

MEETING OF THE PARLIAMENT

Wednesday 1 March 2000
(*Afternoon*)

Volume 5 No 3

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2000.

Applications for reproduction should be made in writing to the Copyright Unit,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now
trading as The Stationery Office Ltd, which is responsible for printing and publishing
Scottish Parliamentary Corporate Body publications.

CONTENTS

Wednesday 1 March 2000

Debates

	Col.
TIME FOR REFLECTION	227
LOCAL GOVERNMENT FINANCE	230
<i>Motions—[Mr McConnell]—moved.</i>	
The Minister for Finance (Mr Jack McConnell)	230
Mr Kenneth Gibson (Glasgow) (SNP)	238
Mr Keith Harding (Mid Scotland and Fife) (Con)	246
Donald Gorrie (Central Scotland) (LD)	250
Trish Godman (West Renfrewshire) (Lab)	253
Mr Andrew Welsh (Angus) (SNP)	254
Dr Elaine Murray (Dumfries) (Lab)	257
Bill Aitken (Glasgow) (Con)	259
Des McNulty (Clydebank and Milngavie) (Lab)	260
Tommy Sheridan (Glasgow) (SSP)	263
Johann Lamont (Glasgow Pollok) (Lab)	264
Shona Robison (North-East Scotland) (SNP)	266
Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)	268
Dr Sylvia Jackson (Stirling) (Lab)	270
Mr Gil Paterson (Central Scotland) (SNP)	271
Mr Keith Raffan (Mid Scotland and Fife) (LD)	273
Mr David Davidson (North-East Scotland) (Con)	275
Andrew Wilson (Central Scotland) (SNP)	278
The Deputy Minister for Local Government (Mr Frank McAveety)	281
DECISION TIME	286
DRUGS STRATEGY	289
<i>Motion—[Johann Lamont]—debated.</i>	
Johann Lamont (Glasgow Pollok) (Lab)	289
Ms Margo MacDonald (Lothians) (SNP)	291
Mike Watson (Glasgow Cathcart) (Lab)	292
Mrs Lyndsay McIntosh (Central Scotland) (Con)	294
Tommy Sheridan (Glasgow) (SSP)	295
Mr Keith Raffan (Mid Scotland and Fife) (LD)	296
The Deputy Minister for Justice (Angus MacKay)	297

Scottish Parliament

Wednesday 1 March 2000

(Afternoon)

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

The Presiding Officer (Sir David Steel): We welcome to lead our time for reflection this afternoon Father John Fitzsimmons, from Erskine.

Time for Reflection

Rev John H Fitzsimmons (Parish Priest, St John Bosco's, Erskine): It is said to be a sign of advancing years when one begins to notice that the police and teachers are getting younger with every passing day, but in the language that was once so beloved in the Church tradition to which I belong, addo tertium. There is a third way—no political reference intended—in which to estimate your age: when members of Parliament are getting younger than the police and teachers.

This Parliament of ours follows in a long and extremely distinguished tradition. It has not been given; it has been restored. It brings to light by its very existence the fact that there is within every Scotsman and Scotswoman an innate respect for tradition. Tradition can be a source of strength. It provides each generation with a point of reference: if we forget where we have come from, ultimately we forget who we are.

Tradition can also be a drawback—like those mighty drag chains that always fascinated me as a boy when I watched the launching of great ships. We get into the water and then tradition pulls us back, lest we go too far. We have an innate respect for tradition, which is all to the good. However, it must not bind us in such a way that when it is restored it is not truly resurrected, but merely exhumed.

There are bound to be some among us who feel that one of the many challenges that we face, in both Church and state in this nation of ours, is in having only the sketchiest of blueprints to work with. The burden is to discover how to round it out, how to build on it and how to dot the i's and cross the t's in a way that will do justice to the complexity of our times. Perhaps the experience of a 2000-year-old enterprise will stand both as a guide and as a caution.

The biggest single challenge to face the nascent Christian Church was how to take its tradition with it into a whole new set of conditions and circumstances. With the 20:20 vision of history, it

has to be said that its success has been limited.

The decisive moments have been in the plural; there has been no single turning point. The history of the Church is peppered with twists and turns, some of them positive and some of them base and unworthy. Thank God that we have a tradition that we can fall back on if we need guidance and a history that will teach us what to do and what not to do. We should treat both with respect.

Archbishop Oscar Romero, who was murdered in El Salvador 20 years ago this month, has something to say about representing people who trust us.

"This is what we are about.

We plant seeds that one day will grow.
We water seeds that are already planted,
Knowing that they will hold future promise.
We lay foundations that will need further development.
We provide yeast that produces effects far beyond our capabilities.
We cannot do everything
And there is a liberation in that.
This enables us to do something
And to do it very well.
It may be incomplete
But it is a beginning, a step along the way.
We may never see the end results,
But that is the difference between the master builder
And the worker.
We are workers, not master builders;
Ministers, not messiahs.
We are prophets of a future which is not our own."

14:34

The Presiding Officer (Sir David Steel): Before we begin, I will make four procedural announcements.

First, members who wish to speak in Gaelic in tomorrow's debate should notify my office of their wish to use that language in advance, to help us make the necessary interpretation arrangements.

Secondly, during a debate last week, one member named an official in the course of their speech. I am sure that that was inadvertent—due to inexperience—but I remind members that civil servants should not be referred to by name in debates, as only ministers have a chance to respond.

Thirdly, Sandra White raised a point of order with me last week about remarks made across the floor of the chamber, which I did not hear but which I subsequently saw in the *Official Report*. I have also had letters from the public about the growing amount of backchat among members when a member is speaking. I remind members that standing order 7.3.1 requires members to

“conduct themselves in a courteous and respectful manner”.

It would be helpful if members did not shout remarks across the floor of the chamber.

Last, we have had far more applications to speak in today's debate than can be accommodated. I am aware that some members will want to speak to raise a burning constituency issue. If they are able to do that in two minutes instead of the standard four, that will enable other members to speak. I fear that we will end the day with more disappointed members than normal. I am anxious that we proceed with the debate right away.

Dennis Canavan (Falkirk West): On a point of order. Does your ruling about naming civil servants apply to spin-doctors or special advisers, who may come in for justifiable criticism from members of Parliament in the chamber and in committees?

The Presiding Officer: That is an intriguing point. Would you mind if I take note of it and give you a considered view? At the moment I am referring to—how can I put it—ordinary civil servants. I will take that point on board and respond to it in due course.

Local Government Finance

14:37

The Minister for Finance (Mr Jack McConnell): Today, we will vote on the allocation of aggregate external finance, within the total already agreed by the Budget (Scotland) Bill, to individual councils, allowing payments to begin and councils to set their local budgets next week. We will also vote on two special provisions to transfer money for special assistance to local authorities, at no cost to the Scottish budget overall.

This is serious business—it is technical in content but involves important support for local services. It is legislation that is being debated and agreed here in Scotland. It should be treated as seriously as it deserves.

In this speech, I intend to cover the special orders, the council tax, the current revaluation of non-domestic rates and the distribution of AEF. I recognise that members may wish to intervene with questions, especially on the grant to their local authorities. I will try to take those interventions. I hope that we can have some leeway on time for that, Presiding Officer, although I recognise what you have said about time for this debate.

I commend special grant reports Nos 1 and 2 to Parliament and hope that we will vote for them today, without dissent. They detail the technical arrangements to reimburse participating councils for their costs in supporting asylum seekers and Kosovan refugees.

Special grant report No 1 deals with asylum seekers. Around 200 people apply for asylum in Scotland each year. Those who are without support may apply to the local authority, which has powers under the Social Work (Scotland) Act 1968 to provide assistance to persons in need. Children of asylum seekers are also supported under the Children (Scotland) Act 1995. The expenditure that local authorities incur in this way has been reimbursed in previous years by the Scottish Office, using special grant powers.

We are operating in exactly the same way for 1999-2000; the only difference is that the matter is being considered here rather than in Westminster. Special grant report No 1 will allow us to reimburse local authorities for expenditure incurred in the financial year 1999-2000 in supporting asylum seekers. We expect the grant to total around £3.9 million. It has been transferred by the Home Office to the Scottish assigned budget, and we will be able to meet all councils' claims in full, since they do not exceed the cash

limit set out in the report. I hope that that is good news.

Special grant report No 2 is similar. We will reimburse local authorities for the costs incurred during the financial year 1999-2000 in housing refugees from Kosovo. Refugees from Kosovo arrived on two flights to Prestwick airport on 9 May 1999. The grant fulfils the UK Government's promise that councils would be reimbursed for the additional expenditure due to the arrival of the refugees from Kosovo.

Expenditure has been incurred largely by councils that housed the refugees—Glasgow City, Renfrewshire and East Lothian. South Ayrshire Council incurred costs organising the arrival flights at Prestwick airport, and several other councils lost rent on housing that was held for refugees but not used.

Eligible expenditure is set out in annexe A to the special grant report. The annexe is intended to be comprehensive, covering all additional expenditure that councils have incurred. We have consulted the local authorities about the proposals, and they have welcomed them. The total grant is expected to be around £4.9 million, which is being met in full by the Treasury's UK reserve.

The special provisions show local and central Government working in partnership, successfully delivering vital services in the community. In recommending the Local Government Finance (Scotland) Order 2000 to Parliament today, I want to stress my commitment to democratic local authorities and their services. We must work with Scotland's councils to deliver quality services, build communities and create opportunities. Our new Parliament provides the opportunity to develop that partnership and I am sure that we will.

Expenditure on local services in Scotland comes from three main sources, council tax, non-domestic rates and our revenue support grant. Decisions on council tax levels are for local councils, but excessive council tax rises hit councils, national taxpayers and the assigned budget through increased council tax benefit subsidy payments.

We have, therefore, decided to continue with the subsidy limitation arrangements that were created last year. That means that councils that budget above their guideline and raise their council tax by more than 5 per cent will have to meet half the cost of any extra benefit subsidy costs. I believe that councils should be accountable for the financial consequences of their expenditure decisions in that way and I hope that the Parliament will support me in that.

Councils can help themselves and local taxpayers by increasing their rate of council tax

collection each year and reducing outstanding debt. I understand that that is not easy, but it is simply not acceptable for Scottish councils to have such large volumes of uncollected tax, or for their in-year collection rates to lag so far behind rates in England.

I want to help councils deal with those problems and have today, in reply to a question from Des McNulty, announced my response to the joint working group and Convention of Scottish Local Authorities report on council tax collection.

I thank the working group. It has rightly pointed to the need for political leaders to recognise the importance of civic responsibility. Citizenship brings both rights and responsibilities. We all expect quality public services—education, roads, and refuse collection—and most of us recognise that our taxes pay for them, but there is some evidence of a minority who simply choose not to pay council tax. I therefore want to send clear messages: to councils, that we will help because we expect improvement; to those who can pay but will not pay, that we expect everyone to pay council tax and expect councils to pursue those who do not; and to the majority who do pay, that we are acting in their interests and will continue to do so.

COSLA has responded positively to the practical recommendations and the Executive will consider all the legislative recommendations. To implement this wide-ranging and complex package of measures, I am asking an official group to consult on the details and to develop legislative proposals where appropriate.

The core group will consist of officials from the Scottish Executive and COSLA, but it will incorporate or consult all interested bodies. I have provided the Scottish Parliament information centre with a copy of the core membership and remit of the group and an outline of the timetable for action.

Tommy Sheridan (Glasgow) (SSP): Will the minister give a commitment that he will invite organisations such as the Poverty Alliance and other poverty campaign groups to be on the core group?

Mr McConnell: The core group will be technical, but I am happy to have discussions between now and September with those who are interested. That will be seen to be appropriate as the announcements proceed.

I expect to announce the first package of legislative changes around September. It will focus on changes through secondary legislation in advance of the financial year 2001-02.

Some of the recommendations have already received publicity, but I am also asking the group

to consider commencing council tax payments in April; giving councils an optional power to bill and collect council tax and rent jointly; allowing direct deductions from benefit for water debts to be treated as an additional debt, as they are in England; and allowing Scottish authorities to issue a combined reminder and final notice, as is possible in England.

I recognise that there are some people who genuinely cannot pay. I have asked the official group to develop a more sensitive and sophisticated approach, as recommended by the working group. That will include policy guidelines for councils, to be effected in protocol agreements with sheriff officers instructed by councils.

I intend to improve the legislative framework for council tax collection for the financial year 2001-02, to create a modern, flexible and rigorous system that enables Scottish councils to improve collection rates in-year and reduce debt.

Allan Wilson (Cunninghame North) (Lab): Is the minister prepared to accept representations, either jointly or separately, from councils that are interested in setting up call centres to replace the discredited and I hope soon to be illegal system of pouncing for the collection of council tax arrears?

Mr McConnell: Yes, I am. One of the reasons for the difficulties with council tax collection was the break-up of the old regional collection departments into 32 separate authorities. If authorities want to work together or with the Inland Revenue, and to submit bids to the modernising government fund for support in doing that, I would be happy to consider their proposals.

We must target those who can, but will not, pay. To those who are not paying I say, "Today is the end of your free ride." We will work in partnership with COSLA, councils and the relevant agencies. I intend that we should create a more sensitive and sophisticated system for collecting council tax. It must work well for the majority who pay willingly, but target the minority who avoid paying. It must treat sensitively those with real financial problems. I am sure that I will have the support of all members in that.

Andrew Wilson (Central Scotland) (SNP): The minister is some way into his speech, but we have yet to hear about this year's allocations. All members agree that council tax arrears are a big issue, but will the minister admit to the chamber that they are far less of an issue for councils than the cut in funding from central Government that he has imposed, along with increased burdens? That is the real issue in this debate.

Mr McConnell: The real issue in today's debate is the allocation of expenditure to councils across Scotland, which I was just coming to. Mr Wilson may be interested in speaking about that today, as

he has failed to do so when we have debated this issue over recent months.

I can now announce my final decisions on the Scottish non-domestic rate poundage for 2000-01 and the transitional relief scheme. I met business representatives yesterday. It was the first in a series of meetings that I will have with business interests to ensure that the Executive is fully aware of their views on this vital matter. We had a very open exchange of views. I recognise business's concerns about the level of the Scottish uniform business rate and the need for certainty for future years.

I want to continue the open, transparent approach to decision making that we have introduced during this revaluation. I will, therefore, publish revised calculations for the poundage figure showing how the estimates and assumptions are working. I intend to publish an updated calculation by the end of August to inform debate on the poundage for 2001-02. At this stage, I can confirm that my aim is to limit future annual increases in poundage to the retail prices index, provided that there are no dramatic changes in economic circumstances.

Following full debate, consultation and a re-examination of the figures, I have decided to confirm the Scottish unified non-domestic rate poundage for 2000-01 at 45.8p. That means that there is no increase in real terms in the total amount of tax or in the proportion of local tax raised by non-domestic rates after the revaluation.

Of course, we need to ensure that no business is hit suddenly by great hikes in its rates. That is why we consulted on a scheme for transitional relief. Respondents told us that they want a simple, fair and comprehensive scheme to alleviate the effects of any high increases resulting from the revaluation. During the consultation, some argued that there should be no cap on decreases. However, that requires either a higher poundage or a cost to the budget. I believe that a self-financing scheme is fair to all and recognises the reality of gradual change in market conditions.

The scheme that we will approve will be that which was outlined in the consultation document. It will unwind within four years, which means that everyone will be paying their correct bill before the next revaluation. That will give businesses time and certainty to plan ahead. There will be no qualifying threshold for eligibility for transitional relief. I believe that relief should go to all businesses with high increases following the revaluation. Those decisions achieve minimum turbulence and maximum certainty for business, which is what we set out to achieve.

Today, the Parliament debates the Local Government Finance (Scotland) Order 2000 for

the first time. It sets out the grant provision for the funding of Scottish councils' revenue expenditure in 2000-01. I am sure that members will welcome this opportunity to comment on this vital element of our devolved responsibilities, as about 40 per cent of the Scottish budget goes to local authorities to spend directly on local needs: on schools, on police and on care for the elderly.

Nora Radcliffe (Gordon) (LD): I am sure the minister agrees that good decisions are based on good information. Much of the debate around the fairness of the allocation of local authority funding may be based on assumptions and perceptions. For example, my perception is that a council whose convener arrives in a limousine may be spending less prudently than one whose convener arrives by public transport.

What resources does—or should—the minister have to obtain objective information about how well councils are using their resources?

Mr McConnell: There are two issues there. First, we have discussed with the Convention of Scottish Local Authorities the data that inform the distribution formula. We intend to try to make further improvements to that in the coming year.

The second concerns information about how councils are meeting the budget outcomes that they and we agree are important. We have set up a joint working group with COSLA—which I had intended to refer to later in the speech—that will consider that matter, among others. I hope that, over the coming months, we can have an open discussion about those levels of expenditure and what will happen to them in future.

The order sets out the amounts of non-domestic rates and revenue support that will be payable to each Scottish council in 2000-01 and redetermines the amounts of revenue support grant payable for 1999-2000. I know that councils are unhappy with any controls on their spending, but local government spending does not exist in a vacuum. It impacts on public spending as a whole, on council and income tax payers, and on our budget. That is why I need to keep guidelines for next year.

