and serve as a firm foundation on which to build for the future.

14:57

Mr Lloyd Quinan (West of Scotland) (SNP): I thank the Executive for giving us the opportunity to hold a major debate, for a second time, on the voluntary sector. I welcome the initiative as part of the further development of an inclusive democracy for Scotland. It follows on timeously from the Minister for Finance's announcement last week on the provision of funding for the civic forum. Both the compact and the independent body that the SNP amendment proposes would further extend

the democratic process in Scotland and would put our nation in the vanguard of inclusive politics and the development of civic society.

There is no question that the establishment of the compact is welcomed, particularly by the voluntary sector and by all the parties in the Parliament. I am sure that we would all commend the considerable work that has been put into taking the initiative forward. At the outset of today's debate, I would like to acknowledge all those who have contributed to that, particularly the Scottish Council for Voluntary Organisations, the Executive and the many voluntary organisations that are represented in the public gallery today.

I hope that the compact will be a milestone in Scotland's new civic landscape and a turning point in the relationship between statutory and non-statutory bodies. Although the compact itself may not represent a complete meeting of minds, it is certainly a great opportunity to take a step in the right direction.

There is scope for greater involvement through the creation of an independent body. The SNP lodged its amendment with one aim in mind: the promotion of inclusion and the extension to as many organisations in Scotland as possible of the benefits that the compact will bring.

Why is the amendment necessary? We have to accept that certain organisations—some by virtue of their democratic structures and others because of their purpose—will find their perceived independence compromised by signing up to the compact. Indeed, that is acknowledged in the document "The Scottish Compact":

"The Compact acknowledges that the voluntary sector and the Government have their own spheres of action with different roles, responsibilities and resources. It is accepted that not all voluntary organisations will have an interest in seeking partnership with Government. Some will prefer to pursue their own objectives without reference to the state. Others may find themselves more often in opposition to the Government than in partnership."

The final sentence is the crux of why we lodged the amendment. Organisations must not be excluded from the possibility of partnership, regardless of whether they are in opposition to—or, indeed, in agreement with—the Government.

Many organisations have expressed concern that the third sector could be artificially divided into a two-tier structure: into those that are actively involved in the delivery of social provision and that assist the Executive, in particular, with the delivery of social inclusion policy; and into those that, by their nature, are campaigning organisations and pressure groups. Such organisations fear that failing to sign up to the compact will give rise to a them-and-us situation—those that are in and those that are out, or those that have signed the compact and those that, for whatever reason, feel

unable to do so.

Our aim must be to avoid such division. We believe that it is absolutely essential to put in place structures to enable as much as possible of the third sector in Scotland to sign up to the document. We believe that the establishment of an independent development body, whose remit would be to oversee the compact and to examine and—as it says in the document—to extend the boundaries of the compact, will allay some of the fears that many organisations have, and enable the compact to develop rapidly towards including the whole of the third sector.

A number of factors are vital to the improvement of the quality of life in our country. The relationship between Government and funding bodies has sometimes been difficult—for instance, when a third-sector organisation has found itself at odds with the political ethos of the day. The creation of an independent body would allow us to leave that baggage firmly in the past so that there is no repeat of the unfortunate divisions experienced particularly by those organisations concerned with environment, housing, health care and drug abuse issues.

I want to examine the problems experienced by some of the organisations working in the areas of drugs and health care. We are all aware that the organisations dealing with drugs and health care are diverse—that is their nature. They represent a wide range of views and serve different needs, sometimes with different objectives. In many cases, their objectives are different from those of local and central Government. At one end of the spectrum are organisations such as Scotland Against Drugs, zero-tolerance organisations and the Just Say No campaign. At the other end are those involved in harm-reduction measures, promoted, for instance, by Crew 2000 and the late, lamented Enhance project in Glasgow. This is not the time for a debate about the relative merits of the many, diverse approaches to drugs issues. However, few people would disagree that the work of each of those organisations is valuable in its different way.

Historically, harm-reduction organisations have been in competition with zero-tolerance organisations for funding. Much of Government philosophy on the matter discourages harm-reduction organisations from becoming involved. I do not want to take this debate down the road of drugs policy, but it highlights the problem when challenge funding structures are used. The danger for any organisation that does not sing from the same hymn book as the Executive—this one or previous Administrations—is that that organisation will be forced to change the service that it delivers to one that the funder wants and that fits into the context of the dominant political opinion of the

time.

Enhance, a drugs awareness and education outreach organisation based in Glasgow, is a prime example. Under the previous Administration, Enhance found itself in an intolerable situation when the political climate was “just say no”. The organisation’s pioneering work, principally with those involved in dance and club culture, was undermined and, finally, ended by pressure from funding organisations that wanted to limit the harm-reduction message that Enhance had so successfully delivered, not only to those involved in dance culture at the user end, but to promoters and club owners, who benefited directly from the information, education and advice provided by Enhance. The organisation found itself at odds with local and central Government; in attempting to meet some of the requirements of the funding bodies, it found that it was no longer effective in delivering its message, because that message had become distorted. A very positive reputation in the club culture was damaged and, eventually, Enhance ceased to function.

If there had been an independent body, of the type that we propose, to mediate and communicate with the funding bodies on behalf of organisations such as Enhance, within the context of the compact, Enhance’s positive and successful work could be continuing. Unfortunately, that is not the case. Enhance is only one of many organisations whose services can become a political football. Let us hope, however, that the proposed Executive drugs inquiry will end the conflict between zero tolerance and harm reduction.

Drug use in Scotland is on the way up, with at least 8,000 new injecting users recorded last year—that figure is possibly an underestimation. There were 276 drug deaths in Scotland last year, and in Strathclyde alone there have been 118 so far this year.

Those statistics are a tragic illustration of the fact that we need more than a simplistic “just say no” message and an endorsement of the need for work on harm reduction. How do we ensure that the agencies dealing with that vital harm-reduction aspect of the drug issue are part of the new compact? How do we ensure that the agencies, whose priority is to save the lives of those already abusing drugs, are also included? I hope that none among us would question the inclusion of such agencies in the compact, but it is difficult to see how organisations such as Crew 2000, seemingly at odds with current policy, could comfortably sign up to a compact that could become binding, especially as they can barely secure funding even now.

It is vital that we work to protect the independence of organisations. The compact goes

a long way towards doing that, but we suggest that it does not go far enough. We have to reassure organisations that their purpose and objectives will not be squashed in the face of Government policy; we must reassure them that signing up to the compact will not mean that they become simply another service delivery arm of the Executive to be shaped by Executive direction and policy.

An independent development body is not just about building confidence. It could ensure that there is clear water between the Executive and the spectrum of policies that are carried out by the voluntary sector. That would create room for all participants, not just in the drugs field but beyond.

Many environmental groups are diametrically opposed to aspects of Government policy—and indeed to SNP policy—and many have found themselves involved in litigation against the previous and current Governments at local and national levels. The formation of an independent body may go a long way towards stopping court action being the only recourse for some in the third sector, particularly those dealing with environmental issues.

The principles of sustainability have not been adequately addressed in the “The Scottish Compact”. I mentioned the polarisation between organisations that are in and those that are out. It is clear that the main thrust of the document is on social welfare. That is vital, but such organisations form only a portion of the voluntary sector’s composition. The genuinely legitimate role of environmental organisations such as the Royal Society for the Protection of Birds must not be overlooked or marginalised. We need to give reassurance—and we need to consider the concerns expressed by the organisations—about the composition of the compact and its working party.

Our amendment would go some way towards bringing that part of the Scottish third sector firmly on board. The idea of an independent body enjoys the support of many from across the sector, including the Scottish Drugs Forum, Barnardo’s, YouthLink Scotland, Fairbridge in Scotland, Children 1st, Help the Aged, the Scottish Wildlife Trust, Volunteer Development Scotland, Age Concern and Crew 2000.

It is important to remember, however, that the compact is, as the document says, only the first step on the road to a new relationship between the third sector in Scotland and the Executive. The next step is surely to extend the boundaries of the compact and put in place a framework that will accommodate all sections of the third sector.

I look forward to the day when the boundaries proposed in the Scottish compact are rolled back so far that Greenpeace would feel able to sign up

to it.

I move amendment S1M-240.1, to insert at end:

“and furthermore recognises the need for an independent body to be established with the remit to provide pro-active support for the development and promotion of the entire voluntary sector, and in particular to encourage co-operation between Compact signatories, non Compact signatories and the Scottish Executive.”

15:10

Phil Gallie (South of Scotland) (Con): In the main, I support the thrust of the motion. However, I feel that yet another endorsement of the Scottish compact is just a bit over the top, especially as the compact does not come into force until next year. At the moment, the statement on the compact is pretty much a statement of intent.

Today is the third time in as many months that the chamber has debated these issues. While it is one thing to acknowledge and give credit to the great work that is done by the many volunteers, it is another thing for the Executive to offer little else for us to talk about—and it is yet another thing when the Executive underlines mutual benefit time and again.

The high number of full-time and part-time jobs created in the sector has a recognised positive effect on employment figures. I do not underestimate in any way the importance of many of those jobs, although if I have time later I will express my concern about the extent of overlap. The voluntary sector is the fastest-growing employment area in the United Kingdom. As more and more services are provided by the voluntary sector, that trend is likely to continue. The Scottish voluntary sector, in which we all take pride, has 44,000 organisations working within it and 100,000 paid staff. It also has 300,000 regular volunteers and twice that number of occasional volunteers.

The voluntary sector is the third force in the Scottish economy, with an income of some £1.8 billion. The sector is independent—to an extent—not-profit distributing and non-statutory, but it receives some 26 per cent of its income from public sector finances. That compares with 22 per cent from donations and 30 per cent that is earned from trading, rents and investments. Grants from the national lottery make up around 7 per cent of voluntary sector income. Funding is very important to the voluntary sector’s independence.

The minister referred to the CVS review. The Scottish Executive commissioned the Eglinton report some time ago. That report was to be produced within a short time scale—it is interesting to note that the minister has now received a first report from that source. The SCVO welcomed the review, but expressed some concerns over the short time that was available for

the report to be produced. It also underlined the fact that the independence of the voluntary sector is a prerequisite to its success. Our amendment addresses that issue. I urge the minister to satisfy the voluntary sector plan and accept our amendment.

When the Scottish Executive talks about partnership, there is a feeling that that involves more than an element of direction and control. As I proceed, I will express some views on why I think that that is the case, despite the fact that the minister said that it was far from her intent. The partnership between the Executive, the voluntary sector and the Scottish public must be based on respect for the voluntary sector's independence. The sector's diversity should be recognised as a strength, but care must be taken to ensure that public funding does not create overlap and a situation in which groups work with opposing objectives.

I listened with interest to Lloyd Quinan's comments on drugs. I believe that it is the Scottish Executive's responsibility to give clear directions on such issues. I accept that that may mean that some organisations will be funded and that others will not. I also accept that, in the main, voluntary organisations should pursue their independent objectives, but I suggest that public sector money should not be used to fund objectives that cut across overall Government policy.

Although this compact was jointly agreed by the Government and the voluntary sector, the Government's prime motivation seems to be a desire to control the sector and to target its work on Government priorities. Although there are many shared goals, the compact is likely to lead to conflict about emphasis and priorities, and to a loss of independence for the voluntary sector.

The voluntary sector will be directed by Government under contract, rather than by the sector's principles of channelling help to where it is most needed. Although the voluntary sector may receive Government resources, at times it will have little control over how those resources are spent—resources will be targeted. The danger is that the voluntary sector will serve the Government's agenda.

Ms Margaret Curran (Glasgow Baillieston) (Lab): Phil Gallie displays a total misunderstanding of the role of the voluntary sector. The voluntary sector has made very clear what it wishes to do. It is in partnership with the Government in certain areas. There is no way that the compact implies any restriction on organisations' independent views—they can still express opinions to the Government. Phil Gallie shows a complete misunderstanding of the entire project. Perhaps he should listen to many more voluntary organisations to ascertain their views.

Phil Gallie: I do not think that I misunderstand this issue. I am outlining a justifiable fear, as it is obvious that, when organisations are funded to a large extent by the public sector, they have to follow directions. That is what I am trying to bring to the attention of the minister and the chamber.

Labour's approach to this issue is seen most starkly with the new opportunities fund, where there clearly is direction—more than £100 million is diverted from charities to provide a top-up for services that would usually be provided through taxation. That cuts across everything that the national lottery was set up to achieve. The new opportunities fund puts the original principles of the lottery at risk. The money is used to fund the Government's priorities rather than bids by charities that are based on knowledge of local need. In many instances, money is directed to Labour's pet projects.

A recent declaration of accounts for the new opportunities fund showed that 100 per cent of the grants that were made went to projects involved in child care. I suspect that that was very much in line with what the Government wanted, but that it was not necessarily in line with what all voluntary organisations wanted.

Johann Lamont (Glasgow Pollok) (Lab): Does Phil Gallie recognise the particular role of women in the voluntary sector? Women in the voluntary sector welcome the emphasis that this Government places on child care. In the voluntary sector, one hears time and again about the importance of good quality child care in enabling people to participate in whatever way they choose.

Phil Gallie: I accept totally what Johann Lamont says about the importance of women to the voluntary sector. I suspect that 60 to 70 per cent of people who actively give their service to the voluntary service are women—once again, I pay tribute to them for that. That is slightly different from my point about the Government's direction of funding towards its pet projects.

In examining funding of the voluntary sector, we can see the effect of taxation on its activities. Local authorities have had to award their workers pay settlements above the rate of inflation; they have had to make up for the Chancellor of the Exchequer's raid on pension funds, but their funding has not been increased to take account of that. The voluntary sector is the first area that local authorities, which are its principal funders, will look to for cost savings—it is a favoured target area.

The chancellor—the Westminster politician of the year—has removed advance corporation tax credits, costing Scottish voluntary organisations £40 million a year. He has increased motoring taxes hugely, which affects voluntary workers who are prepared to provide their own transport and

which adds to the costs of staff transport for organisations. He has increased the overall tax burden on individuals, reducing their ability to give to charity. He has taken 15 per cent of all public donations for the Treasury through unrecoverable VAT—£46 million a year from Scotland.

Tommy Sheridan: Phil Gallie gives tax statistics, but does he agree that the facts show that the top 20 per cent in our society now pay less in tax than the bottom 20 per cent do?

Phil Gallie: In terms of VAT and some other taxes, what Mr Sheridan suggests is the case. However many of the so-called fat cats are people who generate jobs and wealth. There must be a balance somewhere along the line.

