

# **MEETING OF THE PARLIAMENT**

Wednesday 26 January 2000  
(*Afternoon*)

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## CONTENTS

Wednesday 26 January 2000

### Debates

	Col.
<b>TIME FOR REFLECTION</b> .....	413
<b>FURTHER AND HIGHER EDUCATION</b> .....	415
<i>Statement—[Henry McLeish].</i>	
The Minister for Enterprise and Lifelong Learning (Henry McLeish).....	416
<b>WATER CHARGES</b> .....	430
<i>Statement—[Sarah Boyack].</i>	
The Minister for Transport and the Environment (Sarah Boyack).....	430
<b>BUDGET (SCOTLAND) BILL: STAGE 1</b> .....	441
<i>Motion moved—[Mr McConnell]—and agreed to.</i>	
The Minister for Finance (Mr Jack McConnell).....	441
Andrew Wilson (Central Scotland) (SNP).....	446
Mr David Davidson (North-East Scotland) (Con) .....	449
Mr Keith Raffan (Mid Scotland and Fife) (LD) .....	453
Des McNulty (Clydebank and Milngavie) (Lab).....	455
Mr Adam Ingram (South of Scotland) (SNP) .....	457
Nick Johnston (Mid Scotland and Fife) (Con).....	459
Euan Robson (Roxburgh and Berwickshire) (LD) .....	461
Miss Annabel Goldie (West of Scotland) (Con).....	462
Andrew Wilson.....	463
The Minister for Finance (Mr Jack McConnell).....	466
<b>BUSINESS MOTION</b> .....	469
<i>Motion moved—[Mr McCabe]—and agreed to.</i>	
<b>DECISION TIME</b> .....	472
<b>RAPE CASES (PROTECTION OF VICTIMS)</b> .....	474
<i>Motion debated—[Mr Paterson].</i>	
Mr Gil Paterson (Central Scotland) (SNP).....	474
Malcolm Chisholm (Edinburgh North and Leith) (Lab) .....	477
Mrs Lyndsay McIntosh (Central Scotland) (Con) .....	478
Dorothy-Grace Elder (Glasgow) (SNP) .....	479
Johann Lamont (Glasgow Pollok) (Lab).....	480
The Deputy Minister for Justice (Angus MacKay) .....	482

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## Scottish Parliament

*Wednesday 26 January 2000*

*(Afternoon)*

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

### Time for Reflection

**The Presiding Officer (Sir David Steel):** Our time for reflection today will be led by Rabbi David Sedley of the Edinburgh Hebrew Congregation.

**Rabbi David Sedley:** I am honoured to have been chosen as the representative of the Scottish Jewish community to offer the time for reflection. The desire by the Parliament of Scotland to involve religious leaders of all faiths is a tribute to the openness of Scottish society, and its encouragement of pluralism. Scots should be proud of their long history of tolerance towards other religious communities, and of the safe haven that they have offered when doors were closed in other parts of the world.

Yesterday the country celebrated Burns day. I suppose that as Rabbie Burns is unable to attend today, it is appropriate to have another Rabbi to offer the opening prayer in his place. In his poem, "How can my poor heart be glad", Burns's wish is that the brotherhood of man will bring about peace. The last verse reads:

"Peace, thy olive wand extend  
And bid wild War his ravage end;  
Man with brother man to meet,  
And as brother kindly greet!"

The concepts of peace and brotherhood are universal goals and ideals. Peace is one of the three pillars that the world stands upon, as the Mishna states:

"The world stands on three things, on justice, on truth and on peace."

Peace is the foundation upon which all other blessings are built, for without peace, physical and spiritual prosperity are meaningless.

The Hebrew word for peace is shalom, which according to Judaism is one of the many names of God. It is also used as a greeting, in place of both hello and goodbye. I suppose that that can cause confusion, as we do not know whether we are coming or going, but it also serves as a constant reminder that the most important kind of peace is one that occurs in our daily interaction with others.

The prophet Isaiah tells us:

"I will create a new expression of the lips, 'Peace, peace,

both for far and near, says the Lord'."

That teaches us that there are two kinds of peace: one which operates on a national or global level, but another, equally important, which is near, and occurs on a daily basis in our interactions with others.

The peace and welfare of their host nation is always important to Jews, as Jeremiah commanded us in the name of God:

"Seek the peace of the city into which I have caused you to be carried away captives, and pray to the Lord for it. For in its peace shall you have peace."

In the Bible, Aharon helped his brother Moses to free the Jews from slavery in Egypt and lead them through the desert. The Mishna describes him as one who personified peace:

"Hillel used to say, 'Be among the disciples of Aharon, loving peace and pursuing peace'."

I would therefore like to conclude with the priestly blessing, which God commanded Aharon and his descendants to confer upon the nation:

"Yevarech'cha Adonai v'Yishmerecha, Ya'er Adonai Panaiv Ailecha Vichunech, Yissa Adonai Panaiv Ailecha v'Yasem Lecha Shalom".

May the Lord bless you and protect you; may the Lord make His face shine upon you and be gracious to you; may the Lord turn His face to you and give you peace.

## Further and Higher Education

**The Presiding Officer (Sir David Steel):** Our next item of business is a statement by the Minister for Enterprise and Lifelong Learning—

**Mr John Swinney (North Tayside) (SNP):** On a point of order, Presiding Officer. In my letter to you yesterday, I expressed concern about the volume of announcements in relation to the statement by the Minister for Enterprise and Lifelong Learning that have been made in the media before their notification to Parliament. You will recall that I raised that issue with you before the publication of the Cubie report, before the Christmas break. I was concerned by your reply, in which you said that the fault in this case did not lie directly with the Executive. Your letter continues:

“They did understandably wish to consult the Members in the 2 coalition groups to ascertain support, and regrettably I am informed that the leak occurred through this route.”

With issues of such importance to student and higher education communities and given that we have waited a month to hear the Executive's response, would not it have been appropriate for the Executive to demonstrate greater courtesy to the Parliament in its handling of the matter, by guaranteeing that Parliament heard the conclusions of the Executive's response first?

**The Presiding Officer:** As I indicated in my letter, I am constantly concerned if information from the Executive that should come to the Parliament is made public instead through the media. However, that did not happen on this occasion. As I have explained, the leak came through briefings between the Executive and the party groups of the coalition, which is not a matter for me. It is unfortunate that fellow members of the Parliament were incidentally responsible for leaking information to the press. However, I have read the statement by the Minister for Enterprise and Lifelong Learning; it contains a good deal more detail than has appeared elsewhere and I think that we should listen to it.

Before I call the minister, I want to make it clear that, as a motion has been lodged for the Parliament to decide today whether to have a debate on the issue tomorrow, questions on the statement must be questions, not debating speeches. The debate will come tomorrow. I call the minister to make his statement and afterwards we will have short, sharp questions.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** On a point of order, Presiding Officer. I heard your reply to Mr Swinney's point of order. Yesterday, in the maelstrom of information on this matter, a journalist played me a tape on which the Deputy Minister for Enterprise and Lifelong

Learning explained the process by which the journalist would be briefed on various matters in advance of today's statement. That strikes me as not just disrespectful to the Parliament, but premeditated.

**The Presiding Officer:** As you know, it is normal practice for the media to be given a statement in advance so that they can edit it. However, they are not given it—or should not be given it—earlier than the spokespeople of the different parties. I do not know who has suggested that the media were given the statement earlier than that—if that has happened, that would be a matter of concern. However, as far as I am concerned, any mechanics of briefing are perfectly in order, as long as the briefing does not precede any courtesy to other MSPs.

We will now move on to the statement. I call Mr McLeish.

14:38

**The Minister for Enterprise and Lifelong Learning (Henry McLeish):** With your permission, Presiding Officer, I will make a statement on the partnership response to the Cubie committee proposals on student funding.

In our “Partnership for Scotland” document, the Executive agreed that it was our policy to widen access to further and higher education. Although higher education expanded rapidly over the early 1990s, the result was a continuing social divide.

More than half of youngsters and others from wealthy families go into higher education. Although we welcome such participation, we recognise that a national shame remains. The stark reality is that only 10 per cent of youngsters from our lowest income groups make their way into higher education. That legacy cannot last in a modern Scotland, and the situation must be improved if we are to deliver social justice and to build a knowledge economy for all Scotland's people.

Of course, concerns were raised about student fees and students' financial difficulties, which is why the independent committee of inquiry into student finance was established by Parliament last year. Its report set out some important guiding principles, which were widely endorsed in consultation and are fully in line with our intention to widen access to further and higher education and our general aim, supported by the Parliament, of achieving social justice.

Those principles suggested that student support should

“maximise opportunity for all”

to access high-quality lifelong learning, and

"promote social inclusion, the knowledge economy and an enhanced civil society".

The committee made 52 recommendations covering a wide range of matters that I will not cover today. I am sure that members are familiar with its main conclusions.

In our response, we followed the committee's guiding principles very closely. However, it was not constrained, as we were, by affordability. We had to judge the recommendations against the Executive's other priorities. We had to ensure that funding was available for the growing number of students over the coming years and for the quality of education to be maintained.

Our response is framed around a package of measures that are affordable, fair and focused. It is designed to widen access to higher education for groups that are currently under-represented and to promote lifelong learning through helping mature students. No student should have more debt at the end of his or her course than under the present scheme and many will have reduced debt.

Our main proposals are as follows. First, tuition fees should be abolished from this autumn. The Scottish Executive will make up the £42 million shortfall in university and college incomes. That is vital for continuity.

From 2001, access payments of up to £2,000 a year will be focused on students who need support most while studying—those from low-income groups. We have agreed that young students from low-income groups deserve and should have more support. Around 10,000 young students will receive an access payment of £2,000 a year. The combined payment and loan entitlement means that for those students there will be support while they are studying of £4,135 per year. Taking account of adjustments in loan entitlement, they will be better off when they most need support and also will have significantly reduced debts on graduation.

Approximately 5,000 further students will also benefit from improved support while studying. All other young students will have no more debt at graduation than at present, even taking into account the payment of the graduate endowment. Mature students will also benefit from a wider access bursary fund of £10 million, as well as their existing loan entitlement.

A graduate endowment will be established, to which graduates will contribute. It will help to fund more maintenance for student groups that are currently under-represented in higher education. The endowment will be set at £2,000. As an incentive to participation, those exempted from payment of the endowment will include mature students, lone parents, students with disabilities and students on higher national certificate or

higher national diploma courses. That will bring the total of those exempt to 50 per cent.

Under the Cubie committee's proposals, all graduates would pay an endowment and some could have increased debt at the end of their course. We tackled that risk as a priority. We propose that mature students will be exempt and will all share in a £10 million bursary fund. Young students will pay the endowment, but no student will have more debt on graduation than they would have under the present arrangements. The committee's proposals included bursaries for students from families earning up to £23,000. We agree with that as a means to keep a graduate's debt down.

Most students will have less debt on graduation. Those from the least well-off families will get the greatest help through access payments. For example, young students from families earning under £10,000 will get £8,000 in non-repayable support over a four-year degree course. Even if they borrow the extra £2,000 in loan entitlement that we propose, taking the graduate endowment into account, they will still have £4,000 less debt than under the present scheme. Even those from middle-income groups, for example £20,000 a year, will see a marginal reduction in debt.

With that secure, our decision was that we should avoid the creation of a new body to collect the endowment. We propose to use the existing student loan system. Payments are income-related, so graduates will pay according to what they earn, not what they owe. Paying the endowment that way means that monthly payments will not be different from those under the current scheme; as we are keeping debt at least as low as at current levels, nobody will end up paying for a longer period.

Over the next few weeks, I will be meeting student groups, to explain to them how the system will work and what its advantages are.

We are putting more money into the further education sector. We will align the system with the higher education means test and weekly support levels, and ensure that full-time further education students have their fees paid.

We have not accepted the recommendation for an across-the-board increase in support levels. It cannot be afforded and we have chosen to target the increase at the least well-off. The parental contributions for some better-off families might increase, as against the current position, but all students will have a minimum loan entitlement of £750. That is in contrast to the Cubie committee's recommendation, which would have removed the loan entitlement completely for students from higher-income families.

We were aware that any scheme that paid the

fees of Scots students would also need to benefit European Union students in Scotland. We carefully considered whether it would be sensible to extend the arrangements to Scots who wished to study at universities or colleges elsewhere in the United Kingdom. We concluded, on the best information available, that there was a serious risk of successful challenge on the ground of discrimination against EU nationals attending UK institutions outwith Scotland. That advice applies to the committee's own recommendations and to any other schemes—from the Conservatives or from the Scottish National party—to pay tuition fees or bursaries to pay fees.

We stress that any Scottish student studying at a college or a university elsewhere in the UK would be no worse off than under present arrangements. A student from a low-income family would be exempt from fees and would not be required to contribute to the graduate endowment. On present figures, about 37 per cent of the 5,900 Scottish students studying in other parts of the UK are exempt from tuition fees.

Aside from the abolition of fees, the new arrangements will begin in 2001. As a result, around £50 million extra funding will go into student support in a full year. In this financial year—2000-01—the net cost will be about £18 million. The funds required for the new arrangements will have to be found from within the Scottish block. In the first instance, they will be sought from the funds of the enterprise and lifelong learning department. That necessarily will involve difficult choices.

We will respond fully to the committee's other recommendations in the spring. That will include further details of the way in which our proposals will be implemented. We will undertake information gathering, consultation and discussion with those who will be affected by, and will benefit from, those measures. We need to ensure fair transitional arrangements for students who are already studying. When we have done so, I will ask the Enterprise and Lifelong Learning Committee to consider my report.

The Cubie committee produced an excellent report. It set a new direction in student support and new principles that we can whole-heartedly endorse. In an ideal world, we could look at all of the committee's recommendations. However, our response has to take into account our other priorities. We have chosen the path that focuses resources on the groups that need them: the equity groups identified by the committee.

The committee's three main areas have been accepted: tuition fees will be abolished; bursaries, targeted at low-income students, will be introduced; and a graduate endowment will be introduced, to fund the support of future students.

In addition—and I wish to emphasise this—mature students, lone parents, disabled students and those taking HNCs and HNDs will be exempt from paying the graduate endowment. No student will have more debt at the end of their course and graduates will pay no more a month in loan and endowment than they do at present.

Our proposals are designed to meet our social values and the standards of our world-class higher education system. I commend them to the Scottish Parliament and to the people of Scotland.

**The Presiding Officer:** I repeat that we can debate this matter tomorrow—we require short, sharp questions today.

**Mr Swinney:** I thank the minister for his statement and for his usual courtesy of making it available in advance.

First, will the minister comment on a constituency case that came to my attention at lunch time? My constituent told me that the Cubie report had seemed like a blessing to her, but that she no longer felt that way after the shabby deal that has been put together by the Executive. She is a Scotland-domiciled student, a formal pupil of Blairgowrie High School, who is now a first-year student at Loughborough University studying physical education, sports science and social science. That course is not available at a Scottish university. Does not my constituent have a legal case to raise against the Scottish Executive on the ground that her rights under the European convention on human rights have been undermined by the Executive's decision not to pay her fees, when the course of her choice is not available in Scotland?

Secondly, does the minister accept that all his points about the proposed deal being wonderful are comparisons with the discredited scheme that his Government introduced in 1997, for which he voted in the House of Commons?

Finally, will more or fewer people pay the full, new graduate endowment—the new tuition fees—than paid the old tuition fees in full?

**Henry McLeish:** With the greatest courtesy that I can muster towards John Swinney—who is also a very courteous man—I am not convinced that he listened to my statement.

We are saying that if mature students, lone parents, disabled students and those who are studying for HNCs and HNDs are considered, 50 per cent of students will be exempt. David McLetchie is shaking his head, but the current figures show that less than 50 per cent—about 47 per cent—do not pay tuition fees. The simple answer to Mr Swinney's final question is that fewer people will pay the graduate contribution than pay tuition fees. [MEMBERS: "What about the other

questions?" The debate will take place tomorrow.

It is fascinating to examine some of the comments made by David McLetchie yesterday—

**Mr Swinney:** Answer my questions.

**Henry McLeish:** This is an important point, and no amount of guffawing from Opposition members will shift me from giving an exposition of the true picture. Some of the Opposition's ill-informed remarks yesterday were characterised by a failure to absorb what was being said.

I was asked whether more or fewer people would pay the graduate endowment than currently pay tuition fees—[MEMBERS: "Answer the questions."] That was Mr Swinney's final question. Secondly—

**Mr Alex Salmond (Banff and Buchan) (SNP):** What about the other questions?

**Henry McLeish:** Alex Salmond can add up. I think that Mr Swinney asked three questions—

**Mr Salmond:** What about his constituent?

**Henry McLeish:** Mr Salmond is getting very upset and excited. If he will calm down, I will take him through the three questions.