Guidelines are not rigid caps. They tell councils the level of spending that we consider to be prudent. They are more flexible and transparent than the crude and universal capping system that they replaced. I accept that the guidelines are not perfect, but this is a new system and there are problems, which is why I am being more flexible in applying them.

For example, I have ignored the impact of the deprivation payment on the guideline. That gives more flexibility to the councils that did not benefit from those payments. I have also recognised the difficulties of the councils that exceeded guideline

last year.

Mr Kenneth Gibson (Glasgow) (SNP): Why, when he was considering the deprivation payment, did the minister not take into account the number of pensioners receiving income support?

Mr McConnell: We did. I am sorry if the member missed that when the decision was announced. The deprivation payments included pensioners. That followed representations from a number of councils that that should happen. One of the reasons Western Isles Council received a payment in the second round of payments was that the area has a high number of pensioners on income support.

Mrs Margaret Ewing (Moray) (SNP): I am grateful to the minister for giving way.

In considering the flexibility applicable to the elderly in our communities, what can he say to a council such as Moray, where 70 people who have been assessed as requiring residential care are unable to move into residential care unless they pay £1,000 in advance? Will there be the flexibility to enable pensioners to move into residential care? While care in the community is essential, the right to residential care is also important.

Mr McConnell: Care in the community, and social services generally, are a top priority for the Executive and councils, which is why councils received an over inflation increase in funding for next year. It is up to councils to budget as best they can. There are difficulties in the funding of community care throughout Scotland, Mrs Ewing. It is important that councils do all they can to give that an appropriate level of priority.

I expect councils to budget within the guideline and I will be quite firm in taking action if councils budget excessively.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): On that point, can the minister explain the difference between capping and flexibility?

Mr McConnell: Capping was automatic, universal and arbitrary. Guidelines are not arbitrary and are much more flexible than the capping regime was—that is recognised by the vast majority of councils across Scotland. I am proud that such a change was introduced following the 1997 election.

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

Mr McConnell: For the future, I will consider the guideline system again. We must seek improvements to ensure spending is fair to all. The order is accompanied by a report that details how the figures in it are calculated in consultation with COSLA.

As in previous years, the settlement distribution uses an objective formula agreed with local government through COSLA. The formula establishes councils' relative need to spend on services so that each council can provide the same level of services if it does so with the same efficiency. Although the system is sophisticated, we recognise that local government finance arrangements are not perfect and we are working with COSLA to improve them. For example, this year's settlement reflects revised arrangements for taking account of the impact of population distribution in rural areas.

Overall Government-supported expenditure will rise to just over £6.7 billion next year, an increase of 3.7 per cent over the comparable figure for 1999-2000. The aggregate external finance—the amount of funding that councils receive from central Government—will rise by 2.9 per cent to £5.6 billion. That is an increase in real terms, with inflation expected to be less than 2.5 per cent next year.

Dr Sylvia Jackson (Stirling) (Lab): Will the Minister for Finance explain why, then, in the cases of Stirling and South Ayrshire Councils, the percentage increase in aggregate external finance is so low? In Stirling Council's case it is 0.9 per cent, which has consequences in cuts and high council tax. Will he explain that?

Mr McConnell: In many areas, councils have received an above average AEF increase for next year as a result of the changes in the distribution formula. Many areas have received increases that are below the average. I am happy to explain in writing to any member which particular formula changes affected local authorities in their area, but there is not time to do so now.

Mr John Swinney (North Tayside) (SNP) rose—

Mr McConnell: I need to press on.

The Presiding Officer (Sir David Steel): Order. The minister has been generous in giving way; he is now winding up.

Mr McConnell: Thank you. The increase underlines our commitment to investing in quality local services. Councils will be able to increase total spending by more than 3 per cent next year, mostly targeted at our shared priorities of education, social care and protective services. That may mean hard decisions in non-priority services. We in this Parliament had to make some hard choices in agreeing the Scottish budget. Councils have to recognise the realities too.

Having covered the main points in the order and indicated that the Executive is committed to constant review of the local government finance system, I will suggest in conclusion where that

review might go.

We have already agreed priorities for reviewing the distribution system. Our top priority is to review the way deprivation and poverty are reflected in grant distribution. We want to see deprivation in rural and urban areas properly accounted for in our distribution methods. We recognise that that is not an easy task, but we are determined to make significant headway.

We have agreed with COSLA to establish a joint working group to look at key issues, focusing more on outcomes than inputs. That discussion will include three-year planning, hypothecation, salaries, budgets and the guidelines themselves. Best value offers councils the chance to manage change and to reallocate resources to priorities openly and effectively.

I have covered the main points of the order and reports and highlighted some ways in which councils can help themselves through modernising systems and procedures. I support the vital contribution that local government makes to the quality of life of and opportunity available to Scotland's citizens. The distribution that we invite agreement on today will provide councils with financial support to improve key services, while we take forward our commitment, in partnership with local government, to review and refine the local government finance arrangements.

I commend the Local Government Finance (Scotland) Order 2000 and both special grant reports to Parliament.

I move,

That the Parliament in consideration of the Local Government Finance (Scotland) Order 2000 approves the Order.

Motions moved,

That the Parliament in consideration of Special Grant Report No. 1 - Special Grant for Scotland Asylum Seekers: Report by the Scottish Ministers (SE/2000/10) approves the report.

That the Parliament in consideration of Special Grant Report No. 2 - Special Grant for Scotland Kosovan Evacuees: Report by the Scottish Ministers (SE/2000/11) approves the report.—[*Mr McConnell.*]

The Presiding Officer: Six members on my list of those requesting to speak have not pressed their request-to-speak buttons. In view of the pressure of time, my deputies may interpret that as a withdrawal. If members want to speak, they should press their buttons now.

14:59

Mr Kenneth Gibson (Glasgow) (SNP): I was one of those sinners, Presiding Officer.

There must have been a communication

breakdown; this morning, COSLA told us that the information that I mentioned a few minutes ago was accurate.

The Minister for Finance's speech contained a diversion. I was surprised that "It Pays to Pay" was referred to today. I asked a parliamentary question about that report before Christmas and only today, when we are discussing the local government settlement, are the implications of that report coming out. That is to obfuscate and divert people's attention from the real meat—the lack of resources for Scottish local government.

Having made those remarks, I will start my speech with a fact—I know that it is a fact because the Minister of Finance told me so in answer to one of my many written questions. The fact is that, in 1990-91, authority capital expenditure was £1.7 billion at today's prices. The minister also helpfully pointed out, in a reply to a question lodged by Mike Watson, that the total local authority capital allocations, including moneys that local authorities raised themselves through capital receipts, was just under £396 million for 2000-01.

If one adds the housing capital expenditure figure—which, according to the Executive's budget figures, is about £160 million—and an estimated £140 million in capital receipts and capital funded from revenue for 2000-01, the grand total is £696 million, which is £1 billion less than the figure from 10 years ago. That means that £1 billion less is being spent by a Labour Minister for Finance, Jack McConnell, under a devolved settlement and in the middle of an alleged economic boom than was spent by a Tory Westminster Government in the middle of an economic recession.

The Minister for Finance may wish to intervene to tell me that I have misunderstood the figures, because the ones for 1990-91 included figures for water and sewerage, whereas those for 2000-01 do not. Let me save him the trouble. We in the SNP are more than aware that the figures for 2000-01 do not cover water and sewerage. We are more than aware that the Government is withdrawing all public support for water and sewerage in this country. We are more than aware that the bill for that withdrawal is being picked up by pensioners in the north and north-east of Scotland, who face increases in water charges of up to 35 per cent. We are more than aware of the price being paid in both the east and the west of Scotland by low-paid families, who can ill afford an 18 per cent hike in their water bills. We are more than aware that the cost of vital capital works has been transferred from general taxation to the water bills of every household in this country.

That is a move from direct to indirect taxation; it is a transfer from a system that recognised ability to pay to one that does not. It is a policy typical of this Administration. It is another back-door tax to

add to the ever-growing list of back-door taxes.

Dr Richard Simpson (Ochil) (Lab): Will Mr Gibson give way?

Mr Gibson: I want to get into the meat of my speech, but I will let Richard in later.

Dr Simpson: It is about water charges.

Mr Gibson: I want to get further into my speech. I will let in Richard to talk about specifics later. I feel that time is against me and I want to make many points that were not covered in the minister's speech.

Even if we take water and sewerage out of the equation and compare like with like, examining capital allocations under the final years of the Conservatives and those during the first three years of this Parliament under the published plans of the Lib-Lab Administration, we can see that, whereas the Tories' allocated borrowing consent during their final three years in power was £2.026 billion, the published allocations for the first three years of this Parliament for Scotland's 32 local authorities total £1.039 billion. That is a net difference of £987 million.

To put that into terms that everyone can understand, it is 70 new secondary schools, 20,000 new homes or the resurfacing of every potholed road in the country. That is what the difference in the rundown of allocations means in reality. It is not a vague, abstract concept; it is the difference between schools being built or not, or the difference between roads and public transport being funded or not; it is the difference between homes being built for Scotland's homeless people or not.

The Minister for Finance is overseeing a catastrophic fall in investment which even the bogus private finance initiative schemes cannot hide. The fact that this Executive is spending hundreds of millions of pounds less than the Tory party did 10 years ago is an indictment of its policies. The fact that the Executive is spending hundreds of millions of pounds less than the Tory party did in the middle of the poll tax fiasco and in the heart of an economic recession tells us more about new Labour's commitment to public services than 1,000 spin-doctors could ever hope to do.

Hugh Henry (Paisley South) (Lab): Will Mr Gibson give a commitment that the SNP would restore expenditure to the level that he has spoken about? Will he give a commitment that the other expenditure statements from SNP spokespeople will also be met in full? Will he tell us how, within a devolved budget, the SNP will pay for all that?

Mr Gibson: I am surprised that Hugh Henry wants to wait three years for an SNP Administration. Why is he not asking the Minister for Finance if he will approach the Chancellor of

the Exchequer? Two weeks ago, the fact that the chancellor's revenue over the past year had increased by 9.1 per cent was published. What is the view of Labour-controlled COSLA?

Mr McConnell: First, it may be helpful if I point out that we are discussing a revenue order, not a capital order.

Mr Gibson: I am aware of that.

Mr McConnell: Will Mr Gibson confirm that the nationalists promised to make those restorations of expenditure neither in their 1997 manifesto nor in their manifesto for the elections to this Parliament last May? Will he confirm that in neither manifesto did they promise the increase already committed by this Administration to local authority finance, and that in neither one did they promise anything, apart from increasing payments to pay off Glasgow's housing debt, which we have found another method to achieve?

Mr Gibson: As the minister knows, the SNP's penny for Scotland campaign would have contributed an extra £690 million to public expenditure over the next three years.

What is the view of the minister's party, which controls COSLA—[*Interruption.*] Could the minister keep the animals quiet for a minute? COSLA came to see us this morning to make these points, knowing that the minister's foot-soldiers would not do so in this debate.

Consents made under section 94 of the Local Government (Scotland) Act 1973 score twice for public expenditure purposes: first as consent and secondly through annual loan charges. Abolition of section 94 consents for general services alone would immediately release £360 million within the assigned budget. The SNP would deliver that. Such a relaxation of control arrangements would assist councils to make more flexible investment decisions.

The story is the same for current expenditure—the minister will note that, unlike him, I have not taken 10 minutes to get on to this topic. On a year-on-year comparison—not with ancient history or with old regimes, but with the current set-up, using real-terms comparisons—new Labour and its Liberal allies are damned by the facts.

Figures obtained from Labour-controlled COSLA today show that, in 1996-97, the Tories spent £6,295 million in real terms on local government services. Next year, the Lib-Lab Administration proposes to spend £5,799 million, a difference of £496 million. Using the same comparison in the next two full financial years of the Parliament—2000-01 and 2001-02—the shortfall between what the Lib-Lab coalition is committed to spending and what the Tories spent in 1996-97 is £482 million and £484 million respectively. That is a total

spending gap of some £1,462 million between what local government would have had available to spend if spending remained at 1996-97 levels and what is available now under the Lib-Lab Administration, even without including new burdens and year-on-year self-financing pay awards. The results of such a financial squeeze are that, since 1996-97, council tax has risen 41 per cent on average across Scotland, 13,000 full-time equivalent posts have been lost and services have been slashed. Does the minister dispute those figures?

The Presiding Officer: Mr Gibson seems to be inviting interventions, Mr McConnell.

Mr McConnell: I am happy to take any opportunity that might come my way. Will Mr Gibson confirm—

Mr Gibson: I am asking a question. Does the minister dispute COSLA's figures?

Mr McConnell: I am about to dispute what Mr Gibson just said when he mentioned council tax increases. Does he disagree with the nationalist councils across Scotland that argue that the 5 per cent increase is not enough and that they should be allowed to allocate a higher increase to council tax next year?

Mr Gibson: We certainly believe in local flexibility, which the minister clearly does not.

Next year, the Executive will bring about more job losses and more cuts. Commenting on next year's settlement, COSLA's president, Norman Murray, said that

"while there is funding for the prioritised services, other services will suffer because of this. Councils face difficult decisions over coming months in setting their budgets for next year . . . The present system confuses accountability, creates dependency and has too many central controls; it is both too much control and too many controls over both funding and spending."

COSLA concludes:

"The solution lies in the development of joint policy and expenditure priorities, shared between central and local government."

COSLA, the Society of Local Authority Chief Executives and Senior Managers, Unison, the McIntosh commission, each of Scotland's 32 local authorities and 10 of the 11 members of the Parliament's Local Government Committee—except Mr Harding, who I see grinning across the chamber—are calling for an independent and comprehensive review of local government finance. Only the minister, Canute-like, tries to hold back the rising tide of reform and modernisation.

To be fair to new Labour, one could argue that it is not right to examine peak spending—one must consider matters in the round. Let us analyse the

final three years of the Tories and miss out the first two years of new Labour, when the Labour Government was committed to Tory spending policies. By comparing those Tory figures with the first three years of this Parliament, we can see that the shortfall between what the Tories spent and what the Lib-Lab Administration has spent—and proposes to spend—is £1,408 million in real terms. Contrary to all the bluff and bluster that we hear from the Minister for Finance, the facts are that, year on year, his Administration is spending less, and plans to spend less, than the Tories did when they were in power. I remind the Minister for Finance that he derided those Tory spending levels as inadequate.

Des McNulty (Clydebank and Milngavie) (Lab): I am interested in Mr Gibson's rosy view of the final years of the Tory Administration. [Laughter.] As a member of Glasgow City Council—as was I—will he confirm that the actual amount that the Conservatives required to be taken out of the budget during that period was about £150 million, which represented about 15 per cent of the council's total budget? That is the reality of Tory administration of local government. What we are doing—

Mr Gibson: I am not going to let Des McNulty give a speech. [Interruption.] The point is that the Conservatives spent more on local government than the Labour party has. Red Tories or blue Tories: what is the difference? The Executive is slashing services. There are 13,000 job losses and 41 per cent increases in council tax. It is Labour local authorities, through COSLA, which the Labour party controls, that are rebelling.

Local government is being failed not just by diminishing resources. Hard up against inadequate resources comes the double whammy of self-financing pay awards for the seventh year in a row, at a total cost to local government of £700 million, and new duties on local government for which the Executive has found no new money. The combination of those pressures, according to the Labour party's friends and colleagues in COSLA, leaves local authorities to find £298 million extra from April from existing budgets.

That is £298 million to be found from education, social work and other vital services. That is money that local government does not have. That is why every council will cut services this year. That is why council tax will rise on average by almost 6 per cent across Scotland, with a whopping 15.5 per cent increase in Orkney, the constituency of the Deputy First Minister. That is why the Minister for Finance's own local authority of North Lanarkshire is being forced to make cuts of £7 million. That is why Aberdeenshire will be forced to cut 250 jobs. Perhaps it is why—although I suspect that other factors may come into play—

Aberdeenshire will lose £2.702 million, a whopping 48 per cent, of its school transport budget.

Ring-fencing of new resources—the “we know best” Scottish Executive approach to providing local services—not only erodes local democratic accountability, but puts a further strain on existing local services when they are not fully funded.

The Executive is trying to squeeze a quart into a pint pot. Guidelines, which have effectively ended in England, impose further needless constraints on local authority flexibility and accountability. As the Chancellor of the Exchequer said:

“stronger local financial accountability is vital to modernising local government”.

The clawback of subsidy for council tax benefit, which the minister referred to in his speech, when the guideline and the council tax limit of 5 per cent are exceeded further erodes the relationship between the electorate and local authorities. If that were not bad enough, another crisis is looming round the corner. In a letter to Norman Murray, the president of COSLA, the Minister for Finance made it clear that he was expecting further year-on-year reductions in local authority expenditure:

“The approach of scaling down the expenditure increase to converge with GAE will continue”.

That sounds innocuous enough until one looks at what it means in practice. The price of convergence is £375 million. I asked the minister in the chamber on 8 December over what time scale we could expect convergence to take place. He dodged the question, so I will ask him again: will he say when that £375 million cut can be expected? Has he told Glasgow City Council how long it has to remove £81 million of expenditure from its budget?