Bristow Muldoon (Livingston) (Lab): Would the member remind us what VAT rates were in 1979 and what they were when the Conservatives left their period in power?

Phil Gallie: I recall that VAT rates at that time were something like 25 per cent—

Members: No!

Bristow Muldoon: They were 9 per cent.

Phil Gallie: At that time there were also lower rates, because VAT levels were split, and the Conservatives went for an all-embracing level. Having said that—

Dr Richard Simpson (Ochil) (Lab): On a point of order. Is it in order for a member to give misinformation to the Parliament in reply to a question and deliberately to—

Mr Keith Harding (Mid Scotland and Fife) (Con): It was his understanding.

Dr Simpson: Oh. If it was really that, I withdraw.

Phil Gallie: My recollection of the 1979 election is that the equalisation of VAT rates was an aim. My understanding is that there were VAT levels at 25 per cent as well as at lower levels. If I am wrong, fair enough, but that is my understanding and at no time would I ever intentionally mislead the Parliament in the way that the gentleman suggested.

The Conservatives did the voluntary sector proud over the years. They introduced means of encouraging charitable donations through the payroll and in other ways. This Government has continued that, but it could do much more. A major improvement—it is up to the chancellor, but this Parliament should put pressure on him—would be to give voluntary organisations the right to retrieve the VAT that they have paid.

I move amendment S1M-240.2, to leave out from “welcomes” to end and insert:

“stresses its commitment to maintaining the independence

of the voluntary sector, notes that it has a role to play that is locally determined and distinctive, should not be directed by and fulfils different needs from services provided by the state, and agrees that this is best enhanced by encouraging individual giving through the use of the tax system to support people who voluntarily give to charities.”

The Deputy Presiding Officer (Mr George Reid): It would be helpful if members, when taking interventions, remembered to address their remarks through the chair. Speeches will now be time-limited to four minutes, so eyes on the clock, please.

15:25

Mr Keith Raffan (Mid Scotland and Fife) (LD): I will try to get the debate back on track. [Applause.] I welcome the speech by the Deputy Minister for Communities. We on the Liberal Democrat benches are happy to endorse the Scottish compact. I will address one reservation in a moment—it was alluded to by Lloyd Quinan in his remarks.

I welcome the independent review of charity law. The review, as announced by the minister, is very much in line with what the Scottish Council for Voluntary Organisations has been calling for—it will be delighted. That is an important announcement and will be helpful to the voluntary sector.

I endorse the point that Lloyd Quinan made about the voluntary sector. The Scottish compact describes the principles underpinning the relationship between Government and the voluntary sector in Scotland—specifically the bodies fulfilling a service provision role in the social welfare sector. That is what the compact is about.

It is important that we remember that there is a large body of organisations outside the compact, particularly those involved in Scottish Environment LINK. I will not repeat the list that Lloyd gave the chamber. They see themselves as fundamentally independent of the Government; partnership with the Government is not central to their work. They are happy to be in partnership with the Executive for specific, targeted objectives, but most of their work is independent and some of it is aimed at changing Government policy. Some of those organisations might see it as their predominant role to monitor and criticise Government policy. I am sure that we welcome their continuing lobbying role. It is important to see the compact in that context of service providers in the social welfare sector.

I do not have much time, so I will move on to the key issue of funding. I had a letter from the minister today—it was timely—in response to issues that I raised in the previous debate. What a coincidence. Her reply was helpful and I am

grateful to her for that. She made the point that we want to create a more stable funding environment. I am sure that everyone in the chamber would endorse that, particularly as the voluntary sector in Scotland is more dependent on public sector funding than in the UK as a whole.

I know that the Executive's role is principally to fund national organisations. The Executive funds local projects only if they are particularly innovative or are pilot schemes. I raised with the minister the problem of LEAD—Linking Education and Disability—in Fife. That organisation has been active in Fife for 15 years and has done a huge amount for those with disabilities. This week, four glossy documents about social inclusion were published. I respect the contribution that those documents make—indeed, the Social Inclusion, Housing and Voluntary Sector Committee was taking evidence on them in this very chamber earlier today. It is unfortunate, however, that in that context we find that an organisation as valuable as LEAD is closing down after 15 years' work. We are holding debates in this chamber on how to include people more, but at the same time we are closing down organisations in the field that have been doing such valuable work.

The minister said that she did not want to interfere in local authority decisions. I understand that, but she cannot avoid responsibility and nor can the Executive, because its budgeting has a direct impact on local authority budgets. I say this with some sensitivity, because I represent Perth and Kinross, which has been threatened with capping—"that crude mechanism", as the First Minister called it once, and I hope that he will do so again. When councils are threatened with capping for being only slightly over budget guidelines—Perth and Kinross was 1.1 per cent over—they look for savings in certain areas. The voluntary sector is often the first to be hit.

In Fife, the situation is even more dramatic. I have with me a copy of the joint motion drawn up by the Liberal Democrats and Labour—we are in partnership on this issue in Fife. Although the Liberal Democrats are in opposition to Labour in Fife, we produced a joint motion on local government funding, such is the pressure on local government funding. If a local authority such as Fife has had to find £47 million to fund pay awards without Government assistance over the past six years, certain services are bound to suffer. In this case, it is the voluntary sector and organisations such as LEAD.

We must bear it in mind that the Scottish Executive's budgeting has a direct impact on local authorities and on their ability to provide stable funding. We must look at that. I accept that the Minister for Communities and the deputy minister are committed to stable, three-year funding, but

we cannot expect local authorities to provide stable, three-year funding when they are under such pressure.

The Deputy Presiding Officer: I ask the member to wind up, please.

Mr Raffan: I will make one more point about funding, although there are others that I would like to make but cannot because the Liberal Democrat front-bench spokesmen get only a fraction of the time allocated to the Scottish National party and the Conservatives. I hope that that will be resolved shortly because it is completely unsatisfactory.

The Deputy Presiding Officer: Get to the point, Mr Raffan.

Mr Raffan: I hope that attempts will be made to harness the resources of the private sector in such areas as mentoring. We should look to what is being done in the United States. In Manhattan, banks, law firms and advertising companies are being brought in to help excluded young people in the Bronx, Harlem and elsewhere. Those resources are not necessarily financial resources. They might be manpower—people who are prepared to contribute and who are prepared to give.

15:30

Elaine Smith (Coatbridge and Chryston) (Lab): I welcome the Executive's commitment to the voluntary sector and to volunteering. That commitment is reflected in "The Scottish Compact". I welcome the formal acknowledgement that volunteers and volunteering make valuable contributions to the development of a more inclusive, participative and democratic society.

I will focus on two areas that are mentioned in the compact under the heading "Recognition". It is pertinent and important that the Executive has been clear in its commitment to recognise and support the sector's independence, as stated by the minister. That independence includes the right to comment on and to challenge Government policy.

As has been mentioned, some organisations might be wary of biting the hand that feeds them. I heard a comment on that issue from a voluntary organisation yesterday, but I was pleased to point it in the direction of the compact and to reassure it that it is perfectly acceptable for it to put its views forward, even if those views challenge Government policy. That organisation will be reassured by the minister's comments today.

It is also important that the Government is committed to supporting volunteering initiatives as a means of extending people's participation in their communities. I have a vested interest in one such initiative—volunteering in practice—that is

now nearing the end of its pilot status.

I was the volunteer manager for one of the two pilot projects that were designed to tap into the great potential that exists for extending voluntary activity into primary care. There is a long-standing tradition of volunteering in the national health service—valid contributions are made by many groups and individuals. However, it was felt that a more co-ordinated strategy for volunteering in the NHS was required. To that end, Volunteer Development Scotland has been developing such a strategy since 1997. It consulted health boards and has had assistance from local volunteering development agencies. NHS trusts are now required to develop volunteering policies by the end of next year, and those policies must be submitted to the Scottish Executive.

As part of the volunteering in health initiative it was recognised that there was not the same tradition of or opportunities for volunteering in primary care. What activity there was lacked co-ordination and focus. That initiative was instigated to identify the volunteering opportunities in general practices and to encourage and promote the engagement of volunteers. The aim was also to enhance the quality of care and support given to patients and carers and to produce good practice guidelines.

Examples of projects within that initiative include delivery of prescriptions to the elderly and the housebound, family support programmes, assistance with community transport, and support for people with medical conditions that require a change of lifestyle, such as diabetes type 2.

The benefits of such projects are unlimited. Opportunities are provided to improve the overall delivery of services and active citizenship is encouraged. Through them, people become more involved in their communities and inequality is tackled through empowerment and participation. Those projects complement the work that is currently undertaken by paid staff and professionals.

Pilot schemes in Culloden and Dundee are coming to an end; the results are being made available for any who are interested to see them. I hope that the Executive will take them on board and that it will take steps to encourage, support and promote the development of that type of volunteering activity in primary care. I would like to see such initiatives in my constituency and throughout Scotland.

Dr Simpson: A piece of joint research that follows on from that pilot has been presented recently by VDS and the Forth Valley GP research group. That is another good indication of how things can develop; it also shows the relatively low level of direct volunteering in primary care. Such

volunteering must be encouraged.

Elaine Smith: Thank you. I was aware of that and I welcome Richard's pointing it out in the debate.

Although I have focused on two aspects of the compact, I welcome the document in its entirety and I recognise its potential as a starting point for the national strategy for volunteering in Scotland and for the further promotion and development of volunteering. I support the Executive's motion.

15:35

Linda Fabiani (Central Scotland) (SNP): Before I was elected, I was employed in the voluntary sector. However, I have never worked for a charitable organisation and I would like to point out to the Conservative party that voluntary organisations and charities are not necessarily the same thing.

In the past 17 years, I have seen at first hand the impact of Government decisions on voluntary organisations. Many of those decisions have served to reduce the independence of the sector. Like others, I welcome the publication of "The Scottish Compact" as the beginning of the process of re-establishing the independence of the voluntary sector. It is very important that the compact recognises the right of the voluntary sector to comment on and challenge Government policy.

There has been a danger recently that the voluntary sector might go down the same road as local government and end up acting primarily as a vehicle for the delivery of Government policy. However, one of the strengths of the voluntary sector is that it provides an opportunity for many different approaches. It can accommodate organisations as diverse as Crew 2000 and Calton Athletic. Long may it continue to do so.

I am especially familiar with the voluntary housing movement, within which there is a comparable diversity. Housing associations and housing co-operatives range from large national associations that are dominated by establishment figures to local community organisations that are dominated by tenants. Each model has its place and it is important that, in our desire to achieve the objectives of Parliament or the Executive, we do not damage that diversity.

Make no mistake, however: even within the voluntary sector, the diversity of approaches creates tensions. At its best, it is a creative tension. Experience of work in the voluntary sector breeds respect for the contribution that even a small group of dedicated volunteers can achieve. If politicians try to colonise the sector, it will be at their peril. Effective partnership is much more

productive than command and control.

The compact is strong on partnership, which is to be welcomed. However, the reality is a long way from the rhetoric. In the distribution of resources, for example, too many initiatives are being launched, many of them based on wasteful competitive bidding. I am sure that many voluntary workers would echo that sentiment, none more so than those in the voluntary housing movement. The Executive should, in distributing resources, guard against practising a form of divide and conquer.

The recently reported fiasco of the 21st century halls programme is a case in point. In the third round of the initiative, 93 projects were submitted for consideration and only 16 awards were made. Under that programme, approximately £300,000 to £400,000 of speculative expenditure has been made by the voluntary sector, and much effort has been wasted.

Similarly, the new housing partnership programme saw housing associations waste substantial resources bidding for projects, only to see the money ring-fenced for local authority debt write-off. Before I am lambasted from across the chamber, I will make it clear that I am not criticising the decision to write off local authority debt. Indeed, it was my party's policy long before many others were able to understand the concept.

If housing associations and housing co-operatives had known how few resources were to be made available to support the work that they do very successfully, many of them would have avoided wasteful expenditure and effort.

It is the SNP's policy that there should be much more openness and transparency in the distribution of public resources. That applies to funding for the Arts Council and sportscotland and to the distribution of lottery funds as much as to the distribution of resources in the Scottish block.

We believe that that is one of the aspirations of the Scottish Parliament. The practice of using agencies such as Scottish Homes, the Scottish Arts Council and sportscotland to distribute resources can be valuable, and it should be kept under review.

To make the compact effective, the Executive must move on to implementation as quickly as possible. All departments and non-departmental public bodies must produce their plans for implementation. Those plans should be the focus for wide consultation in the voluntary sector. As noted by my colleague, Lloyd Quinan, we must not fragment the sector by creating a two-tier voluntary sector—those who have signed up to the Executive's initiative and those who have not. The SNP's amendment would go some way to ensuring that that does not happen, and I urge

members to support it.

Volunteering is at the heart of civic society in Scotland, and the Parliament must value and respect the contribution of those who give their time freely for the benefit of others. To paraphrase: if Parliament agrees the compact, let us give those people the tools and let them get on with the job.

15:41

Cathy Peattie (Falkirk East) (Lab): I welcome the minister's comments on the compact. I advise Mr Quinan that, as usual, I have rewritten my speech after hearing what he had to say. I want to say a wee bit about the compact.

The compact is an important document. I do not think that it is a straitjacket for the voluntary sector, and I do not think that it is only for the organisations that sign up to it. For many voluntary organisations, locally and nationally, it is a welcome starting point. It provides the opportunity to work in partnership, where appropriate. Like Linda Fabiani, I have worked for many years in the voluntary sector. There have been times when I have fallen out with funders, and I have worn the golden handcuffs, as we often call them.

Mr Quinan: On a point of information. On the final page of the compact, the name Cathy Peattie appears next to Councils for Voluntary Service, Scotland. Is that the same Cathy Peattie?

Cathy Peattie: Yes.

Mr Quinan: Thank you.

Cathy Peattie: I am an ex-member of Councils for Voluntary Service, Scotland.

Mr Quinan: Has Cathy Peattie declared an interest?

Cathy Peattie: I did so the last time, but I am no longer associated with Councils for Voluntary Service, Scotland.

I have worked in community development, as have many people in voluntary organisations. It is in the nature of community development to question a host of things. Therefore, there will be times—quite rightly—when the voluntary sector will question the funders, whether local or national Government. The compact provides for that.

I am worried about the idea of creating an independent body to oversee the compact. The Scottish Council for Voluntary Organisations, Volunteer Development Scotland and similar national bodies exist to do that. As an ex-worker in the voluntary sector who is, like many members, committed to that sector, I do not think that it is the Parliament's place to create anything for that sector. If the voluntary sector needs to be

overseen, it will do that itself.