In John Swinney's first question, he made a number of sweeping assertions in relation to a young woman who is doing a course in the south. Under the set-up and arrangements that we have announced, she will be no worse off and no better off. It is also important to note that she might qualify for non-payment of tuition fees, if her income level dictates. There is no point in Mr Swinney pretending that his question goes to the heart of the matter, when the matter is hedged by many considerations.

Mr Swinney also asked about the scheme that was introduced in 1997, which he alleged had been discredited. One of the good things about the Cubie proposals was that the committee took a mature, sensible, modern view of where Scottish higher education funding would be going in the 21<sup>st</sup> century. The SNP, however, is time-warped in the past; it will acknowledge nothing that takes us forward. Until SNP members start to understand and absorb, they will not be in a position to ask the serious questions that we expect from serious political parties in the chamber.

**Mr Monteith:** I, too, thank the minister for making his statement available prior to our opportunity to ask questions, although I cannot say that the statement shed a great deal of light on what I heard and read yesterday.

I would like to welcome the minister's announcement that nearly 50 per cent of students will be exempt from the rear-end tuition tax that he is introducing. I am saddened only that the

minister has not found it possible to exempt the other 50 per cent of students.

Will the minister publish the legal advice that he has received, which indicates that European law would forbid the Scottish Executive from abolishing the tuition fees of Scottish students studying in other parts of the UK? We should be able to see that.

Does the minister agree that, under his proposals, 57 per cent of students moving from school to university in Scotland will have less money available to them while studying? Does he agree that, under his proposals, a student whose parents are both manual workers earning the average wage for Scottish manual workers will be approximately £500 a year worse off while at university?

Finally, does the minister agree that this coalition con trick could have been cobbled together without the £700,000 expense of the Cubie committee, which raised the expectations of many people in Scotland, only for those expectations to be dashed by the three degrees, Blair, Brown and Blunkett?

**Henry McLeish:** I will ignore that political comment and address the first point. There seems to be a fundamental confusion in the mind of Brian Monteith. We are establishing a graduate endowment. Fifty per cent of students will not pay that endowment. The Conservatives ask why we do not make that figure 100 per cent. However, Brian missed the serious point—we are abolishing tuition fees. That is the only objective of the Conservative party. He must realise that we are abolishing tuition fees. Surely praise is deserved for that.

On the second issue, it is not the custom or practice of the Government at Westminster or the Executive in Scotland to publish legal advice. We are presenting to the chamber the information that we have on our proposals, and it is based on the best legal advice that is available. However, Opposition parties must realise the important issue. Of course, like other parties, we wanted the new package to extend to students who attend any university in the UK and who are domiciled in Scotland, but that has not been possible. It would have been dishonest and would have raised false expectations if we had come to the chamber with anything other than an unequivocal statement on how we will proceed.

The third question was about whether a particular group would be £500 worse off. Again, I have no idea how Brian concocted the figures. If the comments that were made overnight are anything to go by, I would rather see the figures before I comment on them.

I will finish with one point about the law. The



question that was asked about the law had as its premise the fact that the questioner saw a problem with what we are proposing. Interestingly, the Conservative contribution to Mr Cubie's inquiry stated:

"The operation of two different schemes within the UK is perfectly feasible as is the operation of two different types of tuition fee . . . schemes as proposed by the majority of respondents . . . If the rest of the UK were not to follow our lead then it would be relatively simple for the Student Loans Company".

Are the Conservatives concerned that there will be two systems; do they remain committed to one system? Make up your mind, Brian.

**David McLetchie (Lothians) (Con):** We want a system that is fair to all Scottish students.

**The Presiding Officer:** Order. Sixteen members wish to ask questions, so if we can have short exchanges, I will extend the time a little to allow in as many members as possible.

**George Lyon (Argyll and Bute) (LD):** On behalf of the Scottish Liberal Democrats, I welcome the minister's statement. I wish to raise two points with him. The first concerns the funding of students from Scotland who go to English universities. If the Opposition comes forward with a solution to the legal impediment that stands in the way of funding such students, will the minister confirm that the Executive will look at any sensible proposition? Indeed, if the Opposition has a sensible solution, will the minister confirm that we will look at it and act on it, if it can be done?

Secondly, does the minister agree that without the partnership Government in Scotland, there would be no Cubie, no abolition of tuition fees and no grant scheme introducing up to £8,000 of extra support for students?

**Henry McLeish:** I point out to George Lyon that, in the first instance, we wanted a UK-based scheme for Scotland-domiciled students. That is still the case, but there is outstanding legal advice that prevents us from implementing it. On the other hand, other options could be considered. The Conservatives and the SNP have refused point-blank to address the fact that the same issue applies to their schemes. We would like members from other parts of the chamber to contribute a bit of wisdom to the problem.

The political challenge on tuition fees, issued on 6 May, has been accepted and, from the autumn, tuition fees will be abolished. More important, we have turned the situation into an educational opportunity that ensures that, thanks to the partnership, young people from the lowest income groups in Scotland will have a much fairer deal.

**Dr Richard Simpson (Ochil) (Lab):** Will the minister tell us whether Scottish students studying

in England whose family incomes would make them eligible for the new access bursaries, were they to study in Scotland, will still be eligible for such support?

**Henry McLeish:** We have received initial comments from a number of organisations, including the Committee of Scottish Higher Education Principals, and students. We want to take further consultation on the issue, which is extraordinarily complex.

We are talking about the conjunction of two systems. One system will operate down south with tuition fees and exemptions. In Scotland, there will be a new graduate endowment. It is reasonable for Scottish students domiciled in Scotland who attend UK universities to ask whether the issue of hardship and bursary provision can be addressed.

I give an undertaking to the chamber and to all political parties that we will consult on the matter.

**Ms Margo MacDonald (Lothians) (SNP):** I realise that it is not my job to provide answers, but George Lyon asked for a legal settlement to Henry McLeish's dilemma. I have the answer—it is called independence. *[Laughter.]*

**The Presiding Officer:** Order. May we have a question, please? *[Interruption.]*

**Ms MacDonald:** Please tell those bad boys to be quiet. They are terrible.

**The Presiding Officer:** Let us have a question, Margo.

**Ms MacDonald:** Can the minister explain which factors guided the Executive's decision to abandon Cubie's relatively fair idea that graduates should start paying back their tuition fees only once they could afford to do so, and instead to go for a scheme under which people earning poverty wages—working in McJobs—will be asked to start coughing up once they earn £10,000? Those people will already be paying for loans and having to meet the new demands of rent. Why did the minister go for a more unfair system?

**Henry McLeish:** I am quite happy to discuss the implications of independence for our students, but the first consequence of such a settlement would be that 20,000 English students would become 20,000 foreign EU nationals, the bill for which would have to be picked up by the SNP if it was ever to get into power. That is a small practical dimension that the SNP has overlooked so far. We await further comments from its members.

Margo MacDonald makes a point about the £10,000 threshold. The crucial point is the statement that, under our scheme, no one will incur more debt at the end of their time at university or another higher education institution.

To give an example, if someone earns £15,000,

they will pay 9 per cent of the difference between £15,000 and £10,000. There will be no increase in debt—in practice, they will pay no more, for no longer a period. That is connected with the interesting things that we have done with graduate endowments, loans and bursaries. I advise Margo and some of her colleagues to read a bit more deeply into what we are doing. If they did, they would see that the proposals are a very attractive proposition for students when they graduate.

**The Presiding Officer:** I call Malcolm Chisholm.

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** I had actually turned my light off because my question had been answered. However, I welcome what Henry McLeish said about investigating the matter of bursaries for Scottish students who go to English universities.

**The Presiding Officer:** Members do not have to ask questions if they do not want to.

**David Mundell (South of Scotland) (Con):** For many students who live in the south of Scotland, geography, and not academic choice, means that they attend a university in the north of England. For someone from a community such as Langholm who wants to attend university in Dumfries, transport links mean having to travel to Carlisle before coming back to Dumfries. Henry McLeish's proposals are therefore extremely discriminatory against students who live close to the border.

Will the minister undertake to apply the same amount of attention as he appears to have applied to saving the coalition to coming up with some sort of scheme that will allow those students to continue—where social and transport necessities require it—to study where they are currently studying, without being discriminated against in favour of students who, although living next door and studying in Scotland, are studying further afield?

**Henry McLeish:** I do not want to inject a political point, but the Conservative response to the Cubie inquiry stated:

"One of the most obvious difficulties with such radical reform of the student loans scheme, especially for a Unionist Party like ourselves, is the removal of a level playing field throughout the UK."

It went on to say:

"We have no great difficulty with this".

While acknowledging that as a courteous point, we must point out that students who are domiciled in Scotland and who attend English universities will be no better and no worse off. As I said earlier, we wanted to have a UK-wide solution to the problem, but under European Union obligations and on legal advice, that was simply not possible.

**Tommy Sheridan (Glasgow) (SSP):** First, will the minister show some proper humility and take this opportunity to apologise to the students of Scotland, the parents of the students of Scotland, and everyone in Scotland, for abolishing grants and imposing tuition fees in the first place? Now that he has obviously seen the light, will he apologise?

What the minister has introduced today is a poverty tax on students who earn £10,000. It is a cruel con, on the one hand, to offer an access fund of £2,000, but, on the other hand, to take £2,000 away from someone on a poverty income of only £10,000.

Will the minister provide, if not now, before tomorrow's debate, detailed figures for those he alleges will be better off, in terms of student debt, compared with those whose debt will be the same, or just as bad?

**Henry McLeish:** Before tomorrow's debate, detailed figures will be published showing the impact on different income groups in Scotland. A comparison will be given with figures under the Cubie proposals.

I will not apologise, Tommy. I want every student in Scotland, and every family, to look at the harsh realities that have developed over the past seven months over this issue. We have come up with a package of proposals that addresses the issues of hardship and widening access. I hope that Tommy Sheridan will agree when I say that it is not good that only 10 per cent of social classes 4 and 5 attend university. That figure should be much higher.

If we are talking about democratic socialism and widening access, we need no lectures from fringe parties. The kernel of the report that we are putting forward is widening access and ensuring that we abolish tuition fees, as Tommy wanted. At the end of the day, we have a package that rings true, because we have addressed the issues that matter to Scotland, not the theoretical considerations of either the nationalists or the Conservatives.

**Lewis Macdonald (Aberdeen Central) (Lab):** Does the minister agree that comments on the issue sometimes seem to suggest that the only area of higher and further education that we should be concerned with is the university sector? While acknowledging the importance of the university sector, will he comment on the differences that the deal will make for students in the further education sector and for further education colleges?

**Henry McLeish:** The deal is a huge boost for further education, which has for far too long been the cinderella of lifelong learning in Scotland. As far as the Executive is concerned, that is now

over. Further education plays a vital part in our industry and for our society, and we want to recognise that. That is why mature students, who represent 30 per cent of students, will not pay the graduate endowment.

Lone parents, people with disabilities and those who study for HNCs and HNDs are the people in further education who will benefit from the new proposals. They will also benefit from the £10 million mature access bursary that is to be administered by the universities. Young people who fall into those categories will also benefit because, if their household income is less than £10,000, their loan entitlement will be enhanced and the amount of their bursary increased.

This is a major step forward for further education and I welcome my colleague's comments.

**Christine Grahame (South of Scotland) (SNP):** I draw the minister's attention to the two contrasting cases of Ciara Wigham of Cornhill-on-Tweed in England—it has a Scottish postcode—whose two main university choices are in Scotland and who will be liable for tuition fees, and her friend Catherine Robson of Coldstream, Scotland, whose principal choices are English universities and who is now under pressure to study here. Both are pupils at Berwick-upon-Tweed County High School. Does the minister think that the fudge concocted from the ingredients of Cubie is fair to either of those young women?

**Henry McLeish:** The scheme that we are announcing for Scottish students domiciled in Scotland and attending Scottish universities is being put forward. We have also pointed out that no student currently going south to university will be in a different situation from the one that they are in at the moment; they will not lose and they will not gain.

When one starts, from an SNP perspective, to mess around with the border, one will quickly translate that situation into the kind of issue that I posed earlier. Under independence, the English—who are much the focus of the SNP—would become European Union nationals, and thus foreign nationals, in our university system. The SNP will not address that issue, but we have proposed a scheme that complies with our EU obligations.

**Robert Brown (Glasgow) (LD):** Will the minister confirm that the main reason for the linkage to the £10,000 level is the administrative arrangements linked to the student loans fund? Will he make representations to the United Kingdom Government to consider raising that level? Will he further confirm that the £2,000 access payment available under the coalition proposals is four times greater than the miserable £500 offered by the SNP in its manifesto?

**Henry McLeish:** We think that the £10,000 level is imaginative, as it removes the need for another administrative burden. It is important that we spell out that message throughout Scotland.

Robert Brown mentioned the SNP bursary, but the great thing about the SNP is that its policies change. The bursary was £500 on 6 May 1999. In the SNP submission, that figure has risen to £1,500 to cover 66 per cent of the student population. My submission is that it is sheer irresponsibility to raise expectations among the student population and cruelly fail to work out the sums. The SNP has no concern at all about what the impact of its proposals might be. In comparison, our scheme is well thought through, targets hardship, abolishes tuition fees and does not incur a cost of £105 million for additional resources.

**Nicola Sturgeon (Glasgow) (SNP):** The minister kept referring in his statement today to "our scheme", as if to imply that tuition fees and the abolition of student grants were the work of another political party. Will he confirm that his statement today represents a total U-turn on the position in the Teaching and Higher Education Act 1998? Does the Executive accept the verdict of Andrew Cubie that the present arrangements for student funding, the tuition fees introduced by his party, are totally discredited?

If the Cubie proposals are, in the minister's words earlier, so mature and sensible, why does the statement today bear no relation to them?

**Henry McLeish:** Many words come to mind in response to that question, but I shall remain courteous and polite.

There is no point in making cheap jibes about further and higher education. Today, we are reinforcing and cementing student funding in those great institutions. It is useful to remind the SNP that, over the three years of the comprehensive spending review, we are spending an extra £500 million to increase the number of students in Scotland by 42,500, improve the infrastructure of higher and further education and provide the quality that has been sadly lacking in previous years.

Nicola Sturgeon will have to appreciate that the students of Scotland want to live on the substance of increased bursaries at the lower end. We are saying that, under the £10,000 threshold, they will have more money in their pocket than now or with Cubie. They will have less indebtedness than now or with Cubie. This is a package that we can be proud of, and the Parliament should support it.

Nicola advocated the abolition of tuition fees. Why does no Opposition member stand up and say thank you? We have achieved the abolition of tuition fees. *[Applause.]*

**The Presiding Officer:** On that cheerful note, we will move on.

I allowed that statement to run nine minutes over time, because of its importance and the large number of members who wanted to be called. Half a dozen members still wish to be called; their names have been noted for the debate tomorrow.

We will now move on to the second ministerial statement.

## Water Charges

15:17

**The Minister for Transport and the Environment (Sarah Boyack):** I will announce today the results of the strategic review of water charges for the period April 2000 to March 2002. Those are the first major strategic decisions on the water industry by the new Scottish Executive, in a new regulatory framework, and they will have a crucial impact on the success with which the industry meets a challenging future.

Last September, I made a statement to this Parliament announcing the appointment of the water industry commissioner and setting out our approach to regulation of the water industry. At that time, I said that the Scottish water industry faces twin challenges: to meet the aspirations of the Scottish people in terms of environmental standards and drinking water quality and to do so at minimum cost to the customer. The strategic charging review is a vital step in meeting those challenges.

I am today setting out the results of the first strategic stage in the charge-setting process, in which ministers take decisions on the overall revenue requirements of the industry to meet their investment needs, taking account of potential efficiency improvements and the external financing limits already announced. This strategic review covers a number of years—in this initial transitional round only two—to give the authorities a sounder framework for medium-term planning.

For the strategic review, the authorities' revenue requirements are driven by their investment needs. Those are substantial for several reasons.

The infrastructure on which we rely was put in place in the Victorian era and decades of under-investment mean that much of it needs to be replaced soon. The commissioner estimates that the cumulative underspend is close to £2.5 billion. We must ensure that the security of supply is maintained and improved.

Mains bursts can cut off water supplies to thousands of people, as the incident earlier this week in Largs has shown. In the past few years, too many people in Scotland have found themselves in that worrying position. The longer that we put off this investment, the more of those types of incident we will see.

European legislation rightly pushes us towards higher standards. We must improve our record on water quality and safety. The urban waste water treatment directive will require proper sewage treatment for all our towns and cities and the

drinking water directive sets tough new standards for lead and some other impurities such as trihalomethanes.

Customer demands for better-quality water, greater care for the environment and improved service quality are growing. Despite the good results for this year, announced yesterday, we still need to invest more to clean up our beaches. As well as being unpleasant, dirty beaches have an economic impact that undermines tourism.