Mr McConnell: It is hard to know which point to respond to. The system is designed to converge over 15 years. There are strong views at both ends of the spectrum. I imagine that in this debate Des McNulty will say that he thinks that that is far too quick, and Mr Rumbles will likely say that that is far too slow.

Mr Gibson: I am glad that Des checks his speech with Jack first.

Mr McConnell: No. Those of us who discuss these issues regularly hear the arguments and listen to them. It is important that Mr Gibson specifies where all the money would come from elsewhere in the Scottish budget to pay for the SNP's five promises this afternoon so far—there will probably be more.

Mr Gibson: It is sad that Mr McConnell does not have the fiscal autonomy to ensure that local government continues at least to deliver current services. The minister should have a wee chat with people down south. Does he think that people

who use services can wait three years until we win the next election and take Scotland to a better tomorrow through independence? As for the minister saying that convergence will take place over 15 years, why was the leadership advisory panel not advised of that on Friday? Is that something that the minister is bringing into the debate off the top of his head?

Has the minister told Dundee City Council that it will take it 15 years to cut £23 million of vital public services? Has he informed the good people of West Dunbartonshire what services they do not require in order to meet the £14 million that he has demanded of them for convergence? I quote COSLA again:

"GAEs are not, and never have been, regarded as appropriate spending targets or guidelines for councils".

The Minister for Communities (Ms Wendy Alexander) rose—

Mr Gibson: The Minister for Communities, who told a chief executive that every council budget should be hypothecated down to the last penny, now wishes to intervene.

The Presiding Officer: This must be the last intervention. You are on your final minute.

Ms Alexander: I have no recollection whatever of the statement that Mr Gibson attributes to me. Anybody who has been listening to Kenny today could only come away with the idea that he is urging greater largesse on the Executive. In that spirit, before he spends a ha'penny, will he explain how he will write off the entire £930 million housing debt of Glasgow City Council? He has pointed out that the entire proceeds of a 3p rise in tax amounts to only two thirds of that sum. Can we take it that council taxes will therefore rise by 30 per cent to meet that promise alone, before any of the largesse that we have heard about is accounted for?

Mr Gibson: The words pot, kettle and black spring to mind. Ms Alexander is putting new burdens on local authorities, which she expects them to carry, but she is not giving them the money. Now she is asking us where the money is to come from. Her party is in power; it should deliver. Money is pouring into the chancellor's coffers, and she is not even asking for any of it to be spent on Scottish local government. As we know, services will go down the drain.

I will quote COSLA again:

"All 32 of Scotland's councils are committed to delivering quality as well as value for money services, but Government's figures . . . mean that councils face difficult decisions over the coming months in setting their budgets for next year. (The settlement) announcement also confirms the central controls on individual council spending through guidelines. Councils should be in charge of their own spending and Council Tax decisions. The present

system of control operated by the Executive denies to councils and in turn to their communities the right and responsibilities to make their own decisions on the need for local expenditure. Local people who wish to vote for increased spending and service levels and are ready to pay local taxes are denied that choice."

Why? Because the Executive is suspicious of local government. It does not even trust the 17 councils where Labour has overall and outright control. The Executive does not trust the electorate.

This local government finance order will mean real cuts in jobs, real cuts in services, and above inflation increases in council tax. What an indictment of this shoddy, uncaring Administration. I urge all members to vote against the motion.

15:16

Mr Keith Harding (Mid Scotland and Fife) (Con): I thank Mr Gibson for making the case for the return of the Tory Government. I welcome his support.

I do not believe that either Jack McConnell or I, when we opposed each other in Stirling District Council nearly a decade ago, ever imagined that we would be debating the same subject—local government finance—in the Scottish Parliament. In those days, before Jack became new Labour, he was always critical of the Government, which he felt was less than generous, provided insufficient funding and was constantly talking about a crisis in a way that was damaging to services and that reduced the number of jobs. I shall be interested to hear how he will justify his settlements, given that the Executive's support for local government capital and revenue spending will be £2.4 billion less in the first three years of the Scottish Parliament than it was in the final three years of the previous Conservative Government. Oh happy days.

If the Conservative Government had presented this settlement, COSLA would have claimed that it was the biggest crisis in local government to date. There would have been demonstrations in the streets, calls for more resources for pay awards and demands for the minister's resignation. We will now see whether Labour's cronies in COSLA—

Des McNulty: Will the member give way?

Mr Harding: Who is it?

The Deputy Presiding Officer (Patricia Ferguson): Des McNulty.

Mr Harding: As long as it is not a speech.

Des McNulty: Will the member confirm that, in its final three years, the Conservative Government was running down expenditure on local government? Will he indicate the rate at which it was running it down?

Mr Harding: I will just point out that I actually reduced the council tax in Stirling three years in a row. Labour's manifesto promise was, "Things can only get better." We are still waiting.

We will now see whether Labour's cronies in COSLA and the local government unions will make the same amount of noise that they made before 1997, or whether, as is more likely, they will be as hypocritical as their Lib-Lab friends in the Scottish Executive.

One of the problems with this "fair settlement"—to use the minister's words—is that the new burdens that are the Executive's priorities are top-sliced or ring-fenced. They are not fully funded, as he stated in this Parliament. The result is that other services will have to be sacrificed to meet the demands. That is an erosion of local democracy. The Executive says that it wishes to encourage more people to become councillors, but why should people do so, when the only political decision that they are now allowed to make concerns which services to cut and who to sack? The result is fewer road repairs, less collection of litter, fewer community facilities, more dog-fouling, fewer police, but more and more council tax.

The Deputy Minister for Local Government (Mr Frank McAveety): Will Mr Harding tell us the largest item in local government expenditure? I presume that the answer is education. If the theory behind his speech is that we want much more local control, why does his party prefer to centralise, taking education out of local authority control and centralising it in the Parliament?

Mr Harding: We do not want to centralise education. We wish to give it to parents to control, and we want to remove it from the local government budget so that the proportion raised by local councils is halved. That is one reason why Jack McConnell does not want to go down the road of a local government finance review.

Mr McAveety: Will Mr Harding confirm that he would take overall control of education away from local councils?

Mr Harding: Yes. That is in our manifesto. Unlike Labour members, we believe in our manifesto and fight for it.

In March 1999, 1,942 fewer people were employed by local authorities than in March 1998. Those figures are from the joint staffing watch survey—we did not make them up. The largest decrease, 7.3 per cent, was in social work, which, I believe, is an Executive priority. Job losses will continue this year. We pay more and get less under Labour.

In the most recent financial settlement, Labour is not funding councils' needs. In each year since Labour came to power, the local government

financial settlement has concentrated spending in priority areas, which has led to service reductions and council tax rises. That will happen again this year, as many councils predict that there will be job losses and service cuts outwith the Government-defined priorities.

In Labour's first two years in power, average council tax in Scotland rose by more than 8 per cent, compared to inflation over the same period of only 5 per cent. The current guidelines will mean that there will be council tax increases of up to 5 per cent, although inflation is approximately 2.5 per cent. In this local government settlement for Scotland, the Labour Government once again breaks its promise not to increase the tax burden on ordinary families.

Our record was good. Spending per pupil in secondary schools rose by 37 per cent in real terms between 1979 and 1997. In the same period, more than £8 billion was invested in council housing. Crime fell for five years in a row until 1997, which represented the largest fall over the longest period since records began.

Andrew Wilson: Will the member give way?

Mr Harding: Not yet, although I will give way in a moment.

Between 1979 and 1997, the Conservatives doubled spending in real terms and increased Scottish police numbers by more than 2,000.

Our record compares well with that of Labour. In Labour's first year in government, total spending on education fell by £219 million and local authority capital spending in Scotland fell by £118 million—it is still £109 million less than the 1996-97 figure. Under Labour, total offences rose by 6 per cent in 1998 and police numbers are down by 375.

The Deputy Minister for Justice (Angus MacKay): Will Mr Harding acknowledge that combined police and civilian staff numbers are now higher than they were under the Conservatives? The police endorse that approach because of its importance in releasing police officers to do front-line work.

Mr Harding: I agree that civilian staff numbers have increased, but police numbers are down. We want police in the streets. Because of the matching formula, Stirling Council, for example, cannot afford to take up £600,000 police expenditure.

Labour's deprivation grants are unfair and politically biased. The constituencies of the Minister for Finance, the Minister for Communities and the Deputy Minister for Local Government have received 60 per cent of the deprivation grants this year. Professor Arthur Midwinter has suggested that those grants have been allocated

on a political basis and have not been properly assessed under the usual grant distribution system. I would like the minister to respond to that criticism when he sums up.

Mr McConnell: Will Mr Harding give way?

Mr Harding: The minister should respond in summing up.

Mr McConnell: May I address that point and ask Mr Harding a question? When he read what Professor Midwinter said in *The Herald*, did he also notice that five pages further on there was a list of the UK local authority areas with the worst levels of deprivation? Those 10 UK areas included the three areas that he has just mentioned—Renfrewshire, North Lanarkshire and Glasgow. That is why those areas qualify for deprivation payments ahead of other areas.

Mr Harding: Deprivation in those areas is a relic of Labour rule in local authorities. I asked Mr McConnell to address Professor Midwinter's question. Professor Midwinter, who is a professional in this field, has justification for asking that question, and I do not think that the minister's answer clarifies the situation.

Overall, the grant-aided expenditure and guideline limits for Scottish local authorities have risen by a rate greater than inflation. However, as Kenny Gibson said, the increase in aggregate external finance at 2.6 per cent is only slightly greater than inflation, which means that the burden of any spending increase by local authorities will be forced on to the council tax payer through above-inflation increases on bills.

The situation is far worse for some councils than for others; as has been said, Stirling Council is in difficulties. Rural councils tend to have below-inflation increases in AEF within the settlement, which causes their council tax levels to rise sharply. In his opening speech, the minister acknowledged that there was rural as well as urban deprivation; however, this budget will favour urban areas and the Labour heartlands to the detriment of rural areas.

The likely outcome for many councils will be service cuts, job losses and council tax increases. Such problems will be exacerbated, as councils are expected to increase spending in the Government's priority areas, particularly in education. Less money will then be available for services such as road repairs, recreation and cleansing.

The Labour president of COSLA has said:

"The present system of controls operated by the Executive denies to councils, and in turn to their communities, the rights and responsibilities to make their own decisions."

I doubt, as ever, that Jack McConnell will listen to

me, but he should listen to his councillors.

15:26

Donald Gorrie (Central Scotland) (LD): The background to the debate is that, for many years, Scottish councils have faced annual cuts in their budgets, and have found their powers and freedom to manoeuvre whittled away. Many people in Scottish local government, who hoped that the election of the Parliament and the creation of the Executive would reverse that tide, have been disappointed that that has not happened.

For reasons that we can appreciate, the Scottish Executive kept to the Westminster Labour Government's existing policy, which was to keep to the previous Tory Government's policy of annual reductions in support for local government. According to the Convention of Scottish Local Authorities, that has meant an average cut of £500 million a year.

There have been some improvements. For example, the partnership agreement has produced more money for education, among other things, but that money was ring-fenced, and this year the overall support for education is increasing by less than inflation. The Conservatives tried to control local government through legislation; the aim now is to do so through financial controls.

We would all accept that the Executive had problems with its first budget. There were tight financial constraints and certain specific priority targets, and the Executive did not have a full year to mobilise the budget. I can sympathise with those problems. However, since the autumn, when the first announcement about local government finance was made, there has been no movement by the Executive on the issue, which is a serious mistake. Some modest improvements in specific areas would have shown councils that the Executive realised that they had problems, was on their side and was prepared to help a wee bit.

Hugh Henry: Does the member accept that, when he criticises the Executive, he criticises members of his own party? Furthermore, if the Liberal Democrats want additional expenditure for local government, where will the money come from? Does Mr Gorrie accept that Scottish local government does not want the order to be voted down, because authorities would face financial penalties if that happened?

Donald Gorrie: I accept that I am criticising members of my own party when I criticise the Executive—I am also criticising myself along with them. I do not belong to the strand of politics that refuses to criticise its leaders.

The only support that the Parliament has so far managed to give local government has been in

attracting much of the flak from that part of the media that spends all its time putting people down. Therefore, less flak has been directed at local government.

Ms Alexander: I am puzzled by the suggestion that local government is facing cuts when the Executive is announcing a 3.7 per cent increase in Government-supported expenditure and a grant increase of 2.9 per cent, which is above the level of inflation. In the year starting in April, we will see—on a like-for-like basis—the highest ever grant-aided expenditure to local government. Does Mr Gorrie dispute any of those facts?

Donald Gorrie: Yes. Examination of councils and their budgets shows that almost all councils are making significant cuts. That is what is happening in the real world.

I will set out the Liberal Democrat position, on which the party's members' philosophies are united. First, councils are underfunded and we must reverse that trend, although we accept that it cannot all be done in an instant. We believe that the distribution system is erratic, that it is based on poor information and that it must be greatly improved. We believe that councils such as Aberdeenshire Council, Perth and Kinross Council and East Dunbartonshire Council have been harshly treated and that the system must deal with that.

COSLA has said that the old system of finance—which we are still using—does not tally with the new council structure. We must examine that. The Liberal Democrats believe that there is too much central control, that the Executive and councils should agree on outputs and targets and that the Executive should allow councils to get on with achieving those targets. We oppose capping in any form and in any disguise.

The Liberal Democrats believe that the system must change and that to be in the same position next year as we are in now should not be considered as an option. There must be a serious and radical reform of local government finance and it must start now.

The Liberal Democrat group has a mixed view on tactics. Some colleagues think that we should set out our position robustly—which, I hope, I have done—and that we should then vote in favour of the motion and immediately thereafter press for changes. They believe that it is too late to make any more changes this year. Others believe that we must vote in support of and in sympathy with the badly treated councils. They believe that, as this is the only chance that we have to vote on local government finance, we must vote to show how strongly we feel that the present position is entirely unsatisfactory. They believe that it is still possible to make improvements this year.

Dr Simpson: I understand what Mr Gorrie says about the divisions in his party, but does he appreciate that a vote against the motion will result in problems for councils, which must set their council tax levels next week? If the motion falls, they will not be able to do that. They will either have to leave it—which would be illegal—or set the tax before knowing what their allowances will be. If they must do the latter, they will have to borrow money—which will be extremely expensive—because no funds will be directed at them if Parliament does not agree to the motion. That will, in turn, result in jobs being lost.

If I am able to speak later, I will address the concerns of the three councils in my constituency. Does Mr Gorrie accept that the concerns of individual councils must be set against the whole situation?

Donald Gorrie: The timetable is not of our choosing. If one wants to make a stand, one must make a stand. If somebody else has determined the timetable, that causes a problem.

I accept Dr Simpson's points—if the motion were defeated, there would be technical problems. However, ministers are there to sort out technical problems.

The Liberal Democrats are united on the need for a change and on the new policies that have to be adopted starting now, but we disagree on the tactics of how best to get there. I will make a few constructive suggestions, some new, some not so new.

We must press the Treasury for a UK-wide increase in the allocation for local government services. It is not satisfactory for the Treasury to sit on a huge pot of money. We must attack the question of quick improvements in the financial system and have a long-term independent financial review—the two are not incompatible—and we must address long-term and short-term issues.

One of the problems in doing that is that not enough Scottish Executive staff deal with local government finance, although I am sure that the ones who do are of a high calibre. If we seconded good people from local government to work with the Executive, we would have a better chance of coming up with a better system that would provide better services and better value for money.

We must tackle annual pay increases. The cost to the councils of £700 million has been, in effect, another cut. We should end or greatly reduce the flow of initiatives and concentrate on supporting councils' core expenditure. Many of the new initiatives are good public relations but bad value for money and they distort councils' priorities and budgets.

We must end ring-fencing, agree goals and outputs and let the councils get on with delivering them as best they can. We should target resources on the voluntary sector and on council services that prevent future trouble and save money, such as youth work and preventive medicine.

We are keen to work with other parties to make radical improvements in the funding of local government and to improve services. There is a consensus in the chamber—away from the political rhetoric—that we should rebuild local democracy. We have to do that in deed, not in word. Deed involves money, and that is what we are voting on today.

15:38

Trish Godman (West Renfrewshire) (Lab): I welcome the debate. I want to open it out a little by throwing out ideas and thoughts that the Local Government Committee has gathered through its travels around the country and its informal discussions with councillors, officials and the Convention of Scottish Local Authorities.

Local authorities will set their budgets in the coming weeks. In doing so, they will have to make difficult decisions. There will always be competing priorities, both within local authorities and in overall public expenditure. The authorities, in the main, recognise that and have done a good job in prioritising budgets to meet competing demands in their communities. I pay tribute to those who are at the sharp end of delivering services that are crucial to our communities.

While there are still some difficulties, the authorities acknowledge a better working relationship with this Administration than with the Tories, who spent 18 years trying to undermine local government. The relationship is much more positive. However, we need to build on that new partnership. We can do so by addressing some of the concerns about finance that the authorities have.