I will now talk a wee bit about the review of charity law and the proposed forum. That is welcome. Voluntary sector organisations have been saying for some time that there should be a change. The law as it stands is ambiguous and can cause a great many problems for charities in Scotland.

I have been involved in Councils for Voluntary Service, Scotland, but I welcome the review. I advise Phil Gallie that Councils for Voluntary Service, Scotland and the SCVO welcome the review that is taking place. It is something for which they have been waiting for several years. The councils for voluntary service work locally and are involved in community development. They are involved at the chalk face, working with, and often managed by, local people. Any review of the councils for voluntary service will record that information. I welcome the review. I also welcome the commitment to ensure that there is a local volunteer development agency in every area, and that the councils for voluntary service are spread throughout Scotland.

It is important that we are having this debate. Members generally agree that the voluntary sector is a good thing, but it is like motherhood and apple pie: as somebody who was involved in the voluntary sector for a long time, I often found it hard to get politicians to talk about the sector. Sometimes politicians take the outdated view—as has Phil Gallie—that it is just a matter of throwing a wee bit money to those good people to do good things for poor people. However, the voluntary sector is vibrant and self-helped. It is run by local people and is active. It is something that the Scottish Parliament needs to support, not only for the good of Scotland, but for the democracy of Scotland.

15:44

Alex Neil (Central Scotland) (SNP): I also speak as someone who has been involved in the voluntary sector as a director of an enterprise trust. Such trusts were set up as companies limited by guarantee, to promote local economic development.

Probably like everyone else who has been involved in the voluntary sector, I regard financial issues as being of prime importance. Like many other sectors in our society, the voluntary sector continually feels a financial squeeze.

I should like to make six constructive suggestions to the Scottish Executive, asking it to consider ways of improving the financial base of the voluntary sector. Although some of the suggestions relate to reserved matters, I hope that the Executive will consider, in the spirit in which

the suggestions are offered, the possibility of making representations about them, to the Chancellor of the Exchequer in particular.

An analysis of the £1.8 billion that the voluntary sector receives annually shows that by far the largest single contributor—making up nearly one third of the sector's income—is trading and commercial activity.

The voluntary sector in Scotland has suffered in two areas as a result of taxation policy. Its value added tax burden accounts for about £46 million a year—not an insignificant amount. I suggest that, in the run-up to the budget, we ask the chancellor to look at the possibility of providing more financial relief on value added tax for voluntary organisations.

The second area is corporation tax, which Phil Gallie mentioned briefly. Knock-on effects of the recent changes in corporation tax have been detrimental to the voluntary sector. That is not a party political point but a fact of life. Again, we should ask the chancellor whether he would be prepared to look again at those changes to see whether he can provide some relief for the voluntary sector.

Phil Gallie: Does Mr Neil agree that added motoring taxes have had a significant effect?

Alex Neil: There is no doubt that the cost side has to be looked at as well as the income side. Today, I am concentrating on the income side, but as Phil knows, from time to time we agree.

The second major source of income is personal donations. The latest available figures, for the two-year period from 1996 to 1998, show a 22.4 per cent reduction in personal donations. I know that the chancellor has introduced some new incentives for personal donations to the voluntary sector, through gift aid and payroll giving. However, a major black hole has developed. At a time when disposable incomes are rising significantly, we need to examine why personal donations have gone down by nearly a quarter, and consider ways of reversing that trend.

Phil made some practical points about the way in which funds from the national lottery are distributed. I do not want to get into that, but I want to make the point that there is a case for devolving the two national lottery distribution funds that are relevant to the voluntary sector. Devolving that responsibility to this Parliament, through the Executive, would be worth considering, because in the allocation of resources within the lottery system, Scottish priorities might well be different from English, Welsh, Northern Irish or UK priorities. That would be a worthwhile reform, which would be beneficial to the voluntary sector in Scotland.

Dr Simpson: Will the member give way?

Alex Neil: I am sorry. I always love to give way, but I cannot do so on this occasion as I do not have time.

The corporate sector accounts for 1 per cent—a miserable 1 per cent—of the voluntary sector's income. That is nowhere near good enough. In the past, we had the 1 per cent club, made up of companies that were prepared to give 1 per cent of their pre-tax profits to charity. We must consider ways of encouraging a much more substantial contribution from the corporate sector to the wider voluntary sector in Scotland.

I did not have time for everything, but I have given four constructive suggestions.

15:49

Karen Whitefield (Airdrie and Shotts) (Lab):
The Scottish compact

"is a quantum leap in the voluntary sector's relations with central government in Scotland . . . and a framework for a robust and frank relationship which will yield benefits for the whole Scottish community".

Those are not my words, nor are they the words of an over-zealous member of the Executive, although I concur completely with the sentiments. They are the words of Neil McIntosh, the convener of the Scottish Council for Voluntary Organisations.

For too long, the efforts of the voluntary sector have lacked the recognition that they rightly deserve. The Scottish compact acknowledges the voluntary sector's valuable contribution. Volunteer Development Scotland has stated that

"the Compact reflects the Government's appreciation and understanding of the role of volunteers and of the voluntary sector in Scotland".

The Scottish compact is part of a range of measures that demonstrate the Executive's recognition of and commitment to the voluntary sector. The Executive is making commitments such as a guaranteed place for the voluntary sector on each of the social inclusion partnerships; £1 million to establish people's juries and panels; and £300,000 for the Scottish Civic Forum.

The final and most impressive evidence of the Executive's commitment to the voluntary sector is the establishment of the voluntary issues unit at the heart of the Executive. That development will ensure that a healthy dialogue exists between the Executive and the voluntary sector and that all policies that pass through the Executive are proofed for their impact on the sector.

There is some concern that the compact seeks to incorporate the voluntary sector. However, I believe that the compact makes explicit the right

of—and indeed the necessity for—the voluntary sector in Scotland to remain independent. Furthermore, the document recognises the sector's important role in critically analysing Government policy and its impact on the sector.

I welcome the compact's commitment to promoting an understanding of the value of the voluntary sector to non-departmental public bodies such as local enterprise companies. The partnership approach, which is already being used in social inclusion partnership areas, should extend throughout Scotland. Complex problems such as social exclusion demand co-ordinated and sophisticated responses. It is vital that there is mutual understanding and respect between agencies such as Scottish Homes and LECs and the voluntary sector.

The councils for voluntary service have a major role to play in community capacity building and community development. They are also ideally placed to act as a linking agency between smaller community and voluntary organisations and non-departmental public bodies.

My local CVS, the Monklands Association of Voluntary Services, provides support to a wide range of voluntary groups in Airdrie and Coatbridge. The provision of support to groups such as credit unions, food co-ops, and mothers and toddlers groups greatly enhances the lives of many people in my constituency.

I understand the voluntary sector's desire to examine the issue of charity law and charity tax reform, which are complex matters that touch on reserved powers. I welcome the minister's announcement to review those matters.

As the First Minister—the then Secretary of State of Scotland—points out in his foreword to the compact, the compact is not "an end in itself", but the basis for a strong working relationship between the Scottish Executive and the voluntary sector and a formal recognition of the voluntary sector's value to Scottish society. This is a significant first step, which should be welcomed by all members.

15:54

Mr Keith Harding (Mid Scotland and Fife) (Con): There are many worthwhile things in the compact with which I agree, but this is a debating chamber and I want to suggest an alternative that I know will not receive universal acclaim.

The Scottish Conservatives have a long-standing commitment to the voluntary sector—I think that we all agree about that. Through our amendment, we want to show that there is an alternative for the voluntary sector that avoids the pitfalls that we think are inherent in the Scottish

compact. The great danger of the compact is that it will undermine the independence and autonomy of the voluntary sector.

Labour's talk of partnership with the voluntary sector employs the sort of warm words it always uses to hide its true purpose. The sort of partnership that Labour envisages is unequal. We believe that the Executive is intent on controlling the sector to target its work on Government priorities; that the voluntary sector will be directed under contract rather than free to channel help where it believes it is most needed. That will, in turn, destroy the diversity and innovation in service provision that makes the voluntary sector's contribution valuable.

Anyone who does not believe that Labour intends to control the voluntary sector in that way needs only look at the Government's record so far. It is often difficult to work out the Government's purpose, because it appears to have no aim beyond the maintenance and exercise of power. That requires complete control over as many areas of society as possible. Labour has skilfully sold that control as partnership in its grand scheme of so-called national renewal, which is simply a smokescreen.

Labour's untrustworthiness is demonstrated by its action towards the voluntary sector since coming to power. While lavishing praise on the voluntary sector, Labour's uncharitable Chancellor of the Exchequer has been undermining voluntary organisations. Some of the figures have already been mentioned, but I think that they are worth repeating. His changes to advance corporation tax credits cost voluntary organisations and charities in Scotland around £40 million a year. His motoring taxes have hit people who work for voluntary organisations and use their own cars. By increasing the tax burden on each individual by the equivalent of £1,500 per annum, he has also reduced people's ability to contribute to charities and organisations.

Sadly, the voluntary sector probably feels that it has no choice but to accept what Labour is offering. The Conservatives' approach, however, would create new opportunities for the voluntary sector and allow voluntary organisations to keep their own separate identity. Unlike Gordon Brown, a Conservative Government would use the tax system to help and support people who give money to charities, rather than impose new tax burdens that harm the voluntary sector.

By providing support, we would protect the voluntary sector's distinctiveness and, more important, its freedom to act. If that independence is preserved, the voluntary sector's contribution to tackling many of Scotland's problems will be more valuable. Tackling those problems requires imaginative thinking and that is more likely to

come from the diversity of the voluntary sector than from the rigidity of the bureaucratic mind.

We believe that the voluntary sector has a huge role to play in revitalising Scottish communities. That role would be lessened if its independence were reduced. Our policy of real devolution of power to individuals, families and communities would involve the voluntary sector in the essential regeneration of our local communities. Labour believes that social inclusion can be delivered from on high. It is wrong. Our approach of real devolution, combined with a truly autonomous voluntary sector, is the most effective way in which to address the problems of social exclusion. For that reason, we reject Labour's bogus partnership with the voluntary sector and urge voluntary organisations to accept our alternative approach.

The Deputy Presiding Officer: I am having some trouble with request-to-speak lights going on and off. Does Kate MacLean want to speak?

Kate MacLean (Dundee West) (Lab): I did not make a request to speak.

The Deputy Presiding Officer: Your name is showing on my screen. If you do not want to speak, I shall call Cathie Craigie.

15:59

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I welcome the opportunity to speak in this debate. The Executive and the Parliament have shown their commitment to the voluntary sector and recognised the important role that it can play in achieving a more socially inclusive society.

Many groups and organisations see the opportunities that the new Scottish Parliament has brought them and people are keen to develop new ways of doing things to change the stagnant policies and practices of the past and tackle head on the issues and problems that matter most to the people.

The value of the voluntary sector in Scotland—and the value of volunteering—is receiving the attention that it deserves in the new political atmosphere. It is clear that the voluntary sector is high on the political agenda. One of the differences between the Scottish Parliament and Westminster is the structure, importance and powers of our committees.

By setting up a Committee on Social Inclusion, Housing and the Voluntary Sector, the Scottish Parliament showed its commitment to placing the voluntary sector high on the political agenda. The committee demonstrates the links between the appreciation and promotion of the voluntary sector and the battle against social exclusion. The Scottish Executive and the Parliament's commitment was further shown last month when

the Parliament endorsed the Executive's motion to recognise the importance of the voluntary sector in our economic prosperity and in promoting social inclusion and encouraging active citizenship.

The Parliament supported the Executive's commitment to establish a stable infrastructure in which the voluntary sector can grow and flourish. The intention to work in partnership with the voluntary sector is welcomed by all. Labour's commitment to the voluntary sector is clear in the Scottish compact. The compact was developed through wide consultation with the voluntary sector and signifies—I hope—the start of a closer and long working relationship between the Government and the sector.

Consultation and dialogue between all parties is the best way for Scotland to gain even larger benefits from the voluntary sector. Through the compact, the Executive guarantees the right of independence for the sector, and that is the road that we should take. As I have often said, organisations should have the right to criticise and be involved in the policy debate, regardless of their source of funding. I am pleased to say that the compact delivers that right.

We can only benefit from the direct involvement of the experts, the people on the ground and the people who are delivering services daily. They should be involved in the development of policies. The Executive should maximise use of the sector's unique knowledge and position and its ability to connect with and influence the Executive's thinking.

The importance of teamwork, working as a national network, sharing knowledge and expertise and developing training opportunities for volunteers and organisations, must remain a central goal; that is dealt with in the compact. Dialogue and consultation with all involved is the best way in which to harness the value of the voluntary sector. The compact will have a positive and welcome effect on the organisations involved. It is a good start and, as a member of the Social Inclusion, Housing and Voluntary Sector Committee, I look forward to working in partnership with the Executive, the voluntary sector and all involved, for the good of this country.

16:03

Shona Robison (North-East Scotland) (SNP): Today is an opportunity to applaud the work of the voluntary sector in Scotland—it has a crucial role to play in enriching the life of Scotland. Since being elected, I have met a large number of voluntary organisations of various kinds, from One Parent Families Dundee to the Tayside Recyclers. Their energy and enthusiasm—often in the face of

a lack of resources—have impressed me. From my previous life as a community worker, I know how hard such organisations work, often for little praise in return.

The voluntary sector involves a huge number—estimated at around 1 million—of Scotland's citizens. They volunteer in a variety of ways and a variety of settings. The diversity of the voluntary sector is its strength, while its independence is a prerequisite to its success. The sector is involved in service provision, campaigning and advocacy. It is important that its campaigning and advocacy role is recognised; that is where some of our concerns lie.

During discussions with many voluntary organisations, I have found that, in general, the compact is supported, albeit that there is a certain amount of scepticism about whether it will be implemented. That aside, the view—crucially—is that an independent body should be set up to monitor the compact and its implementation. I have to tell Cathie Craigie that that is what voluntary organisations are calling for, and as someone who worked for the voluntary sector, I am sure that she will appreciate that its views should be taken on board.

The main thrust of the compact is aimed at service providers in the voluntary sector. Others in the sector receive an add-on mention. While we recognise the enormous benefits that service providers in the voluntary sector bring, we cannot forget organisations whose role is one of campaigning and advocacy. They can make life uncomfortable for Government bodies; their role is to criticise when necessary.

No one likes to be criticised, but concerns have been expressed by many such organisations that the compact will take away their independence, because it will bind them into the Government's agenda. I disagree with Phil Gallie—who, unfortunately, has left the chamber—that organisations should follow Government policy in order to receive funding. That is a dangerous argument. Governments and their policies come and go, but the voluntary sector continues to provide a service.