Our programme for government therefore includes three separate commitments on water: cleaner bathing water, an investment in drinking water quality and proper waste treatment.

The full range of challenges are set out in the water quality and standards paper that I published on 1 November. It clearly explains what ministers expect the water authorities to achieve on drinking water quality and environmental improvement.

The quality and standards paper was the starting point for the water industry commissioner's review. As I said back in September, one of the commissioner's key responsibilities is professional scrutiny of water authority finances.

Alan Sutherland has, in six short weeks, carried out an extremely rigorous review, and I am very grateful to him. He has transformed the terms of the debate by giving economic support and the customer regulator's support to the argument that greater investment is in the customer's interest. In his advice, he sets out the case for a major increase in investment in the water industry for the interests of the customer, which reflects his primary duty. In particular, he argues that a significant acceleration in investment is required to deliver what the quality and standards paper requires to renew and improve the Victorian infrastructure.

I accept the commissioner's basic argument. Recent events in other industries have highlighted the importance of investment in basic infrastructure. I have decided to go most, although not all, of the way towards Mr Sutherland's recommendations, mostly because Scotland's water industry must be put on the road to sustainability, maintaining its infrastructure and improving quality.

I have not accepted the recommendations in full, first, because some of the issues that Mr Sutherland raises need more public debate, especially in this Parliament; secondly, because our state of knowledge about the water industry's underground assets is incomplete. Further work is required to provide the necessary speed of replacement over the medium term. The commissioner's initiative on asset management planning, which I welcome, will help to fill that gap

in our knowledge.

The overall revenue increases that I have decided on for the Scottish water authorities in each of the next two years are as follows: 15 per cent and then 12 per cent for the East of Scotland Water Authority; 15 and 12 per cent for the West of Scotland Water Authority; and 35 and 12 per cent for the North of Scotland Water Authority.

The larger increase for the north is based on a fundamental reassessment by the authority of the investment that it needs to meet its statutory obligations, which reflect the inevitably higher cost of providing water services in remote and sparsely populated areas. As has already been announced, the Scottish Executive has increased NoSWA's external finance by 50 per cent over the two years to ease the impact on customers.

The Executive's measures will finance a bigger investment programme for each authority. Among the benefits are spending of around £200 million on water treatment works, which will allow implementation of the cryptosporidium direction that I have just issued, which will minimise the risk of cryptosporidiosis outbreaks resulting from poor drinking water.

My decisions take the form of charges caps, but, given the urgent investment needs of the authorities, I expect that their charges schemes will be in line with the figures that I have announced today. Increases on that scale are obviously unwelcome to customers, and I can assure members that I would not endorse them if I did not believe that they were absolutely necessary. It should be recognised that, although the increases are significant in percentage terms, they represent only an extra 60p per week next year for the average customer.

I am particularly concerned about the impact of charges on low-income households. The current arrangements linking charges to council tax bands already provide substantial assistance to many of the less well-off. Band A households, which include a large proportion of low-income households, pay only two thirds of the average charge. Our legislation also ensures that people are never cut off. However, I have asked my officials to consider whether we can improve on the protection already provided by the current charging arrangements.

The charge increases make it even more important for the water authorities to give their customers value for money. It is the authorities' response to that challenge that is crucial for the long-term health of the industry, and I am committed to ensuring that they meet it.

I am therefore, today, endorsing two further initiatives put forward by the commissioner. The first will ensure that we have the information to

chart each authority's performance over time and to compare it with the other Scottish authorities and with the best in the UK. Benchmarking means learning from best practice elsewhere.

The second initiative will introduce common customer service standards throughout Scotland. In addition, we will introduce arrangements to link the pay of chief executives to the overall performance of their authorities. The Scottish Executive will demand the highest standards of customer service and efficiency from our public water industry.

There are other factors that will increasingly put pressure on the Scottish water authorities to improve efficiency and customer service. In particular, the coming into effect, in March, of provisions in the Competition Act 1998 will see growing competition in Scotland for the provision of water services.

The key issue that we face is how best to achieve benefits for customers through greater choice and value for money, while continuing to achieve our public health, environmental and social objectives. That may mean legislation, and I will publish a consultation paper on this in the spring.

Another key principle of the new regulatory regime is transparency. I can confirm that, today, the commissioner is making public both his advice and my response to it. I hope that that will inform debate on this crucial issue.

Now that the overall decisions have been taken, the next step is for each water authority to prepare its annual charges scheme and submit it to the water industry commissioner for approval. If agreement cannot be reached, the scheme will be referred to ministers for decisions. It is at that stage that the charges faced by individual customers are determined. I expect that information to be available at the end of February.

Today I am announcing substantial increases in water charges to meet the substantial challenges that the industry faces. There can be no compromise on drinking water quality and environmental standards. However, that means developing broad public support for investing in our future and consulting on where to strike the final balance between service quality and price.

I am confident that the decisions that I have announced today promote the interests of customers by meeting the investment needs of the industry and enhancing its efficiency. That will mean a properly funded, successful and, above all, public water industry in Scotland, providing Scottish customers with the high-quality service that they deserve. Ensuring that our unique Scottish water industry compares with the best is a major challenge for the new Scottish

Administration and the Scottish Parliament. I look forward to working with members in meeting that challenge.

**Richard Lochhead (North-East Scotland) (SNP):** I welcome the minister's statement. She has said that the proposal for massive hikes in water charges will be unwelcome. I assure her that that is a huge understatement. There will be outrage throughout Scotland at the charges, particularly in places like Forth valley, where, in two years' time, there will have been a 300 per cent increase in water bills since Labour came to power. In the Highlands and Islands, in two years' time, bills will have broken the £300 barrier.

Private finance initiative schemes are conspicuous by their absence from the minister's statement. Will she come clean and admit that the reason for the increases is to force the current generation of customers to pay what can only be described as a tap tax? That tax is designed to provide profits for the private companies in whose hands the minister is placing Scotland's water industry.

Will the minister confirm that NoSWA proposed issuing a bond as an alternative to PFI, but was turned down? Will she also confirm that she has pursued the writing off of debt in the water industry to keep bills down? What action has she taken to keep bills down for the hard-pressed consumers in Scotland, whose bills have shot up since Labour came to power?

**Sarah Boyack:** I refute the suggestion that the substantial increases in charges have anything to do with the different procurement procedures in the water industry. We do not have an ideological objection to involving private investment where that would lead to value for money and efficiency. Let me give the example of the Almond valley Seafield and Esk project. If we had pursued it under the original Lothian region proposals, it would have cost £170 million; the PFI proposal that East of Scotland Water is pursuing cost £110 million.

It is possible to get investment in the water industry using both traditional procurement processes and PFI. It must be up to the water authorities to identify the most cost-effective way of doing that. That is why PFI has a place in the water industry—where the authorities see it as appropriate. It has a particularly important role in meeting the tight time scales faced by the water industry, following European directives. There is no shying away from those directives: we have to meet our obligations and to do so efficiently, with the best possible value for money.

I refute the allegation that the increases are the result of lack of investment by Labour-controlled local authorities. During the 18 years of Tory

Government, local authorities did not have enough money to meet all the demands made on them for education, transport and a range of local services. The water industry was one area in which it was most difficult to identify sufficient investment. It is not fair to lay the blame at the door of Labour-controlled local authorities. They have done their best to ensure that investment is appropriate. Over the past two years we have ensured, through the use of external finance limits, that extra resources were made available to enable the water authorities to meet their investment programmes.

**Mr Murray Tosh (South of Scotland) (Con):** I thank the minister for providing me with a copy of her statement in advance. Does she agree that the level of increases announced today is the result of capital spending having to be funded by direct charges, and that increases have, therefore, been driven by the external finance limits that she has set? Does she accept that the Competition Act 1998 will ultimately make for higher charges for many consumers, if large industrial users are cherry-picked, leaving the investment programme and all the overheads to be paid for by the remaining consumers?

Given the minister's non-ideological statement, should the Executive be considering a Scottish solution to this peculiar Scottish problem and allowing our water authorities greater commercial freedom to form private-public partnerships to access private capital and reduce annual direct charges to consumers in the long run, while maintaining investment levels? If not, is it not the case that the minister and the Executive are directly responsible for spiralling annual charges?

**Sarah Boyack:** Ensuring that we get the correct levels of investment is a key issue. The charges that have been announced today are the result of having to deal with a massive backlog in investment. In the privatised water industry in England and Wales, that backlog started to be tackled in the mid-1980s. We in Scotland have to catch up to meet our international obligations.

It is important that we address the implications of the Competition Act 1998 through this Parliament. That is why I indicated in my statement that I would return with a consultation paper that we could consider collectively over the next few months. It is why I have endorsed the commissioner's recommendation that we continue our review of the asset management process and identify the rate at which future investment is required to tackle the backlog. It is why we must promote the highest standards.

The commissioner's suggestion of a high standards initiative is absolutely relevant in the context of the Competition Act 1998. It will ensure that the possibility that Murray Tosh has raised—of large industrial firms being cherry-picked by

major companies from elsewhere—does not become a reality. That is why the water industry has to face the challenge of becoming more efficient and providing the highest possible levels of customer care, and why the two additional initiatives that I am endorsing today are of such significance for the industry.

We have spent three years getting together the components of the water industry that were in place before reorganisation of local government. The next challenge is to gear up the industry for increased investment and higher standards of customer delivery.

**Nora Radcliffe (Gordon) (LD):** Today the minister has announced charge increases for North of Scotland Water Authority of 35 per cent for next year. I accept the need for that increase, but the fact remains that it represents £71 a year for a band D house. Given that many pensioners still live in family houses and will not benefit from banding-related relief, will the minister join me in pressing the Chancellor of the Exchequer to increase the state pension by more than the proposed 75p a week, to allow older people in Aberdeenshire to afford this water bill increase?

**Sarah Boyack:** One of the key aspects of the increase in the North of Scotland Water Authority area is the extent to which the water authority has been involved in widespread consultation with users to ensure that people are aware of both the prospect of substantial investment and the possible impact of that investment. There has been extensive discussion in the north of Scotland. I know that the dispersed nature of the population means that this will cost more in the north. That is why I have ensured that the information is available widely. We can read the water industry commissioner's statement on that point.

As the Minister for Transport and the Environment, I will examine the possibilities of managing the process in terms of the impact that it will have on the lowest band of council tax payers and will try to mitigate the impact on them. I must stress that, although the potential rise is high, the rise in practice will not be as high as that.

**The Presiding Officer (Sir David Steel):** I call Dr Elaine Thomson.

**Elaine Thomson (Aberdeen North) (Lab):** It is just Elaine Thomson.

The minister's statement to ensure the security of Scotland's water supply and meet modern environmental standards is to be welcomed. However, the minister will be aware of the concerns of fish processors with respect to the European Union waste water directive. Can she assure the fish processing sector in Aberdeen and the north-east that it will not be adversely affected

by the changes in water charging announced this afternoon?

**Sarah Boyack:** I can say that the decisions that I have announced today do not have any impact on the size of the increases that Elaine Thomson is talking about. Trade effluent charges are a separate matter. It has been clear for some time that there are major challenges in dealing with the issue of trade effluent. I look forward to the publication of the Cordah report, which we expect to receive shortly. That will let us move swiftly to address the issue with the fish processors and with NoSWA.

**The Presiding Officer:** I apologise to Elaine Thomson for giving her Dr Elaine Murray's doctorate. No doubt she will get one in due course.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** Given that, next year, the hike in the water charges in the north of Scotland is to be three times as high as it will be in the rest of Scotland, I ask the minister whether she has seen the BBC programme "Castaway 2000". If so, is new Labour policy similar to the BBC's version of social experimentation on the isle of Taransay? Is Labour trying to see how difficult it is for people to survive and support their families? If that is not the case, why do the Highlands and Islands, the hydro capital of Scotland, have the highest hike in water charges, on top of the highest fuel tax in western Europe and the highest fuel costs in the world?

Will the minister finally give me an answer to the question that I asked on 23 November? Will she hold a public inquiry in Inverness to explain to the people of the north of Scotland why they are being treated to this form of social experimentation?

**Sarah Boyack:** I do not see the need for an inquiry. Fergus Ewing might have noticed that NoSWA published a review of its corporate planning process. I ask him to examine that carefully, in addition to the work that has been done in addressing the future charge levels for the NoSWA.

I remind Fergus Ewing that NoSWA meets widely varied needs from Dundee and Aberdeen to Orkney, Shetland and the Highlands. The major European requirements present a challenging prospect. I refer him to the corporate planning document that identifies the process that NoSWA has gone through in improving its approach to procurement and management of the services, and encourage him to take forward the debate on the way forward for the water authority.

**Rhoda Grant (Highlands and Islands) (Lab):** The minister is aware of my concerns regarding the infrastructure in the Highlands and Islands. Will the changes mean that there will be more investment to improve and extend the

infrastructure in the area?

**Sarah Boyack:** That is correct. It would not be acceptable for people in the Highlands and Islands to have lower water quality, less safe water and a less secure water supply than people in the rest of the country. When I was in Inverurie in the summer, I witnessed the collapse of the water mains there. I saw the problems that are caused when sewage goes straight into rivers. We need investment that is swift and achieves value for money. Customers must see that the process is being managed effectively. Those are the objectives that we have for the industry in the north of Scotland.

**Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** Does the minister agree that the rise in the NoSWA charges of more than 50 per cent over the next two years is extremely high? Does she agree that billing arrangements for those NoSWA charges should be reviewed to ensure that councils such as Aberdeenshire Council are not blamed by consumers for the rise, given that the bills come through letterboxes with council tax bills? Does the minister agree that consumers should know unequivocally that responsibility for the rise rests squarely with NoSWA, and will she review the billing mechanism?

**Sarah Boyack:** It is important to establish a language with which to examine what is happening in the water industry, one that identifies the key challenges and benefits of that investment.

The approach taken by Mr Rumbles is not the best way forward. It is important for each authority to explain, in value-for-money terms, what customers will receive in practice, exactly what level of investment is to be delivered and what that will mean for water quality and standards. Each water authority must take that approach. I know that the water authorities are considering that question carefully, so that their customers will understand the benefits of the rises.

**Mr John McAllion (Dundee East) (Lab):** Does the minister agree that, even after the increases announced today, Scottish water consumers will, in comparison with consumers in England and Wales, continue to pay charges well below those levied by privatised water companies south of the border? If so, will she make it clear that it remains a priority for this Executive to retain the Scottish water industry wholly in public ownership by opposing any proposal that would allow privatised companies to cherry-pick in Scotland by using our water infrastructure, which was bought and paid for by Scottish taxpayers?

**Sarah Boyack:** Absolutely—that is in our interests. The Executive is committed to ensuring that the water industry is managed efficiently and



effectively by the public control mechanisms that we have identified, although that does not rule out private sector investment, where it would be appropriate and where it would meet value-for-money objectives. However, Mr McAllion was right to say that the increases that we are recommending today will not lead to the situation where Scottish water consumers pay the levels set by the privatised water industry in England and Wales.

In order to give a sense of the impact of those increases in real terms, I reiterate that the average water consumer's charges will rise by in the region of 60p a week—40p for people in community charge band A. The percentages may seem high, but the amount a week for the next year, in terms of pence, is comparatively low.

**Alex Neil (Central Scotland) (SNP):** I draw the minister's attention to the part of her statement that dealt with the impact of these charges on low-income households and to the fact that she has asked her officials to examine ways of improving the protection provided by the current charging arrangements.

In terms of the minister's instructions to her officials, what is her definition of a low-income household? What options has she asked the officials to consider? What time scale have those officials been given to report back and make recommendations?

**Sarah Boyack:** In terms of what we mean by low-income households, we must consider both community charge bands and the issue that people may be on a low income, yet live in a house that does not have a low community charge band. From talking to the water authorities, I am aware that they are also conscious of—and most concerned about—those issues. I hope to carry out the review swiftly, so that the answers are available in time for the next annual water authority charge round.

Last year, I considered the impact of future price rises on the voluntary sector, which must be taken seriously. By announcing a two-year scheme for water charges, people can look to the future. However, we must still identify the possible impacts and ensure that we seek to mitigate those impacts where there are opportunities to do so.

**Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** Given that the minister said that although the percentage rises seem to be high, the actual amounts are relatively small, does she agree that, for some low-income households, even small rises will have a huge impact on a family budget? Will the minister give an assurance that measures will be taken to ensure that, when these proposals are reconsidered, the blow will be softened for those who are on the very lowest

incomes and who are nearest the poverty line?

**Sarah Boyack:** That is precisely why we need to consider the situation and determine what possible measures are available. I agree with Cathy Jamieson absolutely that, although to some people 40p seems like a small amount of money per week, to other people that is a significant amount. We need to take that seriously.

**Mr Alex Salmond (Banff and Buchan) (SNP):** I ask the minister to address two questions that she has consistently failed to address in her statement.