One of the major problems that authorities have is that they are unable to plan in the medium term. This year, for example, the grant figures were confirmed only in January. It would be helpful if the Scottish Executive could consider getting the grant allocation to the councils by October together with indicative funding for future years. It would allow authorities to plan better, and would assist them in delivering best value. Many authorities are using the best-value regime to reprioritise budgets in line with national and local priorities. However, a short-term crisis can often hamper that exercise. Recently, the funding needed to cope with the effects of massive flooding in Renfrewshire and Inverclyde changed the way in which some

services were delivered.

I want to talk about hypothecation. The authorities are concerned about increased ring-fencing in recent years. That is often viewed as central Government reprioritising existing local expenditure, obliging local authorities to cut services elsewhere. It is important that there should be better dialogue in future between central and local government in setting priorities, and that local authorities have a greater say in how those services are to be delivered at local level. However, there is agreement that ring-fencing for such areas as education, training and social work is a good idea; budgets are usually cut in training and social work.

I also want to mention challenge funding or bidding. Local authorities are asked to bid for funding for specific programmes, and much effort and time goes into preparing bids that could otherwise have been spent on delivering and improving services. When funding is awarded, it is not always clear on what basis decisions have been made. It would be helpful in future bids if local authorities had an idea of the criteria on which funding would be awarded. Where money is available for specific targeted expenditure, the use of existing methodologies through grant-aided expenditure distribution would be preferred. I leave it to Frank McAveety or Jack McConnell to respond to that concern.

There is no doubt that the present systems of local government finance are complex and difficult to understand. Any review of those systems would therefore be equally complex and could raise difficult issues. However, that should not be a deterrent that results in our doing nothing. Indeed, the message from the 32 authorities is that to do nothing is not an option. Any review should not be restricted to how local government is financed; it should also focus on what local authorities do and on their relationship with other public bodies in delivering services to the wider community. We must explore ways of achieving better joint working and of sharing resources when delivering those services.

Local authorities are doing a good job. There is a closer relationship than there was in the past—with Wendy Alexander, with Frank McAveety and with the Local Government Committee. That relationship must be built upon. We must listen to local authorities. They deliver the services, and we must work with them.

15:43

Mr Andrew Welsh (Angus) (SNP): Donald Gorrie brings to this debate experience, knowledge and a clear dedication to local government. In criticising Donald Gorrie, the

Executive apologists were in fact criticising themselves, because Donald's words are being echoed in Labour councils—and in every council—throughout the country. His fundamental message was that we must reverse the current underspend, letting local councils do the job that they were elected to do and that they want to do on behalf of their communities. He talked about rebuilding local government. That is a message with which I thoroughly agree, and I look forward to the day when the Parliament will do that.

The debate is about essential daily local government services that affect every man, woman and child in Scotland. Local experience of central and local government has taught me that Westminster has never given local government its due standing or status, nor has it understood its importance for Scotland. I had hoped that the new Scottish Parliament would change all that. With many ex-councillors in the Administration, it should have changed all that. Instead, Scottish local government remains under siege. It is being downgraded, underfunded and turned into mere local administration. That is being done by people who should have known better.

The settlement simply continues the Westminster combination of new burdens with no new finance, with the inevitable corollary of cutbacks, unemployment and closures in local services throughout Scotland. The very people in the Scottish Executive who attacked the Westminster Tory Governments are those who continue the Westminster Tory policies—new label, old policies.

The settlement gives Scottish local authorities £500 million less than they received under the Tory cutbacks, which were bad enough. This settlement does not give local authorities Mr McConnell's 3.4 per cent increase, but gives them a 3.9 per cent cut in real terms. That is what is being proposed today. Add to that the administrative witch's brew of new burdens, self-financing public sector pay awards, ring-fencing, landfill tax, VAT changes and service cuts and it is clear that the Scottish people are being offered a continuing diet of service cutbacks, closures, unemployment and rising council tax levels. The financial settlement is suited neither to local government nor to the Scottish people.

Mr McConnell's generous settlement means a 6 per cent average increase in council taxes across the country. The settlement means massive service cuts in even the most financially prudent councils. Mr McConnell is continuing the self-financing public sector pay awards, which have already taken £700 million out of the budgets of Scottish local authorities. That money could and should have been providing services throughout Scotland.

Glasgow City Council faces cuts of £24 million. Orkney, the Deputy First Minister's constituency, faces cuts of £140,000 and a massive 15.5 per cent rise in council tax. Perth and Kinross Council is seeking a judicial review of its funding allocation.

Ms Alexander: Will the member give way?

Mr Welsh: May I finish my point? Perhaps the minister can answer the question. Perth and Kinross Council is seeking a judicial review, because it has suffered cuts of £45 million over the past four years. Why is that?

Ms Alexander: There is an answer. As we have discussed today, more money than ever before is going into local government. What are being paraded as cuts are really choices being made about priorities, in an increasing pie. Do Opposition members think that parliamentarians do the country any favours by parading local government's choices between local service priorities in a changing world as cuts, when the pie is increasing in size?

Mr Welsh: It is tough to be preached at by the minister. However, she should ask her own councillors. She says that she is giving them more money—she is giving them more money, yet when one takes into account ring-fencing, inflation and new burdens, it turns out to be less money. Her councillors must deal with that—they are the ones who must provide people with services.

Angus Council is one of the best-run councils—not the best—in the country and it faces cuts. It has been able to protect education and social services only by cutting every other service. Wendy Alexander should join the real world and go out and speak to her Labour councillors, who will tell her exactly the same thing as I have.

Dr Simpson: Is Andrew Welsh aware that the total amount of new burdens is £23 million? Last year, there was millennium funding of £10 million, which leaves £13 million, which is included in the settlement total. He might argue about hypothecation and ring-fencing, but he must say what he would change or remove in local government. Is he saying that there should be no changes at all?

Mr Welsh: I have heard enough. It is the Executive's budget and it is the job of the Executive to explain its conduct to the Scottish people. I want a decent settlement for local government, a restoration of local democracy and to let the people who are elected get on with their jobs.

Central Government should not introduce new burdens without giving councils the means to meet them. That applies to every council in Scotland. Fewer resources are available for services

throughout Scotland. The rest is smoke and mirrors from Labour's spin-doctors, who are trying to confuse the people and set council against council as they scramble for ever-diminishing resources.

Top-slicing is a vicious mechanism that robs the system overall and sets council against council. School transport money has been cut by 37 per cent cut in Angus, but has been increased in Glasgow by 248 per cent. Is the Executive really saying that school pupils travel further within Glasgow than in rural Angus? I do not believe that.

Those are anomalies that are thrown up by a system that is unfair to Glasgow City Council, Angus Council and every other council in Scotland. The Executive is determined to create the illusion of better local government while destroying the reality of its services, finance and support structure. The fundamental truth is that local government is underfunded for the burdens that are being placed on it and the services that it is expected to provide to communities throughout Scotland. Councillors have no alternative but to cut, because of the settlement; I want them to have an alternative. In this Scottish Parliament, it is time for Scottish local democracy to be strengthened, not weakened as this settlement is weakening it.

15:51

Dr Elaine Murray (Dumfries) (Lab): I was a local councillor for five years prior to being elected to the Parliament. During that time, we knew nothing other than lean times. The yearly announcement of the following year's aggregate external finance hung over every council like an impending poor exam result. Issues have arisen over many years that may take many years to resolve.

Keith Harding mentioned rural areas, and Dumfries and Galloway Council is predominantly a rural council. It has received an increase in funding of 3.7 per cent this year, which approximates to the Scottish average. That is fair, in the sense that it is the average, although it is not a settlement that anybody is dancing in the streets about, and I would appreciate the minister's reassurance on several issues.

I was pleased to hear what the minister said about considering the indicators for rural deprivation, as the distribution of rural poverty differs from the distribution of urban poverty. Rural poverty is often less visible, but it is still there and needs to be recognised. The cost of delivering services in rural areas must also be taken into account, as it is often higher than in urban areas. I am acutely aware that almost £40 million of repair and rebuilding work needs to be carried out on

schools in Dumfries and Galloway. My car is also acutely aware of the outstanding problems of rural roads, and has developed a few creaks, groans and sighs to remind me of them.

Much more seriously, the social services department in Dumfries and Galloway Council, in an effort to reduce its overspend, has introduced a system of charging for home care that many people feel could be described as draconian. An elderly lady of modest income attended my surgery the other week. Her husband, who has Alzheimer's disease, receives two sessions of day care and seven and a half hours' home care a week. She is now expected to pay a bill of more than £80 a week for that. I find that unacceptable. That is a local council decision, but the Scottish Parliament must work with local councils to overcome such problems.

I am also extremely concerned—and I have written to the minister on the subject—about the formula that was used to calculate the grant-aided expenditure for Dumfries and Galloway fire brigade, which left it with an increase of only 1.4 per cent. That is the smallest rise in Scotland, despite the requirement to give holiday pay to reserve firefighters—a problem that has arisen from the different way in which the fire service operates in a rural community such as Dumfries and Galloway. Such an issue should be reconsidered.

Councils should be more effective in the collection of council tax. Sometimes, however, they need to be more efficient. There are too many cases in which people have been pursued for debts that have been settled. One of the outcomes of Mrs Thatcher's iniquitous poll tax was that people began to feel that it was acceptable—even admirable—not to pay local taxes. The system changed—arguably, it is not ideal—but unfortunately the attitude has remained. That must be addressed. People who can pay local taxation but do not are not smart; they are selfish and are failing in their duties to their local communities.

Councils are to be congratulated on trying to introduce systems that make the regular payment of council tax easier. In Dumfries and Galloway, people are rewarded for using direct debit systems, whereby the payments can be spread over 12 months. There are opportunities, to which Allan Wilson alluded, to make the collection and payment of council tax easier through the use of new technology. That should also make easier the accurate detection of non-payers.

Taxation is rarely popular, and few people will look forward to paying increased council taxes after the end of this month. However, if it is of any consolation, my family pays full council tax in two council areas—Dumfries and Galloway and South Ayrshire—so we will be hit twice. I do not know

whether that makes anybody feel better, but it might.

15:55

Bill Aitken (Glasgow) (Con): The reek of hypocrisy that is coming across this chamber from the Labour benches is almost overwhelming. At a time when local authorities are asking for more and more money, they get a pious and pompous lecture from Jack McConnell about how they must improve their tax collection level. Elaine Murray made similar comments. Who actively campaigned in favour of the "can pay, won't pay" lobby? It was the same Jack McConnell and his Labour cohorts, in the days when he was a socialist.

What has come across time and again in this debate, and was explained calmly and analytically by Keith Harding and more animatedly by Kenny Gibson, is the fact that local authorities were better off under the Conservatives.

Mr McConnell: I have a sneaking suspicion that Bill Aitken, unlike Mr Harding, was not a fan of the poll tax. I will be interested to hear whether he confirms that.

Will Bill Aitken also confirm that the massive scale of non-payment of local taxation in Scotland started with the poll tax, which brought about a culture of non-payment in many parts of Scotland? It is the legacy of the poll tax that leaves a large part of the debt still hanging over the heads of Scottish councils.

Bill Aitken: There was a historical problem of payments under the old rates system. I think that the minister would accept that. In turn, I would accept that the poll tax generated an increase in the failure to pay. I underline that the Labour party in those days actively campaigned in that direction. As a result, the problem became much more manifest, to the extent that, at the last count, there was £637 million of tax uncollected by local authorities—the same local authorities to which Trish Godman refers when she says that we have a much more positive relationship.

After three years of this Parliament's existence, there will be a £34 billion reduction in the amount spent on local government. Capital spend has gone down by £109 million since the 1996-97 financial year. Pay rises, for the third year in a row, are not funded. Local authorities will be entitled to ask how much more positive they can afford this relationship to be.

I will now discuss the money for the refugees, not only because the Conservatives, like all members, are desperately sorry for these people, but to point out some of the economic facts of life that arise. The Home Office has allocated £210

million to UK local authorities to cope with this refugee problem. In an article in *The Independent* on 28 January, it was proved conclusively that that was a considerable underestimate and that £300 million would be a more apposite figure. The fact is that £3.99 million has been allocated to Scotland in this respect, which is significantly below the 10 per cent figure that we should receive according to the Barnett formula. That is clearly a shortfall and I will be interested to hear how the minister intends to address that.

Mr McConnell: The calculation has been based on the costs incurred by Scottish local authorities. As I said in my speech, those costs will be reimbursed as a result of the order, which I hope Parliament will pass today. The calculation is not based on a population share across the United Kingdom; it is based on the cost to local authorities in Scotland, as elsewhere, from the overall share that the Home Office is distributing across the UK.

Bill Aitken: Will the Minister for Finance undertake, in the event that those figures are proved to be false, a miscalculation, that local authorities such as Glasgow which are taking more than their fair share of the burden will be recompensed at the end of the financial year, and that there will be no shortfall?

Much as I might criticise Glasgow City Council, from both within and without, this problem is not of their creation. The council should not be penalised for it, and I ask that that undertaking be given.

Mr McConnell rose—

The Deputy Presiding Officer: Will Mr Aitken wind up, please.

Bill Aitken: This is an interesting debate, as local government finance will always produce an interesting debate. The fact is that local councils throughout Scotland are increasingly unhappy with their own Scottish Executive. They realise that the way in which funding has been arranged and the failure to examine closely the wider concept of local government finance are likely to be detrimental to the provision of services in the years ahead. On that basis, we certainly will not support the motion.

16:00

Des McNulty (Clydebank and Milngavie) (Lab): I do not know which stance I prefer—I have yet to hear Tommy Sheridan—but so far I have heard wilful ignorance from Kenny Gibson, selfish prejudice from Keith Harding and a ducking of responsibility from Donald Gorrie.

Mr Gibson: Will the member explain his comment about wilful ignorance?

Des McNulty: Let me refresh Kenny Gibson's memory. In the past 10 years, local government has seen the debacle of the poll tax, which was compounded by the dog's breakfast of local government reform, initiated by the Conservative party. The sting in the tail was a financial settlement that distributed finance among local authorities in a way that denied all tenets of social justice.

In Glasgow City Council, of which Bill Aitken and Kenny Gibson were members, £150 million had to be removed from the budget in the first two years. Kenny, Bill and I went through that process, which caused a lot of misery and pain in the form of service cuts. I recognise that, since coming to power in 1997, Labour's top priority has not been the restoration of local government finance—the priorities have been education and health—but steps have been made towards pegging back the reduction in spending. The 3.7 per cent increase above the level of inflation, as Wendy Alexander has pointed out, is going back into local government.

As an ex-local government person, I believe that there is a lot of residual unfairness in the system, which needs to be addressed. Jack McConnell made a point about the poll tax's legacy of non-payment, which the Accounts Commission report highlights. That is an important issue.

Alex Neil (Central Scotland) (SNP): How can Des McNulty say that Labour's priority is education, when, as Donald Gorrie pointed out, the increase in the education budget for next year is below the rate of inflation—in other words, it is a real cut in the education budget?

Des McNulty: To be honest, I do not accept that figure.

In my authority—[*Interruption.*] Excuse me.

Mr Gibson: Will the member give way?

Des McNulty: I cannot take too many interventions.

I welcome—

Mr Gibson: I let Des McNulty in.

The Deputy Presiding Officer (Mr George Reid): The member is not giving way.

Mr Gibson: I gave way to Des McNulty when I was speaking.

The Deputy Presiding Officer: Mr Gibson, the member is not giving way.

Mr Gibson: Does Des McNulty—

The Deputy Presiding Officer: The member is giving way.

Mr Gibson: Des McNulty talks about education

cuts. Why does he think that Eddie McAvoy, the leader of South Lanarkshire Council, felt it appropriate to write to Opposition members to complain about a £12.8 million cut—and a £5.2 million cut in education and social work—if cuts did not exist? Is the member happy that in West Dunbartonshire, where he is a member, council tax is to be raised by twice the rate of inflation, there are to be £3 million of cuts and compulsory redundancies are to be made? Has the member spoken to his council? Has it told him that it is happy with that settlement?

Des McNulty: I am regularly in touch with my council.

The Executive has begun to redress the balance. Jack McConnell has made £15 million extra available to target councils with high levels of deprivation, although I do not think that that money was targeted as tightly as it should have been. I would have liked more money to go to West Dunbartonshire Council, Glasgow City Council, Inverclyde Council and Dundee City Council, which are the most disadvantaged councils in Scotland, with the highest levels of claimants. West Dunbartonshire also has the highest level of unemployment, the lowest incomes—

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

Des McNulty: I am not taking any more interventions.

West Dunbartonshire also has the highest level of council tax. Ultimately, however, that is the legacy of what Mr Harding and his party did. Local government reorganisation and the financial settlement associated with it created an unfair situation. We need to sort it out. Over the next year, I want Jack McConnell and his colleagues to deal with that legacy.

No one is saying that the reform of local government finance is easy. I recognise that there is much pain and anger amongst local authorities, but Labour authorities are accepting responsibility for organising services and, I hope, for examining the distribution formula and ways in which a better system can be employed. I ask Jack McConnell and his colleagues to consider how local and central Government financial reorganisation can be combined.