Scotland's environmental campaigning organisations have expressed concerns. The majority of them are unlikely to endorse the compact because they fear that it could become a binding document that isolates the organisations that do not sign up to it and takes away the independence of those that do. Those fears must be addressed.

Scottish Environment LINK is the liaison body for Scotland's main voluntary organisations that are interested in securing a sound future for Scotland's environment. Through the joint working

group, it participated in the discussions on the compact, but began to feel that the scope of the compact was intended more for service providers and was less relevant to bodies such as itself, which are involved in advocacy and campaigning. It said:

"Link bodies maintain the view that the Compact as it currently stands is not relevant to much of their work and therefore Link should not sign up".

The Scottish Wildlife Trust has also expressed concerns and has not signed up to the compact. It said that

"the Compact gives little or no reference to the principle of sustainability, which they are working towards . . . We feel it should be more responsive to environmental issues".

The Royal Society for the Protection of Birds, which has more than 70,000 members in Scotland, sees itself as fundamentally independent of the Government, and it has expressed major concerns.

We must avoid the development of a two-tier system in the Scottish voluntary sector: organisations that sign up to the compact and those that do not; those on the inside and those that are excluded. The SNP amendment provides a solution to that problem and would stop a two-tier system developing. It would allow organisations that do not sign up to the compact to retain a stake in the process and a communication channel with the Executive. An independent body will support the development and promotion of the entire voluntary sector and encourage co-operation between compact signatories, non-compact signatories and the Executive.

We believe that there should be an independent body to ensure that the compact works to the benefit of its members and those outside the compact. We want to ensure that the compact is inclusive and does not constrain the independence of voluntary organisations. We want the concerns of the environmental organisations and other campaigning organisations to be addressed. We welcome the compact and, with our amendment, want to see it in place as soon as possible.

16:09

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): On Friday, I spoke at an event at which the Tweeddale Volunteer Bureau became independent from the Tweeddale Association of Voluntary Organisations and reconstituted itself as Volunteer Development Tweeddale. TAVO's directory lists approximately 150 voluntary organisations. It is astonishing just how much voluntary organisations permeate our lives.

At that meeting, I said that I was hoping to speak in this debate today. I gave the assurance that volunteering was high on our agenda. I paid tribute

to the role that women have played in this Parliament in changing that agenda and giving it a prominence that it would not have had at Westminster. I was pleased to do that, because I believe that the social fabric of our country depends on volunteers, many of whom are women. Our civic and social life would collapse if volunteering stopped tomorrow.

I want to come back to a point that other members have made. The compact emphasises the social welfare element of volunteering. Although that bothers me in some ways, I take it for what it is. That is where we are today.

We used to think of the health service as looking after us from cradle to grave, and of social welfare being part of that. As that idea comes under threat, the voluntary sector is filling the gaps and keeping it going. However, we must not take volunteers and their services for granted; a volunteer, by definition, is someone who can take their services away. I wish that the people who are conducting investigations into teachers' pay would recognise that.

We must ensure that partnerships feel fair—that the people who are involved in them believe that they are getting a fair deal. We must look after them. It would be a shame—Lloyd Quinan said this particularly clearly—if we did not fund organisations simply because they tended not to follow the Government or the local government line. Citizens advice bureaux can sometimes be a thorn in the flesh of local government, but we should not deny them the opportunity to carry out the great work that they do.

I was interested in what Alex Neil had to say about funding. I support his idea of increasing corporate funding and encouraging individual funding. Government and local government funding must also be increased. I worry that, in the compact, we are seeing only warm words and a pat on the back for the voluntary sector. As Linda Fabiani said, we must give the sector the tools to do the job. That includes more money from central Government. We may get it in the ways that Alex suggested—though it would be better coming from Gordon Brown—but we must get it from somewhere.

16:12

Dr Richard Simpson (Ochil) (Lab): Like everybody else, I welcome the signing of the Scottish compact. I have some sympathy with the SNP's amendment, as I think that we need to address the problem of organisations that are not signed up. I would like to suggest that it is possible to sign them up in another way.

Within the compact are opportunities for review and discussion. Towards the end, it talks about

establishing

"a framework to monitor and evaluate its operations jointly with the sector".

That should be taken to mean the whole sector, not just those represented in the initial compact. It is perfectly possible to involve those organisations; it does not require the setting up of another quango. Indeed, I was under the impression that the Scottish National party was against the establishment of quangos.

Mr Quinan: It would be an independent body.

Dr Simpson: It would have to be funded somehow, so it would be a sort of quango, unless the member has specific proposals to the contrary.

Mr Quinan: Does Dr Simpson agree that a quango is a quasi-autonomous non-governmental organisation?

Dr Simpson: Yes.

Mr Quinan: We are talking about an autonomous non-governmental body.

Dr Simpson: Funded by?

The Deputy Presiding Officer (Patricia Ferguson): Just a second. Members must conduct debate through the chair and not across the floor.

Dr Simpson: That was a rhetorical question.

I believe that there is a significant role here for this Parliament, which is not specifically mentioned in the compact. The parliamentary system, through its committees and the chamber, is the protection that those other voluntary organisations will have. At this stage, there is no need for us to set up an independent body. However, it will be necessary for us to keep this compact under scrutiny by the committees and this chamber. I am sure that we will do that.

There are one or two issues relating to the sector that I would like to mention. I was going to talk about primary care, but that has been dealt with very ably by my colleague Elaine Smith.

I have some concerns about the short-term funding that still goes on, particularly in local authority-funded funding. The move towards three-year funding, which will benefit the sector, and which both the Executive and the UK Government have embarked on, is of great importance but must be reflected at all levels because the consequence of short-term funding is that paid administrators in voluntary organisations spend a lot of time trying to get new funding every year, which is not an effective use of their time.

Short-term funding also means that many people in the sector are employed on short contracts. That has deleterious effects. The

principle of avoiding short-term contracts has been recognised. Sam Galbraith, when examining the health service last year, before this Parliament started, indicated that the NHS should largely abolish short-term contracts because of their deleterious effect not only on the people on such contracts, but on the organisations they work for. The new system of funding will, I hope, help in that respect.

The Parliament and the Government have a role in scrutinising, benchmarking and encouraging local authorities in their compacts with voluntary organisations. I understand that they are being encouraged to set up similar compacts, which is excellent. There should be a much longer-term approach. I want to stress that, because it is more efficient.

Parliament has a role that is not spelt out in this document, but it is implied. It is the role that the SNP amendment refers to. We should return to consider that amendment only if that role does not succeed and we have real difficulties.

16:16

Dorothy-Grace Elder (Glasgow) (SNP): It was a remarkable tribute to this Parliament that Cardinal Winning addressed us earlier this afternoon. That reminds us of the huge amount of input into the voluntary sector that his and all the other Churches in Scotland accomplish.

I will be one of many who will, rather tediously, welcome this compact in principle. However, it is obvious that while there is a lot of good intent on structure and the bones and skeleton of what should be done, there is—as yet—no beef on the bone. We all know that fine words must be backed by real money, to aid the over-pressed voluntary sector.

Like many members, I have been involved—for more than 20 years—in a number of charities and voluntary bodies in Scotland and overseas. In the voluntary sector, people get a little tired of having their heads patted all the time when they know that the hands doing the patting should also be reaching into pockets to contribute more. In that case, I mean the pockets of the state.

I support monitoring of the good intentions in this compact. I am sure that in the long run the Scottish Executive will welcome that, because it will be seen to be transparent. The fears expressed by some SNP members and others are real. I have seen things happening that we would not have wished to happen in terms of inclusion. One body in Glasgow, which represents more than 300 voluntary groups—the Greater Easterhouse Council for Voluntary Organisations—protested vociferously that it did not wish to be absorbed into a new social inclusion partnership because it

wished to remain independent, but it was told a week in advance of the consultation period ending that it would be absorbed. I was a witness to that. Jackie Baillie was also on the platform. We do not want that sort of thing to happen again and monitoring could relieve minds on that score.

Various people have been excluded from the consultation. I am especially concerned about some of the bodies representing older people. Age Concern has rightly been consulted but Help the Aged has not.

Help the Aged may not be a direct provider of services, but it is most certainly a provider of innovative skills and ideas. We need to include everyone's good ideas and to foresee where the voluntary sector most needs this Parliament's help. I do not find that difficult to tell members, who will have guessed in advance that that help is most needed with senior citizens.

Fellow parliamentarians, the average life expectancy at the beginning of this century was only about 54 years; the century ends with a 20-year increase. That is to the credit of medical science and many people, but the projection is that by 2032 there will have been a 59 per cent increase in the number of Scots aged over 75. That is a stunning projection, which I hope demonstrates the power of older people.

Already, we have more pensioners than school children in Scotland. That should not be a cause of doom and gloom—not at all. We can help pensioners to remain fit and active. The voluntary sector will say that it could hardly function without the aid of active senior citizens who do not wish only to be done unto but who wish to do and to help others.

We need to revolutionise our thinking—our elderly and outdated thinking—on older people. Older people I know happen to be tigers rather than pussycats. We want to hear their anger about the prejudices that they suffer, which must change as we move into the new millennium.

The other day, I attended a sale of work. A lady from Coatbridge baked nine enormous cakes and a huge boiling of tablet, to boot. She is aged 101.

The Deputy Presiding Officer: Wind up, please.

Dorothy-Grace Elder: We will not all see 101 and we will not all be that active, but we must channel the efforts, talents and abilities of older people. We must acknowledge them and we must acknowledge those who are frail. It is quite scandalous that we will soon commemorate armistice Sunday when we know that a drop in temperature—one point on the thermometer—means that 800 old people in Scotland will die, cold and in misery. They are the little brothers and

sisters of that great ghost army.

The Deputy Presiding Officer: I must ask you to wind up, please.

Dorothy-Grace Elder: We can do better, but we must do so by aiding the voluntary sector with proper money.

16:23

Bristow Muldoon (Livingston) (Lab): First, I welcome the Scottish compact, as many members have done. In particular, I welcome Jackie Baillie's announcement of a review of charity law. I know that the Scottish Council for Voluntary Organisations called for such a review and will welcome it.

I wish to comment on some of the contributions made by earlier speakers. I recognise that there is widespread support for the compact and that the SNP amendment contains the party's genuine concerns. However, I appeal to the SNP to consider allowing the compact to come into place, which it will not do until March next year. We can see how it operates and listen to the voice of voluntary organisations, should they feel that an independent auditing body is required.

I believe that a distinction needs to be drawn between the role of campaigning environmental groups and that of the many voluntary organisations that have already signed up to the compact. I would be surprised if campaigning environmental groups signed up to any compact with Government. While that may happen in future, the role of those groups will be recognised and they will be listened to, irrespective of whether they sign up to the compact.

The compact promotes active citizenship, encourages pluralism and recognises the diversity of interests and opinions that exists in Scotland. I wish to draw upon my experience in local government. As a funder of voluntary organisations, I have been often in debate with organisations that have criticised the policies that I was trying to promote through the council and that the Government was trying to promote. However, those organisations remained the friends and partners of local government, and we recognised their role in trying to shape the development of services, both locally and nationally.

In particular, that approach was successful in the development of a local children's services plan. We brought together a range of organisations with different views about service changes and developments, including Barnardo's and Who Cares Scotland, many of which wanted to pursue a faster agenda than the local authority did. They have remained strong partners and friends of local authorities and are still funded by

local authorities.

Other voluntary organisations that I have been involved in, which have been critical of Government policy but which are influencing that policy, are local Women's Aid organisations. In a recent debate, Jackie Baillie announced additional funding for Women's Aid. The contribution that such organisations have made in promoting and developing the agenda has resulted in changes in Government policy.

Linda Fabiani made a point about whether challenge funding was always appropriate. In my experience in West Lothian, we received challenge funding for new partnerships, which allowed us to get 300 new homes for rent with a far lower level of Government subsidy than has been possible for many years through Scottish Homes.

Linda Fabiani: Do you accept that, because of the new housing partnership funding, an awful lot of money is wasted by many organisations with aspirations? Hundreds of thousands of pounds are wasted on consultancy fees. If the brief for the new housing partnerships had been a bit tighter and more clearly explained, many organisations would have realised the futility of spending all that money. I am not knocking the system, I am saying that it needs to be examined more carefully, to make it more effective all round.

Bristow Muldoon: I accept that some organisations that bid have used some of their resources in the process. However, from my experience in dealing with that process, I think that the benefits to the public sector in general outweigh the costs incurred by the organisations that bid.

Valid points have been made about the question of gift funding through the taxation system, and I hope that the Executive will develop and promote that throughout the public sector. I also hope that the public sector will encourage the private sector to follow suit.

Finally, I would like to respond to Alex Neil's point about the Chancellor of the Exchequer re-examining the funding of the voluntary sector. I understand that the chancellor launched a consultation process earlier this year. He may well come forward with proposals in due course.

16:28

Ms Sandra White (Glasgow) (SNP): I will try to be brief. Previous speakers have mentioned the hard work and dedication of the voluntary sector workers. I echo that. Without them, many people would be worse off. That applies to both the workers and the receivers. I would also like to pay tribute to the many children involved in the

voluntary sector. I congratulate YouthLink Scotland on its excellent work.

I would like to share one of my experiences from many years ago, when my children were small. During the school holidays, it was a nightmare to find something for them to do. At that time, there were no activities for children. That is when I first got involved with the voluntary sector. I went to the citizens advice bureau and they told me where to go. Along with several other mothers, I set up a summer play scheme. We ran the play scheme very successfully for many years. I still meet some of the kids who took part—who now have kids of their own—and they say that they enjoyed the many activities that we provided for them. Children are our future and we must provide such facilities.

The point that I want to make is that we could not have done anything without the help of the local authorities. They provided us with money, free school lets, free use of playing fields and free janitorial time. I want the Executive to take that on board. Over the past three years, the Labour party has cut local government spending by about £2.4 billion. That is a fact, and I would like Jackie Baillie to take it on board. I want to ensure that local councils receive adequate funding to support local voluntary organisations.

Another worry is the advent of the private finance initiative in schools, about which the local press has been vocal. Will voluntary organisations still enjoy the use of schools and playing fields? I hope that the minister will answer that question.

16:30

Robert Brown (Glasgow) (LD): We are coming to the end of a good debate, which has been characterised by people speaking with sincerity and conviction about their personal experiences, rather than by the usual political to-ing and fro-ing.

I want to draw members' attention to the example of the advocacy project in Glasgow, which I and a number of others visited recently. It is designed, like many other organisations of its kind, to help people who suffer from a disadvantage of one sort or another to increase their ability—to empower them—to deal with their affairs in society. The key problems that people at the project highlighted in my conversations with them were red tape and funding.