First, looking forward to competition in the water industry, does she accept that the fact that the English private companies had their entire debt written off at privatisation puts the Scottish water industry in an uncompetitive position unless the Government is prepared to address the debt levels in the Scottish public authorities?

Secondly, will she confirm that NoSWA, the north of Scotland authority, asked to use a bond issue to finance the capital investments that it is now having to make, as it realised that that was cheaper than going down the private finance initiative route, but was turned down by the new Labour Government?

**Sarah Boyack:** On the issue of the investment that was possible following the write-off of debts, the Scottish water authorities gained a higher proportionate write-off than those in England and Wales.

On the bond issue, I am happy to put my answer in writing to Mr Salmond afterwards, if he wants me to do that.

**Des McNulty (Clydebank and Milngavie) (Lab):** Does the minister agree with me that environmental and public health considerations are absolutely vital to the way in which this investment programme is to take place? Can she confirm that the arrangements that she is putting in place will ensure that those considerations will not be subordinated to profit expectations, as is the case south of the border?

**Sarah Boyack:** The purpose of the quality and standards paper is to identify the levels of service that are required throughout Scotland, in the light of the demands of a number of European directives. It is important that we satisfy those directives in the most cost-effective way possible. The purpose of the quality and standards paper is to identify that. I give Des McNulty an assurance that our key objective is to meet those requirements of health and environmental standards at the best cost.

**The Presiding Officer:** I apologise to the three members who wanted to be called, but I must protect what is left of the budget bill debate—which is not very much.

## Budget (Scotland) Bill: Stage 1

15:48

**The Minister for Finance (Mr Jack McConnell):** We will no doubt hear a lot about cuts in budgets this afternoon, although it is debates on budget matters that seem to be cut most regularly in this chamber. With that caveat, I would like to say how pleased I am to introduce the budget bill to Parliament in opening this stage 1 debate.

The Public Finance and Accountability (Scotland) Act 2000 has received royal assent. It is one of this Parliament's first and undoubtedly key pieces of legislation. It requires Parliament to give the Executive full statutory authority before any public money can be spent. The budget bill will give us that authority. I am privileged to be the minister in charge of bringing before Parliament the first in what I am sure will be a long line of such bills.

I am also privileged to have led the new open process that has brought us to this point. That process has involved Parliament, its committees—particularly the Finance Committee, whose input has been informed, positive and constructive—and the public of Scotland. Our consultation has confirmed that our priorities are those of the Scottish people—improved health care and better educational opportunities for all.

Our consultation has also given us new ideas and ways in which to improve the budget processes. For example, the group Engender—which, as its name implies, is concerned with gender issues—suggested that we needed to conduct a gender audit across our spending programmes, to assess their overall impact on women. I have told it that I intend to develop that idea for the future.

A great deal of work has been going on, and so far we have laid the financial foundations for our programme for government. We have set out our proposals, we will be building on those foundations in 2000-01 and we have consulted on those plans.

**Andrew Wilson:** Will the minister give way?

**Mr McConnell:** Later.

The culmination of all that will be the first annual budget that this Parliament will set. It will allocate more than £16 billion of public money. Decisions on the way in which that money is allocated and spent will make a difference to every man, woman and child in Scotland—from doctors' waiting rooms to classrooms and the streets in which those people walk.

What I have described so far is a process—an important democratic process—but not an end in itself. The real end lies in making the right choices about the way in which the total resources that are available to us are divided up and spent. The framework for those choices has been our programme for government, which is a comprehensive work plan for what the Executive will achieve over the next three years.

In the real world, we have to make those choices under an overall resource ceiling, which gives us the important challenge of improving efficiency and extracting the maximum benefit from every pound spent. This Administration is committed to a rigorous search for genuine efficiency in all public services by achieving either the same level of service for less money or improved services for the same input. In the context of that commitment, I recently announced our proposals for a new procurement board. The new arrangement will bring a new effectiveness to the Executive's role as a major purchaser of goods and services in the marketplace and will make us more efficient.

The bill presents figures for approval by Parliament at departmental budget level. Those figures are disaggregated in the accompanying budget documents and expressed in real terms, as I promised early in the life of this Parliament that they would be.

The figures accord with the level 3 figures that we presented in the consultation document "Spending Plans for Scotland", which was published in November. They do not take account of additional resources that may come to us as a result of the new arrangements for fuel and tobacco duty. However, as I announced last week, we have decided to hypothecate any such resources to the transport and health programmes. That is a decision by the Chancellor of the Exchequer supported by the Executive—it is devolution for Scotland improving key services. Therefore, the figures shown in the bill may increase.

First and foremost, the proposals in the budget bill support the Executive's commitment to improving the health of the Scottish people. We are providing extra resources for the health service, at significantly above the rate of inflation. It is the people who work in the health service—

**Andrew Wilson:** Will the minister confirm that the significant increase above the rate of inflation is 0.8 per cent?

**Mr McConnell:** As Mr Wilson knows—he is, as he likes to remind us, an economist—the increase for this financial year is significantly above the rate of inflation. Over this year and the next two years, the cash increase is £300 million each year, which

is a cumulative total of £1.8 billion for the health service. That increase is well above the rate of inflation and represents a per capita increase that is equivalent to that in England and Wales. It is significantly larger than the paltry £35 million per year that was promised by the Scottish National party in its 1997 general election manifesto.

It is important that the health service is a success. A large part of the extra resources that we are devoting to health will go to ensure that health service staff are properly rewarded for their extraordinary efforts.

**Miss Annabel Goldie (West of Scotland) (Con)** *rose—*

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

**Mr McConnell:** The members should wait a second.

The record £5.2 billion investment in the health service next year will improve the health and quality of life of the people of Scotland through a modern, high-quality health service. It will deliver real results: the new Wishaw hospital, which is due to be completed in February 2001; Hairmyres hospital, which is due to be completed in September 2000; East Ayrshire hospital, in November 2000; the first phase of Glasgow royal infirmary, in December 2000; the Western general hospital, in March 2001; and the southern isles hospital, in December 2000. Those are examples of the delivery of real improvements in the health service by this partnership Administration.

**Miss Goldie:** The minister's news of improvements to the health service is welcome, but does he accept that there is an estimated overspend by health trusts of £50 million? Is that overspend allowed for in the minister's budget projection?

**Mr McConnell:** The elements that I have outlined today are covered properly in the budget estimates for next year. The amount of money that will be required by, and delivered to, the health service next year will increase significantly in real terms. We have to be clear that the amount that we can spend on the health service will never be enough for any of us, but we want to ensure that the amount of money increases significantly year on year to deliver improved health service for Scotland.

We will also carry forward with new vigour the fight against the scourge that is drugs. The drugs enforcement agency will lead the fight against the organised illegal trade in drugs. We will conduct an audit of all Executive spending on drugs to ensure that spending matches priority.

**Mr Keith Raffan (Mid Scotland and Fife) (LD):** Will that audit be published?

**Mr McConnell:** The minister said last week that he would make clear not only the outcome of that survey, but what he intends to do about it. I am sure that the Parliament will welcome that action.

We want to give Scotland's children the best start in life that they can have by making available £134 million to fund nursery placements and by expanding the scheme to include three-year-olds. That means a nursery place for all four-year-olds in Scotland and, by the end of 2000-01, places for 60 per cent of all three-year-olds.

For children of school age, £131 million will be available to local authorities through the excellence fund, which is 21 per cent more than was available in 1999-2000. Next year, we will provide six new community schools and reduce class sizes in primary 3 to 30 pupils or fewer. We have already recruited an extra 750 teachers and will recruit 400 more.

Above all, the budget bill will have real impact across all our programmes and will make a difference to people's lives. It will respond to the modern agenda of this modern Parliament by tackling age-old problems in new ways. For example, there will be new money to tackle domestic abuse. The bill will fund the new food standards agency and will help to fulfil our commitment to provide 18,000 affordable new and improved homes. Furthermore, it will start making real inroads on the drugs trade through the drugs enforcement agency. It will also provide alternatives to car use through the public transport fund.

The bill will start to tackle seriously the effects of years of Conservative under-investment in roads. It will reduce class sizes in our primary schools; aid eight major new hospital developments; take us towards the opening of Scotland's first-ever national park; and establish a Scottish university for industry.

However, I want to emphasise the extent to which the bill's proposals are part of a continuing process, which is based on the best traditions of all Parliaments but which is guided by Scotland's particular needs and wishes. Although we will deliver improved public services to the people of Scotland in the coming year, we will also be planning well beyond that. A spending review that is under way in the UK Government will add two new years—2002-03 and 2003-04—to the current comprehensive spending review plans.

**Alex Neil (Central Scotland) (SNP):** I thank the minister for giving way; I always hate to interrupt his peroration. However, has not he ignored expenditure on housing, which will affect not just the housing situation of the Scottish people but

their health? Furthermore, does he agree that, at the end of this period of spend, capital spending on housing in Scotland will be substantially down on what it was in real terms five years ago?

**Mr McConnell:** Spending will be substantially higher than it would have been in real terms had Mr Neil's party won the 1999 election. As he knows, even the SNP policies that could be afforded would not deliver the 18,000 new homes that we have promised and will deliver.

Scotland's budget will be determined in light of the CSR review by means of the operation of the Barnett formula. In anticipation of that, the Executive will develop its own plans for those years. As a result, I can announce today that we are forming a spending strategy group within the Executive. I am delighted that the Minister for Rural Affairs and the Minister for Parliament will be joining me on that group. In the coming months, my colleagues in the Executive and I will carefully scrutinise the programmes for which we are responsible and the strategies, such as social justice and the fight against drugs, that cross a number of ministerial and departmental responsibilities. We will examine the funding required for those programmes and will conduct a rigorous assessment. Our objectives will be to ensure that our spending delivers the priorities set out in our programme for government; to develop and carry forward those priorities for a further two years; and to free up resources for new initiatives and further developments in the new agenda for Scotland.

I hope that we will be able to announce our new plans in September. That will give the Parliament an opportunity to contribute by feeding in ideas between now and the summer recess and by scrutinising our plans after they are announced.

**Bruce Crawford (Mid Scotland and Fife) (SNP):** In a letter that the minister recently wrote to the convener of the European Committee, he said:

"As the overall Assigned Budget is determined by other factors, including the Barnett Formula, increases in structural funds expenditure would result in fewer resources being available for other spending purposes."

How do structural funds provide additional funding for Scotland's public expenditure?

**Mr McConnell:** Structural funds provide additional expenditure because they are additional funds that come into Scotland from Europe. As I have tried time and again to explain to Bruce Crawford, Andrew Wilson and Ben Wallace—who is not here today, but who has been commenting on this matter over the past week—those funds are at a level that will no longer be required over the next seven years, which will free up new resources in the Scottish budget for other matters.

Any suggestion to the contrary has been—and is—completely untrue.

The bill sets out our proposals for the next financial year. Those proposals are firmly rooted in our programme for government and will support our progress in implementing it. This budget will improve public services in Scotland and will deliver a modernising agenda for Scotland. It is a budget for everyone in Scotland—for children and their parents, for companies and their employees, for the health service and those it treats, for those who want to enter education no matter their stage of life, for city and countryside, and for communities and those who live in them. The budget proposals are realistic and fair. They represent a good deal for Scotland. I move,

That the Parliament agrees to the general principles of the Budget (Scotland) Bill.

16:00

**Andrew Wilson (Central Scotland) (SNP):** I welcome the first budget bill in the Scottish Parliament. The SNP's approach to all budget bills will be to scrutinise them and, where possible, not to be obstructive.

The bill represents, of course, a division of a declining cake; it is not a normal budget on which a judgment can be made about the raising and allocation of revenue and expenditure. We are unable today to support stage 1 of the bill, as it is rendered incompetent by the fact that expenditure announcements that were made just before this debate are not contained either in the budget or in the supporting documents. Before stage 2, the Executive must come back with an amended bill. That is why we are forced to vote against the bill today. What has happened illustrates the chaos that the Executive has been in during the process of deciding the fudge about which we heard earlier this afternoon.

To be helpful, I should say that, in principle, this Parliament's approach to budget development is much better, healthier and more open than the one at Westminster. The consultation should ensure that—it is a step forward that we welcome.

However, the Minister for Finance's claims of openness and integrity in that consultation do not stand. The cash-terms consultation document was described by the Finance Committee as misleading. In *The Herald* on Monday, the Executive announced—as an exclusive—that school spending per head had risen by 8 per cent. The reality, as my colleague Nicola Sturgeon will point out, is that school spending per head has not risen by 8 per cent over the period in question—in fact, it has risen only by a quarter of that level. That sort of shambolic fiddling of the reality of public finances is utterly unacceptable in any

budget.

**Mr McConnell:** Will Mr Wilson confirm that the average budgeted running cost per pupil for primary schools in Scotland in 1997-98 was £1,791 and that that figure rose to £1,939 in 1999-2000? Over those three years, that is an increase of 8 per cent for every Scottish primary school pupil.

**Andrew Wilson:** I called the minister's officials on this question. The figures that he cites take no account of the 5 per cent rise in inflation in that period. In real terms, the figure is 3 per cent. When one takes account of the falling school roll, the 8 per cent spending rise per pupil, which *The Herald* headline implied, is only 2 per cent. These figures may seem like debating points, but they show what is actually going on. If the Minister for Finance is unable to cite honest and open figures in anything that the Executive does, we are left with a litany of mis-spins and—frankly—lies, which do not impose order on to the budget process.

The reason behind the strategy of puerile diversionary tactics, such as those at the weekend and the mis-spin today, is clear. Despite the warm words from Mr McConnell and his colleagues, there is a crisis in Scottish public services. That crisis will not get better; it will get much worse.

I see that the Deputy Minister for Local Government is sitting next to the Minister for Finance. During the first period of the Labour Government, some £2.4 billion less was spent on local authorities than under the Conservatives. Now we have Labour-controlled COSLA identifying a black hole in local government finance of £675 million. Council taxes are shooting up and, in what has been dubbed "Jack's tax", people in Glasgow and Dundee are paying twice as much as people in London. Council tax increases are running at twice the rate of inflation across Scotland.

We also have the abolition of the uniform business rate, even though that was not announced in the manifesto. At the election, Gordon Brown said that a 1p freeze in the income tax rate in Scotland would lead to 250,000 job losses—incredible, but if it is said by the chancellor, it must be true. How many jobs, then, will be lost by a tax increase of 10 per cent, in comparison with what is happening in England, which is directed on employers through the abolition of the uniform business rate?

**Mr Andy Kerr (East Kilbride) (Lab):** The SNP has managed to spend £2.5 billion in the first nine months of the Parliament. How does that relate to Mr Wilson's comments on the minister's speech?

**Andrew Wilson:** Back on the planet reality, we do not control the purse strings, so we have not spent a penny.

I have no doubt that we will hear more allegations about extra spending by the SNP. I have other things to do, but I took time out at the weekend to look at the *Official Report*. In just one day, during a debate on 2 December—I ask the Liberals to take note—Robert Brown committed the Liberal Democrats to a restoration of the link between earnings and state pensions, at a cost, according to him, of £8.4 billion. That is three times the figure in the allegation that Mr Kerr has just placed at my door.

One of the more respected of Labour's back benchers, John McAllion, agreed with Mr Brown. He said that that was the Labour party position and that most Labour members held to it. Allegations are made, and they are supposed to weaken us—which of course they do not—when the uncoded, unprincipled spending commitments of the Liberals and the Labour party—

**The Deputy Minister for Local Government (Mr Frank McAveety):** Will the member give way?

**Andrew Wilson:** I will finish the point. The uncoded, unprincipled spending commitments by the Liberals and the Labour party are three times that level. That is the reality.

**Mr Raffan:** Will the member give way?

**Andrew Wilson:** I have said no.

We have seen utter incompetence from the Labour party and a daft, puerile tactic, which will not work and which does not apply to the realpolitik. What is actually happening is much more serious. The minister did not deny the fact that the health programme budget is increasing by a paltry 0.8 per cent next year. That compares with Mr Blair's promise of 5 per cent. What is happening to the difference?

A document from the Parliament's information centre pointed out that, even if Mr Blair's promise were implemented,

"Scotland will 'lose' £500 million."

That is what is going on in Scottish public services; it is why Labour is in trouble and will lose Ayr. It is also why the people of Scotland are in deep distress at what is happening to their health service. No wonder that, at the weekend, nine out of 10 people said that they did not trust Labour with the health service. That is what is actually happening. We are not talking about some imagined grievance; we are seeing an attempt by Mr Kerr to put a foot on the ministerial ladder.

In education, £300 million less is being spent than under Ian Lang. Those are the figures not of Andrew Wilson, but of Jim Wallace, from before the most recent election. The amount that the Liberals have managed to lever in is paltry compared to that gap. Why is it that the Liberals

are saying nothing about the income tax freeze that we proposed at that election? Is now the time to be cutting tax, when Scottish public services are in such trouble? Charles Kennedy does not think so. Last week, he called for a freeze on the basic rate of income tax; the Parliament should be doing the same today.