I am worried about the extent of ring-fencing money and about policy initiatives being passed down to local authorities, taking away their capacity to plan their resources effectively. Instead of money coming down in that way, I would like to have agreed contracts between local and central Government on the range of services that councils will provide and how they will respond to particular initiatives. We should not look at local government finance in isolation, but as part of the wider social

justice agenda. We need to consider how the changes that we are going to make in local government finance and its distribution link into changes in other service priorities, and how they can be managed most effectively on the ground.

I am a great believer in local government and the autonomy of local authorities. We need to give local authorities more control over their budgets and recognise social need explicitly in the way in which we distribute resources—not just through the local government grant-aided expenditure scheme, but across the board.

16:05

Tommy Sheridan (Glasgow) (SSP): I find the level of hypocrisy and the lack of concern that ministers have shown here today absolutely breathtaking. I ask every one of the new Labour members to consider what they are hearing from local authorities—in many cases, from members of their own political party. Are those councillors trying to pull the wool over members' eyes, or are they absolutely disillusioned with a Government in its third year of office and a Scottish Parliament that said that it would be friendly with local authorities but has instead chosen to enforce a continuation of increased council tax and rents, in return for fewer services and jobs provided?

Wendy Alexander, who is unfortunately not here, said that she was puzzled by talk of cuts. Other members will explain what their authorities are telling them, but I have received representations from people in Dundee, West Dunbartonshire, North Lanarkshire, South Lanarkshire and East Dunbartonshire, all of whom have told me that serious cuts will have to be made because of this settlement.

As a member of Glasgow City Council, I have been presented with a paper by the chief executive that details £24 million worth of cuts. I will give it to Wendy Alexander if she is puzzled by talk of cuts, because they are set out here. The paper describes reductions in community facilities, reductions in play areas, reductions in support for voluntary organisations and a £530,000 reduction in the home help service in the city of Glasgow, which is one of the most deprived cities in the whole of Britain, never mind Scotland.

Quite frankly, the settlement that the Executive is presenting to us today is unacceptable. It is unacceptable because what we are being asked to do is to vote for more cuts. We are being asked to say to local authorities, "Carry on regardless, the way that you carried on during the Tory years of cuts in local authority budgets". Des McNulty mentioned the last budget that he was involved in as a member of Glasgow City Council. I was also involved in that budget-cutting process, and I

voted against the cuts, as Des knows. On that occasion, many members stood up in the chamber and said that the problem was the central Government, and central Government is still the problem.

Jack McConnell said that the reason that local government finances were so important was that they were part of public finances. I invite Labour members to read the Trades Union Congress's pre-budget submission to the Chancellor of the Exchequer. In its submission, the TUC makes the point that, according to the Institute of Fiscal Studies, the current surplus stands at £18 billion. If the Executive wants to deal with cuts in local authority spending, it should announce clearly that it will relax the spending guidelines and let local authorities spend what they require to spend, without fear of penalty or budget cuts in future years. The Minister for Finance has not fought hard enough with Westminster to get the type of settlement that Scotland requires.

We are often asked for alternatives. Well, there is an alternative in the document that I am holding today that abolishes council tax and replaces it with a fairer, progressive form of income tax across Scotland. A Scottish service tax, if it was applied today, would not only automatically exempt from payment our pensioners, our students and everyone on benefit, but would generate £100 million more for local government jobs and services. It would do that by taxing those who can afford to pay, such as MSPs and the multimillionaires—or Souters—of the world, all of whom should be paying more for local government jobs and services.

The Deputy Presiding Officer: Speeches from the floor must end by 4.33 pm. The more members speak in headline form, the more will be included.

16:11

Johann Lamont (Glasgow Pollok) (Lab): I am grateful for the opportunity to contribute to what is a central and complex debate. None of us wants to run away from the difficulties that we as a Parliament face, and which local government faces. One of the challenges to the Parliament will be how it develops its partnership with local government and how it is able to resource the means by which services can be delivered, in a quality way, at a local level.

We must recognise the problem that the minister faces in this debate and in dealing with these issues. By the very nature of the debate, it is tempting for everyone to fight for their own patch. It is important that the Scottish Parliament, if it is signed up to genuine social inclusion for the people of Scotland, is able to develop the capacity

to see the whole picture. We must have the courage to develop means by which real needs are addressed and real priorities identified. The minister has already said that he will review poverty and deprivation indicators before this stage next year. That is very much to be welcomed.

Despite what I have said about the whole picture, perhaps it will not surprise members that I wish to say something specifically about Glasgow. Glasgow's role in the national life of Scotland—for example, it hosted the Scotland-England game last year—is significant and costly. In that example, its role was also rather painful. However, that role should be acknowledged; I believe that that should be done by granting a special metropolitan status to Glasgow.

However, I wish to concentrate today on making a case for Glasgow being treated fairly.

Mr Gibson: On that point, will the member give way?

Johann Lamont: Let me get into the meat of this first.

Some would characterise Glasgow as a place that is awash with cash that has been frittered away by local government. I wish to consider the way in which the government-aided expenditure formula for social work services actively works against Glasgow. No specific allowance is made for addiction in Glasgow, despite the fact that we know that the level of addiction is increasing. That has huge implications for social work not only in terms of caring for addicts, but in terms of the impact on the broader community, for example, in relation to child care.

Members will be aware that the national trend has been to reduce the number of children and young people being brought into the care of local authorities. However, since November 1997, Glasgow has bucked that trend, with a 24 per cent increase. In the past 15 months, Glasgow has had a 13.5 per cent increase in young people entering care. That trend can be related directly to an estimated doubling of drug addiction in Glasgow. The implication of having young people in care, as they move through the care system and into adult life, is huge costs to the city.

The second factor that I wish to highlight is the government-aided expenditure formula for the allocation of community care moneys. No account is taken of the ability of clients to make a financial contribution to community care, which is increasingly means-tested. The impact of that can be illuminated by the following figures. Glasgow has 12 per cent of Scotland's population; however, 20 per cent of all Scottish pensioners who are on income support live in Glasgow. Glasgow has 12 per cent of the population; yet 27 per cent of

disabled people on income support disability premium live in the city. Those figures highlight something important: that Glasgow has a greater share of the serious problems facing our people than its share of the population; however, it does not have a greater share of the resources. Because of the deficiencies in the formula, Glasgow is spending £15 million more on social work in 1999-2000 than it was allocated.

Mr Gibson: Is the member aware that, in response to a written question from me, the Executive refused to acknowledge the existence of the term metropolitan status? In what way has Glasgow benefited from three years of new Labour government, when it has had an £88 million cut in its budget, a 14 per cent council tax increase and 1,400 job losses?

Johann Lamont: I am aware of that response on the question of metropolitan status but I urge the Executive to look at creating that status and granting it to Glasgow. On the broader question of the benefits of the Labour Government, there are people in this Government who are committed to and understand the importance of locally delivered services.

I hope that the Minister for Finance not only sees that Glasgow is a special case but sees its need for fair treatment. Glasgow is already suffering from the impact of poverty and deprivation in its communities and has to pay a disproportionate amount to tackle it. I urge the minister and the Scottish Executive to take on board these arguments so that, next time round, Glasgow is given status as a special case.

16:16

Shona Robison (North-East Scotland) (SNP): I want to concentrate on the two special grant reports, as they provide an opportunity to highlight the many deficiencies of the new financial arrangements under the Asylum and Immigration Act 1999. The funding levels in both special grant reports are regarded as sufficient to meet the needs of asylum seekers and Kosovan evacuees. That cannot be said, however, of the proposed levels of support under the Asylum and Immigration Act 1999. Funding levels, especially for families, will be considerably less. Perhaps the Minister for Finance would like to listen to what I am saying, as it is quite important—or perhaps he would not.

The Home Office has agreed that between April and November 2000 the funding will be £140 per week for an individual asylum seeker and £240 per week for a family. That is not sufficient to provide all the services asylum seekers need, such as infrastructure and administrative costs, assessment and provision of social services,

housing, education for school-age children and the cost of interpreting and English language support. Interestingly, and quite rightly, the Government believes such services to be essential in the financial allocation for Kosovan evacuees as laid out in special grant report number 2.

It should not go unnoticed that there has been a downgrading of the needs of asylum seekers under the new act. Nor has any assessment been made under the present or the new arrangements of the cost of providing health services to asylum seekers. That is not joined-up thinking. The projected costs of the Local Government Association in England and Wales suggest that after the costs of housing, utilities, vouchers and administration are subtracted, only £31 per week for a family will be left over to provide for essential services such as health, education and interpreting. If those figures are the same in Scotland—we are still in the dark about that—it will not be adequate. COSLA has already expressed concern that the overall support level is likely to be insufficient. The problem is more acute in Scotland since we are likely to be taking a higher proportion of families than single people, with less surplus money per person to provide essential services.

Despite such concerns, the Westminster Government is not prepared to provide extra funding to local authorities for additional teachers, nurses, doctors or interpreters. It holds firmly to the line that unless population change merits additional resources in the block grant, there is no additional money. Yet there is no doubt that there will be difficulties in areas where there is a significant increase in school rolls without additional resources, particularly where there are language difficulties. In Glasgow, for example, the 600 families expected will result in an estimated 1,000 to 1200 children going to school. There are no additional resources for local health services, although it is widely recognised that asylum seekers often have special health needs.

Translation and interpreting services create huge problems impacting on almost every area of asylum seekers' lives. The lack of services was highlighted in the Macpherson report and we are still waiting for the Minister for Justice to take action on that. We can expect anything up to 6,000 refugees to arrive over the next year despite the lack of resources for interpreters. For example, in Edinburgh—

The Deputy Presiding Officer: Briefly, please.

Shona Robison: Edinburgh is host to a growing number of families from Somalia, many of whom speak a minority language. The nearest interpreter is in Manchester. Little thought has been put into how those Somali families will be supported, given the language barriers. No resources have been allocated by the Home Office to address the

problem.

The SNP welcomes asylum seekers to Scotland, but recognises the necessity of having properly funded services to enable the smooth integration of asylum seekers into local communities. Specific services are required for asylum seekers and refugees, and the Home Office should provide the resources necessary to enable those services to be developed and delivered.

The Deputy Presiding Officer: Please close now.

Shona Robison: In his opening remarks, Jack McConnell said that the special orders were a good example of local and central Government working together. However, the minister must address the resource implications of the orders, particularly for health, education and interpreting, and be prepared to return to the Home Office and argue for additional resources.

The Deputy Presiding Officer: If members take their full time allocation and a bit more, there is little I can do to help others further down the list.

16:21

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Before beginning my speech, I take this opportunity to welcome the convener of Aberdeenshire Council, Councillor Raymond Bisset, who is in the distinguished visitors gallery, together with a delegation from Aberdeenshire Council. They are here to listen to today's debate and will also observe the vote later in the afternoon.

I would like to highlight once again the severe difficulties facing councils such as Aberdeenshire as a direct result of the local government settlement that is proposed by the Minister for Finance today. Historically, Aberdeenshire is a low-spending council. It has the second lowest level of council tax in mainland Scotland. Evidence from the Accounts Commission, Her Majesty's Inspectorate of Schools and other organisations shows that Aberdeenshire's services cost less than those of most other councils. Aberdeenshire's spending is only 89 per cent of the Scottish average. Its staff ratio is 12 per cent below average. Per head of population, the council already operates with the equivalent of nearly 1,150 fewer staff than the average council.

That cost-effectiveness has been achieved while Aberdeenshire's population continues to rise at a rate of more than five times the Scottish average rate. That has resulted in an increasing need to spend more just to maintain the current level of services. As we all know, financial support from the Executive is the main basis of council funding. If this settlement is agreed today, Aberdeenshire

will have to cut nearly £13 million from its budget.

What does the local government settlement mean for Aberdeenshire? It means that, even using all the flexibility at its disposal, there will be compulsory redundancies. I believe that 130 jobs are on the line overall. In addition, a range of services will be axed. I hope that members will understand that, because of time and other restraints, I cannot mention each service, outlining what is to go.

How can we talk about another 1,000 teachers and an extra £80 million for education when, in reality, as a result of this local government settlement, there will be real cuts in schools budgets in Aberdeenshire—and, I have no doubt, in other council areas too—and teaching jobs will be lost? I have seen nothing in the reaction of some ministers today to show me that they have a grasp of reality. What Aberdeenshire Council needs, as do other councils, is a real increase in its revenue support grant, and an end to capping. I will not bother talking about guidelines.

I have been working away for a while now to try to solve the problem. There seems to be a reluctance by the Minister for Finance to recognise the real problem. I make no apologies for making this point again, as I did in the budget bill debate. I use Stirling Council as an example of the unfairness of the system: if Aberdeenshire Council had the same level of funding as Stirling, it would be £25 million better off. The system is self-evidently unfair. That is why, together with several of my Liberal Democrat colleagues, I will be voting against this settlement.

Ben Wallace (North-East Scotland) (Con): Will Mr Rumbles give way?

Mr Rumbles: In a moment, Ben.

The Deputy Presiding Officer: You have 45 seconds left, Mr Rumbles.

Mr Rumbles: In the past, votes on the local government financial allocation were taken at Westminster often late at night or early in the morning. The decisions were remote and hidden from view. Thank goodness for the Scottish Parliament. We now have the time—if the Deputy Presiding Officer will give me a fraction more—to debate these issues in Scotland, in full view of our voters.

Until now, the spotlight has been on the Minister for Finance, Mr Jack McConnell. Now, the spotlight moves to all of us here in this Parliament, as we press our voting buttons later this afternoon. It is our decision what to do with this local government settlement, not the decision of the Minister for Finance. I ask my Liberal Democrat colleagues, in particular, and all members of this Parliament, including Labour back benchers, to

throw out this damaging settlement and to make our votes count today. We must ensure that we protect our valuable local services and demand that the Minister for Finance think again.

I will not go into the two problems—one short term and the other long term—that Donald Gorrie addressed.

The Deputy Presiding Officer: Mr Rumbles, you have had your little bit more. Wind up, please.

Mr Rumbles: I will wind up now.

If we agree to this order without protest, we will simply get more words. I ask members from all parties to vote against the order. It is discriminatory and unfair. This is a decision for our Parliament. Parliament has the opportunity to assert its authority—which it must now exercise—to right this wrong by asking the Executive to think again.

16:26

Dr Sylvia Jackson (Stirling) (Lab): I would be interested in seeing Mike Rumbles's evidence that Aberdeenshire Council would have an extra £25 million if it received the same settlement as Stirling Council.

Mr Rumbles: I will provide it.

Dr Jackson: I agree with much of what Donald Gorrie said. There is much to be said for examining local government finance as a short-term measure and considering the long-term issues at the same time. As Trish Godman said, the Local Government Committee has taken evidence and has visited 15 councils. All 32 councils were unanimous that a long-term review of the local government finance system must take place. Members will know that the committee

"has agreed to urge the Executive to commission an independent review of local government finance."

I want to emphasise ring-fencing, which was mentioned by Trish Godman. A case can be made for ring-fencing, which is an important area of Government policy, but there is growing concern that other council priorities are being squeezed out; that causes funding gaps in core services. Local democracy is being encouraged—Stirling Council is at the forefront of that initiative—but the priorities of the people whom the council serves may be lost as a result of increased ring-fencing.

In my constituency, Stirling Council is finding it extremely difficult to meet the public demand for increasing the amount of money to be spent on road maintenance. There is a huge road infrastructure, which spreads from Stirling to Crianlarich in the north. I welcome the minister's comments on the consideration of rural indicators and will follow the progress of that work with

interest.

If the Parliament is interested in making it work together—also the title of the programme for Government—it is time that we started to listen to what councils say, and to what is said by the people served by councils, which is as important.

Stirling Council finds itself in a particular predicament. Since 1996, the council—which is by no means a large authority—has had to cut more than £20 million from its budget. It has shed some 400 jobs in addition to the significant job cuts that took place during local government reorganisation. In the 2000-01 proposals, Stirling Council has suffered particularly badly. In terms of aggregate external finance, Stirling will receive an increase in its grant of only 0.9 per cent.

Andrew Wilson: Does Dr Jackson accept that, of the four-year period to which she refers, Labour was in control for three? Will she join the Opposition and back benchers in examining and criticising the Executive, which is our role, and in voting against the order?

Dr Jackson: I am trying to move the debate on and to highlight the fact that, at present, there are difficulties for a few councils in particular. I am trying to be constructive; that is why I alluded to Donald Gorrie's worthwhile speech.

In the coming year, Stirling will face further cuts of the kind that it has already experienced, in terms of teaching staffing standards. It is most worrying that, with ring-fencing, we may have to put classroom assistants into schools from which we are removing teachers. We must address such issues. The minister should allow more flexible ring-fencing.

At a recent Stirling assembly meeting that was open to the public, the message about the proposed budget from the people of Stirling was clear. First, services are already at an unacceptable level. We want further investment, not further cuts. Secondly, we must take a long hard look at local government finance. We must have an independent review to look forward constructively, as Donald Gorrie and Trish Godman said.