The project is funded by the local authority. It services a number of different parts of the Glasgow area. However, owing to the tight criteria for funding through social inclusion partnerships and the compartmentalisation of funding sources, it has considerable difficulty in responding flexibly to the needs that it faces.

The issue of empowerment is an important

aspect of the Scottish Executive's social inclusion partnership projects and lies behind the support that the voluntary sector receives. Apart from what empowerment does for groups and the people that they serve, it is an important bridge to work for people, who are assisted by voluntary groups or may become volunteers for them.

In discussing the compact, we must try to put flesh on the bones and deal with the problems of funding and red tape at local and national levels. Often such problems arise because of a lack of appreciation of the increasingly sophisticated society and circumstances in which voluntary groups operate. At local government level and at national level, there are people whose support for the voluntary sector is too paternalistic. We must, therefore, move towards a scenario in which we operate in a spirit of partnership rather than telling people what to do; in which funding is guaranteed and the time that people spend on raising funding is reduced to a minimum; and in which there is not only a general aspiration to consider the problem of red tape, but a detailed examination of the way in which bureaucratic restrictions inhibit the ability of the voluntary sector to do what it does.

The SNP's amendment makes a good point about the need to institutionalise the independence of the voluntary sector, but I do not think that the suggestion of an independent body is right. Such a body would be a quango with all the restrictions that go along with that. It would only put the problems at one remove. Dr Richard Simpson also had a good point when he said that it was the role of this Parliament and its committees to be the guarantors of the voluntary sector. We must all ensure that we encourage volunteering, that we allow the voluntary sector to come out of the cocoon and to develop to its potential and that the activities of the Executive, the Parliament and local government encourage the work of the voluntary sector.

16:34

Bill Aitken (Glasgow) (Con): In her opening speech, the Deputy Minister for Communities was complimentary about the voluntary sector, quite correctly, and I have no doubts as to her sincerity. How could she have been otherwise towards a body that makes a £1.8 billion contribution to the Scottish economy, provides 100,000 jobs and involves 300,000 people? All of us must bear that in mind and be careful in our dealings with the voluntary sector, considering the debt owed to them by the community overall. At the same time, we can derive a degree of pride from the fact that some 10 per cent of Scotland's adult population is involved in the voluntary sector. That is why I feel that we require to be sensitive in our dealings with them.

While there is much that can be regarded as common sense in "The Scottish Compact"—I am sure that we have not seen the last of such glossy and, no doubt, highly expensive documents that we have become very used to under this Administration—we have to examine the basic situation. In Yorkshire language, if it ain't broke, don't fix it: the voluntary sector is working in a highly satisfactory manner.

Of course, some things do have to be examined, and we fully support the commitment that the deputy minister gave that a commission on charity law is to be established. When it carries out its research it will find some interesting things, not least that some of the law relating to the administration of charities goes back more than 100 years.

Perhaps, in her summing-up, the Minister for Communities could outline the scope of the review that is to be carried out, and let us know whether she is satisfied with the existing procedure whereby the Lord Advocate investigates charities in cases where things have gone wrong. She might also take some time to consider what measures should be taken to deal with defunct charities whose trustees and beneficiaries are deceased. Clearly, there is a waste of resources there.

We appreciate that, perhaps for the first time, there is a formalisation of the need to have a degree of performance review for operating charities. The most obvious cause for concern must be that 100,000 people are employed in the charity sector, administering the effort of 300,000 mostly part-time volunteers. There has perhaps been a degree of duplication, and, I hope, when the review is carried out, it will have an effect.

Basically, we do not find the terms of "The Scottish Compact" acceptable. We feel that there is a degree of interference in the work of the charitable sector. Why do people become volunteers? They do so for many reasons. As Lloyd Quinan said, it is a diverse sector. The main reason is that they want to put something into society. They often wish to direct their input along a fairly restricted ambit. That being the case, we should let them do so. We should not in any way inhibit them from doing what they want to do. I strongly submit that when we formalise something, as has been done in the compact, we run that very risk.

I dealt earlier with sensitivity on that matter. It is important to realise that the voluntary sector feels itself becoming more and more put upon. The blame for that does not lie exclusively with the present Administration—I am pleased to acknowledge that—but we are, as a society, looking more and more to the voluntary sector to do things which would probably, some years ago,

have been the remit of local or central Government. We have to examine that situation and recognise that we are asking the voluntary sector to do things that we would, some time ago, have had to do ourselves. Therefore, we do not want to upset voluntary organisations in any way.

To accuse the Minister for Communities of control freakism or Big Brotherism would be over the top, and I would never wish to be that. However, it is important that the independence of the sector is recognised, thus enabling it to be more in touch with communities generally, and with what requires to be done.

Voluntary organisations require independence to achieve their aims and to react to local needs. Many members have spoken about various bodies, for example, in Dundee and Coatbridge—I confess I am intrigued by the idea of the centenarian baker from Coatbridge who had such input despite her advanced age. Those bodies know what is good for their communities; they do not require the Scottish Parliament or Westminster, or even the local authority, to tell them what is best.

“The Scottish Compact” contains the implied threat—I put it no more strongly than that—that funding will be arranged and diverted along certain channels. That must be a matter of some concern. The voluntary sector must, to some extent, put its own house in order. I dealt earlier with the need for performance review. There is definitely a need for consolidation among some organisations, a number of which do the same job. That point is dealt with in “The Scottish Compact”.

The majority of people in voluntary sector organisations must be allowed the independence of movement, thought and activity that would enable them to perform the task to which they were appointed, democratically, by their membership set-up. That applies whether the organisation comprises three or four people in a rural village or is an inner-city drug charity.

My message to the Government is quite blunt: it should butt out of this sort of situation and allow the voluntary sector to carry on with what it has been doing for years with a great degree of success. The Government cannot involve itself too closely with such activities; to do so would have a stifling and inhibiting effect. In the end, we would all be the losers.

16:42

Fiona Hyslop (Lothians) (SNP): This is not the first time that the Conservative party has been out on a limb in Scotland. Comments made during this debate have reflected that.

This is the Parliament's third debate on the

voluntary sector, following the general debate on the subject and Andrew Wilson's debate on Scottish Criminal Record Office checks. It is clear, therefore, that the Parliament has a commitment to the voluntary sector and to debating the issues that affect many hundreds of thousands of volunteers and many organisations.

The fact that this is our third such debate may also reflect the fact that, until May, the majority of people in the chamber pursued their political activities, technically, in a voluntary capacity. We know the saying that one volunteer is better than 10 pressed men. I am not suggesting that we should have conscription of MSPs, unless of course the minister expects to extend her citizens juries to a national level. Political volunteering may be an odd example, but I hope it will give us some understanding of the time and effort that many people put into voluntary activities and shoring up the fabric of our society. Most people would reflect that those people's contributions are far more constructive than being involved in politics.

In applauding the voluntary sector, I will take this opportunity to congratulate the Maggie's Centre appeal in Edinburgh, which provides security of funding to a magnificent service and centre near the Western general hospital. The centre provides a supportive, comfortable, non-clinical environment to which cancer sufferers can go for support and advice. The centre has no statutory funding and running costs of £200,000 a year, and the people of Edinburgh have worked together to raise £100,000 in less than two months. I also pay tribute to the role of the *Edinburgh Evening News* in promoting the appeal, and to the staff and volunteers who provide the service.

Maggie's Centre is one of our success stories. However, in the past month, I met a woman who was involved in a Parkinson's support group in West Lothian. I met her at the West Lothian volunteer exchange annual general meeting. That organisation goes by the name of LOVE, so we get a bit of passion in the voluntary sector. She told me about the difficulties that her organisation experienced with the local hospital, in trying to ensure that people who were diagnosed with Parkinson's were made aware of the local support group. Her group was also losing its treasurer and she was not sure for how much longer she could continue.

Both examples are from the health service and from a relatively close area, but they show a difference in experience and in ways of working between voluntary organisations and local hospitals. We must emphasise that the voluntary sector is not just one sector; it is diverse. I agree with Linda Fabiani that the command and control aspects of the compact will be detrimental. Bill Aitken should be aware that Big Sister is not

watching him.

I deliberately used health examples because, although 48 per cent of voluntary organisations operate in social care, 52 per cent do not. We have to recognise those organisations that operate in health, culture, economic and social development, law, advocacy, education and the environment. There is a danger that in the laudable drive to recognise the key role of voluntary organisations in delivering social provision we obscure the experiences of the wider voluntary sector.

However, I think that people who provide social care need stable statutory funding. Many organisations face the problem of getting stable funding. Tensions arise because, increasingly, voluntary organisations are asked to deliver the Scottish Executive's agenda in the form of social inclusion programmes. Increasingly, organisations have to compete with other providers, which sometimes creates a bidding war in which voluntary organisations that would otherwise be first-class partners are pitched against each other.

There is an urgent need for strategic co-ordinated community planning to allow us to stop the fat-cat consultants feeding off the poverty industry and replace it with partnership and co-operation between organisations that do not feel threatened by one another.

We cannot pretend that everything is rosy in the social policy garden. Suspicions abound between different bodies in the public and social sector. Turf territory disputes arising from a lack of secure funding do nothing to help good social policy in this country. In particular, non-departmental public bodies have suspicions about voluntary organisations. Although the compact exists, until the guidelines are in full operation, we may have good cause to be sceptical about its uptake.

Although the Executive can commit the civil servants at Victoria Quay to the principles in the compact, what about local enterprise companies, health boards and other organisations? I hope that when committees meet representatives of LECs and health authorities, members will ask them what they are doing to implement the compact. Too many pilot funding projects are set up that cannot continue because there is an ever-increasing emphasis on new initiatives. Let us have continued funding.

Alex Neil made some valuable points. On the corporate sector, not everything has to come in in cash. Many organisations provide good resources in staff time and experience.

Sandra White made a very valuable point. We are talking about the role of social inclusion and teachers, but if voluntary organisations cannot have access, the amount of resources and support

that they can provide will be diminished.

I welcome the independent commission to review charity law. I will consider some of the issues that have been raised in the amendments. The Conservatives have to be reminded that there is more to the voluntary sector than charity. Bill Aitken's comments were perhaps complacent.

On our amendment, the remarks of Cathy Peattie and Richard Simpson were interesting. The compact document states that the Government undertakes to

"establish a framework to monitor and evaluate its operations".

There needs to be an independent body. I agree that the committees of this Parliament should address this issue, but, as I think Cathy Peattie said, if the voluntary sector wants it, there should be a framework. There is a difference between a quango and a tango. A tango is a totally autonomous non-governmental public body. The independent body should be a tango.

The jury is out on the compact. Our amendment is meant, constructively, to provide a mechanism whereby there can be continuing dialogue and development—perhaps to such a stage that non-signatories feel comfortable enough to sign up—and a positive relationship. There are concerns about how we work; for example, about the advertising of this debate. Many organisations would have liked to be here, but were not told about the debate. It is important that those organisations are involved whenever the Parliament discusses the voluntary sector. That is a test of how we go forward. The jury is still out. The clear message from the contributions today is that we must respect the independence of the third sector and ensure that it does not become part 1a—just part of the first sector.

16:50

The Minister for Communities (Ms Wendy Alexander): Five weeks ago, when the eyes of Scotland were on the Hamilton by-election, this Parliament had its first chance to debate the voluntary sector—or, as it is more appropriately called, the third sector. I said then that we wanted to redefine the relationship between the third sector and the Government in Scotland. I want the third sector to be a leading social partner of equal significance and status to the Scottish Confederation of British Industry and the Scottish Trades Union Congress.

Five weeks ago, those aspirations attracted widespread mutterings of accord from all parts of the chamber, but actually the Executive was on probation. Members on all sides said that they were with us in spirit, but asked for the evidence that the Executive would put the third sector at the

heart of the new Scotland. Five weeks on, we have kept those promises.

The first challenge from the Parliament was that we should recognise the third sector at the heart of government and promote active citizenship. The new voluntary issues unit is now up and running. On active citizenship, there is the millennium volunteers programme, the giving age initiative and the determination that every local authority area in Scotland will have a volunteering development agency. Jackie Baillie is now fast-tracking the review of local councils for voluntary service. On 7 October, Jim Wallace announced a review group on SCRO checks.

The second challenge five weeks ago was to give the voluntary sector the capacity to influence policy. If we endorse the compact today, we take a major step forward in that and establish a new relationship between the Government and the Scottish voluntary sector.

The issue of independence has dominated today's debate. As Jackie said at the outset, the Executive has never, and should never, seek to co-opt the voluntary sector, but we cannot use fears of co-option to destroy the opportunity for dialogue. I know and I trust the Scottish voluntary sector. It is often at the sharp end of anti-poverty action in Scotland. Is anyone really suggesting that it cannot fight its corner without buckling to the Government? I am not frightened of the challenges that the sector will make and I will not shirk my responsibility to engage in the debate face to face. That is called democracy.

That is why the SNP's amendment is old-fashioned. It is out of touch with the way in which we should do things in the new Scotland.

Mr Quinan: Give way.

Ms Alexander: No, Lloyd—you have had your chance.

Why offer Scottish voluntary organisations yet another independent body when what they really want after 300 years without a Parliament is to be here at the table, influencing us? What was the point of fighting to have the Parliament if we just take the debate elsewhere?

Old Scotland was characterised by quango-to-quango discussions. Lloyd opened the debate with the example of the very real challenges in the drugs field about which organisations we should support and how. That is a tough issue, but it is better that Susan Deacon, Angus MacKay and I are responsible to the Parliament for the decisions that we take than that a quango should make those decisions. I say to the SNP, "Have a little faith." Now that we have got Scotland's Parliament, let us not marginalise ourselves by creating another quango. If the proposed quango

was not about funding decisions but about development work, there would be a real risk of insult to SCVO, VDS and CVS, which speak for the sector—I am happy to let them do so.

Mr Quinan rose—

Ms Alexander: No, I must go on.

Mr Quinan rose—

The Presiding Officer (Sir David Steel): The minister is not giving way.

Ms Alexander: Let me make it quite clear: SCVO, VDS and CVS do valuable development work. I see no demand for creating another quango for further development work.

The third challenge that the Parliament posed to the Executive five weeks ago was for funding stability. We have made clear our commitment to encourage three-year core funding as the norm, to support core funding costs and to dialogue with local government about its responsibilities in this area. I say to Sandra White that this year local government is benefiting from the best settlement for seven years. If local government is not meeting its responsibilities, people can take that up authority by authority. Above all—this addresses the point that Keith Raffan and Fiona Hyslop made—we need new exit strategies that avoid the pain of the past. That is on our agenda.