**Mr Raffan:** I know that Mr Wilson is in favour of rigorous costing, so perhaps he will give a full costing of the SNP's student package, which is Cubie plus, plus, plus, as the SNP has committed itself to financing Scottish students not just in Scotland, but furth of Scotland, which means worldwide.

**Andrew Wilson:** That costing is in every submission that we made to the Cubie committee. Perhaps Mr Raffan will outline in his speech how the Liberal Democrats intended to finance the abolition of tuition fees, which they promised in their manifesto. I do not recall seeing that information in any Liberal manifesto.

In the wider context, the Minister for Finance cannot be blamed for many of the current problems, because they are a function of the squeeze in Scottish public finances. There is a solution to that squeeze. It was said that

"the answer lies in . . . full fiscal freedom for the Scottish Parliament under which it would raise and spend all its own taxes, with a just contribution for the services we still receive from London."

Those words were said not by Andrew Wilson, but by Brian Monteith, an education spokesperson for the Conservative party, on 28 May. One month previously, David McLetchie, the leader of that party, agreed with that and said that the process should happen—but not yet. Every independent member, the SNP and, clearly, some members of the Conservative party agree with that strategy. It is the only solution to the problems that we face today.

Our job is not to sit back and allow the Executive to manage the decline of Scottish public services. It is not for us to make do with the constraints of this Parliament; we must deliver. We do not have to limit our horizons; we should raise them. We have to grow as a Parliament and deliver some of the solutions. I see Richard Simpson at the back of the chamber—during the previous stage of the budget process, he, too, called for greater fiscal autonomy. Let us think big and try to be normal when we talk about our budgets. Let us focus on what is actually going on, rather than some imagined grievance.

16:10

**Mr David Davidson (North-East Scotland) (Con):** I listened with some amazement to Jack the lad passing off the bill as a tremendous

contribution towards meeting Scotland's needs. There is no need for me to go through lists of figures; thanks to Andrew Wilson and others, we know very well that, in many areas, the Administration is still trying to catch up with the spending that we had planned for 1996-97. The figures exist, but we do not have time to argue them all today.

**Lewis Macdonald (Aberdeen Central) (Lab):** Will the member give way?

**Mr Davidson:** Not at the moment.

Over the past few months, despite our warnings, the health service survived the winter only because of the superb efforts of its staff. The service is on its knees. My colleague, Annabel Goldie, mentioned the £50 million overspend. I do not recall hearing the minister say whether that overspend has been taken care of; if it has, there are people working in NHS hospital trusts who have not heard that good message.

What lessons has the Executive learned? We hear lots of rhetoric, but patients are still left to suffer for longer. This morning, I received a letter from a local dental committee, in which it complained that waiting lists have been closed. The fact that people are waiting for treatment does not mean that the waiting list has closed; it means simply that people will not get on the list very quickly. The letter, from one small but important part of our health service, contains some extreme comments about the requirement for additional funding. It states that spiralling waiting times, underfunding and lack of strategic funding—compounded by changes in postgraduate education—are overwhelming the service and will result in its ultimate destruction. That is not what Scotland deserves.

**Dr Richard Simpson (Ochil) (Lab):** Will the member give way?

**Mr Davidson:** In a moment, Richard.

The NHS faces increased costs. Mr McConnell talked about inflation being met, but while the 2.6 per cent GDP deflator may, in the round, reflect inflation according to his calculations, I know no section in the health service in which inflation is running as low as 2.6 per cent. The drugs budget and the new treatment budget, for example, face higher inflation. Furthermore, next year's pay rises have not yet been met and the trusts are extremely worried about them.

**Dr Simpson rose—**

**Andrew Wilson:** I am grateful to Mr Davidson for giving way. Further to his point on pay rises, we should consider the fact that 60 per cent of the Scottish budget is allocated to public sector wages and salaries. We have just heard that, this year, average earnings will rise by 4.7 per cent. How

does the minister square those figures, and what would Mr Davidson do about them?

**Mr Davidson:** That was exactly my question. I thank Andrew Wilson for his support.

It is obvious that when Donald Dewar was Secretary of State for Scotland, he failed to plan properly for the new Parliament. The budget today shows, in real terms, a net cost increase of around 43 per cent. That does not say much about his skills in long-term planning and setting budgets. I hope that we do not have to allow a 40 per cent variance every time someone in the Executive produces a figure. I appreciate that Mr Dewar is now two men down, but surely, between themselves, members of the Executive can do a bit better on planning.

The bill represents a failed opportunity to prioritise spending. I would have thought that issues on which we receive letters, such as health, law and order, and in particular housing—core council services—would have featured more strongly in the budget. The budget is a sham; it involves an awful lot of smoke and mirrors, and money moving around. What about the morale of the people who work in our public services and the morale of people who depend on those services?

I notice a reduction in the rural affairs budget. There may be a technical argument about that, but people in rural areas feel that their problems are not being addressed. I do not see how the budget addresses properly the problems of rural Scotland.

Our police services are under-resourced when trained officers are being diverted to the new drugs enforcement agency. We welcome the establishment of that agency, but the Parliament must ensure that our police service gets alternative resources, especially as it wishes to set up the new public safety radio communications project trunked communications system, which will cost many millions. At the same time, the police service is trying to find 5.2 per cent efficiency savings. Which budget will those resources come from and why are they not part of existing planning? Our police forces perform extremely well, but the Parliament has a duty to ensure that they, the courts and the prison services are assured of the support they need to carry out the job that they do on behalf of our people.

The budget seems to contain nothing extra for wealth creation. We heard, during questions on the statement about Cubie, that Mr McLeish's department's budget will take a hit to deal with Cubie. Nor has the chamber passed any legislation. So, Andrew, it is fair game that it is not in the bill. Whether it is will depend on the moral fibre of the Liberal party. No doubt we will hear more about that tomorrow.

Any funding for those proposals will come from

an enterprise budget that is reduced in the bill. The minister commented on support for business and so on. He even talked about the fact that the Executive is doing better with regard to roads. I recall that when the UK Labour Government came to power—Jack should remember that he is in the second wave—it abandoned our road works schemes. The Executive is hitting us for doing that, yet it has cut a lot of projects.

I welcome one or two parts of the minister's statement—not too many—but before I do, I ask the minister to tell us at the end of the debate where he is going to find the money to fund the proposed Cubie mutant that the Executive has come up with. Furthermore, where has the £80 million that the Liberals got out of the minister vanished to? That is not stated clearly in the document that we have.

**Dr Simpson:** David Davidson and Andrew Wilson have come out with long litanies of additional spending. Will either of them give any indication, in a carefully costed budget, of how they propose to raise the money to pay for their profligate plans?

**The Deputy Presiding Officer (Patricia Ferguson):** Please wind up.

**Mr Davidson:** That is an interesting point, Richard, because at no time have I suggested that we should increase taxation. In fact, I have complained about taxation. We are talking about prioritisation on behalf of the Scottish people—

**Mr McConnell:** Will Mr Davidson give way?

**Mr Davidson:** The minister would not be allowed in.

We are talking about prioritisation, on behalf of the Scottish people, of a set budget that we recognise is a zero sum budget. We understand that. Mr McConnell does not have to tell me that, as he does those members over the road.

**Mr McConnell:** May I ask a question?

**Mr Davidson:** No. The minister is not allowed to. The Presiding Officer told me to wind up, so the minister cannot intervene. He must behave himself.

**The Deputy Presiding Officer:** I would be grateful if you would wind up, Mr Davidson.

**Mr Davidson:** This budget shows no vision. It establishes no path forward and it fails to recognise the needs of the Scottish people. We cannot support it and I ask Parliament to take the proposals apart line by line in all of its committees and send a clear signal to the Executive so that when the bill comes to its final stages, the Executive ensures that it is amended to fit the resources that are available and the prioritised needs of the people of Scotland.

16:17

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

The Scottish Liberal Democrats warmly welcome this budget, particularly the significant changes that were made to the provisional budget in the autumn in order to reflect the new priorities that are set out in the partnership agreement. As the minister said, it makes a difference to every man, woman and child in Scotland—particularly every child—and, after yesterday, to every student as well.

Some £51 million of the £80 million that Mr Davidson referred to is extra money for our schools, providing extra teachers, new books and better equipment for every school and every pupil in Scotland; £29 million will be used to widen access to higher education. In addition, of course, we have yesterday's £50 million package for students, abolishing tuition fees for those in higher education a year earlier than Cubie expected or thought possible; abolishing tuition fees for those in full-time further education, which amounts to 40,000 students—beyond the Scottish Liberal Democrat pledge; and introducing bursaries or grants towards living costs for students from low-income families. This is not only a partnership Government; it is an education Government.

The minister was right to say that responsible government, which the SNP does not have a clue about, is about choosing from an infinite array of demands and pressures.

**Brian Adam:** As Mr Raffan is making claims about the partnership agreement, particularly with regard to education, how does he respond to the situation in Aberdeenshire, where there is speculation that teaching posts will be cut as a consequence of the partnership's failure to fund Aberdeenshire properly? A series of new taxes are about to be introduced, such as the 35 per cent water tax, which has just been announced.

**Mr Raffan:** This is supposed to be an intervention, not a speech.

**Brian Adam:** There are liable to be congestion charges. Does he welcome those as well?

**Mr Raffan:** We are bound, as is the minister, and as would other parties be, by the grant-aided expenditure assessment for Aberdeenshire. We are unhappy about that. We realise that there are problems in particular council areas, such as Aberdeenshire, and Perth and Kinross, where the population has increased and where councils have to provide services for that additional population before the increased numbers feed through to the settlement.

My colleagues Nora Radcliffe and Mike Rumbles have held lengthy meetings with the minister on this issue on behalf of their constituents, as have I

on behalf of Perth and Kinross. Of course we are not happy with the situation.

**Mr McConnell:** Do Mr Raffan and his colleagues welcome the fact that I have met representatives of Aberdeenshire Council and had constructive discussions with them and their leader in recent weeks? Do they further welcome the fact that I have taken on board Aberdeenshire Council's point of view and am likely to make an announcement within the next few days that recognises the difficulties that the council faces?

**Mr Raffan:** I was just coming to that point. I am grateful to have been able to give the minister the opportunity to say how positive he has been in his meetings with Aberdeenshire Council and in his response to its concerns. I know that the minister will be similarly positive when he meets representatives of Perth and Kinross Council on Monday. We are looking forward to that meeting. I am glad to see that the minister is nodding his head.

There are difficulties in choosing between the infinite array of pressures and demands. Nowhere is that more evident than in the national health service. The situation is not helped by the fact that the UK Labour Government stuck to Tory spending limits for its first two years in office. The Liberal Democrats disagreed strongly with that decision for precisely the reason to which the Prime Minister constantly refers—the fact that it takes four years to train a nurse and seven years to train a doctor.

**Mr Davidson:** Will the member give way?

**Mr Raffan:** Not at the moment.

We would have invested more and earlier because it takes time for money to feed through into improved health services. We call on the chancellor—as have Charles Kennedy and the Liberal Democrat Treasury spokesmen at Westminster—not to proceed with the 1p income tax cut. If we need any extra evidence to support our case, we can call on no better witness than Tony Blair himself who, on "Breakfast with Frost" on 16 January made a pledge—or was it an aspiration?—to increase spending on health until it reaches a proportion of gross domestic product equal to the European Union average. As Andrew Wilson indicated, that would mean a 5 per cent increase in real terms for at least five years, or perhaps even more than that—there are different estimates.

Reversing the 1p cut in the basic rate would be enough to narrow the gap between UK and EU rates of health spending by a quarter in one year.

**Dr Simpson:** Will the member give way?

**Mr Raffan:** I cannot give way, as I am limited for time. This is a short debate, so I hope that the



member will forgive me. I do not have 18 minutes, as I did last week.

No budget speech of mine would be complete without my mentioning the latest episode in the long-running SNP soap opera. What shall we call it? Bankruptcy Street? Neverenders? Or simply, Spenders Galore?

Members will recall that after the last episode we stood at spending of £13 million a day. I would have thought that my comments during the debate on the draft budget in December would act as some sort of restraint on the SNP, but in fact its commitments have accelerated to more than £16 million a day.

**The Deputy Presiding Officer:** You must wind up, Mr Raffan.

**Mr Raffan:** On 16 December, Duncan Hamilton popped up, talking about £665 million extra on health spending. On 12 January, Kay Ullrich committed the SNP to £41 million extra on residential care beds. On 13 January, Fiona Hyslop called for £175 million of additional housing investment. On 17 January, Kay Ullrich called for £49 million extra in pay awards for the NHS. Those figures do not yet include SNP spending on its student finance commitments—Cubie plus plus—which Mr McLeish has estimated will cost at least £100 million.

The SNP will never be a potential party of government until it can become at least a partially credible party of opposition.

**The Deputy Presiding Officer:** Unfortunately, this was scheduled as a very tight debate. The statement ran on, so we are very short of time. I apologise in advance to members who will not be called. I do not intend to reduce the time limit on speeches, which will be four minutes, but I ask members to consider the fact that we will get more in if they speak for a slightly shorter length of time.

16:24

**Des McNulty (Clydebank and Milngavie) (Lab):** I am pleased that Andrew Wilson referred to the debate on 2 December, because it was during that debate on the elderly that I was the first in the chamber to highlight the fact that the SNP's response to every imaginable issue is to make fresh financial commitments. The theme that I adopted on that day has been taken up by others, most notably by Mr Raffan. I am pleased that he is keeping the SNP's score card.

To some extent, the situation is like the conquests of Don Giovanni; once one gets past the first few episodes, one knows what is going to come. There is really not much point in keeping a tally.

**Andrew Wilson rose—**

**Des McNulty:** I will give way in a moment, Andrew, but I would like to finish my point first.

The SNP is not prepared to make any practical choices. In my view, the essence of politics—its whole focus—lies in making real concrete choices. The responsibility of any political party that hopes to govern sensibly and to make itself accountable to the electorate is to declare what those choices are.

**Andrew Wilson rose—**

**Des McNulty:** Andrew Wilson is sitting there—

**Andrew Wilson:** No I am not—I am standing. Will the member give way?

**Des McNulty:** Andrew Wilson—the jelly chancellor who has no control over the people surrounding him, who make commitments and promises that he does not have to deliver. He has no intention whatever of carrying out the promises in the list that Keith Raffan gave. Those were empty promises with nothing to back them up. Andrew can now defend himself.

**Andrew Wilson:** Leaving aside the 89 uncoded spending pledges that the Tories accused Alistair Darling of making, I refer Des to the debate that he referred to himself. I quote John McAllion:

“Most Labour members agree that pensions should be linked to earnings rather than to inflation. That was always our position and it remains our position.”—[*Official Report*, 2 December 1999; Vol 3, c 1137.]

On the same cod analysis that Keith Raffan and others have undertaken, that is a pledge of £8 billion by John McAllion and Robert Brown—a figure four times greater than the one I have given in this debate. What is Des's response to that? It is a stupid analysis and a puerile attack—because his party is worse.

**Des McNulty:** The difference is that commitments made from this side of the chamber are made by ministers. They are expected to live up to them.

**Nicola Sturgeon (Glasgow) (SNP) rose—**

**Mr Adam Ingram (South of Scotland) (SNP) rose—**

**Des McNulty:** The Scottish National party has a series of spokespeople who constantly say, “We will do this. We will simply rub the lamp, generate more money and solve everyone's problems all the time.” That is plainly a dishonest way of conducting politics.

**Nicola Sturgeon:** Des McNulty talks about “practical choices”. On Monday, it was announced that £1,939 will be spent this year on every primary school pupil in Scotland. Back in 1995, in Denmark—our closest European neighbour—

£3,570 was being spent on every primary school pupil. Denmark was spending 84 per cent more than Scotland is spending now. I suggest to Des that the best “practical choice” that the people of Denmark made was the choice of independence.

**Des McNulty:** Nicola makes a point about Denmark. I am sure that she could make points about all kinds of other countries as well. We can all find whatever examples we like. I would like to make a point about Scotland.

Today, we have heard an announcement from the Government that puts £50 million into higher education and deals with the real problems of students who have not been able to maintain themselves and function as students because of financial hardship. I have worked in higher education and I have experienced those problems. The Government has made a real choice and a real commitment. Unfortunately, no real choices are being made by the SNP. Its statements on Cubie and higher education have to be balanced against its statements on roads, on housing, on pensions and on everything else. It is not prepared to make choices. If it were, its arguments would be more credible.