My final point concerns social inclusion. I welcome what the minister said about indicators for deprivation, but we should remember that deprivation exists in all our council areas; it is only fair that that is addressed.

16:31

Mr Gil Paterson (Central Scotland) (SNP): I start by saying that

"another challenge to us all is the reality of a fixed budget . . . Calls for higher expenditure without explaining how that will be achieved do not impress anybody, and they add

nothing to the quality of debates."—[*Official Report*, 10 February 2000; Vol 4, c 1015.]

That is what Jack McConnell said in the chamber barely two weeks ago when he attacked the Opposition for being financially irresponsible. After his performance this afternoon, we will take no lessons from him. He and his colleagues have called for councils to do more and more, which means higher and higher expenditure, but have failed to explain how that can be achieved. Put simply, it cannot. Any business has a number of costs over which it has no control; councils are no different. Wage and price increases, increasing taxation and additional work that is set by the Government all have to be paid for.

What additional bills has Labour cost Scottish councils? First, there is the extra work that the Executive wants councils to do, such as the local transport strategies that the Minister for Transport and the Environment proudly announced. There are higher still, education action plans, increased community care and increased supported accommodation, as demanded by the Executive's policies. The list is endless. The policies that the Executive sets cost money, but the Executive does not give councils enough money to underwrite its policy commitments.

Secondly, there is the bigger tax bill that councils have to pay under Labour: the landfill tax, the climate change levy, changes to value added tax, and increases to fuel duty. Thirdly, there are increases in wages and increases in commodity prices through inflation. It would be a reckless business indeed that did not account for dearer petrol, or that forgot VAT in its running costs.

In December, the Minister for Finance proudly trumpeted increased council spending of 3.4 per cent, so why have we heard about a score of cuts this afternoon? Is it because of incompetent Labour councillors, or is it just Labour councillors being conned by Labour ministers? The Minister for Finance has used his usual smoke and mirrors to dress up cuts and try to pass them off as a funding increase.

The minister announced that he will increase council spending to £5,940 million, but he forgot conveniently to mention that he has also increased councils' work loads. Even the Executive was prepared to admit that £120 million would be taken out of the newly increased budget. That reduces Mr McConnell's rise to only 1.3 per cent.

Then we move on to the costs that those of us who work in the real world have to acknowledge: inflation, pay and other costs that result from Labour's action—either in the Executive or in London—but for which it has made no financial provision. According to COSLA, such pressures amount to £298 million, but the Government is not

prepared to acknowledge that that is an additional cost that councils have to bear. The councils are doing the Executive's work, which brings the Executive's budget for councils down to £5,522 million. The budget last year was £5,747 million. In any language, that is a cut of 3.9 per cent.

The minister has neglected wage costs and tax rises to dress up a 4 per cent cut as a 3.5 per cent increase, but he has been found out. He has been found out by the facts: tax is rising across Scotland; hundreds of millions of pounds worth of services are being lost; and not one member or minister here today can be convinced that any council will escape the axe.

The Deputy Presiding Officer: My apologies to all members who were not called; the only consolation that I can offer is that their names have been noted for priority on a future occasion.

16:35

Mr Keith Raffan (Mid Scotland and Fife) (LD): One of my great regrets is that I never served in local government. I have a huge respect for councillors, especially the 27 Liberal Democrats in Mid Scotland and Fife with whom I work, but also for councillors of other parties. I certainly did not become a member of the Scottish Parliament to see further erosion of local government.

Local government must be rebuilt and strengthened; that is the whole point of devolution. It is not for the Parliament to suck powers and control away from local government, but to give them back, and to trust the councillors. That should be the credo and philosophy of all parties and I believe that that sentiment will have a resounding echo from all parts of the chamber.

Finance and resources are central to local government. As Dave Roberts, the head of strategic policy in Perth and Kinross Council, wrote in a submission to the Finance Committee yesterday:

"The council can only achieve its priorities through the appropriate allocation of resources. Fundamentally the resources will drive everything we do."

The first issue to consider is the amount of money available. Since reorganisation, local government's share of the Scottish block has dropped from 40 per cent to 36.5 per cent. Labour-dominated COSLA estimates that since reorganisation, the annual allocation has been reduced by £500 million in real terms.

I appreciate the problems that are faced by the Minister for Finance—he has to work within the block. If he increases spending in one area, he has to cut it in another. If he increases the local government finance budget, he has to find money from elsewhere. I hope that he will join many

others in the chamber in pressing the chancellor to get the lid off his Treasury chest, especially as during the past three weeks the amount of money estimated to be in that chest has rocketed from £6 billion to £14.5 billion.

Andrew Wilson *rose*—

Mr Raffan: I am sorry, I do not have time to give way.

Very few members want tax cuts to be made to help the UK Labour Government hold on to or win votes in the south-east of England. We do not want tax cuts; we want more money for services. That is the Scottish Parliament's priority; I hope that the Executive is listening.

The debate on the local government financial settlement centres not just on the total amount of money that is available, but—crucially—on how that money is distributed. Many councils face problems of one kind or another.

I do not say this with any animosity, but I found the interventions of the Minister for Communities unhelpful. She knows that a number of Liberal Democrat members have real and serious concerns, yet her interventions were profoundly counterproductive.

Alex Neil (Central Scotland) (SNP): As always.

Mr Raffan: No—not as always, but they were on this occasion.

Like Aberdeenshire, Perth and Kinross Council is a model council, known for its prudent budgeting. So well is it known for its policy-led budgeting and community planning that it was invited to give evidence to the Finance Committee yesterday; its director of finance and its head of strategic policy did just that. I do not want to bore the chamber with statistics, but Perth and Kinross can compete with Aberdeenshire. It has the third lowest number of staff per head of its population; the eighth lowest spending per head; and the eighth lowest council tax. Since reorganisation, it has found year-on-year savings of £57 million. However, like Aberdeenshire, it faces very real problems. Its rapid population growth is reflected in school rolls; 90 per cent of its schools have now reached capacity. It also has an increasing proportion of elderly people, but through grant-aided expenditure, those growth factors feed into financial settlements two years after growth has occurred and services have had to be provided.

I had intended to mention Stirling Council, but Sylvia Jackson did that far better than I could. Like her, and like Richard Simpson, I was at the Stirling assembly a week ago on Saturday when we heard about the problems that the council is facing.

Let me be positive. The current system is clearly not working, and we cannot carry on like this, so I

welcome the Minister for Finance's announcement of a working group with COSLA. When the Deputy Minister for Local Government winds up, I hope that he will give further details of exactly how that group will operate. The group must consider five issues.

First, we must move as soon as possible from annual to three-yearly financial settlements to enable councils to budget and plan ahead, rather than being landed in perpetual financial crisis.

Secondly, we need to reverse the trend of increasing hypothecation, or ring-fencing of funding, by the Scottish Executive. That trend has been seen at its most absurd in the excellence fund: Perth and Kinross may be in the position of having to lay off music teachers and special needs teachers while advertising for classroom assistants—how Monty-Pythesque can we get?

The Deputy Presiding Officer: You have 30 seconds.

Mr Raffan: If we are to strengthen local government, we must trust it to deliver agreed priorities. As the minister said, less emphasis should be placed on inputs and more on outputs.

Thirdly, since local government reorganisation, councils have had to absorb £700 million of pay rises that were negotiated centrally. In Fife alone, the figure involved is £47 million. That situation cannot continue indefinitely.

Fourthly, we must examine the formulae, which worked in the old set-up, in which 85 per cent of the settlement was distributed among the eight regions, but which are not sophisticated enough to recognise the diversity of the 32 local authorities.

The Deputy Presiding Officer: And fifthly and lastly.

Mr Raffan: Fifthly and finally, until a more thorough, long-term, independent review of local government finance is carried out, we must impose guidelines even more flexibly than the minister is doing. Trish Godman, Sylvia Jackson, and Elaine Murray called for such a review. It seems that all Labour members, except the Minister for Finance, want a review. If the minister gives us the working group and it results in effective short-term measures, he will get the support that he needs. The working group must be set up now, and we need to know how—and whom—it will consult. We need both short-term measures and a long-term independent review.

16:41

Mr David Davidson (North-East Scotland) (Con): The quote of the day came from Elaine Murray, who said that people will not be dancing in the streets. That is how we would sum up this

debate. I thank the Labour members for their help—I like to see cross-party co-operation in the chamber.

For the second time in the life of this Parliament, I have to agree with Mike Rumbles—I find that a weakening experience. He is correct to say that the ministers fail to have a real grasp of the issues and problems that face local government, but he forgot to say that they also do not know how to address those problems.

Bill Aitken asked the Minister for Finance to give an undertaking that councils should get adequate reimbursement for refugee spending. I do not think that we were given a clear undertaking; perhaps Mr McAveety will comment on that.

We appreciate Mr McConnell's comments about modernisation and, in particular, about the need to collect taxes fairly and properly. All too often it is the retired person, struggling along, who is honest Joe and pays up front. Labour and SNP members are smiling at that, but I recall that they, along with Mr Sheridan—who is always true to his roots—ran campaigns telling people not to pay up. That has undermined many people's confidence.

Dr Murray: Does Mr Davidson accept that although the Labour party always opposed the poll tax, at no time did it advocate non-payment? Many of us were implacably opposed to the poll tax, but continued to pay because we knew that, at the end of the day, it was the poor—the people whom councils served—rather than Mrs Thatcher who would suffer if we did not.

Mr Davidson: I accept that point. Perhaps I should have said that certain high-profile Labour members were involved in such campaigns.

I welcome the minister's assurances on the uniform business rate and look forward to finding out what his working group produces on that, as business is extremely concerned.

I am a little concerned by what the minister said about shared priorities, but I acknowledge that he talked about the balance between rural and urban treatments. When I was a councillor in Stirling, I said that there should be proper indicators for rural areas. As far as I am aware, Stirling Council has not produced those adequately; COSLA has not done so either, but now the minister has a chance.

Kenny Gibson started rather well with his usual nice comments on the wonderful history of the Conservative party, but then lost the plot a little. I could not pick up any cohesive policy strands in his speech. I welcome the fact that he dealt informatively with all the numbers, as that saves me doing it, but I will give one number: in talking about the power to raise the council tax, he forgot that fewer than 40 per cent of Scots pay that tax.

We do not think that there is a need for an

independent review of local government finance. The Executive should reduce its overburdening central influence and stop ignoring the current procedures and formulae. Rather than considering an independent survey, the Executive should discuss the allocation system more. Rural councils, in particular, need a fair crack at the allocations system. I welcome the minister's comments on that matter.

Other members mentioned the problems of population growth. The Executive has no predictive modelling of such growth on which to base settlements and it must act on that.

The main themes of the debate have been covered by almost every member who has spoken; I will not list all the names. The Executive's behaviour removes the democratic rights and responsibilities of councillors and their citizens to make local decisions on local expenditure. I just wish that the Executive would allow devolution to reach as far as our local councils.

Dr Simpson: From the Tories that is wonderful.

Mr Davidson: I will deal with Richard Simpson in a second.

Councils complain regularly about issues such as annuality—as Keith Raffan pointed out, that was raised in the Finance Committee yesterday—top-slicing, ring-fencing, initiative overload and challenge funding, which remove the guts from what the councils are doing. That is total direction from the centre; it is not democracy, neither is it devolution.

The Deputy Presiding Officer: If you plan to deal with Dr Simpson, you should do so now.

Mr Davidson: I have always thought the delightful Dr Simpson to be courteous and quite reasonable. However, I was appalled by his blackmailing comments that councils will be in a bad state if we do not pass this legislation today. That is an absolutely dreadful comment.

Members: It is true.

Mr Davidson: If there is to be another review, what we need—

Mr McConnell: Will Mr Davidson give way?

Mr Davidson: When I finish this point.

A review of the core services with which local authorities should be involved might solve some problems.

I will give the minister two seconds.

Mr McConnell: On a number of occasions during the past 10 months, Conservative members have expressed their desire to be responsible in their opposition to the Executive's work. However,

this afternoon, Mr Harding said that the Conservatives are prepared to vote against the order. That would mean that at the start of the financial year—never mind next week, when the councils will set their council tax levels—councils would not know what their revenue support grant would be, and we would not have any authority to give them a grant. It would take four weeks to agree the order again. Is Mr Davidson prepared to find himself in such a situation?

The Deputy Presiding Officer: Please respond and close, Mr Davidson.

Mr Davidson: The solution is in the minister's hands now. Mr McAveety has yet to speak; all he has to do is to assure the chamber that the issues will be dealt with properly with Executive orders and through the Parliament. It is obvious that the minister does not understand how the rules work in the chamber.

In conclusion, there is an arrogance about the Executive—it always knows best—but the Parliament has an opportunity today to send it back to think again.

16:48

Andrew Wilson (Central Scotland) (SNP): This has been an important debate for the Parliament, and I have been struck by comments made by Dr Simpson and others. The Parliament's job is to examine and criticise the Executive's work and we must sign up to this vote. We should take into account the fact that the Executive has 15 days to come up with an alternative approach. If, however, the Executive cannot even carry the support of the coalition members, it should consider itself to be in some trouble on this. This is a serious debate about serious issues. Even the Government's back benchers tried to raise serious points, and the Executive's arrogance and inability to put the country before the party are issues that many Labour members should consider deeply.

Scotland is a rich country, but our public services are not in a rich state. If Dr Simpson, for example, visited our schools, he would see conditions that are not fit for pupils or teachers.

Dr Simpson: Will Mr Wilson give way?

Andrew Wilson: No, I will not.

That situation is unacceptable in a modern, 21st century state. Do not believe just me. As Elaine Murray—a Labour member—pointed out, £40 million is required to bring Dumfries and Galloway's schools up to scratch. Do other Labour members think that such a situation is workable?

Mr Michael McMahon (Hamilton North and Bellshill) (Lab): Mr Wilson is concerned about the money that is being given to local authorities for

schools. North Lanarkshire Council is rationalising so that it does not waste money on half-empty schools and Andrew Wilson has been promoting a campaign in north Lanarkshire against that policy. That means that he wants the local authority to waste money on such schools.

Andrew Wilson: With the greatest respect to Mr McMahon, it is not my job to promote the closure of schools in that area. The louder that Labour members shout, the more I believe that they do not like what they hear. What I say is true.

Schools are being closed because of financial strictures that have been imposed by the Labour party in Government. I do not blame local authorities in Scotland for the situation in which they find themselves. The problem is serious because the Government is putting less into public services than was invested in the dark days of Tory Government.

Dr Simpson *rose*—

Andrew Wilson: I must press on.

Labour members do not accept that. The minister with senior responsibility for local government—Wendy Alexander, who is not here—did not accept that cuts are being made in local government and all the Labour back benchers disagreed with her.

The SNP has been round every local authority in the past week for estimates of council tax increases and budget cuts. Aberdeen City Council will put up council tax by 6 per cent and there will be cuts worth £6 million. Aberdeenshire Council will put up council tax by 4.5 per cent and there will be cuts worth £13 million. Argyll and Bute Council will put up council tax by 5 per cent and there will be cuts worth £4 million. Clackmannanshire Council will put up council tax by 7 per cent and there will be cuts worth £4 million. City of Edinburgh Council will put up council tax by 5 per cent—

Dr Simpson: Absolute rubbish.

Andrew Wilson: Those are the councils' own figures. If Dr Simpson does not agree with them, he should criticise the councils.

In Edinburgh there will be cuts worth £10 million. Labour-controlled Glasgow City Council—formerly controlled by none other than Frank McAveety—will put up council tax by 2.5 per cent and there will be cuts of £24 million. Moray Council will put up council tax by 8.6 per cent and there will be £3.3 million-worth of cuts. North Lanarkshire Council—Mr McConnell's territory—will raise council tax by 2.5 per cent and there will be cuts worth £7 million. Orkney Islands Council will increase council tax by 15 per cent and there will be cuts worth £140,000. South Ayrshire Council will increase council tax by 5 per cent and there

will be £6.5 million-worth of cuts.

As yet, we have no figure from South Lanarkshire Council on council tax increases, but there will be £12.8 million-worth of cuts. Stirling Council will increase council tax by 5 to 7 per cent and there will be £4 million-worth of cuts. That is the reality and all who back the Government are complicit in that.

Mr Harding: Where did Mr Wilson get his figures, especially those that relate to Stirling Council, which had not determined its budget by this morning?

Andrew Wilson: Every local authority produces preliminary estimates—those are what the SNP asked for. Every one of those figures came from Labour-controlled local councils. The answers came from Labour officials and were based on budgets that the Executive has outlined.

Wendy Alexander's last lie was that the Executive is putting more into local government than ever before. I took time out to look at the Executive's budget. In 1996-97, £5.8 billion went into local government; this year, the figure will be £5.4 billion. If that is not a cut, what is? Wendy Alexander is known for her numerous degrees, but how can she trumpet the new figure as the highest ever awarded to local authorities when it is £357 million less than was given in the last year of the previous Tory Government? Her claim is untrue.

Capital spending is not entirely relevant to this debate, but the same thing is happening there—£1 billion less will go into schools and public services than was spent a decade ago.