The issue of funding takes me to Phil Gallie's amendment. It is politically quirky, given his personal political journey, for him to suggest that we should trespass into the reserved areas. The Labour party is not inclined to follow. The marriage of convenience between Phil Gallie and Alex Neil in telling Westminster what to do misses the point of the opportunity that we have in Scotland.

The real challenge for the third sector, as for this Parliament, is to modernise our relationships. In the past five weeks, the Executive has done more than the Parliament asked of us. This Executive is determined not just to talk about modernising Scotland, but to deliver that modernisation. In the past five weeks, we have taken three further steps to guarantee that the third sector is at the heart of the new Scotland and at the heart of modernising our nation.

First, Jackie announced today our plans to set up an independent review on the reform of Scottish charity law. That is a signal of our willingness to look beyond the boundaries of government when it is right to do so. That reform will be a major step forward, which will be widely welcomed in this chamber and beyond. In answer to Bill Aitken's point, we will shortly come back to the chamber with the terms of reference.

Secondly, as some of you know, three weeks ago I met Bill Gates of Microsoft to discuss digital

inclusion initiatives. I am excited by the new plans that are being developed jointly by Microsoft in Scotland, British Telecommunications plc and SCVO to wire up the voluntary sector in Scotland. The Scottish voluntary sector has become communications savvy on tight budgets, but we need to connect the entire sector and create a truly national network linking 10,000 desks across Scotland. An e-commerce platform will allow Scottish social economy organisations to play their part in the electronic age. Continuing on the digital theme, Jackie and I will meet Scottish broadcasters later this week to discuss how they can support the voluntary sector.

My third point, which is a major one, will I hope address Alex Neil's point about the role of the Scottish corporate sector and its responsibility in supporting the social economy. Today I am announcing our plans to tackle the big, fundamental challenge: how we modernise funding for the third sector to reflect the aspirations that the Parliament has for the sector. We all know that the sector has unrealised potential and we must match its determination to build a new Scotland. The Scottish Executive today announces its support for plans to develop a new, multi-million pound loan fund to finance community projects across Scotland.

Alex Neil: On a point of order.

Ms Alexander: Let me finish, then I will take a point of order.

Members: Oh.

The Presiding Officer: Hold on, Minister.

Ms Alexander: Sorry, Alex—

The Presiding Officer: Order. It is for me to decide whether to take a point of order.

Alex Neil: At the beginning of this meeting, a colleague of mine raised a point of order about a press release that was issued at 9.30 am, announcing what the minister is now, hours later, announcing to the Parliament.

The Presiding Officer: I have not seen that. Please continue, minister.

Ms Alexander: The planned Scottish community investment fund will be the first national fund of its kind. It will aim to bring in £10 million from banks and from a range of private and public sector sources. It will give a major boost to community-based projects by making it easier for them to gain access to funding. It will provide working capital, the lack of which has too often stopped great projects dead in their tracks. The fund—which we hope will be operational next year—will help community-based initiatives such as food co-operatives, furniture recycling projects, child care schemes, fuel-poverty initiatives and

training and employment schemes.

Jackie Baillie and I visited the Bank of Scotland—the illustrious headquarters of Scottish banking—to discuss our plans. At lunch time, we visited the community café in Granton to see a project of the sort that the fund might support. The Scottish Executive is talking to leading bankers and community organisations about how to bring US-style non-profit funding flexibility. That is another example of Scotland leading Britain. It is the way of the future—Scotland's private sector, public sector and voluntary sector working together.

The new Parliament and the new Executive are acting as catalysts for change throughout Scotland. They are then standing back to let people in Scotland take the ideas forward. The new fund will help Scottish communities to help themselves. It will support the practical measures to build bridges to get people out of poverty throughout Scotland.

We know that, too often, community organisations have faced problems in accessing capital. We will help to fix that by using what will be created by the Executive in conjunction with the private sector. That is an exciting proposal and I hope that it will attract widespread support. I encourage all areas of Scottish life to contribute to it.

Let me finish by saying that we must remember why we have these discussions—it is about trying to involve all areas of Scotland's life in making life better for the people of Scotland. One in two Scots give of their time for voluntary activities; we are going to help them to achieve more for their fellow Scots and for their communities. I urge members to support the motion and to reject the amendments.

Subordinate Legislation (Referral)

Motion moved,

That the Parliament agrees that the Subordinate Legislation Committee should report on the Maximum Number of Judges (Scotland) Order 1999 and that the Order should be considered by the Parliament.—[*Iain Smith.*]

Decision Time

The Presiding Officer (Sir David Steel):

Before we come to decision time, I must announce a correction to the result of the vote last Thursday on amendment S1M-230.2 on European structural funds. Because of a technical fault, a member's vote was not recorded; the amended result is that there were 30 votes for the amendment, 73 votes against it and one abstention.

There are four questions to be put as a result of today's business. The first question is that amendment S1M-240.1, in the name of Mr Alex Salmond, which seeks to amend motion S1M-240, in the name of Ms Wendy Alexander, on the Scottish Executive's compact with the voluntary sector, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: In that case, there will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
Campbell, Colin (West of Scotland) (SNP)
Crawford, Bruce (Mid Scotland and Fife) (SNP)
Elder, Dorothy-Grace (Glasgow) (SNP)
Ewing, Dr Winnie (Highlands and Islands) (SNP)
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
Fabiani, Linda (Central Scotland) (SNP)
Gibson, Mr Kenneth (Glasgow) (SNP)
Grahame, Christine (South of Scotland) (SNP)
Hamilton, Mr Duncan (Highlands and Islands) (SNP)
Harper, Robin (Lothians) (Green)
Hyslop, Fiona (Lothians) (SNP)
Ingram, Mr Adam (South of Scotland) (SNP)
MacAskill, Mr Kenny (Lothians) (SNP)
Marwick, Tricia (Mid Scotland and Fife) (SNP)
Matheson, Michael (Central Scotland) (SNP)
McGugan, Irene (North-East Scotland) (SNP)
McLeod, Fiona (West of Scotland) (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)
Sheridan, Tommy (Glasgow) (SSP)
Ullrich, Kay (West of Scotland) (SNP)
White, Ms Sandra (Glasgow) (SNP)
Wilson, Andrew (Central Scotland) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
Alexander, Ms Wendy (Paisley North) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Barrie, Scott (Dunfermline West) (Lab)
Boyack, Sarah (Edinburgh Central) (Lab)
Brown, Robert (Glasgow) (LD)
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
Curran, Ms Margaret (Glasgow Baillieston) (Lab)
Davidson, Mr David (North-East Scotland) (Con)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Douglas-Hamilton, Lord James (Lothians) (Con)
Eadie, Helen (Dunfermline East) (Lab)

Ferguson, Patricia (Glasgow Maryhill) (Lab)
Fergusson, Alex (South of Scotland) (Con)
Finnie, Ross (West of Scotland) (LD)
Gallie, Phil (South of Scotland) (Con)
Gillon, Karen (Clydesdale) (Lab)
Godman, Trish (West Renfrewshire) (Lab)
Goldie, Miss Annabel (West of Scotland) (Con)
Grant, Rhoda (Highlands and Islands) (Lab)
Gray, Iain (Edinburgh Pentlands) (Lab)
Harding, Mr Keith (Mid Scotland and Fife) (Con)
Henry, Hugh (Paisley South) (Lab)
Hughes, Janis (Glasgow Rutherglen) (Lab)
Jackson, Dr Sylvia (Stirling) (Lab)
Jackson, Gordon (Glasgow Govan) (Lab)
Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
Lamont, Johann (Glasgow Pollok) (Lab)
Livingstone, Marilyn (Kirkcaldy) (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)
McAveety, Mr Frank (Glasgow Shettleston) (Lab)
McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
McGrigor, Mr Jamie (Highlands and Islands) (Con)
McIntosh, Mrs Lyndsay (Central Scotland) (Con)
McLetchie, David (Lothians) (Con)
McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
McNeill, Pauline (Glasgow Kelvin) (Lab)
McNulty, Des (Clydebank and Milngavie) (Lab)
Monteith, Mr Brian (Mid Scotland and Fife) (Con)
Morrison, Mr Alasdair (Western Isles) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Mulligan, Mrs Mary (Linlithgow) (Lab)
Mundell, David (South of Scotland) (Con)
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)
Scanlon, Mary (Highlands and Islands) (Con)
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)
Tosh, Mr Murray (South of Scotland) (Con)
Watson, Mike (Glasgow Cathcart) (Lab)
Welsh, Ian (Ayr) (Lab)
Whitefield, Karen (Airdrie and Shotts) (Lab)
Wilson, Allan (Cunninghame North) (Lab)
Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is as follows: For 28, Against 74, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The second question is,

that amendment S1M-240.2, in the name of Phil Gallie, which seeks to amend motion S1M-240, in the name of Ms Wendy Alexander, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: In that case, there will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
Davidson, Mr David (North-East Scotland) (Con)
Douglas-Hamilton, Lord James (Lothians) (Con)
Fergusson, Alex (South of Scotland) (Con)
Gallie, Phil (South of Scotland) (Con)
Goldie, Miss Annabel (West of Scotland) (Con)
Harding, Mr Keith (Mid Scotland and Fife) (Con)
McGrigor, Mr Jamie (Highlands and Islands) (Con)
McIntosh, Mrs Lyndsay (Central Scotland) (Con)
McLetchie, David (Lothians) (Con)
Monteith, Mr Brian (Mid Scotland and Fife) (Con)
Mundell, David (South of Scotland) (Con)
Scanlon, Mary (Highlands and Islands) (Con)
Tosh, Mr Murray (South of Scotland) (Con)
Young, John (West of Scotland) (Con)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
Alexander, Ms Wendy (Paisley North) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Barrie, Scott (Dunfermline West) (Lab)
Boyack, Sarah (Edinburgh Central) (Lab)
Brown, Robert (Glasgow) (LD)
Campbell, Colin (West of Scotland) (SNP)
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
Crawford, Bruce (Mid Scotland and Fife) (SNP)
Curran, Ms Margaret (Glasgow Baillieston) (Lab)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Eadie, Helen (Dunfermline East) (Lab)
Elder, Dorothy-Grace (Glasgow) (SNP)
Ewing, Dr Winnie (Highlands and Islands) (SNP)
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
Fabiani, Linda (Central Scotland) (SNP)
Ferguson, Patricia (Glasgow Maryhill) (Lab)
Finnie, Ross (West of Scotland) (LD)
Gibson, Mr Kenneth (Glasgow) (SNP)
Gillon, Karen (Clydesdale) (Lab)
Godman, Trish (West Renfrewshire) (Lab)
Grahame, Christine (South of Scotland) (SNP)
Grant, Rhoda (Highlands and Islands) (Lab)
Gray, Iain (Edinburgh Pentlands) (Lab)
Hamilton, Mr Duncan (Highlands and Islands) (SNP)
Harper, Robin (Lothians) (Green)
Henry, Hugh (Paisley South) (Lab)
Hughes, Janis (Glasgow Rutherglen) (Lab)
Hyslop, Fiona (Lothians) (SNP)
Ingram, Mr Adam (South of Scotland) (SNP)
Jackson, Dr Sylvia (Stirling) (Lab)
Jackson, Gordon (Glasgow Govan) (Lab)
Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
Lamont, Johann (Glasgow Pollok) (Lab)
Livingstone, Marilyn (Kirkcaldy) (Lab)
Lyon, George (Argyll and Bute) (LD)
MacAskill, Mr Kenny (Lothians) (SNP)
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)
Marwick, Tricia (Mid Scotland and Fife) (SNP)
Matheson, Michael (Central Scotland) (SNP)
McAveety, Mr Frank (Glasgow Shettleston) (Lab)
McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
McGugan, Irene (North-East Scotland) (SNP)
McLeod, Fiona (West of Scotland) (SNP)
McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
McNeill, Pauline (Glasgow Kelvin) (Lab)
McNulty, Des (Clydebank and Milngavie) (Lab)
Morrison, Mr Alasdair (Western Isles) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Mulligan, Mrs Mary (Linlithgow) (Lab)
Neil, Alex (Central Scotland) (SNP)
Oldfather, Ms Irene (Cunninghame South) (Lab)
Paterson, Mr Gil (Central Scotland) (SNP)
Peacock, Peter (Highlands and Islands) (Lab)
Peattie, Cathy (Falkirk East) (Lab)
Quinan, Mr Lloyd (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)
Raffan, Mr Keith (Mid Scotland and Fife) (LD)
Reid, Mr George (Mid Scotland and Fife) (SNP)
Robison, Shona (North-East Scotland) (SNP)
Robson, Euan (Roxburgh and Berwickshire) (LD)
Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
Russell, Michael (South of Scotland) (SNP)
Scott, Tavish (Shetland) (LD)
Sheridan, Tommy (Glasgow) (SSP)
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)
Ullrich, Kay (West of Scotland) (SNP)
Watson, Mike (Glasgow Cathcart) (Lab)
Welsh, Ian (Ayr) (Lab)
White, Ms Sandra (Glasgow) (SNP)
Whitefield, Karen (Airdrie and Shotts) (Lab)
Wilson, Allan (Cunninghame North) (Lab)
Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is as follows: For 15, Against 87, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The third question is, that motion S1M-240, in the name of Ms Wendy Alexander, on the Scottish Executive's compact with the voluntary sector, be agreed to.

Motion agreed to.

The Presiding Officer: The fourth question is, that motion S1M-244, in the name of Iain Smith, on the referral of the Maximum Number of Judges (Scotland) Order 1999, be agreed to.

Motion agreed to.

The Presiding Officer: That concludes decision time.

North Ayrshire (Unemployment)

The Presiding Officer (Sir David Steel): We now move to members' business. The debate on S1M-208, in the name of Michael Russell, on unemployment in North Ayrshire, will last 30 minutes. *[Interruption.]* I ask members to leave quietly to allow Michael Russell to introduce his debate.

Motion debated,

That the Parliament notes that the September unemployment figures for North Ayrshire confirm its position as the second worst unemployment blackspot in Scotland and seeks the urgent attention of the Scottish Executive, the Scottish Parliament, and North Ayrshire Council to address the human and economic crisis that exists in this part of Scotland.

17:08

Michael Russell (South of Scotland) (SNP): I could speak in a raised voice until members have left, but I will not do so.