**The Deputy Presiding Officer (Mr George Reid):** Would you wind up now, please?

**Des McNulty:** Yes, I will. I think that I have said enough. *[Laughter.]*

16:28

**Mr Adam Ingram (South of Scotland) (SNP):** I would like to commend the minister and his officials for producing the comprehensive documentation and the mass of facts and figures that accompany the bill. As a member of the Finance Committee, I look forward to the detailed scrutiny of the bill; I believe that Mr McConnell is appearing before us next Tuesday.

The stark fact that stares out at me from the mass of information is that this budget cannot be regarded as worthy of a national Parliament. It is more akin, and more directly comparable, to the annual budgets produced by our local councils. Just like them, we have to accept what funds we are given by a central authority—in our case a block grant from Westminster that, over time, will bear little relation to what we actually need to spend on our nation's public services to maintain, never mind improve, their quality.

Even more significant, the block grant that we are given to allocate and distribute bears little or no relation to the revenues that Westminster ingathers from Scotland. Under the current devolution settlement, we have been invested with even less responsibility than a local council has in

that regard. The bill displays publicly the impotence of this Parliament to put Scotland's wealth to work for our people, to create the conditions for economic prosperity and to redistribute resources to bring about social justice.

We should view the bill as the Executive's best shot at shielding the Scottish people from budget cuts imposed by our remote and uncaring Treasury in London—the real master in this chamber. Make no mistake, Gordon Brown has inflicted serious damage. With £1.1 billion in cuts to services in Scotland over the first three years of a Labour Government compared with the last three years of the wicked Tories, Scotland's shield is heavily dented.

Many members of this Parliament will be aware that their former local authority colleagues are struggling—struggling to balance budgets and struggling to explain to their electorates why increased taxes are accompanying cuts in services. When they were in local government, members such as Mr McAveety, who is sitting next to Mr McConnell, were quick to point out where the blame for their predicament lay. The blame for the funding shortfall, both in councils and in this Parliament, lies at the door of the London Treasury.

The situation has become worse and more restrictive under Gordon Brown's stewardship of the United Kingdom economy. We now have less than we did during the darkest Tory years. If Brown's Treasury in London had allowed Scotland to spend even the same proportion of the national wealth that we spent five years ago, this Parliament would have an additional £4.5 billion in its budget over the next three years.

**Mr Kenneth Macintosh (Eastwood) (Lab):** Will Mr Ingram give way.

**Mr Ingram:** I am sorry, but I cannot give way.

For the Executive, that would have saved the embarrassment of robbing classrooms to bail out Scottish Opera and Hampden Park. A drugs enforcement agency could have been funded without cutting the Scottish Prison Service budget. The Cubie recommendations could have been comfortably funded in full. We have yet to hear what programmes will be cut to fund Cubie.

**The Deputy Presiding Officer:** Wind up please, Mr Ingram.

**Mr Ingram:** The problem with this bill goes far deeper than how much we get as a handout from London. This Parliament is not in control of its income. Regardless of how much our citizens pay through value added tax, fuel duty, stamp duty, insurance tax, car tax, corporation tax or even our own North sea oil revenues, not one additional penny will come to Scotland. All of it flows into

Gordon Brown's Treasury, much of it to be unproductively hoarded. At the current rate, £5 billion of Scottish revenues disappears in that direction every year.

**The Deputy Presiding Officer:** Close please, Mr Ingram.

**Mr Ingram:** That ought to be unacceptable to us all.

**The Deputy Presiding Officer:** You have gone a minute over, Mr Ingram. You must finish.

**Mr Ingram:** In short, then, I sum up by saying that we should be setting a national budget in this Parliament. If this is a national Parliament, it should act like one.

16:33

**Nick Johnston (Mid Scotland and Fife) (Con):** I am pleased to have the opportunity to speak in this budget debate today. It is an historic day in many ways, a disappointing one in others. The minister has made it plain on many occasions that expenditure on one area of government must be paid for by cuts in another. The Conservative party always welcomes the conversion of sinners, and especially of profligates.

The image springs to mind of the minister as an old wife at a church social, carefully cutting the cake into slices and deciding upon which plate the crumbs will fall. The issue is more serious than that, however, because this Parliament has the chance to change for the better the lives of the people of Scotland. Through the budget, the Executive has a chance to change the way in which many issues are tackled. It is a matter of sorrow to me that those opportunities have been wasted.

The new Labour party told us that it would change Scotland, but all the Labour Government's initiatives since May 1997 have been just that—lots of shouting but no substance. Now we have a chance. I, too, have a vision for Scotland—of a land where our children are educated and not abandoned, where our elderly people are cherished and not threatened, where our communities flourish and do not stagnate and where our businesses and commerce have the chance to thrive and to produce the wealth that pays for our hospitals and schools, the wealth that allows people to move from the misery of long-term unemployment into the dignity of work and the wealth that allows communities to be policed and prisons to be staffed.

Labour had a chance to embrace that vision, but it has failed; it is conservative with a small c. Where is the radical agenda? Why has it not seized the chance to change society, move away from the little box mentality and take bold steps to

break the entrenched positions of those who fight to retain their budgets and power and ignore the world around them? Perhaps the answer is that Labour does not have the imagination. It is fixed in the mode that accepts all the old agendas, so tinkering is preferable to action.

**Andrew Wilson:** Will Mr Johnston agree that one of the ways of stepping away from such a narrow agenda would be full fiscal freedom for the Scottish Parliament, under which it would raise and spend all its own taxes, with a just contribution for the services that we still receive from London? Will he agree with me, and Brian Monteith, or is there disagreement within the Conservative ranks?

**Nick Johnston:** I agree that if the Parliament would embrace some of the policies that we have proposed, such as removing education from the grip of local authorities and giving it to school councils, we could save—on my estimation—32 local government directors of education at a cost of £70,000 each, which adds up to £2.24 million. Those are the sorts of policies and radical ideas that I would propose, which are needed to transform Scotland.

**Mr McConnell:** I realise that Nick Johnston wrote his speech before I delivered mine, but I wonder—given what he has said about the need to review our budgets in an imaginative and creative way and plan for the future across departmental boundaries—whether he welcomes the spending strategy group that I announced in my speech and has been formed by the Executive?

**Nick Johnston:** I welcome any initiative that will lead to radical thinking and a new way of looking at things. The Executive seems to be stuck in always accepting things as they have been in the past. That is why spending is down in the justice department. How many police officers and prison officers will we lose? Spending is down on wealth creation, which is the powerhouse of the economy. Spending is down on aid to rural Scotland, on our transport system and on our courts system.

That is not a happy picture and it is not one that will impress the people of Scotland. When the Executive lacks vision, what hope is there for an improvement in the lives of ordinary Scots? When ministers do not see performance as promises and when the Scottish people see results and not rhetoric, I will congratulate the Executive on its spending plans.

**The Deputy Presiding Officer:** I regret the shortness of this debate. I give my apologies to members who have not been called, but we must now move to the winding-up speeches.

16:37

**Euan Robson (Roxburgh and Berwickshire) (LD):** This is a welcome debate on the first budget bill of our new Parliament.

The Liberal Democrats congratulate the minister on delivering this bill, given that what we will come to know as our normal process was necessarily truncated this year. Doubtless next year we will also see fully costed budgets from the Opposition, including one from the chancellor of the exchequer for cloud-cuckoo-land.

The plans for 2000-01 are a good match of prudent use of resources and investment in vital services. As my colleague Keith Raffan said, the Liberal Democrats especially welcome the investments in health and education. We look forward to the benefits of the £80 million increase for education that was announced in the autumn. We note the minister's point that almost half of the comprehensive spending review funding increase has gone to health.

**Mr Davidson:** Do I take it from Euan Robson's comments about costed budgets that the Liberal party will act as an independent party in this chamber and produce its own figures and policies? Will he accept that there is an element of doubt among members about whether Liberal members speak as Liberals or as aides to Jack McConnell?

**Euan Robson:** When we speak, we do so as Liberal Democrats who are part of the partnership Government. Our plans are included within those of the Executive, because we are part of the partnership Government. I would have thought that that was self-evident to Mr Davidson.

Nevertheless, the Liberal Democrats retain our independence in promoting our policies at a UK level and, as Keith Raffan said, we are campaigning for the Chancellor of the Exchequer to cancel the 1p tax cut this April and use the money for health expenditure. The electorate understands that tax cuts and better services are contradictory.

As Charles Kennedy put it to the Prime Minister recently:

"How many people out there in the country would rather see that money going on local hospitals and solving the problems of the health service? That is our priority, that is where the money should go."

**Alex Neil:** If next year's penny cut in income tax is frozen, exactly how much additional money will that raise for the national health service in Scotland?

**Euan Robson:** My understanding is that the figure is £215 million.

We maintain our commitment to hypothecate

extra tax on tobacco to go towards health spending and we welcome the potential increases, which the minister alluded to, in health and transport spending during the next financial year.

It is important to draw attention to one major, looming problem in public expenditure: funding pay rises. I know that it has exercised the minister; it is a matter of particular concern to local government. There have been seven consecutive years of failure to fund pay rises. I believe that the option of finding that money from efficiency savings is diminishing and that the cumulative effect is biting ever deeper. We must address that matter during the next financial year for the following one.

The SNP makes much of pegging expenditure to a percentage of gross domestic product, claiming that that would mean a major increase in expenditure. If expenditure were pegged to GDP, spending would be slashed dramatically during a recession. In the early 1990s, it would have been necessary to cut £4 billion from the Scottish budget—when demand would have been rising. Restoring expenditure to the Ian Lang level, which SNP members keep citing, would equate to a 10p increase in income tax.

We welcome the bill as the foundation for the programme for government that our partnership Administration will deliver.

**The Deputy Presiding Officer:** I have to be very tight on time just to bring the debate to an end on time. I call Annabel Goldie to wind up for the Conservatives. You have four minutes, Miss Goldie.

16:42

**Miss Annabel Goldie (West of Scotland) (Con):** I appreciate that we are discussing not the minutiae, but the general principles—the rough shape—of the bill, which is akin to trying on a new outfit and having a quick squint in the mirror to get a first impression.

First impressions matter, and I have to tell the minister that I do not care for my first glimpse of his proposals. The shape chosen by the Executive does not appeal. I find marked increases in expenditure where I do not want to see them. There is, for example, a 43 per cent increase in spending on this Parliament and a 50 per cent increase in spending on the Executive secretariat—on which spending has more than doubled.

This budget garment is looking a bit baggy where I want it to be better fitted, but where I want it to be more amply cut, I find it pinched: there is a projected drop of £47 million in the total budget for rural affairs; the drop for the enterprise and lifelong

learning budget is £26 million; the development department's projected drop is £34 million.

Professor Brian Ashcroft said:

"It is difficult to resist the conclusion that the industry, enterprise and training budget has had to bear a large part of the burden of the set-up costs of the Scottish Parliament."

There is a further cause for concern about the statement of budget principles. If I understand the position correctly, the education budget is set to increase by £41 million. However, the pound of flesh for the coalition deal was £80 million, so where will the other £39 million be found?

**Mr Raffan:** Will the honourable lady give way?

**Miss Goldie:** Oh, no, Mr Raffan—I shall not be caught again.

Were we not so tight for time, I would take Mr Raffan's intervention, but I do not have time to deal with him adequately.

As I said, there is a projected drop in the enterprise and lifelong learning budget of £26 million, but we have just heard that the Executive's response to the Cubie report will cost £50 million. Where will the extra money come from?

I am thankful that there is a projected increase of £73 million to the health budget, but we know that health trust budgets are currently overspent by £50 million. Is that allowed for?

The three financial components that I have mentioned will be found elsewhere, or we are talking cuts, which will be, I suspect, considerable cuts. I would rather that there were more nurses than special advisers to the Executive.

In conclusion, I do not like the cut of Mr McConnell's budget suit. It does not fit Scotland in the way that the Conservative party would wish it to. Furthermore, in relation to recently disclosed areas of extraordinary expenditure, there is no transparency about which budget sector will bear what burden.

I regret that, in those circumstances, the Conservative party will have no alternative but to abstain and not approve the minister's budget principles.

16:45

**Andrew Wilson:** It has been an oddly short debate. SNP members will follow their argument through and vote against the budget on the ground that it does not contain the allocations that are needed to finance announcements made earlier today by the Executive. The process could have been handled far better. In future, we will seek to scrutinise budget bills, not to obstruct them, because of the importance of the legislation.

The debate has included many student debating points that have little substance to back them up. Will the Executive say for the record whether the commitments that were made by John McAllion and Robert Brown to spend £8 billion stand? Do all the Labour members agree with John McAllion? He has a noble aim and it is right for back benchers and Opposition spokespeople to say what they think. It is our job to aspire to do something substantial with Scotland's public finances. The SNP brought costed manifestos to the election—the appropriate time to do so.

Keith Raffan—who has not learned much from his time at Westminster, apart from some odd behaviour—made some embarrassing errors in his statements. I will be writing to him after the debate, because I have not seen the full details of his comments. In a letter to the *Sunday Herald*, Keith displayed his vast economic mind and alleged that the SNP had promised spending of £2.5 billion—a silly allegation—and that that would mean that we would have to increase income tax to 90p in the pound. According to HM Treasury figures that I looked up today, such an increase would raise £13.5 billion. We all make mistakes, but that is a mistake of 540 per cent—perhaps in scale it is one of the most embarrassing mistakes that someone who aspires to being a financial spokesperson could make.

**Mr Raffan:** He should know.

**Des McNulty:** Will the member give way?

**Andrew Wilson:** Keith Raffan's comments are a joke. He rattles on in his inimitable fashion, and the more he speaks against the SNP the better it is for us. He is an embarrassing advocate.

**Mr Raffan:** That is ridiculous. Sit down.

**Dr Simpson:** Will the member give way?

**Andrew Wilson:** Will Mr Raffan admit his mistake and withdraw those comments? Stand up and make your point.

**The Deputy Presiding Officer:** Order.

**Andrew Wilson:** If Mr Raffan withdrew his comments, he might have some credibility. I will take Richard Simpson's intervention in a moment.

Keith Raffan does not have a clue when it comes to the reality of Scottish public finances—there are serious issues at stake. It is our job as the Opposition—and the job of the Labour back benchers and even of the Liberals, to the extent that they matter—to scrutinise and to make suggestions about what should be done. At the next election it will be our job to produce a costed alternative programme on which the electorate can vote.

**Dr Simpson:** No one in the chamber would deny the right of the member to scrutinise the

budget. However, the SNP has failed to explain how, in an independent Scotland, it would deal with the Barnett formula difference, which, I estimate, would need an 8p or 10p rise in income tax. Which of its promises—which the BBC calculated would cost £2.5 billion—would the SNP choose not to keep?

Keith Raffan might not have been totally right, but we are talking about a 20p increase in income tax being needed to pay for SNP promises. In scrutinising the budget, the SNP has a responsibility to say where it would raise money.

**Andrew Wilson:** Richard Simpson is right in that Keith Raffan does not have much of a clue when it comes to adding up.

**Mr Raffan:** Where would you get the money?

**Andrew Wilson:** Have some sense.

**The Deputy Presiding Officer:** Order.

**Andrew Wilson:** I do not know whether Dr Simpson remembers this—or whether he was even a member of the Labour party at the time—but before the 1997 election the Tories accused Labour of making 89 spending promises. All of their claims were bogus and Alistair Darling said that that tactic was daft. It is odd that the Executive is adopting the Conservatives' tactics along with that party's policies. We might expect that from Keith Raffan, who is a Conservative at heart, but it is odd to hear such an argument from Dr Simpson.

**Des McNulty:** Will the member give way?

**Andrew Wilson:** I would love to give way, but I have to sum up. In reality, less of the nation's wealth is being invested in Scotland's public services than at any other point in our history.

**Mr Macintosh:** Will the member give way?

**Andrew Wilson:** No.

**Des McNulty:** He is feart.

**Andrew Wilson:** The two members are welcome to stand, but I will not take an intervention because, as I have said, I am summing up.

Council taxes are soaring, as are water charges. People are being asked to pay through the nose for worse public services. The Government is spending £230 million less on enterprise and lifelong learning than the Tories did. It is spending £362 million less on transport than the Tories did. I hear that Ross Finnie is to be in the Star Chamber, which will no doubt strike fear into the hearts of civil servants. Will he act on the fact that the Government is spending £336 million less on rural affairs than the Tories did? That is what is going on.

The budget does not fit the needs of public services and the numbers do not fit. If we take party politics out of it, we, as a Parliament, must come up with a serious solution to the Barnett squeeze or we will be doing a disservice to Scottish public services and to the wider public. It is happening. It is biting, and we must be serious about it.