Mr Rumbles spoke well about capping. It is not good enough to use the sophistry of discussing guidelines. The outcome is what matters. In effect, the Executive is stopping local authorities' ability to govern. That is unacceptable.

Mr Davidson *rose*—

Andrew Wilson: I must move on.

Dr Jackson made a good point about ring-fencing. Rather than constraining local government's ability to do its job—although there must be certain policy guidelines—will the minister consider doing what Perth and Kinross Council, in which Labour is involved, has suggested? That council measures success in terms of outcomes rather than policy inputs or financial inputs.

There is an exceptional crisis. The SNP does not readily step in to obstruct a budget motion. We cannot, however, merely stand by and watch it being agreed to. It is a Labour tax-and-cut agenda, under which taxes will go up and services down throughout Scotland. We pay the highest council taxes in the UK and our services are in decline.

In his summation, will Mr McAveety accept, first,

that there is a problem? The Executive's party disagrees with the order and Mr McAveety has 15 days to come back with a better alternative. Secondly, will he accept the idea of an independent review of local government finance? Members of his party will agree with that. Thirdly, will he give local government greater scope to raise the money that it spends? That would be democratic and pro-local government. While he is at it, will he give the Parliament greater scope to raise the money that it spends? Two thirds of Scots agree with that suggestion.

16:54

The Deputy Minister for Local Government (Mr Frank McAveety): We have, again, heard a litany of complaints, but no mention of responsibility, from the SNP on the complex issue of making local government settlements.

I have checked with local authorities whether SNP groups have ever proposed alternative local authority budgets. I found out that Mr Gibson, in his six years in Glasgow District Council and Glasgow City Council, never once put one forward. Only in 1999, when he saw responsibility staring him in the face for the first time, did he do so.

I welcome the passion about local government. I welcome the Tories' conversion to the idea of good local government services. I did not experience any such commitment from them when I was a councillor. The Tories left us with the poll tax—

Mr Harding: Will the minister give way?

Mr McAveety: Sit down, Mr Harding. Today, we heard Phil Gallie—a Tory, but the Deggsy of the Scottish Parliament—telling us that we should not set a rate for Scottish local government.

This is an issue that arouses passion and I am glad that the Parliament is debating it. I am glad that there are members present from all over Scotland who have brought local views to be heard here. That is testimony to the efficacy of the Parliament.

Wendy Alexander and Jack McConnell have indicated that, overall, there is an increase in the local government settlement. How that is applied locally is determined by the priorities that are set by local councils.

Mr Gibson: When the minister says that there has been an increase, does he mean an increase in real terms or in cash terms? Does he disagree with COSLA when it says that the amount of money for next year will be £496 million less in real terms than it was for 1996-97, even excluding new burdens and self-financing pay awards? Does he accept that there have been 13,000 job losses

and a 41 per cent council tax rise since his party came to power? If he does not accept that, why not?

One last thing. As Mr McAveety knows, I did not propose any budgets when I was a member of Glasgow City Council because I was the sole representative of my party. As soon as I got a seconder, we proposed a budget.

Mr McAveety: That is a rather sad and pathetic story. As soon as he got a seconder, he proposed a budget. What noble leadership from Kenny Gibson.

Mr Gibson *rose*—

Mr McAveety: I would like to get to the conclusion of my point so that I am not interrupted by the wobbly chancellor.

The local government settlement raises expenditure and grant in real terms for a second year running. I have visited councils across Scotland and I am aware that many are facing difficult budget decisions, but no local authority has told us that we should not set the local government figure for this financial year. No serious leadership has said that we should not act responsibly and agree this order today.

We are listening to local government. That is why the Minister for Communities and I have visited 28 local authorities since we were elected in May 1999. We are engaging with the leadership of councils through the leadership forum to address many fundamental issues that are of concern to them. The Tories did not leave a legacy of listening; many councillors could not get meetings with local government ministers in the Tories' heyday.

Phil Gallie (South of Scotland) (Con): Rubbish. That is a load of nonsense.

Mr McAveety: I tell Mr Gallie that, when I was a councillor, it took an all-party delegation to persuade the minister to listen. If the Tories were still in office, £1 billion less would be spent between 1999 and 2001.

Andrew Wilson made great claims based on previous spending patterns. He knows that the Government is committed to reducing the overall national debt that was left by the Tories. Moreover, we have committed ourselves to an upward curve in local government spending. The SNP says that it would have spent more than we are spending. That is strange because, even a week before the Scottish Parliament elections, it could not explain the deficit that would exist in the SNP budget. I am entitled to ask Andrew Wilson how the SNP would have funded local government services, bearing in mind that deficit.

Andrew Wilson: Will Mr McAveety ask Wendy

Alexander whether her earlier statement—that the Executive is putting in more money than the Tories did—is correct? He has just said that the Executive is putting in less than the Tories did, but spending is on an upward curve.

Mr McAveety: Mr Wilson should have listened more carefully. The minister said that the spending pattern during the comprehensive spending review period is on an upward curve and is a development for local authorities.

Mr Wilson did not address some of the points that were raised.

Mr McMahon said that the SNP has a responsibility to face up to undercapacity in school provision. That is all he asked—how the SNP would map out future school provision for different areas and how it would improve quality. Mr Wilson avoided his question, saying that it was not for him to judge whether schools should close. North Lanarkshire Council's agenda, against which Mr Wilson has been agitating, aimed to improve the general quality of schools provision. His colleague Kenneth Gibson opposed every measure his former council proposed for the new secondary school investment package.

Mr Gibson: That is absolutely untrue. Bill Aitken and people from all political parties will confirm that I supported the school investment project. Does the minister—

The Presiding Officer (Sir David Steel): Order. Just a minute, Mr Gibson. *[Interruption.]* Mr McAveety, were you giving way to Mr Gibson?

Mr McAveety: I sat down because the volume was hurting my ears.

The Presiding Officer: But were you giving way to him?

Mr McAveety: I am happy to give way to any member with interesting points to raise, but there are a number of other issues—

The Minister for Parliament (Mr Tom McCabe): On a point of order, Presiding Officer. At the beginning of today's proceedings, you made a statement about people shouting across the chamber, but we have experienced it all afternoon. It might be a good idea to reiterate your warning.

Mr Gibson: If you had been here during today's debate—

Mr McCabe: If Mr Gibson had—*[Interruption.]*

The Presiding Officer: Order. Mr Gibson, you must contain yourself. I am trying to listen to a point of order.

Mr McCabe: As well as offering advice about shouting across the chamber, you could perhaps also issue tablets to calm people down, because

there are certainly some excitable members here. Perhaps you could now repeat what you said at the beginning of the afternoon, Presiding Officer.

The Presiding Officer: I was going to repeat my warning for the benefit of Mr Gallie, who was shouting a minute ago and who was not here when I spoke at the beginning of the afternoon. We do not want comments shouted across the chamber from any quarter.

Mr McAveety, will you continue with your speech?

Mr McAveety: Thank you for that protection, Presiding Officer. I would like to address some of the issues that Kenny Gibson raised. However, in the light of the contribution from the business manager I will drop those points to avoid another confrontation.

I want to touch on issues that were raised by members on all sides of the chamber. I want to put on record the fact that, in terms of capital expenditure, the gross spend is on the increase. We have also abolished the debt redemption figures, and revenue support allows capital investment to be put together for local authorities. Many authorities are now considering innovative policies and public-private partnerships to bring about a step change in public services, which have long been neglected.

Members have mentioned the opportunity to listen. I want to touch on Keith Raffan's speech. I listened carefully to what Keith said today. Our engagement with local government is substantially different from the way in which the Tories engaged with local government, and every council leader recognises that. There is a dialogue between local government and the Scottish Executive that never existed in the past.

Mr Davidson *rose—*

Dr Simpson *rose—*

Mr McAveety: Hold on a moment, please.

The Presiding Officer: I do not think that you should take any more interventions, Mr McAveety. You are in your last minute now.

Mr McAveety: I shall conclude on a few key points. Jack McConnell mentioned several important issues in his opening speech. I assure Keith Raffan that we will address hypothecation. We want to work with local government to address that matter for future developments, and we recognise that substantial changes in how we deal with it will be required.

The Parliament has an overall responsibility to tell the real story to the people of Scotland about the impact of local government settlements. They operate within the block grant settlement. If someone makes a claim, it is important to identify

where the resources will come from to fund those proposals. I disagree fundamentally with Mr Sheridan, but at least he identified where he claims he would take the revenue from. I do not agree with his analysis, but I understand the context in which he made it. I heard nothing today from the SNP about how it would fill the public finance deficit over the next few years. I have heard nothing from the SNP about that during the past six months.

We must make tough choices. I make no excuse for coming to this debate from the difficult experience of the local government budgets in 1996-97. There are substantial differences between that period, when the Tories were in government, and now, when we are in government. Councillors who are genuinely analysing the situation know that there has been a real change, but they are under no illusions. Decisions are painful at a local level. In many cases, priorities are determined at a local level.

I will conclude on this important point: 90 per cent of local government spend is within the discretion of the authorities—10 per cent of the spend is hypothecated. I want to assure the Parliament that the purpose of the debate with COSLA is to work out a more flexible system to address that complex issue. I hope that that commitment, along with that of Trish Godman, as convener of the Local Government Committee, will allow us to work in partnership in the Parliament to address many of those complex issues that will take some years to unravel. We must ensure that there are better services for the people of Scotland.

Decision Time

17:05

The Presiding Officer (Sir David Steel): The first question is, that motion S1M-559, in the name of Jack McConnell, on the Local Government Finance (Scotland) Order 2000, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. Members who wish to support Mr McConnell's motion should press the yes button now.

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)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Dewar, Donald (Glasgow Anniesland) (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)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 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)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Robson, Euan (Roxburgh and Berwickshire) (LD)

Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Brown, Robert (Glasgow) (LD)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Mundell, David (South of Scotland) (Con)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Radcliffe, Nora (Gordon) (LD)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)

White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 63, Against 59, Abstentions 0.

Motion agreed to.

That the Parliament in consideration of the Local Government Finance (Scotland) Order 2000 approves the Order.

The Presiding Officer: The second question is, that motion S1M-560, in the name of Iain Gray, on the special grants report on asylum seekers, be agreed to.

Motion agreed to.

That the Parliament in consideration of Special Grant Report No. 1 - Special Grant for Scotland Asylum Seekers: Report by the Scottish Ministers (SE/2000/10) approves the report.

The Presiding Officer: The third question is, that motion S1M-561, in the name of Iain Gray, on the special grants report on Kosovan refugees, be agreed to.

Motion agreed to.

That the Parliament in consideration of Special Grant Report No. 2 - Special Grant for Scotland Kosovan Evacuees: Report by the Scottish Ministers (SE/2000/11) approves the report.

Drugs Strategy

The Presiding Officer (Sir David Steel): We now move on to members' business. The debate is on motion S1M-563, in the name of Johann Lamont, on drugs strategy. Those members who wish to speak in the debate should press their request-to-speak buttons now.

Motion debated,

That the Parliament notes the serious and increasing level of drug addiction in Glasgow Pollok constituency, in Glasgow as a whole and throughout Scotland; recognises the devastating effect that such addiction has not only on the addict but on his or her family, friends and the broader community; applauds the work of the Glasgow Association of Family Support Groups in offering support and counselling to drug addicts and their families, and believes that the development of effective funding of such family support groups is a key part of its drugs and social inclusion strategies.

17:08

Johann Lamont (Glasgow Pollok) (Lab): Thank you for the opportunity to debate the motion, Presiding Officer. I like this lectern—I suspect that it is the nearest that I will ever get to a dispatch box, so I intend to enjoy it.

We in Scotland—particularly in Glasgow—are in crisis in terms of drug addiction. In 1999, there was an increase in drug-related deaths of 29 per cent in Glasgow. The increase in drug-related deaths in the wider Strathclyde area was 85 per cent. Those figures do not take into account deaths, including suicide, that are indirectly related to drug addiction.

An analysis carried out on behalf of the greater Glasgow drug action team of 62 such deaths in Glasgow revealed that the average age of the deceased was 28. Furthermore, 84 per cent of the deceased were male and 24 per cent had been released from prison less than two weeks before their deaths. Heroin alone was the cause of 30 per cent of the deaths. Heroin along with other drugs accounted for 47 per cent of the deaths. There was also evidence of increased chaotic drug use among those who had died.

Those are grim statistics. However, for many people in our communities, the mothers and fathers, brothers and sisters, and dependent children of drug addicts—it is estimated that a third of addicts have dependent children—those are not statistics, but many individual tragedies.

In this debate, I want to draw attention to the impact of drug addiction not only—so tragically—on drug addicts themselves, but on their families. Someone who is involved in a local support group in my constituency told me that all families of drug

addicts live in fear of the knock at the door. They live with the embarrassment, anger, deep sadness and fear that are created through the fact that one of their loved ones is lost to drugs.

We know that drug addiction impacts massively in particular communities, and that any solutions must acknowledge the interests of the broader community and the families as well as those of the individual. A recent social work report highlighted the fact that 95 per cent of the estimated problematic drug-using population in Glasgow is located in communities that are classified, according to the Carstairs deprivation index, as being most deprived. There is a need to recognise that the social regeneration of deprived areas must be an element of service provision for drug abusers, and that service provision should not be restricted to treatment of the addiction. We need more than medical solutions.

I was privileged to meet the Glasgow Association of Family Support Groups and a member of greater Pollok's family support group. They emphasised that one of the problems that they have to tackle, when dealing with the drug crisis, is that the needs of the family are often forgotten. Because of the stigma that is associated with drug taking in a family, people often come to support groups reluctantly and only when they are in crisis. The motion suggests that such groups offer direct counselling to addicts, but they do not: it is through working with the families that the groups come into contact with the addicts.

Through 32 groups in the city and 26 affiliated groups beyond the city boundaries—including groups in Dublin and the Isle of Man—the Glasgow Association of Family Support Groups undertakes crucial work in sustaining and supporting families in crisis who are often grieving. That work is generally undertaken by volunteers and sustained by very limited social work and health board funding. More often, funds are raised by the individual groups.

We should not regard the drug problem as a theoretical dilemma on which we can make academic judgments based on the options for treatment that are available. We must listen to the experiences of local people, as they are probably our greatest resource in tackling the drug crisis. Such people have told me of the problems of someone who is coming off drugs. They have told me that being a drug addict is a busy life that involves the constant search for money to buy drugs. In dealing with addicts, we must address ways in which they can be supported and kept active when they are not on drugs.

We must also acknowledge the work that is being done to support the children of addicts. It is now common in our communities for grandparents to take on the difficult role of parenting children

whose parents are suffering. They know how and where drugs are being dealt, and they tell us—very worryingly—that young people are starting to use them earlier.

There is a problem with the funding of family support groups, which is all the more acute because of the direct link between drug abuse and deprivation. Because the Glasgow group provides a Glasgow-wide service, it cannot access funds through local social inclusion partnership groups. Locally, the family support group often offers individual support and may not be regarded as appropriate for SIP moneys. I hope that the minister will consider ways in which that problem can be tackled in the future.

Sadly, there are grounds for pessimism in the figures that have been compiled by Glasgow City Council's social work department and the drugs action team. The figures suggest that a serious problem is becoming more serious still. Nevertheless, through meeting family support groups and listening to their views, we are also given grounds for optimism. As a mother contemplating the future for my own children, I stand in awe of the parents in those groups, who face the worst imaginable prospect of their children being lost to drugs. Such people will work to support others in the deepest trouble simply because that work needs to be done, not because there is anything to be gained for themselves. There can be no better basis for our solutions for Scotland in the 21st century than in recognising that people will carry out that work willingly.

During my visit to the office of the Glasgow Association of Family Support Groups, I viewed a room that was hung on all sides with quilts and embroidery made by people who had lost their children, friends or relatives to drugs. A roll call of names and faces stands as testimony not to the statistics, but to the huge waste of human life that drugs have visited on us. Through its drugs strategy, I trust that the Executive will find the means to tackle the scourge that is addiction. I also hope that it will find the means of funding those who seek to deal with the fallout from that drug addiction, which is suffered by far too many of our families and communities. I hope that members will involve themselves in this debate.

17:15

Ms Margo MacDonald (Lothians) (SNP): I am glad to support Johann Lamont's motion. There can be no doubt about the effect that addiction to drugs—hard drugs in particular—has on families and communities. She spoke about it more eloquently than I could.

We must give serious consideration to properly structured provision for the family support groups.

I realise that many sincere efforts have been made in the past, but perhaps those have not been structured enough. I hope that the minister will address that issue in his speech.

I must question one aspect of the motion. It discusses drug addiction, but to which drugs does it refer? Who are the addicts? We must be more definitive. We must listen to people whose lives are being ruined now. However, to provide a drugs strategy, we must understand which drugs are being used by whom, why, where and when.

I was disappointed when Keith Halliwell, on his visit here, suggested that the police should be left to decide which users of cannabis should be lifted and which should be left. Should it be young addicts, in desperately poor parts of Scotland, who use cannabis between hits of heroin, or should it be the 50-year-old professors in universities throughout Scotland who listen to a compact disc with a glass of red wine and roll up, as they probably have done since they were 17 or 18 years of age? To leave it to the police to decide who will have the law applied to them does not constitute part of a strategy towards coping with drug use.