I am grateful for the opportunity to raise my concerns about the problems of unemployment in North Ayrshire. The sponsoring of a debate such as this, however, is a mixed blessing. I was alarmed, not to say frightened, to receive in the post today an envelope that was franked with the words "Beattie Media". I opened the envelope in the presence of a number of witnesses whose names and addresses have been provided to the Standards Committee.

Inside the envelope was a press release about Enterprise Ayrshire's involvement in the Investors in People awards. On the basis of that press release, I have a word of advice for businesses and organisations in North Ayrshire: they should not put their trust in spin and Beattie Media. The fourth paragraph says:

"ALERT has joined the x (fill in number here) organisations in Ayrshire that have achieved investors in people status".

That shows us Beattie Media at its best.

It tells us something about the state of public bodies in Ayrshire that many of them rely on spin, not substance, in tackling the issue of unemployment. Unemployment is a human issue, not an abstract issue or a matter of statistics or press releases. There are families in North Ayrshire today who, by the end of the week, will have discovered that their breadwinner no longer has a job and who will be facing the immediate future and Christmas without any money. That is the reality of unemployment. This Parliament has to address the real issues, not spin and hype.

The reality in North Ayrshire does not make pleasant reading. A huge number of problems

faces the economy of the area. The jobs base is declining with the decline of traditional manufacturing industries. Official sources confirm that. The demise of Irvine's new town status has left unresolved economic problems. There is an underdeveloped service sector. There is below-average participation in self-employment and start-up businesses. There is underperformance in the attainment of educational qualifications. The skills training that is available is skewed towards lower-skilled occupations. Of the 12 major local enterprise companies in Scotland, the one in Ayrshire fared second worst in terms of job losses between 1991 and 1996, and the situation has got worse.

As the motion states, unemployment in North Ayrshire is the second worst in Scotland. Although Scotland's employment levels are gradually rising, unemployment for the whole of Ayrshire is expected to fall by 1 per cent, and the situation in North Ayrshire is worse than that. Compared with the Scottish economy as a whole, North Ayrshire is under-represented in service industries and financial services—two big growth areas, internationally—and in tourism, particularly high-value tourism.

Although there was a modest national rise in VAT business registrations between 1994 and 1997, in North Ayrshire the figure fell by 4 per cent and there has been virtually no growth in the number of self-employed workers in the area. At the end of 1998, North Ayrshire was the third worst area in Scotland for unemployment; it is now the second worst. The gap between the employment figures in North Ayrshire and those in Scotland as a whole has worsened in the past year. There is only one strategic site for incoming investment in North Ayrshire—Riverside: a site that has had some problems.

Those are huge structural problems to contend with, and the day-to-day difficulties are even worse. Members who are present know what those difficulties are, but I shall recite one or two of them. Since January, there has been the threat of 450 job losses at Volvo. I say with no pleasure that the cynical way in which promises were made to Volvo workers up to 6 May, by the Labour Government, and the lack of action thereafter are a ringing condemnation of previous ministers, if not of present ones. Jobs have been lost at the Caledonian Paper mill. There have been job losses in Beith and Irvine. Jobs have been lost all over North Ayrshire, and it is a continuing process.

We must find the right method to move forward. This Parliament is often criticised by people who say that it should not be doing this and it should not be doing that. The one thing that people always say that this Parliament should be doing is finding ways in which jobs can be secured; finding

ways in which human dignity can be restored; finding ways in which there can be hope. Unemployment in North Ayrshire is a central problem for this Parliament, as is unemployment in every part of Scotland. We must be positive and encourage people to work together.

We must also create the right image for areas that want to grow. That is the subject of a great deal of work. The image of North Ayrshire has not been helped by the front-page story in the local paper last week, which detailed an incident in which one councillor attempted to assault another at a trades dinner. That type of image does not attract anyone. The trouble with North Ayrshire Council is that its image has not encouraged people to come and invest in North Ayrshire.

That is not the sole problem. There are problems of transport infrastructure. In the roads review, tomorrow, we must push for investment in the roads infrastructure in North Ayrshire. I have a terrible feeling that we will be disappointed, but we must encourage that investment and look for action by the key players. Who are the key players? North Ayrshire Council. I am grateful to it for providing information for the debate. I have received some interesting, if rather defensive, information from it. There are good people in North Ayrshire Council, who are trying to attract employers. Unfortunately, their work is hindered by the history of unemployment in the area and by the history of a council that lacks ambition—it is the second worst council in Scotland, according to official figures.

There must be action from the Scottish Executive. In spite of the image of Lord Macdonald of Tradeston—when he was responsible for employment—and that other professional mummer for jobs in Scotland, Brian Wilson, constantly wringing their hands over unemployment, nothing was done by the previous Administration. I look forward to Nicol Stephen telling us today of things that will be done. I would have been delighted if he had leaked that information to the press before the debate—he must be the only minister who has not done so. Let us have an announcement on action.

In this Parliament, what can we do? We can come forward with ideas—and there are many ideas. We can lodge motions to back up those ideas and we can, as members of this Parliament, with honest intention say, “This is not good enough.” We can put the spotlight on the failure to achieve in North Ayrshire and we can encourage the relevant bodies to do so. Following today’s debate, I would like there to be another summit in North Ayrshire, which would involve all the MSPs, all the relevant ministers and all the organisations in drawing up an agenda and an action plan for employment in North Ayrshire. If we start that

process—if we try to work together—we can make a difference. However, there will be an awful price to pay if we do not make a difference.

The statistic that North Ayrshire is the second worst area for unemployment in Scotland is, as I said at the start of the debate, much more than a statistic: it is an indication of human suffering. More than three people are chasing every job in North Ayrshire. On present projections, that can only get worse. If this Parliament does not take it upon itself to force the issue forward, people will suffer in North Ayrshire year on year, and this Parliament will have let them down.

17.15

Allan Wilson (Cunninghame North) (Lab): I welcome the opportunity that has been afforded by the motion to debate again what I consider—along with Mike Russell—to be one of the most important issues that faces the Parliament. I thank him for choosing the subject for members’ business.

I would like to be positive, to look to the future, and to look to the good work that is being done to address the unemployment problem. I distance myself in part from some of the references that Mike made to the council, which is an important partner in that process. I do not think that it was helpful for Mike, in making his point, to quote as an official statistic a reference from *The Observer*, which chose four indicators out of 60.

I apologise to Nicol Stephen and to others who were present last week when we debated regional selective assistance in general and the priority plus scheme in particular, but the correlation between the motions of last week and this week will not be lost on the minister or those members. This is not a single transferable speech, but I will briefly reiterate the plea that I made last week. RSA probably remains the single most important incentive available to companies that wish to set up or consolidate in North Ayrshire. We want the scheme to be applied flexibly in North Ayrshire and, in particular, we want the additional advantages of the priority plus scheme to be marketed forcibly to make more people aware of the opportunities that exist.

I would like to mention the prospect of combating the prevailing unemployment by the specific use of the scheme in conjunction with North Ayrshire Ventures, a joint venture company formed by a public-private partnership and launched recently by the minister.

I made passing reference last week—and Mike has done so today—to the importance of RSA spanning the whole range of job creation activities in the eligible areas, including a call centre or fairly basic manufacturing investment. On the need for

the various agencies to work in partnership to create employment, I wish to draw the minister's attention to what Mike and others have referred to in general terms; I want to refer to it in specific terms. In January, a company intends to start on site in Saltcoats to build a 10,000 sq ft office that is aimed at the call centre market. North Ayrshire has not been especially successful in attracting call centre jobs so far. However, the council, working through the joint venture company, in partnership with James Watt College, and allied to RSA priority and a strident marketing campaign by the Executive and Enterprise Ayrshire, stands a fair chance of success.

As Mike mentioned, I think, and as I know others will mention, the involvement of James Watt College and the opening of its campus in Kilwinning add a new dimension to overcoming some of the structural problems that have been mentioned, problems that have beset North Ayrshire for years and left it adrift. Unemployment in the area has been 4 per cent above the national average for the best part of 20 years. The absence of a further or higher education college has been a barrier not only to companies that are relocating their manufacturing base, but to the creation of a knowledge economy for the future. That is now being addressed, which augurs well for the future.

To let others have their say, I will conclude by concurring with much of what has been said about the problems to be addressed. I concur with what others, including my colleague Irene Oldfather, have said before about improving our competitive edge in the job creation market by improving the infrastructure, especially the transport infrastructure, which is an obvious shortcoming, and by improving the local environment, making North Ayrshire a more attractive place in which to live and work. We must also encourage Government agencies, when they are relocating or diversifying, to do so where I live and work, in North Ayrshire.

17:19

Phil Gallie (South of Scotland) (Con): I thank Mike Russell for introducing the debate. Perhaps his motion underlines the problems of Ayrshire as a whole.

I suggest that anyone looking for the worst unemployment figures in Scotland should go down the Doon valley to the Auchinleck and Cumnock areas, which have real problems. Similarly, in the south of Ayrshire, Girvan has high unemployment. Furthermore, I fully accept that unemployment in Irvine and the three towns—and to an extent in the Garnock valley—is at an unwanted level.

Everyone agrees that the infrastructure, particularly the road network, is a major problem in

Ayrshire. I remember Irene Oldfather referring to that problem when the Scottish arm of the food standards agency did not go to Ayrshire. It was suggested that that happened partly because of Ayrshire's poor infrastructure. When the road structure plan is issued tomorrow, we expect a positive announcement about the M77. Nothing other than the upgrading of the A77 to motorway standard will satisfy members in the chamber today.

However, North Ayrshire is not all bad news—I want to talk up some aspects of the area. Rail services are actually quite reasonable. Glasgow Prestwick international airport is right on the doorstep for companies that want to send goods by air. The airport is fundamentally important to unemployment in North, East and South Ayrshire, as many people work at British Aerospace, GE Caledonian Ltd and other complexes around the Prestwick site. There is hope for the future, and I hope that there will be considerable emphasis on building up the area around Prestwick to everyone's benefit.

Perhaps Ayrshire's rail infrastructure lacks sidings and unloading/offloading facilities. However, there are such facilities at Caledonian Paper, which Mike mentioned; and a deep-water facility at the Hunterston ore complex could bring real advantages to North Ayrshire. I find it sad that my party's Government and the present Government have not fully used that facility.

We can be proud of the nuclear industry in North Ayrshire. Although the Magnox reactors have performed wonderfully for 30 years, their successful decommissioning shows that North Ayrshire has skills and expertise of which everyone can be proud. Furthermore, Hunterston B power station is performing very satisfactorily. As far as the environment is concerned, a report out today demonstrates that CO₂ emissions have reached crisis levels, which suggests that a Hunterston C might be possible in the not-too-distant future. That would certainly help employment in the area.

I have to side with Mike about Volvo. I am angry because I know that Volvo had orders that could have been fulfilled expertly and expeditiously in that plant. The workers have been cheated. Perhaps we should examine other aspects of the handling of our economy which, as Mike suggested, damaged Ayrshire's engineering and textile industries at the cost of many jobs.

Mike mentioned the image of North Ayrshire Council. I do not think that it will help if I knock that council. However, the council could improve the image of the situation with the direct labour organisations. I am not being hypocritical about this. I believe that, on occasion, one can pass work out to other bodies to get it done better than

it would be done by individuals employed by the council. In this instance, however, the council should examine the situation and think about how to deal with it fairly.

17:25

Kay Ullrich (West of Scotland) (SNP): The previous speakers have given eloquent testimony about the terrible unemployment black spot in North Ayrshire. It is heartening to have cross-party support for the motion. However, although I welcome Phil Gallie's born-again Tory approach to the roads infrastructure and unemployment, I have to warn him that when his press release hits North Ayrshire, he is likely to be given the brass neck of the year award. It will take North Ayrshire some time to forget the damage wreaked by 18 years of Tory rule.

Since the Labour party came to power, its record has also been far from impressive. As Mike Russell said, figures show that over the past year unemployment in North Ayrshire has dropped. It has dropped by 15—not 15 per cent, but 15 people. So much for new Labour's much-hyped new deal. Quite frankly, it is just the same old rotten deal as far as North Ayrshire is concerned. By the time that North Ayrshire Council has put the 40 direct labour organisation workers on the dole and we have taken into account redundancies at Volvo and at P & O, which announced just yesterday that it is to pull out of Ardrossan, the figure of plus 15 will disappear like snaw aff the proverbial.

Many reasons can be given to explain why North Ayrshire has such high unemployment. The three towns area of Ardrossan, Saltcoats and Stevenston can be said never to have recovered from the days when those towns were ICI company towns. ICI had an unwritten deal with central Government and local government that meant that other major companies would be discouraged from setting up in the area of the three towns, so that ICI would have first call on the available work force.

I am old enough—I admit it—to remember boys and girls leaving school and going straight into the Ardeer factory, or the “dinamite” as it was called locally. Many of those who went away to university returned after graduation to work for ICI. ICI has now all but gone and the situation is so bad that North Ayrshire Council is now the largest employer in the area. It is frightening to think that about 6,500 people are dependent for their livelihood on the second-worst local authority in Scotland. The Labour-run council managed to lose £4.4 million last year and is currently slashing services and putting people on the dole in a desperate attempt to avoid a repeat this year.

Other areas of Scotland have suffered similar job losses, and they are faring much better. The major problem in North Ayrshire is the totally inadequate roads infrastructure. Mike spoke about what a businessman would think when he opened the local paper and read of the latest public mêlée among North Ayrshire Labour councillors. Imagine the same businessman arriving at Glasgow airport and making his way by car to view the area in which he might locate his new factory. He has to take the A737, he gets stuck behind a tractor, he soon begins to wonder how he will get his supplies and products in and out of the area and another potential investor is lost.

The situation is not new; it has been going on for many years. At a conference organised by North Ayrshire Council, entitled “North Ayrshire into the Millennium”, held prior to the general election and attended by local businessmen, politicians and representatives from enterprise and voluntary organisations, it was agreed that the single most important action that could be taken to make North Ayrshire more attractive to business investors would be the upgrading of the A737.

In opposition, local Labour MPs were vociferous in their condemnation of the Tories for continually refusing to upgrade the A737. Sarah Boyack, the Labour Minister for Transport and the Environment, has now confirmed in a written response to a parliamentary question from me that the Executive has no plans to upgrade North Ayrshire's link to the outside world.

North Ayrshire needs and deserves better. If it is to have any chance of turning round the appalling level of unemployment, it needs an upgraded A737. That requires a rethink on the part of the Executive. It needs more than warm words from those in positions of power. North Ayrshire needs action and it needs it now.

The Deputy Presiding Officer (Patricia Ferguson): Two more members wish to speak. Under the standing orders, I am obliged to close the debate after 23 minutes, which is about now, unless anyone wishes to—

Michael Russell: I move,

That the debate be extended by 15 minutes.

The Deputy Presiding Officer: We can agree then that we will continue for perhaps another 15 minutes.

Motion agreed to.

17:31

Ms Irene Oldfather (Cunninghame South) (Lab): I always welcome the opportunity to discuss my constituency in the Parliament, so I am happy to join colleagues to debate the motion.

Having spent most of my life in North Ayrshire, and been educated, worked, lived and brought up my children there, I know the area and the people well. It saddens me to know that the hardship that has been placed on some people in my constituency is the result of unemployment. However, I am a bit disappointed, as I hoped that we would not get into Labour-bashing and council-bashing but that we would have a constructive debate on the issues.

I was glad to hear Mr Russell repeat many of the points that I made in last week's debate on structural funds and regional selective assistance. I will not reiterate all the statistics, but unemployment in the area remains 4 per cent above the Scottish average. The problem is far more serious than that headline rate; it is chronic and structural, and it is affecting the area. I agree with Mr Russell about the human element. This is not just about statistics; it is about people's lives and aspirations. It contributes to the social exclusion argument and problem.

I believe that employment and employment opportunity are not only goals in themselves, but the route out of the poverty that divides communities. We have heard about the people who have not found work since the closure of the Garnock steel works in 1978 and the haemorrhaging of jobs from ICI. Their impact on our communities cannot be overestimated.

Furthermore, because the overwhelming majority of our exports are generated by firms with more than 200 employees, the economy is extremely vulnerable and sensitive to relocation and will be deeply affected by the proposed closure of the Volvo plant, which has already been mentioned. The Deputy Minister for Enterprise and Lifelong Learning is aware of my views on that and has visited the area. The Ayrshire economic forum has made its views known to him. I remain optimistic—as a result of discussions that we have had at the forum—that a solution can still be found to redeploy the work force in that area.

The economy is also too dependent on declining industries. There is not enough emphasis on niche markets or growth industries, partly because our business birth rate, particularly among small to medium enterprises—I think Mr Russell referred to this—is lower than in the rest of Scotland. As I said last week, I do not believe that that is because the people of Ayrshire lack entrepreneurial skills; I believe that high unemployment and a fragile economy dissuade people from taking on the risks attached to setting up their own businesses. It is vital for the area's self-esteem that we recognise the positive developments that are taking place. If we do not have confidence in our own area, how can we expect other people to have confidence in it?

Unemployment is falling. Mrs Ullrich mentioned this month's figures. The figures for last September are the best September figures in the 1990s. The Universal Scientific Instruments plant in Irvine was the largest single investment in the UK last year, and it will bring 700 jobs to the area.

Kay Ullrich mentioned the new deal in disparaging terms, but it has brought 1,200 jobs to Ayrshire in the past year. That is to be commended. The prioritisation of lifelong learning is also bearing fruit in the area, with the new North Ayrshire College in Kilwinning representing an investment in further education that I hope will raise our skills base and attract new investors.

The college will offer the opportunity to begin to kick-start the local economy in Kilwinning. That is not to say that the Parliament or, in particular, the Scottish Executive, should rest on their laurels. Nicol Stephen acknowledged that point in last week's debate when, in response to my comments on regional selective assistance, he said that

"more requires to be done."—[*Official Report*, 28 October 1999; Vol 3, c 201.]

As with structural funding in assisted areas, I hope that the Scottish Executive will continue to prioritise areas that suffer from deep-seated, long-term problems and unemployment.

Transport infrastructure remains an area of concern. I mention by way of example the A78, A737 and A77. I hope that tomorrow's debate on the strategic roads review will contain some positive announcements for Ayrshire. Good transport links are vital to the area and to improving economic development. Indeed, as Phil Gallie said, in the debate on the food standards agency Susan Deacon stated that good transport links were one of the reasons for shortlisting Aberdeen and Dundee. That causes me some concern and shows that we need to improve transport links into Ayrshire.

The Scottish Executive can show its commitment to North Ayrshire by dispersing civil service jobs to the area. I have been calling for that for a long time, even during my period on North Ayrshire Council. I am pleased that the First Minister has asked for information on site locations.

I was disappointed to see that Mike Russell and Kay Ullrich voted to take the food standards agency to Aberdeen and not to support the lobby to site it in Ayrshire. The 45 jobs that that agency brings would have been a major boost to Ayrshire, and it is regrettable that they supported the interests of the north of Scotland over the areas that they were elected to represent.

Michael Russell: I am interested in the vote Ms Oldfather mentioned. I am unaware that any such

vote was held. Can Ms Oldfather produce a record of it? Ms Oldfather is being disingenuous, because she knows that I offered my personal support and said that I was prepared to differ with my party on that issue. I hope that she regrets what she said.

Ms Oldfather: I am sorry, Mr Russell, but I have no letter from you. I received letters from your colleagues saying that they could not support the siting of the agency in North Ayrshire.

Michael Russell: Which vote are you referring to?

Ms Oldfather: I refer to the vote on the amendment put forward by the SNP in the debate on the food standards agency.

Michael Russell: Which vote are you referring to?

Ms Oldfather: Mr Russell, I have already answered that question. I notice Phil Gallie nodding in agreement. I am grateful that he offered his support to the constituency MSPs in attempting to attract those jobs to one of Scotland's most deprived areas.

Before I conclude, I will briefly mention the Caledonian Paper mill. The energy tax is a matter for Westminster. I have discussed it with Henry McLeish, and I have written to him to ask him to make representations to the UK Government on behalf of Caledonian Paper mill. It would be of assistance if we examined the best way in which the tax could be collected.

The task to regenerate North Ayrshire is huge and regeneration can be achieved only through measures to promote lifelong learning, improved transport links, social inclusion and job creation. I hope that the new politics will guarantee constructive suggestions from and debate among all parties in this Parliament and that the Scottish Executive's commitment to social justice will be borne out in North Ayrshire.

17:39

Mr Murray Tosh (South of Scotland) (Con): I have four points to make. I will try to be brief.

I will not repeat what was said in last week's debate on regional selective assistance—the minister must be suffering from a bad dose of déjà vu—but I will repeat one point that I made to him, as it relates to the location of USI in the Irvine area. If we are to attract more major investments to that part of Scotland, it is important that we ensure that an array of appropriate sites is being marketed by Locate in Scotland and other development agencies.

The point that I made last week about the decisions on the last round of Strathclyde structure plans was that the available high-amenity single-

user sites were designated in the Clyde valley—primarily in Glasgow and Lanarkshire. None was identified in Ayrshire. Such sites would be a most useful addition to the battery of resources that are available to promote employment. This may be more in Sarah Boyack's remit, but I am sure that the minister will have some say in those decisions in subsequent planning reviews.

Members have today emphasised the point about transport links. There are few good reasons why any businessman should develop in that part of North Ayrshire, given the poor transport links that exist in the area. The A737 did not even make it to the strategic roads review. If, tomorrow, the Executive indicates that its policy is to turn its back on substantial road improvement projects, I am afraid that that will be—and will be seen to be—very bleak news throughout Ayrshire, not least in the Ardrossan-Saltcoats-Stevenston area, which is at the far end of the longest bad communications route in the west of Scotland.

The point that was made about the energy tax is very pertinent, and I had intended to make it myself. There is growing concern in many industrial sectors in Scotland not about the principle of the energy tax, but about the fact that other countries are not about to implement similar measures. There is an increasing sense that Scottish industry and Scottish business are liable to be severely disadvantaged relative to their competitors. That is a matter for Westminster, but I do not think that the Scottish Executive can ignore its responsibility to represent Scottish concerns and to report back on Westminster's response.

There is one resource issue that has not been raised. During the build-up to the election campaign, I became conscious of the fact that the designation of social inclusion partnerships in North Ayrshire had not done the area many favours. It was a question of a new label and a very old bottle. The local authority did rather a good job of identifying deep pockets of poverty, which could benefit from an injection of funding. When in the future there are opportunities to review that aspect of Government policy, I trust that ministers will look on North Ayrshire in a favourable light.

The Deputy Presiding Officer: I call Nicol Stephen to wind up the debate.

17:42

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): It is customary to thank the member who moves a motion for doing so. I would like to go further than normal in that regard, because during one of last week's debates Mike Russell had some very kind words for Alasdair Morrison and me about our

youthful appearance. Today I would like to return the compliment by saying that, despite appearances, Mike Russell clearly still has a young, agile and lively mind that remains razor sharp. I am convinced that, shorn of that beard, he would have run Tricia Marwick very close for the one to watch award in last week's politician of the year awards.

Mr Tosh: He is still one to watch.

Nicol Stephen: On a more serious note, Mike Russell produced a lot of statistics that summarised a very worrying situation in North Ayrshire. Although the unemployment statistics are much debated, and although someone has to be second last or last on the list, it is a fact that the figure for North Ayrshire is significantly above the Scottish average. As Kay Ullrich said, in the past year there has been no decline in unemployment. The statistics that she quoted suggest a standstill, whereas in the rest of the Scotland there has been a decline—from 5.6 to 5.2 per cent. That is of particular concern.

Allan Wilson need make no apology for the fact that some of these issues are being covered again. The fact that this is the second debate focusing on the problems in North Ayrshire underscores the issue's importance and members' concern about it.

I agree with Phil Gallie that we must never be negative on these issues and that it is possible to talk down an area, particularly where inward investment is concerned. We are trying to encourage new investment in the area. We must maximise opportunities and work together. I hope that that is one of the main things that the Scottish Parliament achieves, particularly in economic development.

We should not look only at the negatives. Unemployment may go the wrong way, but there have been positives in North Ayrshire. A lot of good work is being done and I hope that I can reflect Irene Oldfather's call for a positive debate. I hope that my remarks help to set a positive tone.

There have been many ministerial visits to North Ayrshire—five since the Scottish Parliament election. That would not have happened under the Westminster system. The reasons for the visits have been varied, but some of them have been for good announcements—for example to do with new, innovative management initiatives relating to North Ayrshire Ventures Ltd and to Volvo.

I attended the Ayrshire economic forum. It is important to underline the Scottish Executive's commitment, at ministerial level, to it. The creation of 700 jobs by Universal Scientific Instruments at Irvine was good news. New investment by SmithKline Beecham, which helped to secure 200 jobs and created 19 more, was also good news.

The Ayrshire economic forum lies at the heart of the work that is being done by the Scottish Executive. It is central to the promotion of Ayrshire as a growth area for business.

Michael Russell: I think that the Ayrshire economic forum is extremely important. It is regrettable that the list MSPs for Ayrshire are not invited to attend—certainly the SNP ones are not. I hope that the minister will encourage the Ayrshire economic forum to involve list MSPs.

Nicol Stephen: I was there when that issue was discussed. The bringing together of MPs and MSPs and those involved in all aspects of economic development in Ayrshire was mentioned. It was indicated at the forum that that should be done at least once a year. One of the problems is the number of MSPs and MPs who would have an interest in attending the forum. I recall that the total was more than 40.

Everyone should be involved and, I believe, will be. An inclusive approach is the right one. Already the councils, Enterprise Ayrshire, the Scottish Executive, Ayrshire chamber of commerce and industry, MSPs and MPs are involved. The Ayrshire strategy for jobs was launched in March. An additional £2.7 million was given to the local enterprise company to assist with its implementation. North Ayrshire is starting to benefit from the activities of the forum, but more must be done.

Allan Wilson mentioned a good example, North Ayrshire Ventures Ltd, which was launched by Henry McLeish. It is a joint venture between North Ayrshire Council and the EDI Group. More than £500,000 of European funding has been allocated to that project, along with an investment of £250,000 from EDI. Work will begin in January to convert a council building in Saltcoats for a speculative call centre development. That is the sort of initiative that is starting to emerge. More like it are needed.

The LEC has a crucial role in leading the way. Enterprise Ayrshire is also promoting the right physical environment to attract jobs. For example, at Riverside business park, where there has been major investment already, works will be going on to improve road access and upgrade the power supply to the site. That is a significant investment in North Ayrshire.

We must do more to encourage exporting. A great number of excellent manufacturing companies are in North Ayrshire, but more needs to be done. Companies such as Anotek and Electroconnect, both based in Irvine, are examples of companies taking up this challenge.

The Executive recognises the importance of good transport infrastructure to economic development. The review, which has been referred

to, is considering which schemes will go ahead. Two are important to the Ayrshire area—the upgrading of the A77 to motorway standard and the proposed bypass of Ardrossan, Saltcoats and Stevenston on the A78.

I am pleased to announce that, tomorrow, my colleague, Sarah Boyack, will report to Parliament on the outcome of the review. Unfortunately, I cannot anticipate her speech. There is a clear and continuing need for investment to secure jobs in North Ayrshire through the regional selective assistance scheme.

The assisted areas map still covers 86 per cent of the area's population and the objective 2 map covers 85 per cent. When I asked for some statistics, I was told that, over the past three financial years, offers of RSA of £28.9 million have been accepted in North Ayrshire, helping to create or safeguard 3,040 jobs. Based on historic RSA spend, well over 90 per cent of the RSA claims that were made over the past six years could still be made under the new RSA map.

The situation at Volvo is difficult. The Executive is determined to secure the best possible outcome for the work force and has been working hard on that with Locate in Scotland and the Ayrshire economic forum. While we remain optimistic, we have pressed Volvo and all involved to ensure that an announcement is made as soon as possible, although it is up to the company to decide when such matters can be disclosed. Until that stage, Volvo has made it clear that it wishes the discussions and negotiations to remain confidential, which the Executive respects.

There is to be a new Kilwinning college, for which a £9.5 million contract was signed in March of this year. The college will open in time for the 2000-01 academic year, with up to 900 students per day. That is another positive step forward.

There are real, new prospects of inward investment in North Ayrshire. I am not able to make an announcement today, as such issues remain confidential, but there is clear investor interest in the area, which is perhaps the most important note on which to conclude.

The local economy in North Ayrshire is going through major structural change. We do not have instant or quick fixes, but a great deal is going on to secure not only the short-term but, more important, the medium and long-term strengths of the North Ayrshire economy. We must meet that challenge through many different types of action and we must do so in partnership.

North Ayrshire needs a joined-up approach and imaginative, innovative and creative thinking over the coming years to tackle its economic challenges. The Scottish Executive and, I am sure, all members of the Scottish Parliament are

determined to rise to those challenges to turn around the current problems in the North Ayrshire economy.

The Deputy Presiding Officer: As I close this evening's meeting, I wish to thank members, visitors and the staff of the Parliament for waiting behind so late.

Meeting closed at 17:53.

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