16:50

**The Minister for Finance (Mr Jack McConnell):** Perhaps this has been a short and not particularly illuminating debate, but I hope that it has been the proper debate with which to begin scrutiny of the budget bill. We should record the importance of the occasion. I deeply resent the suggestion by the Scottish National party spokesperson for finance that this process has not been open and has not involved this Parliament or people outside it. He ignored the fact that this month and next month, the Parliament will have to pass the budget bill before the Executive can start to spend the money allocated for its expenditure. That will be a first for the United Kingdom. We should be proud of that because we passed unanimously the bill that creates that set of circumstances. The Parliament met to debate the spending plans of the Administration. It scrutinised them in committee, consulted Scotland and then debated them again in their proper context.

The plans have been produced today are set out not just in cash terms, but in real terms. It is easy for the Opposition to distort them, but the plans are there in real terms for everybody to see and to scrutinise. Mr Ingram is right to say that I will appear before the Finance Committee next week, before the bill comes back to the chamber in February for a final vote.

**Andrew Wilson rose—**

**Mr McConnell:** That is good for Scotland and it should be approved of, not resented, by Mr Wilson, who should sit down.

The bill that is before us is a good bill for Scotland and would deliver improvements in Scottish public services. Some of the speakers today have recognised that fact. However, in the eight or nine months that this Parliament has existed, no member from either the Conservative party or the SNP has come forward with a responsible suggestion for increasing one budget and reducing another to pay for it. I notice that the alliance of the Opposition parties is now so cosy that Mr Wilson quotes Mr Monteith in his speeches.

**David McLetchie (Lothians) (Con) rose—**

**Mr McConnell:** I will not give way. It is a good day for the Lib-Lab coalition in Scotland when the

Scottish National party and the so-called Scottish Conservative party share the same fiscal and economic policies and quote each other's speeches.

**Mr Davidson:** Will the minister give way?

**Mr McConnell:** No, it is important for Mr Davidson to hear this.

On the day that we announce around £52 million additional expenditure on Scottish students, Mr Davidson says that this budget will not provide for wealth creation in Scotland. That indicates a fundamental misunderstanding of the importance of education to wealth creation. He should pay more attention to that.

I want to make something absolutely clear to Ms Sturgeon, Mr Wilson, Mr Ingram and others who have said that this budget would not fund the Cubie proposals. The Scottish National party's penny for Scotland—that was, of course, not a penny but £230 million, as I am sure Mr Russell will remember from his pre-shaving days—would, in the year after next, have delivered £50.9 million for Scottish education as a whole. The SNP could not have funded even the proposals that Henry McLeish presented to the chamber this afternoon, never mind the exaggerated proposals that it wanted to put forward. Let us get that absolutely clear.

**Andrew Wilson rose—**

**Mr Ingram rose—**

**Mr McConnell:** No, I will not give way. The members had their chances earlier. They have had plenty of chances in this debate and in others, and not once have they put forward a reasonable suggestion as to how we could move money from one area to another.

Mr McNulty and Mr Raffan made important contributions to the debate, pointing out—as Mr Raffan in particular has been careful to do over recent months—the extravagant promises that have been made, not by back-bench members of the Parliament, but by the front-bench spokespersons of the Scottish National party.

Mr Fergus Ewing proposed in December to fund the whole agricultural business improvement scheme to the tune of £23 million. Fergus also has his own solution to the problems of the health service—a promise a day keeps the doctor away. He promised £150 million to Scottish business to revise the rate poundage that I announced in December.

**Andrew Wilson rose—**

**Mr McConnell:** Most significantly—and this cannot be denied, Mr Wilson—Kenneth Gibson, the local government spokesperson for the SNP

spoke in that capacity during the housing debate on 13 January and called for the Glasgow City Council housing debt to be written off. That would cost £900 million.

**Andrew Wilson rose—**

**Mr McConnell:** The facts are on the table, Mr Wilson.

**Andrew Wilson:** Will the minister give way?

**The Presiding Officer (Sir David Steel):** Order. If the minister is not going to give way, members should sit down.

**Mr McConnell:** The SNP proposes to magic £2.5 billion out of nowhere and does not propose so much as a saving of a pound in any area.

The Executive's budget provides a vision for a better Scotland. It does so because we have power in this chamber. I do not agree with Adam Ingram's contention that this is a Parliament without power or serious responsibilities. We have the power to spend a huge budget—over £16 billion. We have the power to make laws, we have the power to improve our road and rail networks, we have the power to deliver better housing, better health and better education and we have the power to tackle crime in Scotland.

Those are fundamental responsibilities that are vital for the day-to-day lives of the people of Scotland. More money is only a part of the solution. Serious debates in the chamber, new resolutions, new laws and new proposals will be equally important. That is what will come from this Administration. This budget is only the start. It provides a foundation on which to work.

I will use the comparison that was made by Mrs Goldie—I mean Miss Goldie. I apologise for being mistaken about what she once referred to as her forthcoming marital status. To use the comparison that was made by Miss Goldie, not only is the budget fit for Scotland, it was made to measure for a better Scotland.

## Business Motion

**The Presiding Officer (Sir David Steel):** We now move to the next item of business, consideration of business motion S1M-463, in the name of Mr McCabe, on behalf of the Parliamentary Bureau.

*Motion moved,*

That the Parliament agrees

a) the following programme of business—

Thursday 27 January 2000

9.30 am Debate on the Executive's Proposals as set out in the Framework Document on Wider Access to Further and Higher Education

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Continuation of the Debate on the Executive's Proposals as set out in the Framework Document on Wider Access to Further and Higher Education

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business - debate on the subject of S1M-361 David Mundell: Rural Sub Post Offices

Wednesday 2 February 2000

2.30 pm Time for Reflection

*followed by* Executive Debate on British Irish Council

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business – debate on the subject of S1M-349 Mr Jamie Stone: A9 Improvements

Thursday 3 February 2000

9.30 am Non-Executive Debate on Motions by the Scottish National Party

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Executive Debate on Sustainable Development

5.00 pm Decision Time

*followed by* Members' Business – debate on the subject of S1M-280 Elaine Smith: UN Convention Report on the Rights of the Child

Wednesday 9 February 2000

2.30 pm Time for Reflection

*followed by* Executive Debate on the Census (Scotland) Order 2000

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 10 February 2000

9.30 am Non-Executive Debate on a Motion by the Scottish Conservative and Unionist Party

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Stage 3 Debate on the Budget (Scotland) Bill

5.00 pm Decision Time

*followed by* Members' Business

and, b) that Stage 1 consideration of the Standards in Scotland's Schools etc. Bill be completed by 24 March 2000.—[Mr McCabe.]

**The Presiding Officer:** Does any member wish to speak against the motion?

**Michael Russell (South of Scotland) (SNP):** I do not want to speak against the motion but I must say that members must be astonished to find themselves in this chamber today with a meltdown in the Administration taking place—

**The Presiding Officer:** Mr Russell, you must speak against the motion.

**Michael Russell:** I will speak against the motion, but I will not move a vote against it. I want to speak against the motion on the grounds that—

**The Minister for Parliament (Mr Tom McCabe):** This is an abuse of standing orders.

**Michael Russell:** The standing orders allow me to do this.

**The Presiding Officer:** You must speak against the motion, Mr Russell.

**Michael Russell:** I speak against the motion on the ground that, since the business motion was put together, there has been a meltdown in the Administration. There is, as we speak—

**Mr McCabe:** On a point of order. Mr Russell is part of the Parliamentary Bureau. If he was unhappy with the motion, he could have asked for the bureau to be reconvened.

**Michael Russell:** Events are moving so fast—

**The Deputy Minister for Local Government (Mr Frank McAveety):** On a point of order. Mr Russell said that he did not wish to move a vote against the motion. That must mean that he should not be allowed to continue with his speech.



**The Presiding Officer:** I told him that he would have to speak against the motion.

**Dr Richard Simpson (Ochil) (Lab):** On a point of order. Is it in order for someone who is a member of the bureau on whose behalf Mr McCabe is moving this motion to speak against something that he has already agreed to? Another member of his party might speak on the matter but he should not.

**The Presiding Officer:** Dr Simpson may have a point, Mr Russell.

**Michael Russell:** I understand Dr Simpson's point, but wish simply to reiterate what I started to say.

Events have moved on substantially since yesterday; it is a fast-moving world if one works for the Executive. Taxpayers are paying for a number of highly paid advisers, one of whom is being forced to retract remarks made about an ex-employee as we speak.

**The Presiding Officer:** What has that to do with the business motion?

**Michael Russell:** The Executive should explain to members what is happening about that.

**The Presiding Officer:** I will take that as a speech against the business motion, which I now put to the chamber.

The question is, that motion S1M-463 be agreed to.

*Motion agreed to.*

## Decision Time

17:01

**The Presiding Officer (Sir David Steel):** The question is, that motion S1M-455, in the name of Mr Jack McConnell, on the general principles of the Budget (Scotland) Bill, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jenkins, Iain (Tweeddale, Ettrick and Lauderdale) (LD)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)  
 MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)  
 McNeill, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, Mr John (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, 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)  
 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)

Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (North-East Scotland) (SNP)  
 Campbell, Colin (West of Scotland) (SNP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Elder, Dorothy-Grace (Glasgow) (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)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McLeod, Fiona (West of Scotland) (SNP)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Paterson, Mr Gil (Central Scotland) (SNP)  
 Reid, Mr George (Mid Scotland and Fife) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Mr Alex (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Ullrich, Kay (West of Scotland) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)  
 Wilson, Andrew (Central Scotland) (SNP)

#### ABSTENTIONS

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)  
 Harper, Robin (Lothians) (Green)  
 Johnston, Nick (Mid Scotland and Fife) (Con)  
 Johnstone, Alex (North-East Scotland) (Con)  
 McGrigor, Mr Jamie (Highlands and Islands) (Con)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 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)  
 Wallace, Ben (North-East Scotland) (Con)  
 Young, John (West of Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 57, Against 27, Abstentions 19.

#### *Motion agreed to.*

That the Parliament agrees to the general principles of the Budget (Scotland) Bill.

## Rape Cases (Protection of Victims)

**The Presiding Officer (Sir David Steel):** We now move to the members' business debate on motion S1M-253, in the name of Mr Gil Paterson, on the protection of victims in rape cases.

I ask members who are not staying for the debate to leave quietly and quickly.

#### *Motion debated,*

That the Parliament notes the recent report produced by Soroptimist International into the way rape victims are treated by the legal system and recognises the need to address the way the legal system, which currently fails to protect adequately women and children, operates in such cases.

17:03

#### **Mr Gil Paterson (Central Scotland) (SNP):**

Thank you, Presiding Officer, for the opportunity to debate this motion.

In September and October last year, the Parliament had the opportunity to debate the issue of domestic violence. I am sure that members will agree that the issue of rape deserves a debate on its own. I hope that this debate will be as constructive and helpful as the previous debates on domestic violence.

I also wish to thank the various organisations that have provided information and advice—they are in the gallery tonight. Those organisations are: Zero Tolerance, Scottish Women's Aid, Edinburgh Women's Aid, Victim Support Scotland, Rape Crisis Scotland, Lothian and Borders police and, of course, Soroptimist International.

The publication of a report by Soroptimist International, which discussed the way in which victims of rape are treated and made 28 recommendations, prompted me to lodge the motion. Because of time constraints, I cannot discuss all the recommendations, although, honestly, I would very much like to.

However, the message that I want to get across is clear—both the law and practice must be changed to protect the victims of rape. At the end of the day, we must also change attitudes to offer victims the best support.

Before I progress, I wish to draw attention to a few facts. First, next to murder, rape constitutes the most serious crime against a person. Secondly, victims of rape tend not to lie about the fact that rape has occurred—it is no different from false reports of other crimes, such as robbery.

The incidence of crimes of rape has increased, but the increase in the number of convictions is

decreasing, and the level of convictions stands, unfortunately, at 6 per cent, not including cases that are turned over. I ask the members here, and everybody in Scotland: for what other crime would we tolerate such a low hit rate, as those figures show? If there was the same rate of conviction for house-breaking, the people would be out in the streets.

The Soroptimist International report focuses on the treatment of victims of rape as well as the legal aspects. I shall concentrate on three areas of the report—first, the initial reports of events; secondly, the response to the alleged crimes; and, thirdly, the restrictions and exceptions on evidence that relates to sexual offences. My colleague, Dorothy-Grace Elder, will mention later in the debate—if she is chosen to speak, Sir David—the persecution that goes on when people who are accused of committing rape are given the opportunity to harass the victim.

The initial reporting of events can be the most traumatic time for a victim and can have a lasting effect on the way in which victims recover. The first point of contact is usually the police. Although extensive courses on dealing with victims of rape are available to police officers, they are not compulsory throughout the ranks. In addition to the lack of training, a lack of facilities is also prevalent. Unfortunately, few police stations have dedicated suites, and even fewer have police surgeons on call. If a police surgeon is on call, they are unlikely to be a female surgeon.

The situation is worse in rural areas; victims must travel miles to the nearest hospital to be examined. We must bear in mind the excellent support services that are provided by organisations such as Victim Support and Rape Crisis to the victims and their families. That support is relied on at a vital time and has proved important to the recovery of the victims.

After a rape has been reported to the police, the suspect has access to a lawyer straight away. The victim, on the other hand, as the prime witness for the prosecution, has no right to be kept up to date: the procurator fiscal acts on their behalf. I want to highlight this point, as it is extremely important. From the outset, the suspect has a lawyer and is kept informed through updates of every development. The victim, on the other hand, can go for months hearing no word at all. Rape cases also take up to 12 months to come to court, which is an awfully long time after an event to try to remember details, especially as the nature of them would suggest that the victim would want to forget them. That process can be highly traumatic for the victims.

If a case comes to court, the chances of conviction are slim. Methods that are employed by the defence can stretch to the demeaning of a

woman and the blighting of her character. Clothing that was worn at the time of the assault is admissible as evidence and is used to imply that the woman's manner of dress somehow influenced the attack. A victim's sexual history can also be called into question—even that which occurred with partners other than the defendant, whose history remains silent.

It must be remembered that no woman asks to be raped, and no woman deserves to be raped. A woman always has the right to say no, and a man should take the responsibility to ensure consent. That fundamental principle underlies Zero Tolerance's initiative, which was prompted by a study that was carried out into young people's attitudes towards violence against women. That study produced shocking results. It concluded that one in two young men and one in three young women felt that, in certain circumstances, it was acceptable to force a woman to have sex. Their justification for that ranged from:

"If he was so turned on they couldn't stop"

to

"if they had spent a lot of money on them"

and

"if no one would find out".

It is not just in young people that that attitude is found. The Soroptimist International report recorded the following shocking statements. In 1993, Judge Ian Hill, describing the attempted rape of an eight-year-old victim, said that the attacker

"was led to believe that she was not entirely an angel herself".

My God—are not all eight-year-olds entitled to be treated like angels? Do we expect them to be put under pressure from such people?

In 1989, Judge Raymond Dean said:

"As gentlemen of the jury will understand when a woman says no, she doesn't always mean it."

About whom is he talking? Is he talking about our mothers, or my sisters or granddaughters? I do not think that it is only men who mean no when they say no.

No matter what laws are in place and what practice is established, we need a change in attitude. All the voluntary organisations that are present tonight will agree that prevention is better than cure—we must stop rape before it happens. That is why I am involved in the issue, which I do not regard as a female problem; it is a male problem. Until men take up the cudgels and tell other men that rape and behaviour in court such as that which I have described is unacceptable, progress will be slow.

I thank Soroptimist International for its detailed and damning report on the humiliation to which rape victims are subjected by the legal system. I hope that the Scottish Executive will adopt the view, which is held by many MSPs and organisations that are here today, that change is needed urgently.

17:12

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** Zero Tolerance has taught us about the importance of prevention, provision and protection in relation to rape and all other forms of violence against women. Clearly, there must be education from an early age to change male attitudes, and there must be provision of services—I am particularly concerned about the funding crisis facing the Rape Crisis Centre in Edinburgh.

Today we are concentrating on protection. I welcome the soroptimists' report, but I do not support the view that there should be a separate charge of date rape, as the seriousness of that offence must not be diminished. If it is difficult to get a conviction, we should ask why. Why do so many women not come forward? Why is it that, although the number of reported rapes has gone up, the number of convictions has gone down?

We should concentrate on the report, "Towards a Just Conclusion", which suggested many ways in which the treatment of rape victims in court could be improved. I will leave it to Johann Lamont, who has convened a group of members of the Equal Opportunities Committee, to talk in detail about the report.

Why has nothing been done about the report in the past year? The rape crisis centres welcomed the report in principle, but thought that it did not go far enough. For example, they wanted more support for victims in court and the use of screens in court. The report should be debated and developed soon.

I will conclude by picking up on something that Jim Wallace said during questions last week. Johann Lamont and I—and others, I am sure—were shocked that he used the red herring of the European Court of Human Rights in relation to the cross-examination of rape victims by the accused. That question was debated exhaustively in the House of Commons last year in connection with legislation in England. I invite ministers and other members to read the report of the House of Lords debate of 1 February 1999, in which all the expert lawyers in the House of Lords agreed that that is not an issue.

Article 6.3 of the European convention on human rights talks about the right of someone to defend himself in person or through a legal

assistant—it does not have to be the person himself who conducts the defence. We should also remember articles 3 and 8, which talk about the right to protection from cruel and inhuman treatment and about unwarranted intrusion into private lives. That is the issue that is involved in the cross-examination of rape victims by the accused.

17:14

**Mrs Lyndsay McIntosh (Central Scotland) (Con):** I thank Gil Paterson for raising this subject and the people in the galleries who have stayed to watch the debate and who have counselled our thoughts on this matter.

I support all Malcolm Chisholm's comments on the "Towards a Just Conclusion" document and other legal developments. It is well worth remembering that it is in our power to do something about the treatment of victims of rape. Excellent measures such as the use of screens or videoconferencing links to courtrooms should have been considered long before now.

No one will take exception to the view that many rape victims are abused both when they are raped and when they have to relive the experience with the police, the medical examiner, the procurators fiscal, the prosecution and the defence. How many times must a woman live through such an experience before she can shut her eyes to it, if she can? We do people a disservice by not recognising the trauma of rape, and we need to fund more services to help people suffering that trauma.

**Christine Grahame (South of Scotland) (SNP):** I do not mean to diminish the offence of rape. However, in criminal law, the technical definition of rape can be a small matter in terms of physical abuse, whereas sexual assault can be more violent. We should bear in mind the fact that sexual assault, not through penetration by the man, but by some artificial article, can sometimes be even worse than rape.

**Mrs McIntosh:** I am happy to accept Christine Grahame's point that it is not just penetration that presents a problem when collecting evidence of the crime and reliving the experience.

I agree entirely with Gil Paterson's point that this subject is also a male issue. I am delighted to see that more males are present tonight than were here when we debated domestic violence a few months ago. Every rapist is some mother's son, and every victim is some person's sister, wife or daughter. We all have to take ownership of the issue.

A few years ago, I visited my local rape suite. I am sure that the police make every effort to make

such suites hospitable places for someone going through the trauma of rape. However, such suites are not commonplace throughout the country. Furthermore, although I appreciate the efforts of the police in this area, women will never feel entirely at ease in rape suites because of all the people to whom they must speak in order to pursue a prosecution.

Gil mentioned the inappropriateness of sheriffs' comments. Perhaps the fact that there will be more women sheriffs will alter such attitudes. I am particularly delighted to see that development.

17:18

**Dorothy-Grace Elder (Glasgow) (SNP):** I am particularly pleased that tonight's debate has been initiated and led by a man, who did so entirely on his own as a husband, father, grandfather and MSP. That should remind us that the majority of decent men in Scotland—and anywhere—are truly appalled by the crime of rape.

It is time that the voices of such decent men were heard. It is time that they stood up to be counted and helped to ease the desperate plight of women's organisations as they fight what I call sexual torture—which, as Christine Grahame pointed out, does not just include rape.

This is not a women's issue; it is an abomination to all civilised people. Men commit rape. They rape women; they rape children; and we must remember that they also rape other men.

All the victims must be protected, but what is happening to those who protect them? What is happening to Women's Aid and to Rape Crisis? The organisations that help women get as far as a court are suffering a cash crisis, which is stifling their sterling work.

I have seen how the police have improved in this area, especially in the past five years, but the courts have not improved. Women are still verbally brutalised by advocates earning £300 an hour—some of them should be ashamed to pick that money up.

Every decent person in Britain is outraged that Mike Tyson gained entrance to the country. I wish that, in protest, everyone who is outraged would send £10 to Women's Aid or to Rape Crisis. So-called celebrities are paying £1,500 for ringside seats—they should be ashamed to occupy them. Tyson was admitted by the Home Secretary on compassionate grounds—presumably so that a convicted rapist would not be traumatised by having to lose a lot of money. Disgraceful! Tyson is a disgrace to his sport and should have been booted out years ago. Look at the contrast between a rich rapist arriving in zero-tolerant Britain and rape crisis groups that are in danger of

closing because they are starved of cash. Rape crisis centres are worse off now than they ever were. Scotland's nine centres are all run on a shoestring—they cannot afford to staff the phones for more than a few hours. The exhausted staff at Glasgow Rape Crisis managed to respond to more than 1,000 calls, but 300 others were logged as hanging up. What happened to the 300 women whose courage ran out when they got through only to an answering machine? We should be haunted by them.

Glasgow Rape Crisis used to get £50,000 to £60,000 a year from Strathclyde Regional Council. That was a one-stop application that consumed very little time. Now it gets £44,000 and must deal with nine different local authorities, which means that the time of one full-time worker is taken up for two thirds of the year just rattling the begging bowl on behalf of desperate women. The centre has only two full-time workers.

Glasgow Women's Aid finds that much of the domestic violence that it deals with involves extremes of sexual torture. Most often the rapist is well known to the victim. By the way, I agree that there should be a separate date rape charge. Glasgow Women's Aid says that it will close very soon for lack of £30,000. Last night I was told that

"after next week we will have no more money".

So much for talk about zero tolerance. Funding for the refuge in Easterhouse will run out in March. Edinburgh Rape Crisis—to which Malcolm Chisholm referred—aids people in the Lothians and the Borders with only two full-time workers; it is about to lose its urban aid grant of £20,000. I could tell a similar story for every rape crisis centre in Scotland. I appeal to the Parliament to help—I am sure that there is good will to do so.

Unfortunately, this vital subject has been shoehorned into a mere half-hour debate. I am certain that all parties really do want to help—please do not just talk it, do it.

17:23

**Johann Lamont (Glasgow Pollok) (Lab):** I shall try to be brief, as I know that many people have a contribution to make. I want to draw the attention of the chamber to the work of the Equal Opportunities Committee women's group, which is attempting to put the discussion of rape and violence against women in the context of attitudes to women and the unequal treatment of women. As a group, we have been asked to look at what happens to women within the judicial system, as victims of crime—specifically sexual crime—as vulnerable witnesses and as offenders. At some stage, we may want to consider the last category. There is no doubt that women are fast-tracked through the system and end up in jail more quickly

than men do. The question whether girls are judged differently from boys in the children's panel system also merits examination.

It is important that we recognise, when we are talking about the issues raised by Gil—and I thank him for bringing the motion before the Parliament—the way in which, in the crime of rape, women are blamed for being in their position. Society instinctively blames women for being there, in order, somehow, to justify that appalling crime and to find a reason for it that is attached to women and not to its perpetrator.

As Malcolm Chisholm mentioned, a great deal of work was done, before the establishment of the Scottish Parliament, around the document "Towards a Just Conclusion". That document, and the work around it, recognised that women do not have equal access to and equal treatment under the law, particularly in relation to their experience as witnesses. I emphasise the urgency with which that work should be revisited. I hope that the minister will be able to reassure us, particularly on the treatment of women who are being cross-examined by the man who is accused of raping them. What civil rights can we possibly be seeking to defend in putting even one woman in that position?

I regret to say that the response that I received from Jim Wallace was rather cold and academic, despite the fact that this cannot be seen as a cold and academic problem. Perhaps we need a legal system that not only deals with the problems of the real world, but reacts and feels like the real world does. There is no doubt that the minister understands the anger that society in general feels about the treatment of women in rape cases. As a result of the actions of one brave survivor, who spoke out about her experience, I hope that we will begin to have a legal system that responds to that treatment of women. It is entirely unacceptable that anyone should ever be traumatised in such a way again.

I would have thought that any innocent man, wrongly accused, would have been prepared to cede the right to cross-examine. He would not want to traumatised further a woman if he himself felt that he was being treated unfairly by the system. We must apply all the fine legal brains that we can find to achieving a solution. In particular, we have to thank the survivor who brought the problem to the attention of Scottish society.

In my view, politics is not just about identifying problems; it is about managing and solving them. There is no doubt that women's organisations and women generally—and, broadly, society—want us to see the big picture. They want us to recognise that maintaining the right to conduct such a cross-examination would be a grotesque perversion. We

have to find a way of ensuring that people get a fair trial but that, nevertheless, the cost of that fair trial is not the further abuse of the woman who stands as a witness.

I echo what has been said about the importance of supporting women's organisations and about the fact that those organisations were set up not by statute, but by women who saw the need and the problem. We should be supporting those organisations fully.

I hope that even this small debate may play some part in moving things forward and in ensuring that the Scottish Parliament does not inhibit the finding of a solution to the problem. I hope that women in Scotland find the same protection under the law as has been put in place for women in England and Wales.

**The Deputy Presiding Officer (Patricia Ferguson):** I apologise to those speakers whom I have been unable to call. I have to bring the open part of the debate to a close and ask Angus MacKay to respond to the debate on behalf of the Executive.

17:28

**The Deputy Minister for Justice (Angus MacKay):** I have heard Gil Paterson speak on a number of occasions in the Parliament, and I can say that on none of them has he spoken with the passion that he brought to tonight's debate. It is clear that his sentiments are sincere and genuine. I congratulate him on securing the debate. As end-of-day debates often are, it has been a valuable opportunity to put a spotlight on issues about which there is remarkable cross-party unanimity and concern, and to take the time to reflect sensibly on how we can move forward on important issues. I would like to acknowledge at the beginning of my speech that this is a very serious and important subject.

I welcome the report of Soroptimist International, which has been referred to on a number of occasions in the debate. It contains a number of important and constructive recommendations on the offence of rape, and on how the system interacts with victims of that crime. I also welcome the more general contributions to the debate. As Gil Paterson pointed out earlier, it is simply not possible to address in detail all of the points that have been raised, although I would be happy to take on board any concerns that members wish to raise with me in writing. I will explore any questions that they might have and will respond to them in full.

It is important for me to acknowledge early in my speech that rape is—as other members have stated—the most serious of all sexual offences. Rape is a common law offence defined as sexual

intercourse by a man with a woman, achieved by the overcoming of her will. Its severity is recognised by the punishment for its commission of up to life imprisonment.

More than that, rape is a severely traumatic crime for the victim. We recognise that it takes great courage for rape victims to speak to the police. There is fear that they will not be believed; and fear, perhaps, of reprisals from their attackers. Victims also fear having to live again through the details of the crime when they speak to the police or the prosecutor. Beyond that, there is fear of giving evidence in court and being cross-examined, perhaps humiliatingly, in public on extremely personal and distressing matters. It is understandable that a major part of the soroptimists' report deals with the treatment of rape victims by the criminal justice system, including the courts. I will discuss briefly a number of initiatives that have been taken in this area and others that are under consideration.

The Executive is determined that everyone who works in the criminal justice system should be properly aware of the trauma and distress that rape and other sexual offences cause to the victims of such crimes. It is essential that procedures are in place that minimise the stress imposed by appearances in court, for example. It is equally important that the police, court staff, Victim Support volunteers and procurators fiscal behave with sensitivity and understanding in their personal contact with victims and that they treat victims with care and respect.

The first and vital contact will be with the police. The police today appreciate fully victims' fears—Lyndsay McIntosh acknowledged the work of the police. They also recognise the importance of dealing with victims of alleged rape as sensitively and professionally as possible. All probationers are given training in dealing with the victims of sex offences and that training is followed by in-depth training at all levels. Rape victims are offered the choice of being interviewed by male or female officers. All Scottish forces have rape interview suites on site in police stations in all areas, or have made provision to use appropriate facilities through their local social work departments, as recommended in the soroptimists report. Police forces continually monitor their handling of such cases, with a view to improving both their handling and the suitability of existing premises for interviewing purposes.

The next key contact is likely to be with the procurator fiscal. Fiscals have been issued with detailed guidance on the investigation of serious offences, including rape and other serious sex offences. That guidance is the subject of continuous review. Training events are held from time to time throughout the procurator fiscal

service to supplement that guidance, and training is provided on aspects of forensic and medical evidence—as recommended by the soroptimists' report.

Precognition, which is also mentioned in the report, is an essential part of the procurator fiscal's investigation of serious crime. It provides an opportunity for the prosecution to explain procedures and the likely time scale of proceedings to the victim, and to identify the precognoscer as a point of contact for the duration of the case. The precognition process, therefore, provides a framework for personal contact with victims and vulnerable witnesses.

Voluntary organisations can and do have an important role to play in providing support and practical help.

**Ms Margaret Curran (Glasgow Baillieston) (Lab):** Will the minister give way?

**Angus MacKay:** Yes, of course.

**Ms Curran:** I am sorry to interrupt, but I have a question on procurators fiscal before the minister moves on. Is it possible to find out how many reports were submitted to the procurator's office over the past year, how many were not pursued and what the reasons were for non-pursual? That information relates to how we can start to address the issue of convictions.

**Angus MacKay:** To be completely honest, I do not know whether that is possible. I am more than happy to investigate, although I think it unlikely that the procurator fiscal will provide the reasons why cases were not proceeded upon. I will examine the matter and write to Margaret Curran.

**Christine Grahame:** On the issue of sexual assault, I am sure that the minister will be aware that it can be much worse than rape, because an artificial object can be involved. When the minister talks about rape, does he include those kinds of sexual assault, which technically are not rape?

**Angus MacKay:** That is an important point. Earlier in the debate, Lyndsay McIntosh acknowledged that sexual assault can have an equally horrifying impact on victims. I think that I deal with that issue later in my speech. If not, I apologise.

I was talking about the role of voluntary organisations. When the victim of a serious sexual offence reports the crime to the police, the police ask if they would like support from Victim Support. Not all victims might wish to have such support at the time, or they might have other sources of help, such as Rape Crisis. However, the opportunity should always be available and we recognise the importance of the service offered by Victim Support by providing significant funding for it—£1.5 million annually—so that a service can be

made available across the country. In addition, we are funding witness support schemes to provide support through the court process for all witnesses, including victims.

The soroptimists made a number of recommendations about the treatment of victims who are giving evidence in trials. That issue is best considered in the context of the then Scottish Office consultation document on vulnerable and intimidated witnesses, "Towards a Just Conclusion", which has been referred to. That paper recognised that victims of rape and serious sexual assault are a special category of intimidated witness. Often, they have been placed in a special position of fear by the nature of the offence. They face particular difficulties because of the intimate matters with which the investigation and trial might be concerned, and the distress of confronting the accused during the trial.

"Towards a Just Conclusion" noted that the law of evidence in Scotland already restricts the extent to which questioning on the alleged victim's sexual history and character should be permitted. Questioning should be permitted only after application by the defence to the judge, when such evidence is clearly relevant to the particular charge, or when the court considers that it is in the interests of justice.

**Mr Paterson:** Many people have referred to defendants defending themselves and use that as a tactic to harass and demean the victim in order to win the case. Will the Executive take on board that concern and come up with a scheme in which a third party can be involved? At the very least, there should be no point of contact between the accused and the victim, nor should it be possible for someone accused of rape to pursue the victim face to face. The accused and the victim must be separated at all times.

**Angus MacKay:** I take that point and will try to address it, if not head on, at least in passing.

The court has the discretion at any time to limit the extent of questioning or evidence. In the event that questioning about previous sexual history is permitted by the court, the prosecutor and the judge have a duty to ensure that the victim is not subjected to aggressive or abusive cross-examination. However, the responses to the consultation document criticised the operation of those provisions—as Mr Paterson alluded to—and the protection that is given to victims by courts. We will, therefore, be considering what is required to deal with the way in which the provisions work in practice. I hope that that provides some comfort.

"Towards a Just Conclusion" did not recommend extending alternative ways of giving evidence—such as by closed-circuit television—to victims of sex offences as it did to other witnesses under

specific threat. Instead, it recommended that further research into the ways in which victims of sexual offences give evidence was required. That recommendation received a mixed response during consultation. Some organisations commented that no further research was required.

The consultation document generated a large number of responses, which the Executive has analysed. We are now considering how to take the paper to its next stage. The soroptimists' report, along with other responses, will be taken into account as part of that. I commit the Executive this evening to publishing an action plan within 90 days—before the end of April—which will set out how the Executive will deal with the recommendations in "Towards a Just Conclusion" and the time scale in which it will do so. I hope that that provides some comfort to members.

How much time do I have left, Presiding Officer?

**The Deputy Presiding Officer:** Very little.

**Angus MacKay:** In that case I will come to a conclusion.

I would again like to welcome the opportunity that this debate has given us to consider a wide-ranging, complex and important subject and to acknowledge the valuable report produced by Soroptimist International. I have tried to describe some areas in which the Executive has made progress or is undertaking further work. I have noted what members have said and will consider how the Executive can take forward as quickly as possible the matters that have been raised.

Many members feel—absolutely properly—strongly about this issue. The important point to emphasise is that we will give the matters proper consideration. I hope that the two specific commitments that I have made tonight encourage members to believe that we will make early progress from this point onwards.

*Meeting closed at 17:41.*



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