Although the motion is correct in so far as it goes, it is limited. What is the objective of the drugs strategy? Are we going to learn to live with drugs, as I do not think that there is a society in the world that does not live with mood-altering or mind-altering substances? We must decide what we will put up with and we must decide what is beyond the pale and put all our resources into preventing that. I do not want to put up with cigarettes and, believe it or not, I do not even want to put up with lots of hard drink, but I have to.

We must consider the consumption of all drugs. I appreciate that Johann Lamont's concern is the effect of hard drug addiction on her constituency and the people whom she represents and I sympathise with her. However, when the minister replies, will he give us a hint that his thinking is wider than that?

17:18

Mike Watson (Glasgow Cathcart) (Lab): I congratulate Johann Lamont on securing this debate and on the content of her speech. It was well researched and I will not add any facts to it. The situation in Glasgow is well known and well documented, and Johann has highlighted it again. It cannot be highlighted too often, but we must look for solutions.

In answer to Margo MacDonald's point about what we are talking about in terms of dealing with drugs, it would be naive to think that drug abuse could be eliminated—essentially, we are talking about containment. That is a fact in many

countries throughout the world—sadly, Scotland is one of them and Glasgow has the most serious problems in Scotland. However, it is not just an urban issue; it is a rural issue. Drug abuse is frighteningly widespread.

We must find out why young people are increasingly becoming involved in drug abuse. I was surprised by the statistic that Johann Lamont mentioned, which indicated that the average age of those found dead in Glasgow was 28. I had thought that it would be less than that. That shows that the problem is perhaps even more widespread than had been appreciated, but an increasing number of young people are becoming involved in drug abuse.

I had an involvement—in a previous life—with the Glasgow Association of Family Support Groups, to which Johann Lamont referred. I have a huge amount of respect for it and the work that it does, which is almost totally in a voluntary context. I increasingly came across families who were touched by the scourge of drugs. As Margo said, we must also talk about tobacco and alcohol—it would be fatuous to suggest that that is not a problem and that people are not addicted to both—but I am particularly concerned with hard drugs. We know what we are talking about. We know what kills so many of our young people, particularly in the west of Scotland. The figures continue to rise.

When I talk to families of youngsters who have been lost to drugs, I am particularly struck by the fact that, increasingly, it emerges that there was a sense of hopelessness. People say, “I have nothing at all, so what have I got to lose?” They say, “Give me some hope. Give me the chance of some training, a job or a house. Give me the possibility of raising a family. Perhaps then I would not get involved.”

We would not find so many young people lying in an alley with a needle in their groin if they were trainee accountants, young lawyers or young financial advisers. That is not to say that none of the people found is, but almost exclusively they are people who have no job, perhaps no home and certainly a complete lack of hope.

I am a member of the Social Inclusion, Housing and Voluntary Sector Committee. Last week, we had a briefing from Laurence Gruer, who is in charge of drug abuse treatment at Greater Glasgow Health Board. The figures that he gave us left us in no doubt of the seriousness of the problem.

I urge the minister in his reply to stress the link between drug abuse and poverty, which the previous Government all too often failed to acknowledge. It is now acknowledged that there is a clear causal link between the two. Any drugs

strategy must be linked to the whole question of social inclusion. We need to give people hope and the opportunity of training, a job, a house and a future.

Ms MacDonald: I do not disagree with a word that the member has said about the use of some drugs by some people who are socially excluded. However, drug taking and drug abuse are not confined to poor people. People in universities and people who have a lot of money to spend use cocaine, for example.

Mike Watson: I accept that. I was not suggesting that it was exclusively young people and people suffering deprivation, in its various forms, who take drugs. However, of the people who die from the use of drugs, the proportion from those categories is far higher. That is the most serious problem.

I will not say any more. I look forward to the minister's summing up. I congratulate Johann Lamont again on securing this debate on a very important subject.

17:22

Mrs Lyndsay McIntosh (Central Scotland)

(Con): I will be as brief as I can, as I know that many members have an interest in this subject. I congratulate Johann Lamont on securing the debate and on bringing the issue before the Parliament. The sentiments expressed are noble. I am sure that no one in the chamber or elsewhere will take issue with the detail.

The effects of drug use, misuse and abuse are evident to many of the constituents of Glasgow Pollok who deal with those effects minute by minute. Unfortunately, that lifestyle is shared in all too many communities in Scotland. Those communities can be as large as a constituency, or far smaller—confined to a village or a street—but the effects are none the less devastating.

Addicts often commit crime in their back yard to feed their habit. They give the area in which they live a reputation for being unsafe and subject to crime, which in turn punishes everyone, not just the families. We are all affected to a greater or lesser extent.

The families of addicts see their husband, wife, son or daughter—whatever the relationship is—become aloof. Most important, they see them change beyond recognition, which causes anxiety and concern. I am often told of addicts who appear to their families to be in denial throughout their addiction. People sometimes miss the signs. Once the problem is revealed, it causes even more distress. People say, “How could I have missed it? How could this happen to us?”

Organisations such as the Glasgow Association

of Family Support Groups, which are of such value to communities, fight back against drugs. Thanks to them, families have somewhere to turn when they try to rationalise their loved one's actions and motivations.

Such organisations fulfil a role that is far wider reaching than that, but we often forget the work that they undertake with families, concentrating instead on the problems and solutions for addicts. Just as, all too often, we consider offenders before victims, we talk of the addicts, not the families. That is wrong and indefensible.

If proof of the disparity were ever required, the disclosed public expenditure in each area of activity is clear evidence of the gulf. The funding of organisations that are dedicated to the treatment and counselling of addicts and their families is a most efficient and effective use of funds.

I congratulate all concerned on their efforts to date. I would like to see funding significantly improved in time through redirection of current funds away from less effective projects and through direct increases in funding from local and national Government. I am sure that we can all think of examples of where money could be better spent.

Family support groups provide a vital link between the affected and the authorities, restoring faith and trust and reassuring communities that action is being taken to solve the drug problems that they know exist. Thank goodness there are those who care enough to help in that way. I only hope that this Parliament can help them in equal proportion, to the benefit of our whole society. I thank Johann Lamont for bringing the issue to our attention and thank members for their time.

17:25

Tommy Sheridan (Glasgow) (SSP): It is very appropriate that Johann Lamont has brought this matter before the Parliament. In some respects, it is a pity that it is being debated after the day's main business.

It is vital that we recognise that Glasgow is a special case. The most recent report from Glasgow City Council social work department—of which, I am sure, the minister is aware—showed that not only are there five times as many drug addicts in Glasgow as there are anywhere else in Britain, but the number of problem drug users has doubled in the past nine years. That follows on from the previous debate, because it means that the social work services that are devoted to dealing with those serious, deep-rooted problems are at breaking point. Johann Lamont is calling for support for networks such as family support groups precisely because they are being forced to take up the slack and intervene to provide

essential support services.

I ask the minister to consider the appeal that Glasgow City Council's leader has made for a special payment that recognises addiction problems, because at the moment no such payment is available from central Government. Glasgow has between 12,419 and 15,368 registered problem drug users, and it cannot continue to deal with the problem with the limited funds that are currently available to it.

I will make only one more point, as I want to give other members an opportunity to speak. In the course of today's debate and of the investigation that is being carried out by the Social Inclusion, Housing and Voluntary Sector Committee, I hope that we will consider approaches apart from law enforcement. I would argue that far too much money is spent on enforcement and far too little on treatment—erecting treatment centres and dealing medically and socially with ordinary people who fall into these addictions. After 10 years of a clear campaign of "Just say no", in all its various forms, the number of problem drug addicts in Glasgow has doubled. The strategy is not working, and we need to address that. If that means changing the law, let us be brave enough to do it.

17:28

Mr Keith Raffan (Mid Scotland and Fife) (LD): I do not often agree with Tommy Sheridan, but I agree with the last point that he made. I think that the emphasis of Executive policy is wrong, and the minister knows that I think that. There is too much emphasis on enforcement and not enough on treatment and prevention.

I have omitted the elementary courtesy of congratulating Johann Lamont on obtaining this debate and on her speech. This is a very important issue and is part of the wider issue of tackling drug misuse. Mike Watson is absolutely right. I am glad that in this chamber we have got away from using the ridiculous language of a war on drugs—quite frankly, if we are waging a war on drugs, we lost it years ago. This is about containment, harm reduction and using the best ways of helping addicts. That is why I believe that the emphasis of Executive policy is too much on cutting supply and not enough on cutting demand. By cutting demand, I mean helping addicts into harm reduction or treatment, whether it be day care treatment or residential treatment.

The problem is very serious in Glasgow, but it is also serious elsewhere. There are 5,000 injecting addicts in Fife, part of the region that I represent. There are health services and treatment services in Fife that are, quite frankly, a scandal. There are four needle exchangers for 5,000 injecting addicts. As the health board itself describes the situation,

this has resulted in a hepatitis C time bomb.

The local family support groups are crucial for a number of reasons, a fact that has long been recognised by the 12-step fellowships. Alcoholics Anonymous has the sister organisation, Al-Anon, to help the families of alcoholics. We need support groups for the families of addicts, to help them to access treatment among other things. Some of the parents of addicts are the bravest, most courageous people I have ever met. Some of them have had to fight hard to access funding for treatment, from health boards and from councils, to get their children into treatment centres, then into halfway houses, away from the streets where they encounter their dealers virtually every day. The local family support groups can play an enormously important role in that.

Margo MacDonald is right. We need a much more structured approach. That these organisations tend to spring up, usually from the grass roots, is great; it is absolutely right. LADA—Locals Against Drugs in Alloa—is one example. I recently met the two women who run LADA. They are admirable in what they try to do in an increasingly large area, going well beyond Alloa. We have to give them support, by helping them to find places to meet and to access funding and so on. We have to help them with the kind of services that the family support groups can provide—everything from support for accessing treatment and aftercare to, sadly, bereavement counselling and outreach into schools.

That requires money. The minister has found £10.5 million for the highly controversial drugs enforcement agency that has now been established. I hope that he will turn his attention and his emphasis more to treatment and prevention. The Social Inclusion, Housing and the Voluntary Sector Committee, in its current inquiry into drug misuse in deprived areas, will help him to do so. I hope that that will accelerate the process.

The Deputy Presiding Officer (Patricia Ferguson): I call the minister to wind up for the Executive and apologise sincerely to those members who have been unable to speak in the debate.

17:32

The Deputy Minister for Justice (Angus MacKay): I begin by apologising to members. It will not be possible to address in detail the wide range of issues that have been raised in the debate so far.

I thank Johann Lamont for raising this subject for debate. It is clear, not only from this debate but from the recent all-day debate on drugs, that everyone here is genuinely concerned about drug misuse, not simply because of its effects on the

individuals directly involved, but because of its effect on families and friends. Johann's motion recognises that.

I put on the record something that is particularly important. It is absolutely true that the pain and devastation that follow an individual's drug misuse need to be directly addressed among those who suffer as a consequence. That should be recognised from the outset. We have to attempt to turn that hurt into some kind of weapon to prevent future generations of young Scots falling into the same problems. That is an argument for us to properly harness the resources to the experience of those individuals, and to their commitment to turning their own experience into a positive advantage for their communities in future. It is important to put that on the record.

Partnership—a much-abused term—is at the heart of our strategy as an Executive, through the "Tackling Drugs in Scotland" strategy document. I sometimes wonder, when I hear comments from individual members and those outside this chamber, whether they have read the document and genuinely acknowledge the approach that the Executive is taking. We are not a one-club Executive, going down the enforcement path only. We want to see a properly balanced approach, with enforcement as an important part of the equation but, just as important, we want to see effective treatment care, rehabilitation and education. We are trying to tackle that both in terms of policy and in terms of resources.

The partnership to which I am alluding applies not only across the Executive, but to the key agencies in the field. It implies a true partnership with those who are affected by drug misuse in our communities. As Johann Lamont has recognised, drug misuse has a devastating impact, far beyond an individual's addiction. Parents, partners, grandparents, whole families, friends and entire communities are caught up in that misery. As a consequence, our policies must recognise the need for a strong and meaningful community voice that comes from homes, schools and local organisations such as the support groups, to bring forward the vital local knowledge about the services that are needed and how we then map the way forward for those services and policies.

I will say something in a moment about the specific steps we are taking to support the families and friends of drug misusers. First, I want to speak about our overall approach. It is only by making progress across a broad front that we will make a lasting impact on the lives of the people that Johann Lamont talked about so knowledgeably.

There are 22 drug action teams implementing the local drug strategy across Scotland. They bring together the work of local authorities, health boards, police forces, the voluntary sector and

others. The Executive will shortly be publishing a drugs action plan that will show what we have done so far, what we are doing now and what we will do in the future to tackle drugs misuse. That document will include the action we will be taking to encourage drug action teams and individual agencies to listen carefully to those suffering from drug problems and to their families, and to engage their support in developing and implementing our policies on enforcement, rehabilitation and education.

Proper community support and development is vital. In my discussions with drug action teams I have directly and repeatedly emphasised the importance of community involvement in their work. We will be reviewing this issue with the teams as part of the follow-up work arising from their reports to us. I expect to see clear support for community involvement being given by the agencies that make up drug action teams.

Tommy Sheridan raised an important point about Glasgow and made a plea for it to be treated as a special case. There is no doubt that in terms of the size of the problem, that is so; however, there is a drug problem in almost every community in Scotland and they all call for treatment, resources and action, so it is difficult to distinguish one part of Scotland.

I emphasise that we are putting new and extra money behind the implementation of the strategy. As Keith Raffan said, we have put in £10 million to establish the Scottish drugs enforcement agency, to try to bring drive and coherence to the way we counter the drugs trade. There is £6 million extra for treatment services over a three-year period. We have doubled to £1 million the money for supporting and running local drug action teams. There will be more than £3 million over the next three years to expand the drug testing and treatment pilots, to help offenders break their dependency before re-entering communities.

I have already announced an additional £1 million to the Scotland Against Drugs campaign to increase its existing community and business work. With that action we want to support further participation in anti-drug activities by community and local business groups, to make it clear how they can play a positive role and convince them that if they get involved in the fight, they can make a difference.

Dorothy-Grace Elder (Glasgow) (SNP): If I may make a brief intervention, is the bulk of the money coming from the £13 million removed from the Scottish Prison Service budget? That would cause considerable concern because prison authorities fear that they will not be able to go ahead with renovations as a result of losing that money. Is the minister referring to that money?

Angus MacKay: No, I am not. The Scottish Prison Service budget is increasing year on year. The £13 million came from end-year surplus, money that had not been spent in previous years' budgets.

Dorothy-Grace Elder: What about the renovations?

Angus MacKay: Renovations will continue.

The Glasgow Association of Family Support Groups is working with the Glasgow drug action team, the Greater Glasgow Health Board and Glasgow City Council to draw up proposals for more counselling and development staff to work with parents. I wish the association well in that work and will continue to take a close interest. I was pleased to hear that the health board and the council support the association's bid for a counsellor and that other forms of support are under discussion.

We all know about the problems that accompany drugs misuse for drug users, families of drug users and the wider community, and we know that they are serious. Those problems need to be high on everyone's agenda. We believe that the Executive's strategy represents the biggest ever co-ordinated attack on drugs misuse in Scotland. It will take time, but it will help young people resist drugs, and will help prevent misery for many families.

It is right and appropriate that this Parliament has acknowledged the role of family support groups and has registered its support for them today. Once again, I thank Johann Lamont for raising this issue for debate.

Meeting closed at 17:40.

Members who would like a printed copy of the Official Report to be forwarded to them should give notice at the Document Supply Centre.

Members who would like a copy of the bound volume should also give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the bound volume should mark them clearly in the daily edition, and send it to the Official Report, Parliamentary Headquarters, George IV Bridge, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Wednesday 8 March 2000

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

Single copies: £5

Annual subscriptions: £640

BOUND VOLUMES OF DEBATES are issued periodically during the session.

Single copies: £70

Standing orders will be accepted at the Document Supply Centre.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

Single copies: £2.50

Special issue price: £5

Annual subscriptions: £82.50

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £2.50

Annual subscriptions: £80

Published in Edinburgh by The Stationery Office Limited and available from:

The Stationery Office Bookshop
71 Lothian Road
Edinburgh EH3 9AZ
0131 228 4181 Fax 0131 622 7017

The Stationery Office Bookshops at:
123 Kingsway, London WC2B 6PQ
Tel 0171 242 6393 Fax 0171 242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 01232 238451 Fax 01232 235401
The Stationery Office Oriol Bookshop,
18-19 High Street, Cardiff CF12BZ
Tel 01222 395548 Fax 01222 384347

The Stationery Office Scottish Parliament Documentation
Helpline may be able to assist with additional information
on publications of or about the Scottish Parliament,
their availability and cost:

Telephone orders and inquiries
0870 606 5566

Fax orders
0870 606 5588

The Scottish Parliament Shop
George IV Bridge
EH99 1SP
Telephone orders 0131 348 5412

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers