

MEETING OF THE PARLIAMENT

Thursday 30 March 2000

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Scottish Parliament

Thursday 30 March 2000

[THE DEPUTY PRESIDING OFFICER *opened the meeting at 09:30*]

Scottish Service Tax

The Deputy Presiding Officer (Patricia Ferguson): Good morning. The first item of business this morning is a Scottish Socialist party debate on motion S1M-700, in the name of Tommy Sheridan, on a Scottish service tax. There are two amendments to that motion. I call Tommy Sheridan to speak to and move the motion. You have 10 minutes, Mr Sheridan.

09:31

Tommy Sheridan (Glasgow) (SSP): I am disappointed, given that the subject matter we will be discussing affects some 2.3 million Scots, at the turnout. I hope that we can encourage a debate that in future will inspire even more interest.

I am pleased and somewhat excited that we have the opportunity today to bring a motion to the Parliament that, from a socialist perspective, offers Scotland an opportunity significantly to redistribute the income of our country. Some members may be aware that, as an elected socialist, I stand for an independent, socialist Scotland in which our country's massive wealth and resources are commonly and collectively owned and controlled for the benefit of all our citizens.

Currently, society is horribly divided. Obscene wealth coexists with shameful poverty. Too many pensioners are poor; too many workers are low paid; too many children live in poverty. As a Scottish Socialist party representative, I stand firmly for a complete transformation of our society. My vision is of a democratic, socialist society based on provision for need and the promotion of human solidarity and co-operation, not the continuation of the creed of greed and the worship of profit.

The problem is the limitation of the Parliament. Unfortunately, instead of the adult Parliament that was envisaged by the Scottish Constitutional Convention, whereby Scotland would raise and retain all of its taxes, we have a sort of parental guidance Parliament that has to seek permission from its adult cousin, Westminster, if it wishes to spend more than its allotted block.

The beauty of the Scottish service tax proposal that is to be discussed this morning is that it would

breach the restrictive fence. We have managed to get under the wire, so to speak, in that we have been able to make a proposal that concretely and clearly promotes progressive taxation and the redistribution of wealth, despite the restrictions of the Scotland Act 1998.

Many in Scotland say that they support income and wealth redistribution. Indeed, that used to be a cornerstone of the Labour party before its Blairite conversion to the market and to the worshipping of wealth and profit. Today, despite the restrictions and despite the limited resources available to our small party, we are able to present an academically researched proposal that would redistribute income in Scotland and drag the principle of progressive taxation and redistribution back on to the political agenda, where it should be.

Let us be clear: the council tax is deeply unpopular. It is regressive; it is extremely costly to administer and collect; and its associated rebate system is prohibitively complex. What does the Institute for Fiscal Studies say about it? Its figures illustrate that the richest 10 per cent in society pay a lower fraction of their income on council tax than the poorest 10 per cent. The richest 10 per cent pay 1.22 per cent of their income; the poorest 10 per cent pay 7.5 per cent of their income. Even after benefits are taken into account, the poorest tenth still pay 1.86 per cent. They pay more in council tax than the richest tenth.

In the past 25 years, there has been a massive shift in wealth and income from the poor to the rich. It is shameful, but the wealthy not only pay less in taxation generally, but pay less as a proportion of their income than the poor. Wealth has not trickled down over the past 25 years of increased growth. The rich have merely got richer while the poor have, unfortunately, got poorer.

The richest 1,000 list in *The Sunday Times* recently recorded a staggering statistic: over the past 12 months, the richest 1,000 in the United Kingdom increased their wealth by 27 per cent to a combined total of £146 billion. I repeat: £146 billion among 1,000. In this Parliament, we are trying to meet the needs of 5 million Scots and our total budget is £16 billion. The richest 20 people in Britain have a combined wealth of £14 billion; they have a combined wealth that is almost the same as the budget for this Parliament, which has to cater for 5 million people. It is no wonder that I am a socialist. We have to try to cater for essential services in health, education and local government, and we have to look after our children and our elderly, yet our budget is less than the combined wealth of the top 20 people in the country.

The wealthy are not paying enough in either income taxes or local taxes. With the Scottish service tax, we want to start to change that in

Scotland. The Scottish service tax would replace the council tax. It would be levied on each individual according to their income; it would therefore be related to their ability to pay. It would be set nationally, collected by the Inland Revenue via the pay-as-you-earn system and then distributed to each local authority according to a much improved distribution formula that must be worked out in conjunction with the local authority, trade unions, the Convention of Scottish Local Authorities and community groups.

In return for the loss of the fiscal control that the council tax system offers—even though it is a very low level of control in the setting of the council tax—each local authority would be allowed, under the Scottish service tax proposal, to set its non-domestic rate and to keep its non-domestic rates. If such a system were in place in Glasgow, given the amount of non-domestic rates we collect, the city would be £64 million better off.

Andrew Wilson (Central Scotland) (SNP): The role of redistribution—redistribution is a good aim—should fall to national government rather than to local government, so does Mr Sheridan agree that his proposals are suboptimal to an extent? If every other country in Europe can do it through the national Government, that is what we should focus on in Scotland. We cannot do so because of the limited powers of this Parliament.

Tommy Sheridan: Andrew Wilson will be aware that the Scottish Socialist party's position is for an independent, socialist Scotland. We will fight tenaciously for that at the next election, but today I am addressing what the Parliament can do with its present limited powers. I agree that redistribution of wealth and income is the role of national Government through national taxation and policy, but we do not have power over that just now. We have power over local taxation, so let us have a progressive form of local taxation that redistributes income.

The return of control of non-domestic rates to local authorities in no way compensates for the 20 years of damage caused by continual underfunding and loss of fiscal control to central Government, but at least the Scottish service tax would be better for local authorities than the council tax.

The Scottish service tax would be cheaper to collect and administer than the council tax. It would also be progressive and redistributive. All 800,000 people in Scotland whose income is below £10,000 a year would be exempt. The 560,000 Scots whose pay is less than £15,000 a year would benefit automatically. An average couple with an income of, say, £17,500 per year, who live in a band C property—never mind the average band D property—would pay less under a Scottish service tax than under council tax. In

other words, the disposable income—the key to growth and generation in our economy—of the poor and of the overwhelming majority of people in Scotland would be increased by the Scottish service tax.

High earners and the wealthy, of course, would pay more. MPs and MSPs like us would pay on average £1,000 more a year. My fiancée and I would pay £1,288 more under the Scottish service tax, and why not? We are well paid—overpaid—and it is about time we contributed more to local education, police, fire and cleansing services. I hope that other MSPs will endorse that view.

Why, under the council tax, does Scotland's richest individual—in the shape of Mr Souter, who seems to have more money than sense—with a personal fortune of some £565 million and an income last year of £650,000, pay £1,516 in council tax for his £1 million mansion in Perthshire? The richest man in Scotland pays barely twice in council tax what the low-paid council worker in Glasgow pays for a rundown tenement. If that is defensible, I would like to hear the defence.

Under our proposal, the wealthy would pay more. Instead of paying £1,516 a year, the likes of Mr Souter would pay £82,000 a year. He would have to struggle by, trying to make ends meet on his remaining income of £568,000 a year. We have to strike a blow for greater equality and stand up for the principles of progressive taxation and income redistribution, for the sake of our pensioners and our low-paid workers. For the ordinary people of Scotland, it is time to drag progressive taxation and income redistribution back on to the centre stage. If the Executive will not agree to a wholesale review of local government finance, I hope that it will support a further review of our proposal by the Local Government Committee.

I move,

That the Parliament supports the principle of progressive taxation on social, economic and moral grounds and, in pursuit of a redistributive and progressive system of local taxation, agrees to refer the Scottish Service Tax proposal to the Local Government Committee for inclusion in any further review it may conduct into local government finance.

09:44

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): My background in politics lies in local politics and local government. Indeed, I was first involved in local politics when the Layfield report, which is now over 25 years old, seemed fresh and new. I supported strongly much of what was said by the Layfield commission, and I campaigned in the 1980s during the rates revaluation crisis and, later, the campaign against the poll tax. I know the problems

of local taxation systems and I do not pretend that the present council tax is perfect.

Although I would support a local income tax—which, as Tommy Sheridan and I were discussing before the debate began, is the policy of the Liberal Democrats—I would not support the Scottish socialist service tax. I shall explain why.

About 80 per cent of council expenditure is currently raised by central Government, which means that only 20 per cent is raised locally. Although shifting the balance has proved very difficult, it is desirable—but it should not be shifted to the extent of Tommy Sheridan's solution of 100 per cent central Government funding. We should increase the level of local control. Equally, such a shift in balance should not significantly change the total tax burden on individuals.

A person who pays more to local government should pay less to central Government. Under Tommy Sheridan's proposals, people would pay all their current central Government taxes to Gordon Brown and the Exchequer and, on top of that, pay a Scottish service tax to the Scottish Parliament. The Layfield commission suggested a local income tax with a reduction in UK Government income tax to balance out the burden on the individual locally.

For those reasons, I believe that the Scottish service tax is fatally flawed; it is an old-style, centralist, socialist solution which takes power away from local authorities and local people and centralises it. It is difficult for me to say this in relation to Tommy Sheridan, but his proposal is a return to the bad old days of centralising Thatcherism as it transfers power to central Government.

Tommy Sheridan: The minister talks about centralisation, but he has failed to respond to my point that, under my proposals, local authorities would be able to control non-domestic rates.

Nicol Stephen: I am talking about Mr Sheridan's service tax. Having examined the figures, I have come to the conclusion that it is a centralising measure and none of his comments has rebutted that view.

Under Mr Sheridan's proposals, central Government—in this case the Scottish Parliament—not local government, would set the service tax and distribute the revenue raised from it. In his speech, Tommy waxed lyrical about distribution and redistribution, but that point has not appeared in the document produced by the University of Paisley faculty of business or in his comments about the service tax in the press. One of the most sensitive political issues is how central Government distributes taxes to local government. Perhaps he will address that in his concluding remarks.

The Layfield commission suggested a local income tax with local variable rates of tax levied on the basis of the taxpayer's local place of residence. The Scottish socialist service tax would have national rates with national earning bands and would be fixed and distributed nationally. Claiming that it is a local tax is pure fantasy; it centralises all local government funding. At a stroke, it would remove a crucial—many would say the crucial—element of accountability between local councils and the electorate.

The tax has further fatal flaws. It would create a fortress Scotland. Let there be no doubt: it would have major economic consequences. The report from the University of Paisley faculty of business, which develops the tax proposals, mentions the phrase "fiscal flight". That is the wrong term; "employment exodus" would be more accurate.

Andrew Wilson: Will the minister give way?

Nicol Stephen: Not at the moment.

We want Scotland to play a growing and dynamic role in the global economy. There should be no barriers, no blocks, no backward thinking, no battering of business. We want high-quality, highly paid, high-added-value jobs—which the Scottish service tax would kill stone dead.

Andrew Wilson: Will the minister give way?

Nicol Stephen: In a second.

I do not want to exaggerate this; I do not believe that every new prospect or job would disappear, but most of them would.

Andrew Wilson: I am gravely disappointed with the minister's tone. Although this tax can be legitimately criticised, employing the same sort of nonsense scare tactics that we used to hear from the Conservatives about the referendum goes down a very dangerous road. Let us have a decent debate, not this nonsense about flight.

Nicol Stephen: I would agree, if what we were talking about was a marginal or small change. The Liberal Democrats have suggested minor changes to the taxation system and the people voted for the Scottish Parliament to have the power to vote for a 3p variation in income tax, up or down. Tommy Sheridan's proposal is quite different. It would mean a massive increase over and above central taxation in taxes for some people.

Tommy Sheridan: Hear, hear.

Nicol Stephen: Tommy Sheridan agrees that that should happen. For many individuals, his proposal would mean an increase in taxation of 15p in the pound.

If the tax was imposed on top of existing central Government taxes, inward investment would collapse. Existing companies would choose to

expand elsewhere and our small companies, which are the engine room of our economy, would take a hammering. The Scottish Executive's target of starting 100,000 new companies would simply not be achievable. In short, there would be a new brain drain of our best academics, inventors, investors and entrepreneurs. Very few would happily pay and stay.

That is not the new politics; it is not the new modern, competitive Scotland that we want to develop. None of us in the Scottish Executive wants to see the rich getting richer at the expense of the poor getting poorer. That is why we have policies to tackle exclusion, deprivation, disadvantage and poverty. However, it is also why we have policies to increase prosperity and to create jobs, opportunity and growth. That is why I ask members to reject the Scottish service tax. Local government finance is a significant and important issue, but it is complex and needs proper consideration and consultation. It is for that reason that I firmly believe that the Local Government Committee of this Parliament is the right place for the issues to be considered further.

I move amendment S1M-700.2, to leave out from "and, in" to end and insert:

"and welcomes the Executive's commitment in A Partnership for Scotland to keep under review wider issues of local government finance and notes that these matters fall within the remit of the Local Government Committee."

09:52

Andrew Wilson (Central Scotland) (SNP): I congratulate the convener of the Scottish Socialist party, Tommy Sheridan, on his party's first debate in the Scottish Parliament. The party's proposals are a serious matter for debate and should be treated as such.

It is my general contention that issues such as the fairness of taxation and how we fund public services, redistribute wealth and tackle poverty and inequality should not be backed into inappropriate corners or burdened on local government. They are issues that a normal Parliament should address on behalf of a normal country. We should not lose sight of that simple fact.

The way in which the nation's wealth is allocated should be progressive and fair. We should target goals such as improved public services, reduced inequality and, of course, growth in the economy and jobs. The Scottish Socialist party's proposals target only one of those goals, which is why I believe it should not be addressed as a national tax. It is critical that the redistributive burden should not be placed on local government.

Tommy Sheridan's contribution should be welcomed as part of a debate, which we should

have in Scotland, about how we make our tax system fair and progressive and how we allocate the nation's wealth to much-needed public services. I am disappointed that the Executive has sought to go down the road of nonsense scare tactics. When, during the elections to this Parliament, we proposed a freeze on income tax—with which Mr Stephen's party at Westminster agrees—people were led to believe that the earth would end if the proposal went through. Gordon Brown said that a quarter of a million jobs would be lost from Scotland. That was nonsense, as scare tactics on tax always are. This is a question of public choice: are we willing to allocate the nation's wealth to public services or not?

Nicol Stephen: Will the member take an intervention?

Andrew Wilson: I will take one in a moment.

The question is, are we willing to allocate the resources and how do we go about doing that. That is a legitimate debate, but it is not helped by nonsense scare tactics.

The right-wing regressiveness of the Executive's party in London, which is targeting a starting rate of 20p for the basic rate of income tax, should be condemned by Nicol Stephen on behalf of the Liberal Democrats. I will be interested to hear in the Executive's summation whether it goes along with the approach taken in London. The key point that we try to make in all debates is that we have no option but to go along with the general approach in London, which is a shift from direct to indirect taxation—from fair to unfair taxation—combined with a lack of funding for Scottish public services.

The Minister for Communities (Ms Wendy Alexander): Will the member take an intervention?

Andrew Wilson: As ever, I am more than willing to hear from the Minister for Communities.

Ms Alexander: Talking of right-wing policies, the member may want to reflect on why the Scottish National party was unprepared to support the windfall tax, which has raised £5 billion and contributed to a reduction of 70 per cent in youth unemployment and 40 per cent in long-term adult unemployment in Scotland. Why did the SNP not regard that as a measure of progressive taxation?

Andrew Wilson: A range of issues surround the Labour proposals. Our key concern over the windfall tax approach does not relate to the tax itself, but to the predication of funding on a one-off tax, which we do not think is sustainable in the long term. The tax itself is not something that I am particularly het up about.

Today's debate, though, is focused on the Scottish service tax, and I would like to raise the

SNP's concerns about it.

The Deputy Minister for Enterprise and Lifelong Learning mentioned the breaking of the link between the citizen and the council. That is a grave problem, and I do not think that the restoration of business rates is the route to follow. Business rates place an undue burden on small companies and, in a way, raising them could be seen as regressive, given that so many of the people who are affected by them are at the lower end of the business scale. I do not believe that it is democratic for the one link between the citizen and the council to be made via a business—it should be directly with the citizen.

Perhaps more important, the tax in no way tackles the crisis in local government funding; it raises an extra £100 million—not a nightmare scenario, minister. That sum in no way bridges the cut included in this year's settlement, which the Convention of Scottish Local Authorities has analysed. The cut is more than twice that amount, so the tax does not tackle the problem of service funding. As the minister correctly said, there is no clear method of distribution to the poorest areas.

I would like to cover some of the anomalies of the tax. I do not do so lightly—there are problems with the structure of any tax. Is it fair, for example, that a couple on average earnings, living in a bought former council flat in Glasgow, would pay £916 in service tax, but would have paid only £729 in band A council tax last year? For such a couple, that would be an increase of 25 per cent. It is therefore clear that, while the aims behind the service tax may be just, the actuality of its structure is not fair and does not favour the poorest earners.

Is it fair that four young gentlemen, newly graduated from Glasgow University, doing part-time bar work and earning £11,000 a year each, would pay less towards the council's services than the pensioner living next door in the same building, whose revenue is £15,000 a year? The pensioner's household income would be 65 per cent less than the one next to him, but his tax would be 26 per cent more under the SSP's proposals.

I think Mr Sheridan will take on board that there is still work to be done on the service tax proposal. It is not something that I would dismiss out of hand, but something that could be part of a normal, mature debate which this Parliament and this country need to have with regard to how we allocate wealth to Scottish public services.

We believe that local government finance is a much bigger question: of how we fund public services at a local level; of how we make the taxation system fair; and, most important, of how we make local councils accountable. The question

should be addressed through an independent review. That is something which COSLA supports, which the Local Government Committee supports and which my party included in its manifesto.

Our amendment enshrines the principles of progressiveness and fairness that the Scottish Socialist party's motion proposes, but suggests that that could be made part of a more general independent review. I urge the chamber to support our amendment.

I move amendment S1M-700.1, to leave out from "on social" to end and insert:

"and calls for an independent review of local government finance to take account of this principle along with the need to support adequately local government services and local democratic accountability."

09:58

Mr Keith Harding (Mid Scotland and Fife)
(Con): In a public meeting with Tommy Sheridan some weeks ago, I actually agreed with him—and jokingly said that his political career was over. I can assure him that that will not happen again today.

The Scottish Conservatives stand for and believe in an enterprise economy, which is the best way to ensure the prosperity of our people and high-quality public services. We are determined to ensure that people and businesses in Scotland are not penalised by having to pay higher taxes than those elsewhere in the United Kingdom. Like the tartan tax, the Scottish service tax would make Scots pay a higher rate of income tax than people residing in other parts of the United Kingdom.

I will show how damaging the proposed tax could be. The tartan tax would make the average Scottish family around £250 a year worse off; the proposal before us today would be even worse for many families. Unlike the maximum rise of 3p in the basic rate of income tax, which applies to the tartan tax, there is no ceiling for the Scottish service tax. Mr Sheridan makes much of the 800,000 people who would be exempt, but nearly 400,000 people are already exempt from council tax, and almost a further 200,000 people receive partial council tax benefit.

The service tax proposal would destroy the local basis for funding councils. It is anti-democratic and would reduce accountability. By allowing the Scottish Executive to determine taxes for local services, councils would have no autonomy—apart from determining spending priorities. Much of their autonomy has already been eroded by ring-fencing and hypothecation of grant settlements by the Scottish Executive. That runs contrary to the principle of subsidiarity and reduces the already limited accountability of local

government.

Mr Sheridan's proposal would mean, in effect, that people would pay income tax twice: a Scotland-wide levy according to income and a UK-wide income tax levy. Local authorities already get approximately 80 per cent of their funding from national sources via the Exchequer as a block grant from the Scottish Executive. Indeed, 50 per cent of their expenditure is accounted for by the revenue support grant that is paid for from Government taxes, the most important of which is income tax.

The SSP's proposal discusses only the effect of its tax in relation to council tax. It takes no account of the other progressive taxes that people pay that contribute to local government services. The argument about the proportion of income paid in council tax by households in different income deciles is spurious as it takes no account of the total contribution from gross income to council services.

Tommy Sheridan: Will Mr Harding tell us what the other progressive taxes are?

Mr Harding: I am sure that Mr Sheridan is as well aware of them as I am so I will not waste time on that point. I have only five minutes in which to speak.

People would move to avoid the tax. The introduction of a Scottish service tax would have serious adverse disincentive effects on the Scottish economy as compared to the rest of the UK. An exodus of those who were required to pay much higher rates of tax would reduce the tax take and place the burden firmly on middle and low-income earners, making the tax regressive.

The UK is a complete monetary union. People have the power to order their tax affairs to suit their needs without penalty and it would be impossible to force people to stay in Scotland to pay additional Scottish taxes for local services that were being paid for by a different system elsewhere in the UK. In Scotland, the average levy paid by a household for services, through the council tax, is well above the rest of the UK.

Even in London, the levy is much lower, when we compare bands of charges. That is not a serious problem because the tax is levied on a stationary asset: housing. If the tax is levied on something that is mobile—for example, people—taxpayers will vote with their feet, as they already do in the United States of America, where state Governments are forced to avoid setting taxes too far out of line with their neighbours.

Once variation is allowed across the tax bands, the difference can be immense—much greater than house price changes—and there is an obvious incentive for relocation. The variations

according to council tax band are also substantial, but houses are not mobile and the higher levels of council tax in Scotland are incorporated in the lower market price of the housing.

The proposal is ill considered, as is Mr Sheridan's proposal for a minimum wage of £8 an hour. The Scottish service tax would make local services reliant on an inefficient tax base, which would create distortion and produce poverty and unemployment traps for those on benefits—precisely the opposite effect of what the chancellor claims he is aiming for. It would also seriously distort the savings industry and penalise the Scottish financial sector and capital markets.

I cannot support the proposal. If Mr Sheridan is serious about implementing his measures, he should look to countries such as Cuba and North Korea, where his proposal would be received in a more favourable light—but it is not for Scotland.

10:04

Des McNulty (Clydebank and Milngavie) (Lab): I was interested to hear Andrew Wilson commending Mr Sheridan. To an extent, I agree with Andrew Wilson: if a proposal is brought before the Parliament, it should be considered seriously.

Tommy Sheridan has put forward a detailed set of proposals and has provided additional information to go along with them. It is interesting that Andrew Wilson is prepared to endorse some of the principles behind Tommy's proposal whereas, in practice, he has refused, week after week, to provide us with the same level of detail of information on the economic proposals of the SNP. If he accepts the logic of his own position, I would welcome a debate on the SNP's economic and tax proposals in more detail than he has been prepared to give us up to now.

I accept that Tommy Sheridan's proposal should be considered seriously. There are a number of different strands within it. There is a commitment to social redistribution, which seems to be the focus of what Tommy is seeking to achieve, and the proposal argues that there should be significantly increased investment in social infrastructure. I recognise those as the premises from which Tommy is starting out. There are, however, aspects of the proposal that go against those principles, on which I would like to focus.

First, it is clear that the implementation of this proposal would result in a much more intense process of means-testing right across the system. The basic premise of the Scottish service tax is much more interventionist in making assessments, and would set wage limits that would be part of the tax banding system. The report on which this proposal is based makes certain assumptions

about the distribution of unearned income relative to the UK as a whole, about income banding and about the Treasury's behaviour. Those issues are unknowns and are not justifiable. Any implementation of the proposal that Tommy Sheridan has suggested would be dependent on a fusion of the welfare and taxation systems, creating major administrative burdens.

Andrew Wilson: Will Des McNulty give way?

Des McNulty: Sorry, I would like to outline the three issues that I have identified as problems. I shall take an intervention afterwards.

The second issue that stands out clearly is the proposed reduction of local accountability. The fact that the tax would be paid to the Parliament, which would decide the bases for its redistribution, removes from local authorities even that vestige of financial control over tax levels in their local areas that currently exists. In the context of a revision of the council tax system, or whatever system of finance is in operation in Scotland, I would like to allow local authorities greater control over the gathering of taxes. Tommy Sheridan's proposal would involve a reduction of local accountability for taxation.

Thirdly, the proposal would involve the removal of the explicit property tax element. That idea was introduced by the Conservatives, when they brought in the poll tax. Obviously, Tommy wants to achieve a very different purpose from the poll tax.

Andrew Wilson: Does Des McNulty believe that this proposal is fairer or less fair than the poll tax?

Des McNulty: I assume that Tommy Sheridan's intention is to take a broadly redistributive approach, whereas the intention of the poll tax was to move the tax burden on to poorer people. The real issue is whether the Scottish service tax would achieve the desired redistribution.

Mr David Davidson (North-East Scotland) (Con): Would Mr McNulty not agree that the Labour party's policy of indirect taxation has an greater effect on the low paid than on others, and that the Chancellor of the Exchequer has moved way beyond where the Conservatives ever intended to go?

Des McNulty: Frankly, that is rubbish. The move to a single system of gathering taxation, as is proposed, and the removal of the property tax element represent a distinct shift in the balance of taxation. I believe in the retention of property tax as an important element in the overall tax package; as such, we should seek to maintain it.

The Deputy Presiding Officer: We now move into the open part of the debate. As time for the debate is limited, I ask members to adhere as much as they can to the four-minute limit for speeches. I apologise in advance to those

members whom I will be unable to call.

10:10

Ms Sandra White (Glasgow) (SNP): I congratulate Tommy Sheridan for securing this important debate, which I welcome, and on the hard work that he has obviously put into the debate.

The SNP has always advocated fair and progressive taxation. We have also consistently argued for a full review of local government finance, as everyone who has read our leaflets will know. I hope that they support that review, which is also supported by COSLA and by local government.

While I admire Tommy Sheridan's stance—I believe that I know where he is coming from—my party and I have some concerns about his proposals. I will not scaremonger in the same way as Labour and Tory speakers have done, but I have two concerns that I ask him to address later.

First, the proposal to raise moneys for local services through a business rate puts a heavy burden on local businesses and on small businesses in particular. In my view, there are already enough obstacles facing local businesses and a business rate would be one obstacle too many. We are trying to encourage local businesses, but such a tax would discourage and hinder them.

Other speakers, including Andrew Wilson, have mentioned my second important point, which is that the proposals sever the link between the public and local councils and do not provide for accountability. That worries me, as does the embracing of a more centralised form of government, which is non-democratic. I ask Tommy Sheridan to address that point in his closing speech. Local councils must be democratically accountable to local people if they are delivering local services.

The way in which local government finance is delivered goes to the very heart of what people expect from local government, and it needs desperately to be reviewed. I think that we all agree on that point. People want and expect good services, but they need to know exactly what services they are paying for and exactly what they will receive from those services.

Tommy Sheridan's proposals are commendable and pave the way for future debate on local government finance. I ask him to support, if he is able to, the proposal in the SNP amendment to have a full review of local government finance, which is necessary to return local government to the people of Scotland.

10:13

Kate MacLean (Dundee West) (Lab): I read "Time for redistribution of income: the case for a Scottish Service Tax" last night in my hotel room, which is a bit of a sad admission to make. The document is worthy of further examination.

Today's debate is about how we fund local services, on which I hope members will concentrate. No one in this chamber should disagree with the first three points made in the document, which are:

"This research report identifies the need for higher public investment . . .

The current system of local government finance is unable to deliver"

services effectively, and

"The devolved powers for Scotland offer new opportunities for addressing these concerns innovatively."

Before reorganisation, there was a difference of approximately 10 per cent between the highest and lowest council taxes in Scotland, based on local spending decisions. That difference is now around 130 per cent, based on nothing more than a seriously flawed distribution formula.

We must have a serious debate in this chamber, probably preceded by work in committees, on what we want from local government, how much that should cost realistically and how we will pay for those services. Although it is not the position of the Executive, it is well known that I support an independent review of the way in which local government services are financed. I have no doubt that a local income tax would be examined in that review, along with other options.

Andrew Wilson: Given what she has just said, will Kate MacLean be voting for our amendment, which says just that?

Kate MacLean: I will address Andrew Wilson's question later.

The review would include an examination of the method of collection and distribution of non-domestic rates. However, I do not support the system that Tommy Sheridan suggested, whereby collection and distribution of non-domestic rates would make up the difference between central grant and expenditure, because I believe that that would detract from local accountability, which ought to be increased rather than diminished.

My concerns are not addressed either by the motion or by the two amendments. Nicol Stephen's amendment says

"that these matters fall within the remit of the Local Government Committee."

If that can be interpreted as suggesting that the matter be remitted to the Local Government

Committee, I will support Nicol Stephen's amendment, as the committees lend themselves well to that type of examination, even though I am tempted to support Andrew Wilson's amendment.

10:16

Donald Gorrie (Central Scotland) (LD): This debate shows the merits of proportional representation, which has brought into the Parliament representatives of two smaller parties. Whatever one may think of their ideas, their presence enriches the whole of Scottish democratic life. It is an encouragement for those of us who would like proportional representation in local government, which could greatly benefit from the same richness and diversity.

I welcome the fact that Tommy Sheridan has put forward a constructive idea. The Liberal Democrats and other parties sometimes find considerable difficulty with the irresponsible populist agitating of the Scottish Socialist party. All parties have their defects, and the Scottish Socialist party is not without them. On this occasion, however, Tommy Sheridan has produced a constructive idea, which is welcome, as is the motion that we shall hear Robin Harper propose later this morning.

I regret the content of the Executive amendment and the tone of the minister's speech, which seemed to me redolent of the old politics that we were supposed to be getting away from. Mr Sheridan's motion does not suggest that we have to embrace his idea, but merely that it be put on the table with other ideas. I do not see why we should not accept it.

The service tax, as the minister said, has serious defects. It is a national tax and not a local one, and the redistribution is extreme. However, it at least produces interesting ideas, such as banding, and addresses the question of a progressive and redistributive tax. We must consider how we can achieve more redistribution than we do at the moment, without destroying the whole fabric of society, as the minister suggested that we might do. The current tax system is not progressive enough, and we should make local and national taxation more progressive. Along with my Liberal Democrat and SNP colleagues, I voted at Westminster against the 1p reduction in income tax, because that seemed to lead us in the wrong direction.

The issue is important and Tommy Sheridan's idea is welcome. For years, the Liberal Democrats have argued for a local income tax that is determined locally but collected through the national machinery. There are various ways of doing that and I am sure that other people can improve on our suggestions. That is an important

way of producing a reasonably progressive tax and of giving more power to the local community. If the local community has a decent voting system, it can vote out people who raise or reduce the tax too much, and more tax will be in the hands of the local community. That is anathema to the centralisers in Government circles throughout the world, who have the power and want to keep it.

A local income tax is important, and the first stage towards getting it is to have an independent review of local government finance, which virtually all of us in this chamber, apart from a few ministers, are committed to. By hook or by crook we wish to get it. Before someone intervenes to ask how I will vote, it will depend on the order in which the motion and amendments are taken. However, I could not vote against any proposition that called for an independent review of local taxation, because that is a fundamental first stage. We must put all the ideas on the table, such as a local income tax, Tommy Sheridan's idea and any idea from any party, and we should sort this matter out. That is my message to the Executive.

10:20

Johann Lamont (Glasgow Pollok) (Lab): I am happy to be part of any debate that reasserts the importance of fair and progressive taxation and the importance of local government services. We all know that the many debates on what Scotland needs, generated as much by the Tories as by anyone else in the chamber, have acknowledged the efficiency and importance of public expenditure. Whether road building, railways, schools or health, we know that the most efficient way to deliver those services is to do so collectively, and we will all benefit from them.

One consequence of the poll tax debacle was that the understanding that the poll tax was unfair somehow collapsed into a view that tax was unfair. I am happy to be part of any debate that reasserts the importance of taxation as an enabler for our society, rather than something to be feared.

We have to look at what is being said in local government. There is a consensus across the country about local government finance issues, but I say to Tommy Sheridan that those views do not concentrate on the problems of the council tax formula. They concentrate far more on the level of local government resourcing and the ability of local government to determine its own priorities.

It is important that at some stage the Executive acknowledges the almost universal demand for a review of local government finance. I have said publicly that I am in favour of such a review, and I can assure members that, as a non-Executive member, I am beavering away doing everything I can to persuade the Executive of its importance.

Equally, the Local Government Committee has said that should a review not be granted, we will do everything in our power to ensure that such a review takes place in the committee. Tommy Sheridan's views on a service tax will play a part in any such review, and I have no problem with his service tax report coming to the Local Government Committee.

I have anxieties about a local income tax and the suggestion that it should be raised centrally and that distribution should be determined centrally. One of Tommy Sheridan's documents says:

"It will be efficiently collected centrally and distributed by the Scottish Parliament to each local authority according to need."

One of the strongest messages from local government discussions that we have had is the importance of covenant and partnership with local government. Too often in local government there is a feeling that it cannot be responsive to local needs, and that too often local needs are determined centrally. We also have to recognise the long-held view that local taxation should acknowledge the importance of taxing property. That is a complex area, and we cannot debate it fully here. We should be relaxed about what the Local Government Committee is allowed to look at in this area.

In such a debate I could not miss the opportunity to talk about Glasgow, because in Glasgow it is clear that the debate is not really about council tax; it is about what happens when council tax has to meet the shortfall in provision from central Government. Glasgow knows more than anywhere the problems of defining need, which is at the heart of our critique of Tommy Sheridan's position. I welcome the fact that the Government has begun to acknowledge the importance of deprivation factors. We know in Glasgow that there are disproportionate levels of poverty among our pensioners and those who have disabilities; disproportionate problems with drug addiction, not just for drug addicts but for their families; and consequences for service provision for young people being brought into care.

A report by Glasgow City Council has identified how Glasgow has not been treated fairly in the grant distribution system. I call on the Executive to look at that. Glasgow is sometimes presented as a huge black hole into which loads of money falls and somehow is inefficiently spent. The reality is that in Glasgow there is huge poverty, but it is among even greater wealth.

I call on the Executive to consider allowing the business tax that is generated in a community to remain there. That would mean that an extra £60 million could be used to address Glasgow's problems. I understand that there are difficulties

because where communities are poor, business taxes are not generated, but I ask the Executive to examine that. Equally, I would like the Executive to target money for health and so on in other areas.

I join other members in welcoming the fact that any debate that generates greater understanding of the importance of local government is to be welcomed. Any debate on local government must have at its heart the importance of partnership and delivery of services to those who are most in need.

10:25

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I am pleased to support the SNP motion, which calls for an independent review of local government finance. My clear impression is that if Labour members were to vote with their hearts and for what they believe in, they would vote for our amendment, but I suspect that that will not happen.

We are all engaged in the search for fairness. I agree with Johann Lamont that there is much unfairness in the current system for folk in Glasgow who are on low incomes. Would it not help, however, if a system of rebates was introduced in respect of water charges? There is no rebate on water charges for people on low incomes despite the fact that the Labour party has said that there should be one. They have had three years in power in which they could have introduced such a rebate, but they have done nothing about it.

Des McNulty: Will Mr Ewing take an intervention?

Fergus Ewing: Not yet.

People on low incomes in the Highlands must pay water charges that have increased by a staggering 43 per cent. Band D households will pay £300 in water charges because Labour thinks that that is a fair policy. I say that it is completely ridiculous. It is deeply resented and it is a source of great anger in the Highlands. The Executive will find that out during the coming months, as people realise how unfair the system is.

I was surprised that Mr Harding made no reference to the poll tax—perhaps that was because of natural shyness—or to the fact that Tories brought in the council tax. He would not take an intervention from me: I was going to ask him to explain why, when the Tories brought in the council tax, they decided that the regime in Scotland would be different from that in England. There are two banding structures—a house that is worth £60,000 in Scotland is in band E and a house worth the same in England is in band C.

Mr Harding admitted that council tax bills in Scotland are higher than in England, but he put forward the puzzling argument that that is perfectly acceptable. It is not acceptable. I thought that the Tories were the party of the union and the party that argued against unfair taxes on Scottish householders. It seems that Mr Harding thinks that it is perfectly in order for people in Scotland—some of whom vote, perhaps, for his party—to have higher bills than people in England.

Mr Harding mentioned the position in London. Parliament might be interested in some research that I have done on the council tax liability of a gentleman called Gordon Brown. The Chancellor of the Exchequer has a property in Great Smith Street in London that was valued at about £160,000—band G—in 1991. We do not know exactly what the flat is worth now, but it might be between £300,000 and £400,000; it is in one of the poshest parts of London's west end.

What is Mr Brown's council tax liability? His headline liability this year is £583. We understand, however, that he also has a property in Dunfermline, so he is able to nominate the Westminster flat as his second home. If he were to do that, as he is entitled to do, Gordon Brown's council tax this year would be £292.

Kate MacLean *rose*—

Fergus Ewing: I will be happy to take any intervention, but I would prefer to take one from a minister who is prepared to argue whether Gordon Brown's council tax bill of £292 is fair.

Ms Alexander: Can we take it that Fergus Ewing endorses Westminster City Council's policies and their council tax bands? Council tax is related to the services that are provided, and given the choice, I would choose the services that are provided by Fife Council rather than those that are provided in Westminster.

Fergus Ewing: If that is the best the Wendy Alexander can do, she should try again. She has admitted that the council tax system is grossly unfair, but she supports it. Her Government will not even amend it for the low paid in Inverness, who are having to pay £300 this year for their water, with no rebate, when the Chancellor of the Exchequer will be paying about £8 less for his luxury flat in London. It is hardly surprising, because the worst piece of scaremongering in political history was Gordon Brown's prediction at the Scottish general election that a 1p difference in income tax would cost 250,000 jobs in Scotland, which was complete and utter nonsense.

I am pleased today to have been able to introduce the facts about Gordon Brown's council tax into this debate.

10:30

Mr John McAllion (Dundee East) (Lab): I agreed with Fergus Ewing's statement "complete and utter nonsense"—it summed up his whole speech.

At decision time, Nicol Stephen's amendment will be taken first, and members do not need a crystal ball to suspect that it will be carried, and Tommy Sheridan's motion, in its pure form, will never be put to this Parliament. I will therefore begin by registering my support for some of the elements in that motion: the principle of progressive taxation; the on-going pursuit of a redistributive and progressive system of local taxation; and the suggestion that the Scottish service tax should be included in the review of the way in which we finance local government in Scotland. I share many criticisms that Tommy Sheridan and others have made about the present distribution of wealth. I like to think of myself as a socialist, but one does not have to be a socialist to share in many of those criticisms.

A new book called "What If?" was reviewed yesterday in the press. It contains 15 visions of change for Britain's inner cities and includes amongst its contributors Gordon Brown, so it must be taken seriously, even by Fergus Ewing. Another contributor is Will Hutton, who is the chief executive of the Industrial Society and a contributing editor to *The Observer*. He states that there is a gaping inequality of wealth and that inequality in our society is increasing. He argued that it makes a mockery of the claim, made by all parties in this Parliament, that we have a comprehensive system of education or a national health service that gives comprehensive health coverage to people on the basis of need. We cannot make that claim while such great inequalities exist in our society. Anyone who argues for the fiscal status quo is arguing for the continuation of inequalities in our society. I hope that nobody—other than the Tories, whom we expect to argue for that—will argue for that.

The council tax is part of that status quo. Representing half of Dundee, I would be in trouble if I spoke in defence of the council tax because it is in serious trouble. We, as the Parliament responsible for the council tax, must recognise that. Year on year, Dundee has been forced to reduce its level of spending on the services that it provides, yet at the same time it is forced to increase its council tax every year. Dundee now spends below the expenditure guidelines issued by the Scottish Executive for fear of the council tax rises it would cause if it reached the expenditure guidelines.

Dundee now has the highest council tax in Scotland, yet the city contains some of the poorest and most deprived communities that can be found

anywhere in Scotland. If members consider the other concentrations of poor and deprived people in Scotland, in places such as Glasgow and West Dunbartonshire, they will see that they are in the same position as Dundee. They are having to cut spending on services and set the council tax higher every year.

Dorothy-Grace Elder (Glasgow) (SNP) rose—

Mr McAllion: I have not got time to take interventions.

Fiscal flight has been mentioned. I am not concerned if the likes of Brian Souter leave Scotland; it might be a better place if that happened. However, council tax is causing fiscal flight in Dundee. People who have enough money can choose to live in Angus, Perth or north-east Fife, places where they pay a much lower council tax, and commute into Dundee to work and to use all the services that the city provides as a regional centre, which are paid for by Dundee's council tax payers. That is wrong and it must be changed. If we do not recognise that that is wrong and must be changed, there is something wrong with this Parliament.

Some members have said that this proposal is centralising. I am against centralising as well, but I did not hear many objections when the non-domestic rate was centralised. Nobody got on their feet to say that was wrong. We all want to defend the centralisation of the non-domestic rate without doing anything about the poor council tax payers. I want to see local taxes locally levied as well as locally collected and I criticise the Scottish service tax on those grounds. Nevertheless, it is one of the few practical attempts being made to address the inequalities in our society. For that reason it should be taken seriously.

The Deputy Presiding Officer (Mr George Reid): We will now move to the wind-up speeches.

10:35

Trish Godman (West Renfrewshire) (Lab): Tommy Sheridan said that there were very few members in the chamber this morning. Please note that most of the members of the Local Government Committee are here.

The Labour amendment welcomes the Executive's commitment to keep under review the wider issues of local government finance. The Executive is refusing an independent review at this time, but we should acknowledge that Jack McConnell, Wendy Alexander and Frank McAvety are taking on board some of the concerns expressed by local authorities. For example, at the COSLA conference last week, Jack recognised the dissatisfaction with the way in

which resources are allocated and distributed.

The system by which the Executive determines and distributes resources for local government must be modernised. The Executive should not dictate how that is done, but facilitate debate—Jack McConnell is beginning that process. Steps that have been taken after listening to local authorities include the proposals for three-year budget planning and the introduction of a programme by which the appropriate parliamentary committees will look at the budget for 2001-02. As the convener of the Local Government Committee, I am meeting the clerk today to plan how we will take evidence and report to the Finance Committee on that.

Mr Davidson: Will the Local Government Committee be considering not just how money is delivered to local authorities but exactly what those authorities should be doing? Will it look at the overlap in various areas in Scotland that leads to additional bureaucracy and waste?

Trish Godman: We will look at everything that is relevant to local government finance and service delivery.

Like Johann Lamont, I have put on record my belief that we should have an independent review of local government finance—and when the two sisters turn up at the Executive's door saying that that is the way forward, evidently people tremble. The Local Government Committee is committed to a review of local government finance because of councils' outstanding concerns, including on the funding of pay increases—it is clear that efficiency cuts will not always cover pay awards. Tommy Sheridan mentioned the distribution of non-domestic rates, but I am concerned about councils that do not have a strong business base, so we should look again at redistribution. On hypothecation, ring fencing and special grants, officials have told the committee that, when they put in a bid, they do not know why they do or do not get the grant. I hope that ministers will address those issues.

The SNP amendment calls for an independent review of local government finance; the Executive does not want one at this time. However, I have said that the Local Government Committee will review finance—the committee is not a limb of the Executive.

Tommy Sheridan's motion asks the Local Government Committee to consider his proposals for a Scottish service tax. I cannot comment specifically on the proposals today but, as convener of the committee, I am sure that I speak for other committee members in saying that we will read his paper with due care and diligence and consider it alongside others when we begin our review. I reiterate that I am still of the view that

there should be an independent review of local government finance. If that does not happen, the Local Government Committee will undertake a review and open it as widely as possible to all relevant issues, including Tommy's proposals. I have no problem with Tommy's request that we do that, but I have problems with the first part of his motion.

10:39

Bill Aitken (Glasgow) (Con): Tommy Sheridan began, quite properly, by highlighting the sparse attendance this morning. He went on to say that the council tax is deeply unpopular. I know from past experience that he was not exactly ecstatic about the poll tax. In that respect, he finds himself with a strange bedfellow, Benjamin Disraeli, who once memorably stated:

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

We should be examining the funding of local government under three headings. First, it should be fair; secondly, it should be practical; and, thirdly, it should be consistent with the sensible running of a mixed economy. Tommy Sheridan is coming forward with what are, basically, redistributive proposals; he is open about that. He feels that the existing system is not fair, as it is not related to ability to pay. I would argue strongly against that.

First, the council tax is related to the possession of property, which is usually indicative of the wealth of individuals.

Tommy Sheridan rose—

Bill Aitken: I ask the member to let me finish my point.

Secondly, the vast majority of the funding of local government comes from central taxation, which is related totally to the ability to pay.

Tommy Sheridan: Does Bill Aitken think that the inhabitants of Balmoral Castle have a decent standard of wealth? If they do, can he comment on what their council tax was last year?

Bill Aitken: I am sure that, like me, Tommy Sheridan never asks a question to which he does not know the answer, so he will no doubt provide the figure when he is summing up. The existing system—although I concede fully that it is imperfect—is fair.

The second element is practicality. I remember attempting, some years ago, to persuade the Conservative party to hold an inquiry into whether the local income tax, much beloved by the Liberals, was the answer to the problem of local taxation. I was told that it was simply unworkable, despite the arguments about individual postcodes and so on. Perhaps that is a wider debate for

another day, but practicality must be a key component of any method of funding local government.

Thirdly, the funding of local government must be consistent with the sensible running of a mixed economy. I am sorry to have to say that the SSP's proposals are completely flawed in that respect. The scheme that Tommy Sheridan is seeking to introduce would bring about his own version of the Highland clearances. People would not be willing to stay to pay high taxation when they could easily find a bolthole down south where they would pay much less. The knock-on effect of that would be that middle earners and, perhaps, those with below-average earnings would have to make good the shortfall.

Johann Lamont: Does the member agree that people are choosing to move away from areas such as the one that he represents, the city of Glasgow? Would he support calls for metropolitan status for Glasgow, which would be acknowledged in a distribution formula, to prevent people choosing for financial considerations to move outside the city boundary while continuing to use services located within that boundary?

Bill Aitken: Naturally, I would say that people are fleeing Glasgow because of the effects of the policies that are being pursued by Johann Lamont's colleagues on Glasgow City Council. That, again, is an argument for another day.

I am running out of time, but I would like to make one or two further points.

The Deputy Presiding Officer: Very briefly, please.

Bill Aitken: The SSP's proposals are redistributive, but they would have wider consequences, which have not been thought through. They are merely an extension of the thinking of Tommy Sheridan's mentor, Leon Trotsky—no doubt Tommy learned about Trotsky during his time at Stirling University, where he took a degree in economics. As someone who worked hard to finance Tommy's studies, I want my money back.

10:44

Mr Kenneth Gibson (Glasgow) (SNP): From today's speeches, it is clear that there is virtual consensus in this chamber that a review of local government finance is imperative. On the Labour side, that consensus now extends to the Minister for Finance, who last week advised COSLA that, although the Executive would not carry out a review,

"The full resources of the Scottish Executive will be made available to the Local Government Committee if they decide to undertake a review of local government finance."

The SNP welcomes that.

Much of what has been said today relates to local government finance in general, rather than to the details of the proposals by the Scottish Socialist Party (Convener Tommy Sheridan). That is why we have chosen to amend the motion. We have concentrated on the substance of the concern, rather than supporting a proposal that is not yet fully worked out. We have not yet heard how the Scottish service tax would fit in with other demands from the Scottish Socialist Party (Convener Tommy Sheridan), such as buying back council housing at market value so that tenants could live rent-free after 15 years' occupancy, the maximum income proposal, or the plan to allow the transfer of public sector discounts to the private sector. Those pledges cannot be sustained or paid for.

We are amending Tommy Sheridan's motion to make a serious point about the crisis in local government finance. To do otherwise would be to let the Executive off the hook. To allow the debate simply to be about populist notions that fall apart on scrutiny would be to let the people of Scotland down and to turn our back on local government, which is struggling under the weight of the coalition-created financial crisis.

The ideas that have been presented do not move the debate on; they have little weight and no substance. They would undermine democratic financial accountability but barely increase the resources that were available to local government. If one considers the impact of Tommy's proposals relative to the top rate of tax on earned and unearned income under Dennis Healey's chancellorship, Tommy begins to look very new Labour.

Mr Sheridan's plans do not hold the Executive to account and they do not aid the cause of local government—they simply allow the Executive to walk away. Let us have a debate on the future of local government and consider the options, but let us not be sidelined into discussing ideas that have been worked out only superficially.

Tommy's critique of the regressive and unsustainable council tax set the scene very well, but the proposal—which Johann Lamont seemed to support—that all non-domestic rates should be retained by the local authority that raises them causes me concern about the Scottish service tax. The proposals would inject only another £100 million into local government; Glasgow would indeed gain £64 million, but that would leave only £36 million for the rest of Scotland's councils. Some councils would suffer greatly. I would like to hear how Tommy would square that circle.

As the minister pointed out, the SNP supports a local income tax, which would ensure local

accountability and a sustainable yield; the Government should examine that proposal in great depth. Andrew Wilson described a number of cases in which the Scottish service tax would make life more difficult for families on low incomes. I hope that Tommy will address those issues when he sums up.

I was curious about the support given by Des McNulty, who is no longer in the chamber, for a property tax. Property taxes are not necessarily progressive, which is one reason why we believe in a local income tax. As John McAllion pointed out, inequality is rising under new Labour. That must be addressed sooner rather than later.

In conclusion, we are pleased that Mr Sheridan has tried to be constructive in this debate. As a disciple of Leon Trotsky—a poster of Trotsky was always on display in his council office and even the family cat is named after him—Mr Sheridan may have endorsed the cult of personality, but at least he has not called today for the dictatorship of the proletariat, forced collectivisation of agriculture, liquidation of religion, the deportation and mass murder of political opponents, the surrender of our most productive land to the forces of German imperialism, or even the enslavement of the working class through, as Trotsky demanded,

“coercive forms of economic organisation”.

We should be grateful for small mercies. Members should support Andrew Wilson’s amendment.

10:49

Nicol Stephen: I am sure that this will be the first of many debates on reform of local taxation. I have no doubt that local taxation will be reformed over time, but a new central tax is not the solution.

Andrew Wilson says that higher taxes are no threat, as if they have no economic consequences. However, minor changes in taxation have minor consequences, and major changes can have major consequences and can do real damage to the economy. I want to press him again on his position. These are questions of judgment, so I ask the SNP what its judgment is. What increase in taxation would the SNP criticise? Does it support the increase that Tommy Sheridan proposes? Does it have any concern about the impact that Tommy Sheridan’s proposals would have on the Scottish economy? If it believes that there should be a different increase, what is that?

Andrew Wilson: If the minister examines our manifesto, he will see clearly what we propose, within the powers of this Parliament. We propose a freeze in the basic rate of income tax. The Liberal Democrats joined a coalition with a party that went through with a right-wing cut in income

tax. Why do the Liberal Democrats say one thing here and another in Westminster?

Nicol Stephen: We do not say one thing here and another in Westminster. We do not have powers over the UK Government’s spending plans. As Andrew Wilson knows, in London, the Liberal Democrats voted with the SNP on the cut in the rate of income tax.

Let us be clear: under Tommy Sheridan’s proposals, it is not the super-rich who will be hit. As Andrew Wilson pointed out, there are serious consequences for individuals on average income. A couple on average income would be hit significantly.

I give Tommy Sheridan credit where credit is due. On this issue, he is putting his head above the parapet and saying what he believes in; I am doing the same in my response. Middle-income earners should not be hit in this way by the Tommy Sheridan socialist tax. However, the SNP has been far from clear in its response. I believe in fair and progressive taxation but I also believe in local democracy with local accountability, which the proposed tax would remove.

I mentioned economic consequences and I said that it would be wrong to exaggerate the consequences of Tommy Sheridan’s tax. However, I repeat that there would be consequences. I did not suggest that the whole fabric of society in Scotland would be destroyed; I said that the consequences of taxation at that level, on that scale, would be less inward investment, a reappraisal by existing companies in Scotland of whether to expand and an impact on the start-up and development of new businesses.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Does the minister think that Tommy Sheridan has forgotten what local taxation is for? It is for local services. Far be it from me to protect Brian Souter, as I am sure he does not need it, but does the minister not think that for Tommy’s tax proposal to hit Tommy Souter as—

Tommy Sheridan: Brian.

Mr Rumbles: I beg Tommy’s pardon—Brian Souter. Does the minister not think that to hit Brian Souter with a tax of more than £80,000 for emptying his garbage is a bit too steep even for him?

The Deputy Presiding Officer: To allow Tommy Sheridan a reasonable run-up, I would be grateful if Nicol Stephen would keep his remarks fairly tight.

Nicol Stephen: I thank Mike Rumbles for that. I agree in broad terms with every word that he has said. Modern politics is about new ideas from new parties. I welcome Tommy Sheridan’s contribution, although I am not sure how new and fresh his

ideas feel when he has been compared with Thatcher, new Labour and Leon Trotsky. Modern politics is all about strong arguments and beliefs, but it is not about accepting old-style centralism and an old-style approach to taxation. It is about recognising that redistributing and reducing revenue is no good to anyone. That is the danger in all this. We are not just talking about a penny increase in taxation; we are not just talking about hitting the very rich. The proposals would hit middle and low-income earners hard.

In short, we welcome Tommy's initiative and his contribution, but sadly his proposals are not practical, realistic or deliverable. They are centralising, they will punish middle-income earners and they will have economic consequences. The issues that the motion highlights should be considered further, but the right place for that is in the Local Government Committee. Clearly, that is not my decision; it is a decision for that committee and for the Parliament. The Scottish Executive is not proceeding with a review at this time, but Jack McConnell has not ruled out such a review altogether.

The Deputy Presiding Officer: Under the business motion, the knife falls at 11 o'clock precisely. I have no discretion to allow overruns, so it would be helpful if Mr Sheridan would keep his eye on the clock.

10:53

Tommy Sheridan: I start with a quick question to Nicol Stephen: did he read the document?

Nicol Stephen: I read the document. I spent a significant amount of time, yesterday and this morning, reading the document.

Tommy Sheridan: May I encourage him to read it again? Johann Lamont quoted from the document in relation to the distribution formula that we envisage for centralised collection and localised distribution. Johann may or may not agree with that formula, but the minister said that there was nothing in the document about distribution. I ask him to reread the document.

The minister talks about the practicality of the proposals. In fact, what we have had today—probably for the first time—is a concrete alternative to Executive policy. I was asked what we would do in relation to local government if we were in power, and I was asked how much more money we would be able to raise. We have said that we would implement a Scottish service tax, that we would tax the wealthy and that we would generate at least £100 million more on current incomes. As average incomes rise, the amount raised through the Scottish service tax rises accordingly.

The Executive has come up with no reason to oppose that set of proposals other than to say that it does not want to tax people too much. Of course, the people that the Executive is talking about are not the low earners who were specifically mentioned by Nicol Stephen. No low earner would be disadvantaged by the Scottish service tax. Anyone who is on an income less than £15,000 a year would automatically gain under the Scottish service tax.

Des McNulty talked about increased means-testing, but the Scottish service tax would undermine means-testing. We would introduce automatic exemption. There would be no more embarrassment, no more filling-in of rebate forms, and—for our pensioners—no more jumping through two or three hoops to get council tax rebates. If a person has an income of less than £10,000 a year, he or she is automatically exempted.

I do not know whether this example will accord with the average earnings that Nicol Stephen talks about, but in an average band D property in my city of Glasgow, an employee on £22,500 with a partner on £17,500—who are currently paying £1,094 in council tax—would pay, under the Scottish service tax, £1,024. Even at that level of income, that couple would be saving £70 a year under the Scottish service tax.

The problem may be that the Executive has misread the document. I was speaking to some Labour members who quoted figures to me. They seemed to have combined people's incomes, looked at the table and found a figure that related to the combined income, forgetting of course that the Scottish service tax is an individual tax. That is why the local government review is welcome. I am sure that the guarantee that Trish Godman gave is sincere and that the committee will look at these proposals in more detail and accord them the respect that they deserve.

However, one thing is correct—perhaps I should be accused of being a moderate. Members will remember Mr Healey, who used to be considered to be on the right wing of the Labour party. He once famously said that he would squeeze the rich “until the pips squeak”. The 1974 to 1979 Labour Government had a marginal rate of top tax at some 93 per cent. I am asking for a marginal rate of top tax at 55 per cent. Perhaps I am getting moderate in my old age.

Mr Rumbles: I am loth to praise the Conservatives, but I will do so at this point. Does Mr Sheridan accept that, when they reduced those horrendous levels of Labour taxation, the tax take increased?

Tommy Sheridan: Marginal rate taxation has to be effective. I am arguing that the marginal rate of

taxation that we would introduce would be effective. If, as has been argued, the Scottish service tax meant that there would be a massive flight from Scotland of multimillionaires and politicians such as Bill Aitken, perhaps people would vote for it—perhaps that would be something positive.

On the property element of taxation, I asked about Balmoral Castle. As Bill suspected, I know the answer. Balmoral Castle's council tax last year was £1,436. That bears no relation to income or wealth. The council tax, as a form of local taxation, is no longer sustainable.

Johann Lamont talked about Glasgow. Glasgow would benefit more than any other city in Scotland from the introduction of the Scottish service tax, which would increase the disposable income of literally hundreds of thousands of pensioners, low-paid workers, students and others who are caught up in the council tax nightmare.

The argument against the Scottish service tax that has been put by Nicol Stephen is a very poor one—I thought that it was going to include blame for the bad weather in Scotland. The Scottish service tax is an excellent start in the review of local taxation. Yes, there are things that can be ironed out and improved, but the Scottish service tax is a marked improvement on the council tax. It is a redistributive and progressive tax. If members believe in the redistribution of income and wealth, they are duty-bound to support the motion on the Scottish service tax.

Housing Energy Efficiency

The Deputy Presiding Officer (Mr George Reid): The next item of business is a Scottish Green party debate on motion S1M-707, in the name of Robin Harper, on housing energy efficiency, and an amendment to that motion. I call Robin Harper to speak to and move the motion. You have 10 minutes, Mr Harper.

11:00

Robin Harper (Lothians) (Green): As winter draws to a close, it is timely for us to debate a problem that will have cost the national health service millions of pounds over the past few months. During that time, it will also have cost lives.

Let us be clear about the reality. Scotland has the worst housing conditions in northern Europe. A quarter of our homes are damp or have condensation. The average energy rating of a Scottish home is only four out of 10 on the national home energy rating scheme. Some 362,000 children and 119,000 pensioners live in houses that suffer from damp or condensation. That poor housing costs us a fortune; £100 million is spent by the NHS in Scotland each year to treat the victims of cold, damp housing. Every winter, emergency admissions of people suffering from respiratory diseases increase dramatically. Ministers claim that the winter bulge is caused by flu epidemics, but NHS figures show that the rise occurs even when flu is excluded from the figures. Poor health is not the only result. The excess winter death rate in Scotland is twice as high as in Scandinavian countries, which are colder than Scotland, and Canada; it is higher even than in Siberia. Recent press reports show that the death rate at the end of the 1990s is rising again; again, that is caused not by flu alone. Poor energy efficiency is a life-and-death issue.

Age Concern says that our pensioners cannot afford to wait for a rolling plan that now has no set date. In the partnership agreement, the Labour party said that the date would be 2007, but that seems to have disappeared.

Poor housing is bad for health, and it kills; it is also bad for the environment. Our poor housing stock leads us to waste precious fuel and to pump out extra pollution. A proper programme of home improvement could cut carbon dioxide emissions dramatically, by up to 9 million tonnes a year. Given the Government's admission of defeat in getting to grips with transport emissions—it refuses to set CO₂ reduction targets for transport—it will need all the more help from action in other sectors.

The scale of fuel poverty makes a mockery of social inclusion. A massive 506,000 households need to spend more than 10 per cent of their income on heating and hot water alone. If other fuel uses are taken into account, the figure is 738,000. Fuel poverty takes money from the pockets of pensioners and children, money that could otherwise be spent on better food or clothing, and in local shops or on local services.

We have a massive problem in Scotland, but also a massive opportunity. Better housing means better health and a better environment; it would also boost local economies. The Executive understands that, but current Government initiatives, although they are a start, are inadequate. That is why I cannot accept the Executive's amendment, which wipes out, from my motion, the drawing up of new guidelines for efficient use of energy in homes; the provision of a minimum level of heating in properties; the appointment of a domestic energy efficiency co-ordinator in every local area; the identification of new fuel poverty and carbon dioxide reduction targets; and the establishment of a domestic fuel poverty advisory group.

I am pleased that the Executive has accepted, in its amendment, that home energy profiles should be available to house buyers and sellers, but that is not all that it has done. It invites us to commend a scheme that is clearly not working and is giving much concern to organisations such as Friends of the Earth, Energy Action Scotland and Age Concern—indeed practically everyone involved in reviewing the situation. The Executive cannot seriously ask us to vote for an amendment that wants us simply to commend a good idea.

Although winter fuel allowances for pensioners are a welcome attempt to address the poverty of those who live in poor housing, the housing stock remains so poor that most of that £100—soon to be £150—will go on heating the air around the houses, rather than on the houses themselves. Some pigeons roosting in the eaves have greater comfort levels than our pensioners. Furthermore, the winter fuel allowance does nothing for families with young children, especially lone parents who also spend long days in cold homes; and it does very little if—as *The Sunday Times* reported this weekend—it does not arrive until some time in spring, possibly posthumously in some cases.

The warm deal programme is the Government's flagship initiative for tackling fuel poverty. However, although it is targeted on the poor, it is poorly targeted. Furthermore, it is under-resourced: its maximum grant is too little to tackle the problem. A report from Scottish Homes, which the Executive has so far declined to publish, shows that at best the warm deal can reach only one sixth of the families that suffer from fuel

poverty.

What could be done? We are missing a huge opportunity to tackle this blight on Scotland. In its 1999 election manifesto, the Scottish Labour party pledged to eradicate fuel poverty by 2007; however, that pledge disappeared from the coalition agreement. Although a huge amount of money has been spent on repairs and improvement of Scottish housing, it has not been properly co-ordinated and directed. That must change.

The basic housing standard for Scotland, known as the tolerable standard, is a remnant of the 19th century. The first housing bill for 12 years presents an opportunity for change. However, last year's housing green paper—the first for a generation—made very little of tackling fuel poverty.

I want to propose a range of policies that could be easily implemented to ensure that the ambitious but achievable target of ending fuel poverty is met. The housing bill, which is to be published this summer, must include measures on fuel poverty, and I will mention two examples. First, the sole statutory standard—the tolerable standard—that was introduced in the 1960s should include a measure of energy efficiency. That is a simple thing to ask for. Most people would find it astonishing that the basic standard does not mention the biggest problem in Scottish housing. The then Scottish Office launched its review of the tolerable standard two years ago, since when there has been silence.

Secondly, the role of Scottish Homes is being expanded to regulate both housing associations and council housing departments. The agency could have a new role in regulating the private rented sector, where conditions are worst. The regulation could be undertaken through local authorities, with Scottish Homes setting out standards and model practice. We already spend more than £200 million in Scotland in housing benefit payments to private landlords, and it is about time that we were able to guarantee that tenants were at least living in dry, warm conditions.

However, I do not want to leave the impression that because we are a legislature, all measures must be by law. If it wished, the Scottish Executive could introduce many measures tomorrow that would not involve opening the statute book, which is the issue addressed by my motion. First, I propose a new home energy efficiency champion for Scotland, who would act as a linchpin between the 32 local authorities, which should have overall control over energy efficiency in their areas, and the departments in Whitehall and Europe that also influence energy policy. The new post would be charged with co-ordinating the countless different energy initiatives, to ensure that they were all

pulling in the same direction.

Secondly, I want local authorities to be placed at the heart of local energy efficiency work. Although they already have that role through the Home Energy Conservation Act 1995—which, incidentally, was a Green party initiative even before we had parliamentary representation here—they have few powers to make it real.

Thirdly, if it wanted to, the Executive could change the tolerable standard guidance tomorrow. At the moment, a house will pass the tolerable standard specification for adequate heating if there is an electric plug point in the room. The guidance could be changed to make it clear that a plug point is not enough and to reflect the need for heating provision to be adequate and affordable.

Fourthly, although regulation of the mortgage industry is a reserved area, the law governing house purchase is devolved. I would like energy ratings to become a compulsory part of the standard survey that is done when a house is sold. The Executive has discussed the introduction of a seller's survey to the Scottish housing market. It would be easy to introduce energy ratings as part of that. I am glad to hear that the Executive is at least conceding that point.

Much of what I have said is about making better use of the resources that we have. Between them, landlords and owner-occupiers spend more than £3 billion a year on repairs and improvements to Scottish homes. However, that money is not always spent in ways that provide the maximum long-term benefits to the community, the environment and the nation's health.

Plans are afoot to improve Scotland's housing stock. It is vital that the billions of pounds are invested wisely. All local authority housing plans and new housing partnership transfer plans should be subject to health impact assessments. In England, an idea is being permitted to go ahead, I believe in Cornwall, whereby doctors can prescribe insulation on the national health service.

We need to measure exactly what will be contributed to better homes, better health and a greener future for Scotland. What I have said only scratches the surface of what is possible. Our homes have to last 60 years or more. What we decide today will have a profound impact on the decisions that our grandchildren face.

We like to talk about joined-up thinking in Scotland. Let us move now to joined-up doing. I urge every member to support the motion and to become at one swoop an environmentalist, a health activist and an anti-poverty crusader.

I move,

That the Parliament calls upon the Scottish Executive to draw up and issue new guidelines to improve housing

energy efficiency in both the public and private rented sectors and in the privately owned sector which include requirements that (a) at point of sale owners are entitled, as part of the Executive's proposed "Seller's Survey", to have access to a home energy profile based on National Home Energy Rating (NHER) specifications, (b) NHER energy audits are carried out on change of occupation in both the public and private rented sectors and (c) the guidance on the Tolerable Standard is amended to include a minimum level of provision for affordable heating within a property; commends local authorities on innovative initiatives such as the Edinburgh Rewarm project and asks the Executive to revise its Home Energy Conservation Act (HECA) 1995 guidance to require local authorities to appoint a dedicated HECA officer to co-ordinate all domestic energy initiatives in each locality, and urges the Executive to acknowledge its responsibilities under Climate Change Protocols and its own commitment to end fuel poverty by 2007 by identifying new targets and funds required to meet these targets and by setting up a fuel poverty advisory group, chaired by a newly appointed home energy efficiency champion, to prepare recommendations on the elimination of fuel poverty by 2007 and co-ordinate policy and funding in the domestic sector.

11:12

The Deputy Minister for Local Government (Mr Frank McAveety): I thank Robin Harper for his speech. I hope that what I say will meet some of the aspirations that he outlined in his closing comments.

The Executive is clearly committed to improving home energy efficiency and to tackling fuel poverty. As Robin Harper indicated, one of our key aims is to use the warm deal and the healthy homes initiative to achieve that.

I want to outline the measures that the Executive is undertaking, to give a fuller picture than Robin Harper gave. I also want to connect those measures to the wider housing initiatives in which we are engaging in the forthcoming period.

I stress the fact that the warm deal is the largest home insulation scheme ever in Scotland. It provides much-needed help for pensioners and other vulnerable households. Under the previous Conservative Administration, the budget for home energy efficiency in Scotland was about £5 million per year. It is important to recognise that the situation has changed substantially since the introduction of the new Scottish Executive.

The warm deal provides grants of up to £500 for loft insulation, cavity fill and tank and pipe insulation and energy advice to help families make the best use of their budgets. The previous Administration felt that the noble sum of £170 was enough.

The programme for government commits the Executive to providing 100,000 warm deal grants during this Parliament. We have already exceeded the target for this year of 25,000—31,000 houses have benefited from the grants. I am convinced

that we will more than meet our target during the next three and a half years.

We are backing the warm deal with real increases in expenditure.

Fiona Hyslop (Lothians) (SNP): Will the minister give way?

Mr McAveety: I will conclude this point and then let Fiona in.

The budget for the year now ending is £10.25 million and will increase to £13 million next year and £14.5 million the year after that. That is a budget of almost £40 million over three years. That key commitment is far more substantial than any previous commitment.

The key difference with the warm deal in Scotland is that it is connected to the social inclusion agenda, allowing us to find employment opportunities for young people on the new deal. A total of 400 places are now available each year for young people taking part in the new deal. We hope that those people will then move into full-time employment. Much of the record indicates that that is the case.

The warm deal is an attempt to deal with fuel poverty. The 1996 figures show that more than half a million Scottish households spend 10 per cent or more of their income on keeping warm. Where I agree with Robin Harper—and presumably with Fiona Hyslop—is that that is a challenge to each and every one of us.

Fiona Hyslop: I think that Robin Harper would take this position as well: the Scottish National party welcomes the warm deal. The issue is this: do we acknowledge that the problem with the warm deal is basically one of insulation? It is not just about tackling dampness. There is no provision, for example, to have central heating systems that would really start to tackle fuel poverty in the way that we want. Will the minister please acknowledge that this is a problem, and review the operations? We are not getting what we could out of the warm deal.

Mr McAveety: I said that the various strategies that we are engaged in complement each other. The warm deal is part of that. Within the warm deal, we identify three major reasons for fuel poverty: poor energy efficiency, low household income and fuel prices. The general condition of Scottish housing stock could be added to those reasons.

A number of measures that go over and above the warm deal tackle the problem. That is why Wendy Alexander spent three hours yesterday explaining to the Social Inclusion, Housing and Voluntary Sector Committee the Executive's aspirations for the injection of new money from private investment into our housing stock, above

and beyond the new housing partnership investment. Without that step change in investment, many of the objectives that people in Scotland are concerned about will not be delivered.

Energy Action Scotland's report, "Scottish Fuel Poverty Update 2000", showed the challenge that we face. I am about to quote from it because reference has been made to a number of pressure groups. Pressure groups will ask for much more than the Government can sometimes deliver, but the report says that

"some dwellings cannot be made energy efficient, because of their construction, without the expenditure of unrealistic sums of money."

We want to understand how that interacts with wider Government initiatives to tackle household income. Without dwelling on the recent past, a number of the major changes to benefits, including the working families tax credit, are geared towards tackling the issues surrounding poverty households in Scotland and in the UK as a whole.

Last week, several commentators indicated that Mr Brown's budget was clearly targeted to address the needs of poor families. The commitment to the winter fuel allowance is 15 times the figure left to us by the previous Conservative Government.

Several major issues were raised by Robin Harper, about how we connect the warm deal.

Mrs Margaret Ewing (Moray) (SNP): Will the minister give way?

Mr McAveety: I am sorry, but I will not take an intervention at the moment.

The healthy homes initiatives and increases in benefit for low-income households represent substantial help for fuel-poor households. We are listening to many of the pressure groups in Scotland, to address those issues over the forthcoming period.

Although the improvement and repairs grant system is one way in which we can do something substantial, the forthcoming housing bill will reform the grant system. For the first time, it will include work to improve energy efficiency, and grants will be available for cavity wall, loft, tank and pipe insulation and for space and water heating. The households on the lowest incomes will qualify for grants at rates of up to 100 per cent. We are targeting that investment, as Robin Harper indicated, to the most needy people. Such a step forward could be a major change.

Climate change was also raised by Robin Harper.

Mr Lloyd Quinan (West of Scotland) (SNP): A number of organisations have suggested that the re-targeting of the warm deal, from 70 per cent

being concentrated on public housing to 70 per cent being concentrated on private rented housing, and the suppression of the tolerable standard review, are directly related to the need for the lowest possible valuation on council housing, prior to the stock transfer.

Can the minister allay the fears that have been raised about that, and assure us that the review, which has now been processed for two years, will be made available to members?

Mr McAveety: As always, Lloyd Quinan is accurate on no occasion. I am referring to the improvement and repairs grant system to target houses in private ownership—where most of the larger-scale problems in Scotland are. When we analyse where the most fuel-poor households are, we realise why they are targeted under the warm deal.

We recognise the role that local authorities can play in targeting fuel poverty. That is why we have announced another increase in the allocation of grant for that. I can assure Lloyd Quinan that we want to bring forward the evaluation and assessment of the tolerable standard so that Parliament can discuss the matter. I can give a commitment to do that in the near future.

Sarah Boyack recently published for consultation a programme of measures to reduce greenhouse gas emissions. The changes to the improvement and repairs grant system will help that process. We also intend to amend the building regulations to require any new build to meet more demanding standards for energy efficiency than ever before. I hope that that will address many of the issues that Robin Harper raised.

Robin Harper's motion urges the Executive to require home energy audits at time of sale. We agree with the principle of sellers' surveys, and the "Partnership for Scotland" and "Making it work together" documents both indicate that such a system will develop. We think that that can be dealt with through the market, but we will watch how the market develops before deciding whether legislation is needed.

I commend the local authorities that have engaged in good practice under the Home Energy Conservation Act 1995, particularly City of Edinburgh Council, which has done pioneering work. We expect local authorities to work together. That is why we support the HECA officers network. We are examining the local authorities' first progress reports and will publish a report for Parliament later this year, which will assess their progress. We will also issue further guidance in the summer. I hope that all authorities will have a designated HECA officer. I cannot direct them to do so, but I can encourage them. I hope also that they will work with other independent bodies, such

as the fuel companies, which are crucial to addressing the issue of fuel poverty.

Robin Harper's motion calls for a champion of home energy efficiency. I think that the Parliament should be that champion and I believe that the Executive is committed to ensuring that it is.

The policies that I have outlined today represent some of the steps that we are taking to tackle fuel poverty and meet climate change goals. We share the aspirations of every member of this Parliament in tackling something that has been ignored for too long: the condition of fuel-poor households in Scotland. I have outlined the progress that has been made in the Executive's attempts to eradicate fuel poverty in Scotland over two sessions.

I move amendment S1M-707.1, to leave out from "calls upon" to end and insert:

"commends the Executive for its Healthy Homes Initiative as pledged in the Partnership for Scotland and the Programme for Government; commends the Warm Deal; welcomes the investment in improving Scotland's housing; welcomes the Executive's agreement in principle to the introduction of sellers' surveys, including an energy efficiency assessment; notes favourably the proposals for reforming the Improvement Grant system and amending the Building Regulations to require higher standards of energy efficiency, and recognises that these initiatives show the Executive's firm commitment to tackling fuel poverty and its effects and meeting climate change objectives."

The Deputy Presiding Officer: I interrupt the debate to make an announcement on behalf of Sir David Steel; he has asked me to bring this information to members as quickly as possible. A meeting has been arranged at half-past 1 today in committee room 1, at which members will have a chance to question the Scottish Parliamentary Corporate Body and John Spencely on their respective reports. There will also be a presentation by the Holyrood design team next Tuesday at midday.

11:22

Fiona Hyslop (Lothians) (SNP): I thank the Green party and Robin Harper for bringing the motion to Parliament today. The Scottish National party supports the motion as a first step to building a cross-party consensus on the eradication of fuel poverty. The focus of my speech will be on trying to build that consensus. The first step towards reaching that consensus is recognising the scale and severity of the problem. There is some concern about the Executive amendment's self-congratulatory tone and the absence of targets. There is a perception that the Executive is denying the scale of the problem. The Government must address the pertinent points that were made by the Scottish Warm Homes Campaign.

The fuel poor are defined as those who have to spend a disproportionate amount of their income on heating and hot water. In Scotland, 506,000 households spend 10 per cent or more of their income on heating and hot water. Excluding all other fuel costs, such as lighting, cooking and leisure, there are more than 500,000 people in Scotland who are fuel poor. Fuel poverty in an energy-rich country is a scandal. Scotland is the only country whose people have become poorer after oil was discovered. We have an opportunity today to make a collective pledge to put an end to that situation across all housing: private, public, rented and owned.

I will put forward an idea that was first floated at the annual general meeting of Energy Action Scotland: a warm homes amendment to the upcoming housing bill. I challenge the Executive to build into the bill at the outset energy efficiency measures, preferably complemented by targets.

A warm homes amendment would lay down in law the minimum standard that all homes would have to reach before being put on the market for sale or for rent. That minimum standard could be phased in over a number of years and would aim to lift all Scottish households out of fuel poverty within a given time frame. It is unfortunate that the Executive's commitment to end fuel poverty by 2007 has, as Robin Harper said, been removed.

Currently in Scotland 340,000 homes have a national home energy rating of 2 or below—that is, approximately 70 per cent of the total. A warm homes amendment could impose a legal requirement on anyone who is renting or selling a dwelling to ensure that that dwelling has an NHER of 3 or above by, for instance, 2007. The same amendment could set a deadline of 2015 for all homes to have a minimum NHER of 6, which would involve a further 1.6 million Scottish homes. That would mean that all housing in Scotland would reach a target that is currently enjoyed by only 20 per cent of dwellings. The amendment could set a realistic NHER target that would be achievable by the end of this Parliament's second session, and a longer-term target of an NHER of 6 for the middle of the next decade.

I realise that there are potential flaws in the proposal, and that we will have to debate the issue. Because of age or design faults, some properties will never reach those targets. For some properties, the level of investment would not be economic, but solutions must be found for those properties. A seven-year lead time for all properties to reach a minimum NHER of 3 is generous, and a 15-year lead time to reach an NHER of 6 is achievable with political will.

That method puts the responsibility on all of us to find a way, and responsibility on the Government to ensure that the private finance that

it proposes to bring into the public sector is not spread too thinly, to look good in the context of the political numbers game. When the valuations are made as part of the stock transfer process—which will happen over the next year—we need the minister's assurance that fuel poverty and energy efficiency issues will be considered from the outset.

Home owners should be made responsible, and must be motivated to invest in their property. I foresee the estate agent's advertisement proudly boasting the NHER of a property as an incentive to potential buyers. It is unfortunate that Frank McAveety did not talk about making that part of the legislative process for independent guaranteed surveys. Responsibility should also be imposed on the private sector rental market, to ensure that the valuable homes that it supplies are of an adequate quality.

Future Governments should take responsibility for ensuring that parties such as the SNP, which seek to become the Government, include in their housing manifesto a worked-out plan of the way in which they intend to reach the legal standard. The warm homes amendment that could be promoted by this Parliament would set a national benchmark for us all to measure up to: a national ambition that is taken out of party politics and held up as an example of what the Parliament can achieve.

It is a cliché in political debate to say that no one has a monopoly on truth or good ideas. However, let this Parliament monopolise the issue of fuel poverty and eradicate it. I urge members to support the Green party motion. If this Parliament can deliver warmth in this cold, damp country of ours, it will have proved its worth.

11:28

Bill Aitken (Glasgow) (Con): I congratulate Robin Harper on the way in which he proposed his motion: his speech was sincere, articulate and highly commendable. There is much common sense in the ideas that he put forward today. We should—and, indeed, we must—be more energy efficient. As Fiona Hyslop said, we live in a cold, damp country, and the issue of fuel conservation and energy efficiency is perhaps more relevant to life in Scotland than elsewhere.

There is much to commend in Robin Harper's motion. One would have hoped that local authorities would already—on their own initiative, and without urging from the Scottish Executive or legislation by the Parliament—have introduced staff officers who would be responsible for ensuring that homes are well insulated and that we are fulfilling our requirement to assist those who suffer from fuel poverty. Fuel poverty is an evocative issue, and one regarding which we

have, in all probability, not done nearly enough.

Nevertheless, I take issue with Frank McAveety's remarks. He dwelt at length on the effectiveness of the warm deal, but did not, strangely enough, deal at all effectively with the measure that the previous Conservative Government introduced in the Social Security Act 1990—the home energy efficiency scheme. That was the first time when home energy efficiency had been considered in depth; the effects of both the legislation and the scheme were extremely positive. In the United Kingdom, some 3 million houses were assisted with a reduction of £45 in fuel costs, and 1.5 million homes were removed from the fuel poverty trap. The minister should have acknowledged that, no matter how grudgingly, given that, with the warm deal, the Labour party has built on the success of the previous scheme. I accept that the limit of £500 a house is an increase on the limit of £315 under HEES. Yet again, the Labour party has taken on board a Conservative policy, changed it mildly and made much play of the fact that the policy is unique to Labour.

Mr McAveety should also have mentioned the effect on fuel poverty of the privatisation of the public utilities, which resulted in a significant decrease in the amount that each household paid for fuel, including the VAT element added to fuel bills in 1985. There was a 29 per cent fall in domestic energy costs from 1985 to 1996, which was of tremendous benefit and which sought to achieve what Robin Harper's motion seeks to achieve.

However, we cannot support the motion because of one flaw. In due course, when the housing bill comes before the council—[MEMBERS: "Parliament."] I am sorry—I returned briefly to my previous existence.

I understand that the housing bill will be introduced in Parliament in June and that it will deal with home surveys. The concept of the seller's survey has considerable superficial attraction, but I do not think that it has been thought through. We are attempting to make life much easier and much cheaper for potential purchasers—particularly for first-time buyers, who are vulnerable. However, at the same time, we must ensure that we do not simply enlarge civil lawyers' already bloated gravy train. We must examine the proposal, which has yet to be properly considered—we shall have an opportunity to consider the proposals that emerge when surveys are debated.

On that basis, I am sorry that, despite the highly laudable nature of Robin Harper's motion, we will not be able to support him today. He is to be congratulated on the manner in which he put his motion before the chamber.

Robin Harper: Has the member finished his speech, or will he take an intervention?

Bill Aitken: I have not quite finished.

Robin Harper: If Bill Aitken reads the motion carefully, he will note that it states:

"as part of the Executive's proposed 'Seller's Survey', to have access to a home energy profile".

The theory behind the motion is that, if a seller's survey is introduced—and I am sympathetic to its introduction—access to a home energy profile should be included. There should be access to such a profile whether the seller's survey is introduced or not.

Bill Aitken: According to my interpretation of Robin Harper's motion—and the interpretation of any reasonable person who reads it—it commits us, to some extent, to the principle of the seller's survey. That would be an unsafe approach until the matter has been researched in greater depth.

11:34

Euan Robson (Roxburgh and Berwickshire) (LD): We should recognise that we have come quite a long way in the past 20 years in dealing with energy efficiency and fuel poverty. During my previous, professional career, I talked to ministers about fuel poverty in the '80s and '90s.

Mrs Margaret Ewing: And in the '70s?

Euan Robson: Yes, and in the '70s, too. At that time, there was little understanding of the concept of fuel poverty and an absolute denial of the existence of excess winter deaths. It took a long time for that concept to be understood and appreciated by government. Every year, 430,000 Scots die from the cold. That is hardly understood in Scandinavia; Norwegians and Swedes do not appreciate that there could be such a problem, as it does not exist in their countries.

Just as there was no recognition of fuel poverty or excess winter deaths, there was no understanding of the NHER scheme. At one time, the gas industry regulator actually abolished the contribution made from gas bills to schemes such as HEES. That was a retrograde step. The previous gas regulator felt that millions could have been invested in energy efficiency.

I recall the debate on VAT on fuel. I facilitated the "VAT on Fuel—Scotland Says No" campaign. One of the primary reasons for taking that stance was that there was no reinvestment of VAT in energy efficiency or fuel poverty measures. It was simply a tax grab by the Government of the day.

HEES has been important, and I commend the work of Energy Action Scotland in developing it over many years. The previous Government facilitated the Home Energy Conservation Act

1995, which was introduced by my federal party president, Diana Maddock, and received all-party support.

We are making progress. It is important to recognise that. Standards-of-performance payments are made from the electricity industry and, more recently, from the gas industry towards efficiency schemes. That is helpful, but I hope that the rate of £1.20 per consumer will rise in years to come.

There is growing cross-party agreement that fuel poverty must be given careful attention. At £12 million, the warm deal has been a useful start and the emphasis on owner-occupiers is to be welcomed. As the minister said in reply to Lloyd Quinan, the evidence comes from Scottish house condition surveys, which show clearly that private rented accommodation has the worst NHER of all homes in Scotland. It is important to switch resources in that direction.

It is also important to recognise that the warm deal is over target this year, at 31,000 homes. I cannot overemphasise the importance of training, however. It is no use just throwing money at the problem; there must be adequate training. I shall illustrate that point with an anecdote that I heard recently from a constituent. Her loft had been insulated, but she had not removed her luggage. When she went up into the loft, she saw that it was perfectly insulated, with the luggage in the middle and the insulation fitted neatly around it. When she challenged the operative, he said, "I'm a loft insulator, not a porter, madam." Training is important because the job must be done correctly. There is still some way to go.

The tolerable standard must be raised. It is ridiculous that that has not been addressed and I hope that the minister will take that on board. Building regulations have been amended, but they are not retrospective. Why can building regulations and the new standards therein not apply to refurbishments? We should tell the chancellor that, although it is good to take VAT off the energy efficiency products that go into homes, we also need to take VAT off refurbishments. The raising of energy efficiency standards during refurbishments could be built into building regulations.

It is fine to insulate a house, but if the heating appliances in it are useless or are at the end of their life, nothing will have been achieved for the comfort levels there. For years during my previous professional career, I argued that the quality of appliances should be addressed in the Scottish house condition survey. I wish I had £1 for every occasion on which a tenant came to me and said that they were living with a 20-year old appliance that could no longer be repaired on a care-and-maintenance basis. We have to invest in appliance

quality.

I accept that, with a change in occupancy, an energy rating should be applied. Stock transfer provides an ideal opportunity to provide targets for improving the quality of homes. We can eliminate fuel poverty in Scotland. A 15-year target is appropriate, and I am pleased that my party leader, Charles Kennedy, committed my party to that at our recent conference in Dundee.

11:40

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): We have heard an academic definition of the fuel poor. As far as I am concerned, the real fuel poor are the people who sit with their heaters off in winter because they cannot afford their bills, or the people who disconnect because they do not have the money to buy another power card and have already used up their credit. In any discussion of fuel poverty, we have to ask why—as has been acknowledged by the Department of Trade and Industry—the most expensive form of domestic energy payment is pre-paid meters. The poorest people are paying most for their energy.

I want to be more positive and constructive; I want to talk about a project that has been going on in my constituency. The South Ayrshire Energy Agency has set up a partnership with Austria and Finland, neither of which are nice hot Mediterranean countries, so that we can learn from them how other countries tackle energy efficiency. Already in South Ayrshire, an energy planning study has been performed. It is the first of its kind in Scotland and I hope that the results will be looked upon favourably by the Scottish Executive when it is circulated.

South Ayrshire Energy Agency has provided education about energy efficiency and has worked with young people in schools and other organisations using a board game that allows them to survey their own homes and to educate their parents about how to be more energy efficient. A project has applied for funding from the Energy Saving Trust to help householders install the energy-efficient appliances that have been talked about this morning, particularly central heating systems. That has coincided with the local authority working with housing associations to install double glazing to ensure that in villages such as Dailly in South Ayrshire—which I invite the minister to visit to see what has been achieved there—everybody is living in the same conditions. The agency has also worked with the private sector, because many people in the area live in either private rented accommodation or own their own homes and have been unable to bring them up to standard. Imaginative work has been done.

There have been other measures, including a small pilot trial of a hydro scheme on the River Ayr. Ayrshire Solar Club has been set up, which allows people to look at using solar energy, and enables them to purchase solar panels at a discount. It has been extended to include the installation of solar panels for water heating in some sheltered housing units, the free distribution of energy-saving fluorescent bulbs to elderly people in those units, and further work to see how those schemes can be supported through projects such as the Girvan sustainable community.

In future, we should look seriously at energy efficiency and housing. I am sympathetic to a number of Robin Harper's points. In particular, we ought to see what we can include in the forthcoming housing bill. I would support measures that call for energy efficiency and anti-fuel poverty initiatives to be addressed in the housing bill. We should be reviewing the tolerable standard regularly. We should be looking at the house condition survey.

The situation was brought home to me graphically by a student nurse in my constituency. She lives in private rented accommodation. After she has paid for her heating in her one-bedroom flat, she has little left to live on. When will we tackle the private sector and ensure that when people are letting homes for profit they do so at an affordable level?

I have overrun my time so I will finish on that point.

11:45

Tricia Marwick (Mid Scotland and Fife) (SNP):

As other members have said, there is an unacceptable level of fuel poverty in Scotland. I want to thank Shelter, Energy Action Scotland and the Scottish Warm Homes Campaign for providing MSPs from all parties with briefing papers. Nobody in Parliament will dispute the conservative estimate that a quarter of our population is too poor to keep warm, or that those who are poorest—pensioners, single parents and the chronically ill—are the same people who are forced to live in the poorest and worst housing.

Investment in housing is essential if we are to make a serious attempt to tackle fuel poverty. The Government's pensioners bonus is welcome, but it is sad to see—as Robin Harper said—that the money is escaping from the purses of our pensioners to the profits of the fuel companies. The extent of the problem is that there are half a million households in Scotland—the most energy-rich nation in Europe—that cannot afford adequate heating. Surely that should have put fuel poverty at the centre of the Executive's programme. The SNP hoped that that would happen.

When the Executive launched its flagship social inclusion document, "Social Justice . . . A Scotland Where Everyone Matters", in a blaze of publicity last year, we might have expected that the fuel poverty problem would be addressed, but how disappointed we were. Instead of addressing fuel poverty, the document sets out an impressive list of targets, milestones and statistical indicators, from the number of mothers who smoke during pregnancy to the number of people who draw an old-age pension and still take exercise.

Such precision and attention to detail might have inspired confidence, but anybody who looked for hope for those who are in fuel poverty was sorely disappointed. Rather than setting a target, the document simply says that the Executive will increase

"the quality and variety of homes in our most disadvantaged communities."

There is no mention of how many homes that means, how quickly it will happen or when it will happen. Why? The same answer is repeated time and again—we are told by ministers that the warm deal will meet Scotland's needs with a budget of £12 million per annum.

Looking back through the answers and exchanges on the matter, I was astonished to see the range of needs that the £12 million warm deal is meant to address. Until now, the warm deal has been the minister's stock answer to questions on matters that range from provision for the elderly to the time scale of a fuel poverty review. As Frank McAveety said today, the warm deal can be used to tackle draught-proofing and insulation; it can be used for lagging pipes and tanks; it can be used for advice; and it can be used to buy energy-efficient light bulbs.

The warm deal, however, will not install any new heating systems and it will not install a single new boiler or radiator. Such things are beyond the parameters of the warm deal in Scotland—in contrast with the situation south of the border. Even if the Government had a 100 per cent take-up rate, the warm deal would affect only one sixth of the families who are unable to afford heating. It is not a warm deal—it is a raw deal. It is a raw deal for the people who need things to get better. Perhaps that is why the Executive has not included fuel poverty in its glossy list of targets and milestones. There is a Scotland where everybody matters—unless one is old, ill, cold or poor.

I welcome Frank McAveety's honesty in acknowledging the limits of the warm deal. The warm deal is not a panacea for fuel poverty. Perhaps for the first time, we can have the kind of debate that we need to have, so that we can genuinely tackle fuel poverty and bring hope to the

half a million people in Scotland who are suffering.

The time is now—Parliament can do something about alleviating the problem, but we must all get together to achieve that. The first step towards achieving that will be admission by ministers that the warm deal, far from being commendable, has not solved and will not solve the problems of fuel poverty in Scotland.

11:49

Mary Scanlon (Highlands and Islands) (Con):

I welcome Robin Harper's motion—it provides an opportunity to strengthen the links between policies on health, housing and the physical environment. Those links are mentioned in a report by the Scottish Council Foundation entitled "The Possible Scot: Making healthy public policy." Robin Harper's commitment to better-quality housing is a view that is embraced by that document.

From the health point of view, I congratulate Robin Harper on his motion. There is no doubt that it is a good working example of a holistic approach to policy making. "The Possible Scot: Making healthy public policy" states:

"There is much evidence to suggest that poor health in Scotland arises from the complex interaction of a poor physical environment, adverse social environment, lack of life skills . . . and damaging personal behaviour."

It states that well-insulated, damp-free homes contribute strongly to the complex web of interaction from which the health status of the population emerges.

If we propose to concentrate on preventive health care, investing in housing could more efficiently improve our health status. A healthy housing policy should enable people to live in a home that promotes physical, mental and social health. Improvement to the physical fabric or energy efficiency of housing brings additional health improvements. The combined consequences of high fuel bills, poor living conditions and low incomes are debt, disconnection and ill health. There is no doubt that damp, cold housing causes chronic health problems and contributes to the winter increase in mortality.

The reported rate of asthma cases among children in homes with dampness is double that of those in homes without dampness. It also leads to more absences from school and children missing out on education, training, life opportunities and future earning capacity. Like many members, I visited a home during the warm homes week. I visited a lady in Dingwall who is part of the warm deal. I was able to see for myself that the lady, who is not very mobile, is on benefit and has a fixed income, is able to benefit from the draught-

proofing and insulation in addition to low-energy lightbulbs and energy advice. All had contributed to her quality of life, better health and additional comfort. I was impressed with what I saw. That does not mean that it was adequate, but it was undoubtedly a great benefit to her.

Many people with inadequate heating keep their windows shut. The lack of ventilation can exacerbate respiratory problems, especially if there are smokers in the house. I have a lot of sympathy for Robin Harper's commonsense proposal of health impact assessments. Damp houses and poor heating also exacerbate arthritic conditions. People with respiratory problems often do not function efficiently and find it difficult to concentrate. There is also evidence that poor quality and damp housing can lead to depression and a lack of self-esteem.

For many reasons, including the joined-up thinking and the holistic approach to policy, I commend this motion. With more money being spent on fuel, there is less available for nutritional food, which leads to dietary imbalance that can lead to a person's general health suffering. Good insulation and warm homes are positive measures to advance preventive health care and people's quality of life.

I congratulate Robin Harper on bringing this motion to the chamber and on illustrating the benefits of one policy as it overflows and synergises to benefit so many others.

11:54

Nora Radcliffe (Gordon) (LD): The trouble with houses is that, by and large, the architects who design them and the developers who build them do not have to live in them or pay to heat them. If we want more energy-efficient housing, we must force, persuade or encourage architects and builders to think more about energy efficiency. National home energy ratings being made routinely available should help to focus minds and hearts on energy efficiency. Potential buyers are given a measure of how relatively expensive to heat their new home will be—a factor that has not been readily available hitherto.

Tricia Marwick: Nora Radcliffe's point about architects and builders is true, but will she accept that 70 per cent of Scottish housing was built before any insulation was required? The result is that 70 per cent of our housing stock was built pre-insulation.

Nora Radcliffe: That is a good point—Tricia is right.

If energy efficiency becomes a significant selling point, new homes will be built with it in mind and existing home owners will have more incentive to

invest in efficient central heating boilers, double glazing, insulation, solar panels and so on. The recent amendment of the building regulations to require higher standards is welcome and will have an impact, but only on new housing. Our energy efficiency standards are still lower than those of most northern European countries.

Local authorities need to be able to fund substantial home improvement grants for environmentally effective measures, targeted at the worst stock regardless of whether it is rented or owner-occupied, to encourage people living in below standard properties to upgrade them. Better support should also be given to the voluntary organisations that help people make improvements to their homes when they are too elderly or infirm for do-it-yourself or cannot afford to pay tradesmen. The people who are least able to afford heating usually live in the hardest to heat homes and have the most expensive and inefficient heating systems and payment methods. More than a third of Scottish households suffer fuel poverty and well over 100,000 households suffer extreme fuel poverty—they spend more than a fifth of their income on fuel.

Fuel poverty could be tackled by raising incomes—a good idea for pensioners—or by reducing fuel prices, which would be a good idea for me. Neither would meet environmental concerns. To do that, we need to make homes easier to keep warm for the same or less money and fuel. Failure to tackle the waste of energy involved in trying to keep damp and poorly insulated houses warm has consequences for us all; an estimated 14 per cent of carbon dioxide emissions come from the domestic sector.

According to Energy Action Scotland, the Government estimates the cost of personal subsidies for fuel consumption—cold weather payments, winter fuel payments to pensioners and so on—as £3.6 billion over the next three years. Over the same period, spending on property improvement will be £1.2 billion—about a third of that subsidy—and it will treat only the symptoms, not the disease.

Money spent on bringing Scotland's housing stock up to an acceptable standard of thermal efficiency would be money well spent. The cost to Scotland of damp, cold homes is enormous. The cost of treating illness is estimated at about £1 billion a year. We must add to that the economic cost of days taken off work through illness and loss of productivity. A less obvious cost is the waste of human potential. Children cannot study properly if they do not have a reasonably warm and quiet place at home to do so; older people become less active and their quality of life deteriorates; and, to put it brutally, many older people die.

Mortality in the Scandinavian countries is roughly the same throughout the year. In Scotland, the death rate rises by more than 30 per cent in winter. Could that be because the average Scottish house scores only four out of 10 for energy efficiency and because a quarter of our housing is damp or affected by condensation? The problem is huge, but we know what the solutions are, that they would save money, that they would bring other benefits and that they would help us meet environmental targets. We should get on with it.

11:59

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I am pleased to speak in the debate and I understand why Robin Harper has introduced the motion. I am glad that we are focusing on improving energy efficiency and tackling the scourge of fuel poverty. I will not repeat what has been said about fuel poverty but I agree that in the 21st century its extent and its continuing existence is unacceptable.

The Labour Government was the first to accept explicitly the existence of fuel poverty. It did so for a real purpose—to tackle the problem. Under the previous Government, fuel poverty was ignored—even ridiculed. I am sure that we all remember the introduction of VAT on fuel. We should also remember that one of the first actions of the Labour Government was to reduce VAT on fuel to 5 per cent—the lowest possible figure under European Government rules.

Mrs Margaret Ewing: Will the member give way?

Cathie Craigie: I will not give way, because my time is limited.

There is a definite need to continue to work in partnership with other sectors, especially fuel suppliers. I welcome the recent announcement by suppliers that they intend to abolish standing charges. We need to work with them to reduce the cost of fuel and to help people on low incomes pay for it in a more efficient way. We should remember that people on low incomes usually pay more than those of us who can afford to pay by direct debit or standing order, or those of us who receive discounts for prompt payment. Surely that is not right. We should encourage fuel suppliers to find another way of collecting payments.

The Executive has introduced measures that will improve the energy efficiency of many Scottish homes. The warm deal is an example of that. People throughout Scotland have taken advantage of the funding that is available to improve their homes. Tricia Marwick described the warm deal as a raw deal. I am sure that the approximately 750 people from my council area who have benefited

from the warm deal programme would not describe it as a raw deal, but as a start in tackling fuel poverty.

This is a valuable opportunity to focus on fuel poverty. It is also an opportunity to focus on fuel efficiency. Efficient use of energy in our homes has clear benefits for the environment. Uninsulated or inadequately insulated homes—homes with draughty windows and doors—mean a waste of precious energy and, as has been said too often this morning, of cash that can be ill afforded.

Modern lifestyles mean that we pay little regard to the small decisions in our lives that, collectively, could make a big difference to the volume of fuel that we consume. Inefficient behaviours, coupled with poor standards of design, construction and repair of homes, lead to a huge amount of wasted energy every year by domestic households. For that reason, we need to look at the bigger picture. Reform of building regulations and standards must come. Through good-quality regulation, we can ensure that homes are energy efficient. Extra expenditure of between £500 and £900 could bring new-build homes up to standards acceptable for the 21st century. Over the term of a mortgage, that is not very much.

There is agreement that fuel poverty and fuel efficiency must be addressed. The minister has highlighted the start that the Executive is making. I hope that, through the coming housing bill and the review of building regulations, fuel poverty will be eradicated and energy will be better used. I welcome the start that the Executive has made and will support Frank McAveety's amendment.

The Deputy Presiding Officer (Patricia Ferguson): I apologise to those members whom I have been unable to call this morning. I call Robert Brown to wind up on behalf of the Liberal Democrats.

12:03

Robert Brown (Glasgow) (LD): I apologise to the first two speakers in the debate for not being present to hear them. Unfortunately, I had an appointment with destiny with the dentist. I will read the speeches with interest later.

This has been a good debate. Robin Harper, who initiated it, is to be congratulated on its content. Robin is becoming something of an expert on this topic and has been very generous in sharing the information that he has acquired with the rest of us who have an interest in it.

I want to try to summarise the issues. The standard of new buildings is a key issue, but it is self-defined to some degree. More significant in the short term is the situation with regard to

existing houses—houses that have not been built to standard and that do not have proper insulation. It is in such houses that the poorer sections of the population tend to be concentrated.

I detect this morning that there is a growing sense of authority in the chamber about the way forward. Fiona Hyslop talked about taking party politics out of the issue and Euan Robson talked about growing cross-party concern. This chamber speaks with authority when it says that, although the Executive has done a lot of good work and there has been significant progress through initiatives such as the warm deal, there is a large, desperate and urgent problem to be tackled. It will redound greatly to the credit of the Parliament and the Executive if we make a significant impact on the curse of fuel poverty in the first parliamentary session.

This is a policy area in which we can achieve a range of good things. We can deal to an extent with global warming. We can help people in poverty. We can help to reduce costs of output. We can contribute to tackling the health problems that have been mentioned in this debate.

I wonder whether there is potential for a Cubie-style report on existing housing. Regardless of the background politics, Cubie did a very good job in identifying and presenting information and options.

Fiona Hyslop: Will the member give way?

Robert Brown: No. I will not get into a party dispute on this matter. The Parliament could initiate a task force under the leadership of somebody suitable in the field, which could focus on the issue, identify the costs, deal with the priorities and arrive at a consensus around which Parliament and the Executive could move forward. There is a will in the Parliament and the Executive for that to happen. I hope that the minister will consider such an approach.

I know that much good work is being done behind the scenes and that the warm deal has advanced things. I know that there is a problem over the amount of money that can be drawn in from fixed budgets. We need to make every penny count. A cross-cutting approach is very important. We have had experience of leasing arrangements with the fuel companies, which allow the installation of new central heating equipment without capital input by the Executive or local authorities. It is worth while to develop such arrangements as much as possible.

When I was a councillor, there was something called the estate rate heating addition, which I think no longer exists. It was a significant weekly payment that allowed people on income support who had inefficient heating systems to heat their houses. The result was that, instead of tackling the problem, we fed the symptom. There must be

many examples of that elsewhere.

This matter is urgent and requires action now, not tomorrow. There is consensus in the Parliament that there should be such action. I hope that the Executive will respond positively to the many good suggestions that have emerged from this debate.

12:08

Mr Keith Harding (Mid Scotland and Fife)

(Con): I, too, congratulate Robin Harper for bringing this motion before Parliament and for the manner in which he has addressed the issue. His motion allows us to debate a very important aspect of housing, which is a subject that is not high up on the list of priorities for the Scottish Executive's initial legislative programme.

I agree with much of what Robin Harper has said. Many of his proposals and the issues that he has raised should be the subject of further discussion and consideration in the long-awaited housing bill. I also agree with Cathy Jamieson that that bill must address dampness and fuel poverty. Reducing dampness and condensation in our houses would create considerable savings and health gains and bring about a most welcome improvement in the quality of life of residents.

Labour's manifesto promised to eliminate fuel poverty by 2007, but that promise became vague and watered down in the partnership agreement. Is that another Liberal triumph?

The part approach of Labour and the Executive to fuel poverty has been to replace the Conservative Government's successful home efficiency energy scheme with a revised scheme, warm deal, and with fuel allowances. Labour's overall approach to housing is a continuation of many of the policies that were championed by the Conservative Government.

Local authority expenditure for improving housing conditions in the private sector has suffered substantial cuts since 1995. The fault lies not only with the Labour Government, which has drastically reduced capital grants to councils, but with councils. Prior to 1995, funds allocated to councils by government were ring-fenced to housing.

Following representations from COSLA, Michael Forsyth, the Secretary of State for Scotland, devolved decision making on this spending to councils and removed the ring fence. Councils claimed they knew better how to spend capital allocations in their areas. The result was that capital spending on private sector housing plummeted from £118 million in 1995-96 to £45.3 million in 1998-99. Nearly £200 million that would previously have been spent on improving housing

conditions for elderly and low-income home owners has been spent on other local government services. Both groups are growing and their need for support is increasing year on year.

According to Shelter Scotland, fuel poverty affects some 738,000 households in Scotland. The greatest benefit to those householders and to other energy consumers resulted from the Conservative privatisation of the utilities. Bill Aitken mentioned the fall in real energy prices, although he did not describe it in full detail. Cathie Craigie mentioned the imposition of VAT but, despite that, between 1991 and 1996, the cost of gas fell by 8.5 per cent, the cost of heating oils fell by 10.5 per cent and the cost of electricity fell by 5 per cent.

We support the stock transfer of houses from councils to local housing associations, housing co-operatives and a range of other providers.

Linda Fabiani (Central Scotland) (SNP): Will the member tell me how stock transfers will achieve an improvement in the physical condition and energy efficiency of the stock?

Mr Harding: Is the member talking about the right to buy or stock transfers?

Linda Fabiani: Stock transfers.

Mr Harding: Stock transfers will bring in the necessary resources to improve the standard of accommodation. Such resources are not available through local government resources at present and are unlikely to be so. Stock transfers would bring in private sector investment to assist in the necessary repair and renovation projects, which would greatly reduce the number of cold and damp homes in Scotland.

The problems will not be resolved overnight; however, there is a real opportunity, through the Parliament, to begin this huge task. We look forward to debating it and to working with the Executive and the other parties in addressing this mammoth issue.

12:12

Mr Lloyd Quinan (West of Scotland) (SNP): I thank Robin Harper for bringing about this debate. As everyone is aware, the Scottish National party will be supporting the motion from our colleagues in the independence movement, the Green party.

We have to face the harsh reality that Scotland, where one in four households is fuel poor, is an oil-rich and energy-rich nation. The simple, shaming truth is that while our country exports energy in many forms for profit, more than half a million households shiver through a cheerless and fireless Scottish winter.

I am pleased that this debate has exposed the nature of the problem, which is the shortcomings of our nation's most fundamental infrastructure—the homes in which our people live. The statistics have been laid before us: nine out of 10 Scottish homes fail modern energy efficiency standards. Those who can least afford it can only watch the bills soar, due to the countless units of electricity and therms of gas whose expensive purchase has done little but warm the streets of our towns and the air above our villages, and increase the profits of the generating companies.

It is positive that the Executive has at least recognised the problem and has implemented a warm homes initiative. However, what is far less positive is that the Executive has failed to acknowledge the scale of the problem and to provide resources correspondingly. Contrary to the answers given in Parliament, the warm deal, as it stands, is no panacea to fuel poverty. Far from it. No matter how we look at it, even if we spend £12 million a year—or £40 million over three years—from now to eternity, we will not keep this country warm.

Perhaps that is why, despite repeated questioning, I have been unable to secure an answer about the work that is being done to establish the scale of the warm homes initiative. Indeed, a whole winter has passed since I last wrote to the Deputy Minister for Local Government, asking about the time scale of the review of fuel poverty. As yet, I have received no reply. In the spirit of consensus, I would not like to suggest that the Executive was anything other than committed to eliminating fuel poverty. However, a little evidence that it is at least analysing the problem would not go amiss.

We fully support Robin Harper's suggestion that the concept of tolerable standard should include a measure of energy efficiency. There should be regulation where conditions are worst—in the private rented sector.

I remind the Executive of the strongest point to have come out of this debate. If Scotland is to have the warmth that we deserve and to which we have a right, investment in housing is essential. In these days of climate change, the Kyoto accord and limited revenue budgets, it is short-termism in the extreme to suggest that we can solve fuel poverty by asking people to spend ever increasing amounts, subsidised by the state or otherwise, on coal, gas or electricity for heat that will be lost in the battle against dampness or that will simply escape to the outside air. It has to be recognised that investment in housing is essential if fuel poverty is to be tackled.

We all had high hopes that the Executive had recognised that when, in November, in the chamber the Minister for Communities said that

she had

“put together a revolutionary package for . . . housing”.—
[*Official Report*, 24 November 1999; Vol 3, c 823.]

By December, Ms Alexander wanted “more than rhetoric” and said that she had opted for “a fundamental rethink.” No one could have dreamed that the minister's fundamental rethink would involve cutting almost 10 per cent from housing budgets between the publication of “Serving Scotland's Needs” in March last year and the Executive's budget document “Making it work together” in December.

Adjusting her figures to real terms, and considering the first three years of this Parliament, Ms Alexander has cut some £126 million from Scotland's three major housing budgets. I had thought that that money might have been redirected into the Government's priority policies, but unfortunately the figures for the new housing partnerships and the new deal are down as well, cut by some £35 million from the figures of last March.

Energy efficiency clearly has to be looked at from a new perspective. We have to consider our situation as a small nation in the north of the northern hemisphere. We must learn the lessons on sustainability that our Scandinavian neighbours learned many years ago, and bring in regulations to ensure that Scotland's housing stock is suited to Scotland's climate. It is senseless to continue with building regulations that were set in Westminster and that were drafted from a middle England perspective for a middle England climate. We have our own Parliament. We can surely adapt our standards to ensure that our housing stock matches our climate. We must learn from our European neighbours. The Scottish National party fully supports the motion from the independence-minded Green party.

12:18

Mr McAveety: I would like to reiterate something that I said earlier. The facts speak for themselves—taking the figures that we inherited in 1997 as a base, there has since been an increase of 40 per cent in the figures on the line for housing expenditure. We have doubled the amount of money that has been spent on the warm deal, although we recognise that the warm deal is but one part of the solution to the critical issue of fuel poverty. We are committed to the new housing partnerships and to levering in new money over the next five to 10 years through the community ownership strategy, a strategy that seems to be opposed by many who have spoken today. There are many measures that can tackle fuel poverty.

We are also committed to tackling problems around household income. A whole raft of

measures has been adopted by the United Kingdom Government to try to improve the general level of income of people in the poorest households. Figures relating to that are key to the debate on fuel poverty. During the earlier debate on the Scottish service tax, we heard about Balmoral Castle, which is probably not very energy-efficient accommodation. However, the individual in that castle could probably well afford to pay its heating bills. The income of people who live in particular houses is relevant.

I want to engage in the debate with political parties, local representatives and pressure groups, and I want to talk about the scale of the challenge that faces us after 100 years of housing policies that have left us with housing much of which is no longer fit for habitation or suitable for future needs. We require a radical step change, and the new housing partnerships and stock transfer proposals should be considered in their totality.

I will try my best to respond to the points that have been raised. We have set targets for what we aim to do under the warm deal. Our target of 100,000 grants aims to ensure over the next four years that people receive the benefit of the warm deal. That is substantially more than can be targeted in the system in England.

Robin Harper *rose*—

Mr McAveety: I will let Robin Harper in in a moment.

When the much-trumpeted issue of central heating systems in England is mentioned, it is as if everybody would require—or qualify for—that benefit elsewhere in the UK. In reality, it is targeted at a small number of pensioner households on income support. Many lone parents in England would not be eligible for the benefits that are provided through the warm deal in Scotland.

I also want to address some issues that were raised by Fiona Hyslop. We need to take on board the reports that will be produced over the coming period. They will inform the Parliament, the Social Inclusion, Housing and Voluntary Sector Committee and the other committees that have an interest in energy efficiency. I hope that parliamentarians will take on board, with the Executive, the shared agenda of tackling energy efficiency. I hope that we can progress many of the issues that have been raised today, not just in the committees but in the housing bill that will be introduced.

Euan Robson mentioned building regulations. We want to encourage owners to improve energy efficiency at refurbishment through advice that is produced as part of the energy efficiency best practice programme. We also want to examine a number of other areas within the building

regulations. We hope to consult on those areas and take some views.

I am happy to receive input from members. Lloyd Quinan said that he had not received a reply from me. I will check whether that is the case, and I guarantee that he will get a response in future.

I think Robert Brown mentioned the Scottish Homes report and the national house condition survey. We will have those reports over the next period of time, and they will inform critically any response that we make. I hope that we can take on board any of the comments made within that report.

There is much on which we can work together with Robin Harper to tackle the bigger picture of fuel poverty. We want to work with organisations across Scotland to come up with something that will address many of the issues.

In my constituency, there is a substantial amount of housing that is below tolerable standard. On Friday afternoon, as part of my constituency duties, I met the Govanhill Housing Association, so I am being made aware, at a constituency level, that the issue is critical. It is about combining a whole series of measures, including ring fencing, and whether allocation within local authority housing budgets should be reintroduced to ensure that we have a planned programme. Admittedly, that would require discussion with COSLA and local government, but we hope to address that.

There are many other issues that I hope will influence us through the work of the Social Inclusion, Housing and Voluntary Sector Committee and other related committees. I hope that they will shape and influence some of the things that will emerge in the housing bill.

I commend the Executive amendment to the chamber.

12:23

Robin Harper: Somewhere deep in the recesses of Victoria Quay, there is somebody who writes every single Executive amendment. All those amendments come to us in the same self-congratulatory tone and ignore the facts that are staring the Executive in the face.

I was glad to hear the minister mention, for the first time in this debate, the possibility of ring fencing. The sum of £100 million is spent every year by the NHS on curing the problems that are caused by poor housing and dampness, while about £5 million to £6 million is spent on addressing those problems through insulation programmes, the warm deal and so on. We have things upside down.

Today's debate will achieve one thing if it drives housing energy efficiency further up the agenda, for the country and for the Parliament. It is an education concern—think of the child doing his or her homework, in the one room of the house that can be heated, with the rest of the family watching television. It is also a health concern, an income concern and an environmental concern, and must be the top priority for the next year of the Scottish Parliament. That is why I cannot accept the tone of the Executive amendment.

I am also sad that the Tories have bottled out, just as they did last week in the debate on genetically modified organisms. If the Tories had voted for my motion in the GMO debate, the Executive would have had its nose put slightly out of joint. Today, the Tories have bottled out again.

Bill Aitken: We would have voted for Mr Harper's amendment but for the fact that it is not our policy to try to embarrass the Executive just for the sake of it, only when it is wrong.

Robin Harper: Well, the Tories should make that their policy.

The Executive's amendment is misleading. Although it has been consulting with councils on the effectiveness of the warm deal, it has still not revealed that survey's contents. I commissioned my own study last November, and Christie Ellis, an American politics intern from the politics department of the University of Edinburgh, produced a report based on responses from a third of Scottish local authorities.

That report was handed to the Executive, the SNP and the Liberal Democrats and is one of the many documents that I have shared with the parties in the chamber. The report's bottom line was that our authorities believe that the scheme is seriously underfunded, as member after member has pointed out this morning. The Executive must recognise and admit that fact, and tell us that it will find the money for the scheme.

HECA officers and everyone else involved have a great deal of expertise—and a great will—to tackle the problem. By 2007, with the present and future resources available, we will have dealt with at most a fifth of the total problem in publicly and privately owned properties of all types. Yet the Executive invites our congratulations.

We need a housing bill and the highest possible building standards. Although Sweden and Denmark are cited as being the best in that respect, we do not need to go to Scandinavia to see what can be done. People can just hop on a number 5 bus or take a healthy 25-minute walk down to Lower London Road to the LINK housing project, where 95 houses have been built with an NHER of 10, the highest possible rating, and a standard assessment procedure, or SAP, rating of

93 per cent, at a cost that is only 4 per cent higher than the average cost of building such tenements in Scotland. It is a fantastic project that should set the standard. There should not be any talk about setting higher standards in the housing bill. There is built proof at the foot of the Royal Mile that we can build to the highest standard.

The minister has a problem with my suggestions. Civil servants are paid to solve problems that Parliament sets for them. I care not whether guidelines are issued in green, white, yellow or purple papers, or in a simple letter to local authorities and the Royal Institution of Chartered Surveyors. It is simple as that. Why is the Executive unwilling to flag up ideas that might well be in the new housing bill? Why not give everyone a chance to try out these strategies if they wish to and to benefit from the experience as the bill is developed?

My motion is an attempt to make the housing debate as important as the debates on education and health, and I hope that it has had some effect in that respect. Housing should arguably be our topmost priority and is clearly not yet. My motion sets out a small agenda which should be helpful to local authorities and have minimal cost implications, with none for the Executive, unless the cost of paper is counted as significant. The amendment is smug, self-congratulatory, misleading and vapid; it is of little use and should not recommend itself to the chamber. In short, it should be rejected.

The Executive has a problem with my motion—oh dear, oh dear, oh dear. I appeal to the chamber to give the Executive another problem: vote for the motion and reject the amendment.

Business Motion

The Deputy Presiding Officer (Patricia Ferguson): The next item on the agenda is consideration of business motion S1M-713, in the name of Mr Tom McCabe on behalf of the Parliamentary Bureau, which sets out our business programme.

The Minister for Parliament (Mr Tom McCabe): Before I move the motion, it is only right that I highlight a few items within it. As members are aware, on Wednesday 5 April, we will discuss the Holyrood project, which will be preceded by a ministerial statement. So that the time for the debate on the Holyrood project is not shortened, decision time will be moved to 5.30 pm that evening.

On Thursday 6 April, the SNP's non-executive debate will now cover two topics: public finance and agriculture.

Finally, there will be another ministerial statement on the afternoon of Thursday 6 April on the subject of rural affairs and agriculture.

I move,

That the Parliament agrees a) the following revision to the Business Motion approved on 23 March 2000:

Thursday 30 March 2000

after Business Motion, insert:

followed by Ministerial Statement on Spending Allocations 2000 – 2001

followed by Motion on publication of Mental Welfare Commission Report,
followed by a decision

and, after First Minister's Question Time, delete all and insert:

3.30 pm Ministerial Statement on Mental Welfare Commission Report

4.00 pm Executive Debate on Public Appointments

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business – debate on the subject of S1M-488 Cathy Jamieson: Health and Safety at Work in Scotland

and, b) the following programme of business—

Wednesday 5 April 2000

2.30 pm Time for Reflection

followed by Ministerial Statement

followed by SPCB Debate on the Holyrood Project

followed by Parliamentary Bureau Motions

5.30 pm Decision Time

followed by

Members' Business – debate on the subject of S1M-643 Lord James Douglas-Hamilton: A701

Thursday 6 April 2000

9.30 am Non-Executive Business - Scottish National Party

followed by Business Motion

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Debate on a motion for UK legislation on the Regulation of Investigatory Powers Bill

4.15 pm Ministerial Statement

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business - debate on the subject of S1M-418 Kenneth Gibson: Suicide

The Deputy Presiding Officer: The question is, that motion S1M-713, in the name of Mr Tom McCabe, be agreed to.

Motion agreed to.

The Deputy Presiding Officer: Before moving on to the next item of business, I remind members that a presentation and question-and-answer session on the Scottish Parliamentary Corporate Body's report on the Holyrood building project, which includes the Spencely report, will take place in committee room 1 at 1.30 pm today. There will be an opportunity to discuss the reports with the SPCB and John Spencely.

Spending Allocations 2000-01

The Deputy Presiding Officer (Patricia Ferguson): The next item of business is a statement by Mr Jack McConnell on spending allocations for 2000-01. The minister will take questions at the end of his statement, so there should be no interventions.

12:31

The Minister for Finance (Mr Jack McConnell): Last week, the Chancellor of the Exchequer announced major increases in spending for health, education and other vital services. Today we allocate the resources, which will be added to our Scottish budget as a result.

In 2000-01, the increase will be in the order of £288 million. I want to be clear: this is extra money that comes to Scotland without constraints. We are a devolved Parliament and we reserve the right to have different spending priorities. The extra resources are an increase in our total budget. The Executive, and ultimately the Parliament, will decide where they should be applied. Our priorities may be shared elsewhere in the UK, but they are our priorities. They include turning round Scotland's appalling health record, ensuring that every school in Scotland is excellent or improving—or both—investing bit by bit in Scotland's transport, and ensuring safer communities by tackling crime.

Those aims guide our spending plans. I can confirm today that additional resources will be allocated to those priority areas. Broadly, we will direct £87 million to education, nearly £9 million to justice and nearly £16 million to transport. The priorities of this coalition—health, education, transport, justice and enterprise—will all benefit from the new money, because those are the priorities of the Scottish people.

In one area, health, we will be even more precise. I am delighted to announce today that we will increase the health budget by £173 million in the financial year 2000-01. That is a massive injection of resources for the national health service in Scotland, on top of the increases in health agreed in the Budget (Scotland) Bill. That means a 7.3 per cent real-terms increase next year and major real-terms increases each following year to 2003-04. The increase per head for people in Scotland will be the same as for people elsewhere—£34 for every man, woman and child.

However, there is more investment to come. The chancellor announced additional spending for the national health service, from which Scotland will also benefit. In the three years 2001-02, 2002-03

and 2003-04, the increases in the health programme will be £268 million, £687 million and £1.14 billion. That is a grand total over four years of £2.268 billion—almost £450 per person in Scotland. It is a four-year programme of investment and reform in the national health service.

The new resources will provide an enormous boost for public services across the country. We have a duty to ensure that we employ them to maximum effect. Ministers are determined to maximise the added value to Scotland, prioritising demands, concentrating on outputs rather than on inputs and looking at what the extra money will buy rather than at how much we are getting. Above all, we want to find Scottish solutions to Scottish problems.

The spending strategy group, which I announced in January, comprising the Minister for Rural Affairs, the Minister for Parliament and myself, will ensure that the new money is used strategically to target priorities and to secure additional value. Money will not be unduly compartmentalised. With flexibility, we will consider and deal holistically with the big problems that straddle departmental, ministerial and accounting boundaries. We will direct the money to where it will best be used. We have time and we will take time to get that right, making the extra resources really work for Scotland.

The Cabinet will meet again after Easter to decide how to invest those additional sums. Ministers will outline in due course the real improvements to services that will be targeted in each priority area.

Susan Deacon has announced that the resources from tobacco duty will be used to promote public health, and she will target the remaining health resources equally effectively, not necessarily through concentrating on traditional health targets, but through working together to improve the health of our nation. We will not waste resources on partial interventions; we will attempt to get to the heart of problems, using resources efficiently and, most of all, imaginatively.

This is a massive investment in Scotland's services: £288 million next year and £2.4 billion in total up to 2003-04. We will use that as a total over those years, planning and investing across years as well as within years. That is joined-up budgeting for a joined-up set of priorities.

Public spending in Scotland will be at its highest ever, surpassing in real terms all previous peaks and then growing well beyond that. I want every pound to make a difference to the life chances of ordinary Scots. I want every pound to deliver maximum added value to Scotland, with public services measurably improved for all citizens.

The resources can and must be a down payment on a better, fairer Scotland for all. We must use them creatively for real improvements in daily life and for social justice for all. They provide millions of pounds more for the national health service, which will give all our citizens the opportunity to live healthier lives; millions of pounds more for schools, to give all our children the opportunities they deserve; millions of pounds more for our public transport systems, to improve transport links in our cities, towns and rural areas; and millions of pounds more for tackling crime, to make our streets safe and to remove the fear of crime. This is a down payment now for better hospitals, better schools, better transport and safer streets; it will be a windfall tomorrow for ordinary people the length and breadth of Scotland.

The Deputy Presiding Officer: The minister will now take questions on the issues raised in his statement. I intend to allow around 20 minutes for questions, after which we will proceed with the next item of business. It would therefore be helpful if those members who wish to ask questions would press their request-to-speak buttons.

Andrew Wilson (Central Scotland) (SNP): I thank the Minister for Finance for giving us foresight of his statement and congratulate him on his announcement, which repeats what John Reid announced this time last week.

Can the minister describe how he can make a £173 million increase into a 7.3 per cent increase? I am sure that he will explain that feat of arithmetic in the health department report. Will he confirm that the increase—this year, next year, the year after and the year after that—will be continuously less in total than the percentage increase in the health budget in the rest of the UK?

Will the minister confirm that the increase for transport is less than 6 per cent of the increase announced by the Chancellor of the Exchequer for the UK, and that the increase for crime is barely more than 3 per cent of the UK total, despite our population share being much larger than that?

Will the minister tell us whether he thinks that the £173 million, which equates to 66p a week for every Scot, will tackle the crisis in health spending? Does he agree that we cannot tackle that without the opportunity to invest real resources in public services, rather than waiting for a hand-me-down budget that, in any event, is continuously increasing more slowly than in the rest of the UK?

Mr McConnell: One of the great advantages of giving members a speech in advance is that it provides them with the opportunity to read it. I hope that, in future, Mr Wilson will take that opportunity. I specifically said that the money was

on top of the increases in health agreed in the Budget (Scotland) Bill. The Parliament agreed to pass a budget bill that has already increased the health budget in Scotland by more than was ever promised by either of the two main Opposition parties.

Today's increase takes the increase for next year to 7.3 per cent, which represents the same amount of money per head as would apply elsewhere in the United Kingdom. That is something of which we should be proud. It is a substantial increase.

This week, I noticed a slight divergence of opinion on this subject among leading figures in the SNP. While Mr Wilson was complaining in Scotland this week, Mr Salmond was in London, defending the funding formula, which he described as good for Scotland and something that he wanted to continue.

There may be a difference of opinion among SNP members, but there should be no difference of opinion in this chamber today. This is the best ever investment in the health service in Scotland. It will radically transform Scotland's health record and health service. It is something that this chamber should welcome, as I do.

Mr David Davidson (North-East Scotland) (Con): I thank the minister for providing us with an advance copy of his statement.

Although I welcome the additional resources for Scotland, which we recognise as coming out of the increased taxation that Gordon Brown has collected in the past three years, will the minister assure the Parliament that the money will not merely be used to plug gaps in inefficiencies in our public services or as a sticking plaster to cover up Labour's inadequacy in government, particularly in health delivery? Will the minister further assure us that the resources will be used to provide new services and initiatives in Scotland's public sector and infrastructure?

Will the minister tell us how the money will be labelled to ensure that the committees of the Parliament can scrutinise the actual use to which the money is put and appraise the outcomes and not, as he said, the outputs?

Mr McConnell: There will be considerable discussion of the Executive budgets in the committees of the Parliament in the three months to come. The specific changes that result from today's announcements and subsequent announcements will be included in the supplementary estimates that will be agreed by the committees in the usual way between now and the summer. I give the Parliament a guarantee that that will happen.

The issue of the adequacy or inadequacy of the

increase might be of interest to Mr Davidson. It is strange that he says that there are gaps that should be plugged and then asks for a guarantee that the money will be used to provide new services and initiatives. I can guarantee that there will be new improvements in the health service, in justice and in education. The improvements will appear to be more dramatic than they otherwise would because of the record of the Government that was replaced in 1997. There will be an increase of more than 50 per cent in health spending in Scotland over seven years.

I realise that Opposition parties need to criticise, probe and question the Executive but, every now and again, it would be nice if something as dramatically good for Scotland as this extra money could be welcomed by members on all sides of the chamber, rather than simply by those across the centre.

George Lyon (Argyll and Bute) (LD) rose—

Kay Ullrich (West of Scotland) (SNP): He wants a job.

George Lyon: I see that I have fans already.

On behalf of the Scottish Liberal Democrat party, I welcome the Executive's announcement. I am sure that the massive increase in health and education spending will be welcomed by all those who are involved in the day-to-day delivery of those key services. The additional funding will reverse years of neglect under previous Administrations.

I ask the minister to clarify how the £30 million that has been announced for education will be paid. Will he also confirm that the per capita health spend in Scotland is some £964, which is 18 per cent above the UK average, and that the extra £173 million will mean that we will still have a per capita spend that is 18 per cent above the rest of the UK? That spend represents £150 extra per head. For Kay Ullrich to claim that health spending in Scotland falls short of health spending south of the border is disingenuous, if not a deliberate attempt to mislead.

Mr McConnell: Many misleading comments have been made during the past week, with spokespeople from the other parties saying different things in different parts of the country.

I can confirm that health spending in Scotland will remain substantially higher than it is south of the border per head of the population. That is a good thing for Scotland. It recognises our special circumstances and gives us the opportunity to turn round our health record.

I draw members' attention to the middle part of my statement. It is important that we make it clear that, by joining up the service delivery mechanisms, we can get more for the money in

Scotland than might otherwise be the case. We need to raise our horizons. We will quote the figures, justify the budgets and rebut the paltry arguments of those who seek to dismiss what we are doing. At the same time, the Executive and the Parliament have a duty to consider ways in which we can deliver more for the money and secure the maximum added value to which I referred in my statement. I hope that we can do so.

Nicola Sturgeon (Glasgow) (SNP): I was pleased to hear the minister talking about raising horizons. He will know that his colleague the Minister for Children and Education is fond of league tables. Is he aware that Scotland is near the bottom of the European league table of education spending per pupil, lying below Denmark, Austria, France, Germany and a host of other countries?

According to current Executive figures, spending per primary school pupil in Scotland is £1,900 this year. The European average is £2,500 a year, which is £600 more. In Denmark, one of our closest European neighbours, £3,600 a year is spent on every primary school pupil. Is the minister satisfied with Scotland's place at the bottom of the European league table? If not, what will he do to ensure that our young people receive the same start in life as their European counterparts? The spending that he has announced today will not achieve that.

Mr McConnell: I said clearly in my statement that it is important that we invest those extra millions in Scotland's schools, to give children opportunities and to ensure that all our schools are either excellent or improving—or both. That is an important priority for Scotland, just as it is a priority elsewhere in the UK, which is why the Scottish education service has received such a substantial increase in investment this year, and why this coalition Executive—which Nicola Sturgeon occasionally likes to criticise—has made such a priority of additional money for education over the past 12 months.

No matter what interpretation is put on figures for specific services, there is no easy comparison between different European countries. It is easy to play around with statistics. The reality is that we need to turn round the massive under-investment in Scottish education of the past 20 years. We are doing that. We have not achieved it yet, and we certainly will not achieve it if we divert money away from education to pay for Kenny MacAskill's promises on transport, Kenny Gibson's promises on local government or any of the other promises that the SNP has made over the past six months. Education is our priority, and we continue to spend more on education, year on year, than anybody could have expected before last year's election. That should be welcomed.

Tommy Sheridan (Glasgow) (SSP): The minister asked everyone to applaud increases in expenditure. Every member of this Parliament would applaud increases in expenditure. However, does the minister accept that, after three years of sticking to rigid Tory spending plans, the extra expenditure that has been announced in no way returns us to the level of investment that is required in either our health or our education? Will he confirm that what has been announced today is extra expenditure on health and education at a cost particularly to local government services, which will continue to be squeezed under this Executive?

Mr McConnell: No, that is not the case. In due course, the facts will prove Tommy Sheridan wrong. Moreover, it is misleading to say that, although there is an increase in expenditure, it will not return us to some golden age when things were so much better. This is the highest level of public investment in Scotland's services that there has ever been, and it will increase over the next three to four years. That is an important fact on which to focus. This expenditure is not about returning to the past, but about looking to a future that is substantially better than the past. I hope that, some day, Tommy Sheridan will recognise that.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I can go further than George Lyon by saying that I very much welcome the minister's statement and any increase in public expenditure. The minister said that the money would be spent strategically and that every pound that was spent would make a difference. In considering how to spend the extra £16 million for transport, will he remember the A80, which runs through my constituency? Over the weekend, he found himself held up in a traffic jam on that road, so he will understand the difficulties that are faced by the people of my constituency and those who use that road to travel through west-central Scotland. When he sits down to decide how to spend this money, will he consider improving traffic management on that strategic road?

Mr McConnell: Cathie Craigie may get the prize for the most opportunistic intervention of the year. I will certainly pass on her comments to the Minister for Transport and the Environment, who I am sure will be delighted to hear them.

It is important to recognise that Scotland's roads and public transport require significant investment—all of us in the chamber are aware of that. The budget delivers that investment without increasing fuel duty above the rate of inflation. That is an important move, which should be welcomed; it will lead to long-overdue improvements in Scotland's rural and urban areas. Mr Sheridan may have alluded to this point in his

question, but the fact that significant investment is required is a direct result of the huge under-investment in transport infrastructure in Scotland during the 1990s by the Government of the time. The situation is being turned around, bit by bit, and this money will help to make a difference.

Kay Ullrich: Does the minister accept that his Government's record on the health service has been one of failure? Only yesterday, we heard that waiting lists have increased yet again, by 2,300, that the number of available beds in the NHS has decreased by almost 5,000 since new Labour came to power and that spending on bureaucracy has increased by £8 million during Labour's tenure. Can he explain how those and other failures will be addressed by a smaller increase in health spending in Scotland in comparison with elsewhere in the UK?

Mr McConnell: This may sound unlikely, but I prefer not to be too partisan in my response. I wish to state for the record that there is a frankly shocking degree of dishonesty in this chamber when we discuss health spending.

During the Scottish elections last year, the SNP did not promise £173 million—it promised £82.9 million, which it would produce by raising taxes. The £173 million from the budget statement comes without an increase in income tax. For 2002-03, the SNP promised £89.45 million, which was described at the time by Mr Wilson, Mrs Ullrich and their colleagues as the biggest investment ever in Scotland's public services—an investment of which they could be proud. That £89.45 million is slightly dwarfed by the £687 million that I promised in my statement. That sum is dismissed by Opposition parties, including the nationalists, but the facts speak for themselves: £80 million a year from the SNP pales into insignificance beside the £173 million, £268 million, £687 million and £1,140 million from the coalition Administration.

Mary Scanlon (Highlands and Islands) (Con): Will the £26 million from tobacco duty be allocated to smoking cessation measures? Will the minister guarantee to maintain the differential in health spending, which was recognised by successive Labour and Conservative Governments, in order to meet Scotland's needs?

Mr McConnell: The allocation of the £26 million was dealt with in a statement that was given last week. Work will continue on that allocation and the Minister for Health and Community Care will make appropriate statements as decisions are made. It would be wrong to rush that process by making a further announcement only a week later.

I stress that the increase per head that we receive in Scotland for transport, justice, health and education is exactly the same as the

increases that have been allocated elsewhere in the United Kingdom. That is in line with the funding policy that was agreed before devolution and that was supported in the referendum by my colleagues, the Liberal Democrats, and by the Labour party. I understand that it was not supported by the Conservatives and that it was not questioned at the time by nationalist members of the Westminster Parliament. The funding policy will stand the test of time for Scotland.

Only this week, the self-styled leader of the Opposition in this Parliament was in London, where he defended that funding policy and demanded that it remain in place. It is a pity that his front-bench colleagues do not do the same thing in this Parliament week after week.

Mrs Margaret Smith (Edinburgh West) (LD): Like Cathie Craigie, I could take this opportunity to ask the transport minister to fund the A8000 in my constituency, but I shall pass quickly on from that to ask a question with a health dimension.

Will the minister give an assurance that he will use this golden opportunity to tackle two areas in which we can make great inroads in health across the board? I am thinking particularly of funding for community care and for fuel poverty, a subject that Robin Harper raised this morning. Those are two areas in which the kind of approach that the minister described is badly needed and in which pooled budgets and a new joint approach to training and working together would bear fruit. In the past, we may have talked a good game on those policy areas, but we have not put in the money that was needed. I welcome the minister's announcement and hope that he will put money into those two areas.

Mr McConnell: Much as I enjoy the debate over figures, this Parliament has a duty to look beyond sterile discussions on how much was spent when and by whom or on how much is spent per head in Carlisle or in Cumbernauld. Over the next few months, we must consider how we can maximise the ability of this money to transform services in Scotland across the piece. When we add the money into departmental budgets for transport, justice, health and education, we will also examine local government budgets to ensure that all priority areas get maximum added value to improve services such as support for elderly people, funding to tackle drug dealing and to provide drug rehabilitation and prevention services, and initiatives to tackle homelessness.

Departmental barriers will not get in the way of achieving those improvements in services. Whatever the total that is allocated to the departments, what is important is what that money is spent on. I guarantee that we shall work endlessly to ensure that the improvements occur.

Robin Harper (Lothians) (Green): Following the minister's reply to Margaret Smith's question, and in the context of this morning's debate, will any of the money be spent on the warm deal?

Mr McConnell: As I came into the chamber and heard Robin Harper summing up in the previous debate, my heart sank because I thought that he would ask me that question when I made my statement on the budget policy. We have deliberately not outlined the specific initiatives that will be supported from the four departmental budgets that have been highlighted. Each of those areas, including any proposals for additional spending on specific areas, will be considered over the next four weeks. Departmental ministers will make appropriate announcements in due course about the projects, initiatives and improvements in services that will be developed as a result.

The Deputy Presiding Officer: Because of the brevity of that question and answer, I can get one more question in. I call Kenny Gibson. I hope that you will be brief.

Mr Kenneth Gibson (Glasgow) (SNP): I shall try to be brief. The minister talked about transformation, but I do not see anything to transform local government. According to the Convention of Scottish Local Authorities, £298 million has just been cut from local government for the forthcoming year, resulting in council tax rises and in jobs and services being slashed, so why has he ignored local government in his statement?

Mr McConnell: As I pointed out in a previous debate, council tax rises would have been much higher if SNP budgets in different councils across Scotland had been agreed. I think that the right balance has been struck between council tax rises and increases in expenditure. Councillors are to be congratulated on the way in which they have handled the situation.

I hesitate to make this point, but I shall make it none the less. It is important to listen to what is being said. The money will be added to the departmental budgets and used across those departments' initiatives to ensure the maximum added value. That will involve local government. Local authorities deliver the majority of directly provided services in Scotland outwith the health service. They carry out a significant job, for which the Executive provides the majority of the funding. As I said last week at COSLA's annual conference, we need to review the longer-term mechanisms for providing local authority funding over the next few months but, in the short term, local authorities will be involved in the distribution of much of this expenditure and in service delivery. Local authorities have responsibility for delivering education, which is our agreed shared top priority.

Mental Welfare Commission Report

Motion moved,

That the Parliament notes that the Scottish Ministers intend to lay the Mental Welfare Commission for Scotland Report of Inquiry into the Care and Treatment of Noel Ruddle before the Parliament and orders the Clerk to publish the report.—[*Susan Deacon.*]

Motion agreed to.

13:00

Meeting suspended until 14:30.

14:30

On resuming—

The Presiding Officer (Sir David Steel): Before we begin, I am sure that members will want to recognise and welcome the Speaker of the Hungarian Parliament, Dr János Adel, and his colleagues from the Parliament of Hungary. [Applause.]

Question Time

SCOTTISH EXECUTIVE

Royal Hospital for Sick Children

1. Ms Sandra White (Glasgow) (SNP): To ask the Scottish Executive what representations it has received concerning the proposal to relocate the royal hospital for sick children, Yorkhill. (S10-1452)

The Minister for Health and Community Care (Susan Deacon): I have received representations from one member of the public about the possible relocation of the services that are provided at Yorkhill hospital.

A number of comments have been received by Greater Glasgow Health Board on that and other aspects of its review of acute services, and I am sure that it will receive many more during the current public consultation exercise.

Ms White: I thank the minister for that answer. Is she aware of the views of many people who are concerned that the closure of Yorkhill hospital will undermine the state-of-the-art service that is provided? Is she further aware of the views of those who are concerned by the lack of direct transport links to Southern general hospital, which is the proposed site for the relocation?

Susan Deacon: I make it clear that I understand the concerns of local people and—for that matter—local elected representatives who want to ensure that hospital and other health services are of the highest standard and that they meet the people's needs.

I stress that review exercises such as that which Greater Glasgow Health Board is going through are undertaken to enable local people and health authorities to look to the future and to examine how services can be best provided, where they ought to be provided, how we harness new technologies and new treatments and how we harness the skills of all health service professionals. That will provide the highest possible quality of care throughout our hospital services. The review that is taking place is the biggest public consultation exercise in the history

of the national health service, and I am confident that its outcome will be a better future for health services in Glasgow.

Pauline McNeill (Glasgow Kelvin) (Lab): Does the minister agree that Yorkhill children's hospital—which is a specialist hospital that serves mothers, babies and children—represents the children's voice in the debate? Will the minister listen to the experts who say that when it comes to health services, children are different?

Susan Deacon: I would like to stress that the review processes in Glasgow and in other parts of the country are local review exercises. The views of local communities and individuals rightly ought to be submitted to and considered by local health authorities as part of their planning processes.

I agree with the basic principle of Pauline McNeill's question, which is the importance of children's services and the need to build and develop services around the needs of children. Hospitals such as Yorkhill and the sick kids' hospital in Edinburgh have led the way in many aspects of the care and treatment of children. I hope and am confident that in future—wherever those services are provided—the standard and quality of care, which is tailored to the needs of children, will be every bit as high, if not higher than it is now.

Coastal Erosion

2. Mr Adam Ingram (South of Scotland) (SNP): To ask the Scottish Executive how much it is currently spending to combat the effects of coastal erosion and how much it has spent in each of the past three years. (S1O-1469)

The Minister for Transport and the Environment (Sarah Boyack): Direct spending by the Scottish Executive to combat the effects of coastal erosion comprises both grant payments to councils for their coastal protection capital works schemes and also grant in aid towards councils' revenue expenditure on coastal protection.

In the period 1996-97 to 1999-2000, four councils made grant claims to the Executive for coastal protection capital works schemes. Those claims resulted in payments by the Executive of £393,000 in 1999-2000, £34,000 in 1998-99, £59,000 in 1997-98 and £103,000 in 1996-97. Total expenditure by councils on coastal protection during that time amounted to around £1 million annually.

Mr Ingram: I thank the minister for that reply. Will she respond to the challenge that such spending levels are totally inadequate? Will she comment on the fact that Troon Community Council has written to me asking for help to secure funding to repair the esplanade wall of Troon south beach and stabilise the sand dunes,

because the financial constraints on South Ayrshire Council will not allow both Ayr and Troon beaches to be defended? Will she make additional funding available, so that we can defend more than half of our coastline?

Sarah Boyack: The process is that the Scottish Executive provides assistance on the basis of applications from councils. There are at present no schemes before Scottish ministers for approval. I know that a number of schemes are being prepared by councils, where they have identified projects that they may wish to promote. It is for councils to decide on their priorities in line with the needs of their areas.

Football Clubs (Supporter Involvement)

3. Lewis Macdonald (Aberdeen Central) (Lab): To ask the Scottish Executive when it expects to make an announcement about supporter involvement in football clubs following the deadline for responses to the leaflet, "New Mutualism—A Golden Goal". (S1O-1460)

The Deputy Minister for Culture and Sport (Rhona Brankin): The Scottish Executive has invited the views of the main football bodies in Scotland, including the Scottish Football Supporters Federation. I have also held meetings with other interested parties on the issue with a view to formulating our position, which I hope to announce in the near future.

Lewis Macdonald: I thank Rhona Brankin for her response. Does she recognise that this is one area where football supporters in Scotland might benefit from following the English example, by giving fans more of a say in the running of their clubs, as is being done through Supporters Direct south of the border? Does she recognise that holding the Scottish cup semi-final between Aberdeen and Hibernian in Glasgow at 6 o'clock on Sunday evening is a further example of the need for fans to have a greater say in the running of the game?

Rhona Brankin: The Executive is sympathetic to the idea of more supporter involvement in football clubs. We are aware that a unit is to be formed to help establish supporters trusts in England. We are keeping in touch with those developments.

Our main priority at the moment is the development of a network of football academies, to bring on the best of our young Scottish footballers. We would not want to be diverted from that important objective. We are aware of developments, we have sought views on the matter and we will make a statement as soon as possible.

I am sure that Lewis Macdonald will make it to the game, whatever time it is at.

Dennis Canavan (Falkirk West): I join Lewis Macdonald in urging the minister to consider the experience in England, where money is apparently available from the Football Trust, for start-up grants to enable football fans to establish mutual trusts, which in turn enable them to have representation on the boards of football clubs. Will the minister ensure that such money is available from the Football Trust for Scotland, bearing in mind that the Football Trust has, over the years, had considerable sums from Scottish football supporters and pools punters?

Rhona Brankin: As I have said, the Executive is aware of the developments in England. We are seeking the views of the football bodies in Scotland.

I reiterate that our immediate commitment is to develop a network of youth academies. We are keen that that development goes ahead. We are examining the idea of supporters trusts. We will make a statement as soon as our view is formulated.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I do not want to suggest that the footballing academies are not a welcome development, because I accept that they are welcome. However, does the minister accept that a small financial input into supporting and developing the concept of football trusts would ensure that football clubs developed at community level?

Will the minister also endorse the sentiments contained in the pamphlet published by the Co-operative party about the role of mutuals in the future of all types of sporting organisations?

Rhona Brankin: We are sympathetic to the idea of more supporter involvement in football clubs. Fans are the lifeblood of the game, so it is important that their views are known and taken into account.

I reiterate that we are aware of developments, we are in close touch with those involved and we will reach a view as soon as possible.

Health Promotion

4. Scott Barrie (Dunfermline West) (Lab): To ask the Scottish Executive what plans it has to promote physical activity among young people in order to improve their general health. (S1O-1454)

The Minister for Health and Community Care (Susan Deacon): The curriculum framework for children aged three to five already emphasises the importance of physical activity and development for young children. SportScotland is promoting a number of youth sport programmes, including a pilot active primary schools programme. We are developing a national physical activity strategy for

Scotland. Our aim is that 50 per cent of 11 to 15-year-olds will be taking vigorous exercise four or more times a week by 2010.

Scott Barrie: Does the minister agree that it is vital that young people's physical activity is promoted, particularly given recent research showing that today's teenagers are less fit than teenagers were 30 years ago?

Susan Deacon: I agree; as I said in my statement to Parliament last week, we must get better not only at treating ill health but at preventing it. One way in which we can reduce the incidence of cancer and coronary heart disease in Scotland is by improving children's health. I was delighted to be able to announce last week a major investment of £26 million in public health and health improvement; improving children's health will be at the core of that work.

Robin Harper (Lothians) (Green): Perhaps this question is as much for the Minister for Transport and the Environment, but does the Executive have plans to protect the steadily decreasing green spaces available to children?

Susan Deacon: I am assured by the Minister for Transport and the Environment that planning policy guidelines are being looked at that will include that issue.

I will take the opportunity of Robin Harper's question to comment on the need for us to work across different policy areas, departments and ministerial responsibilities to bring about improvements. For example, education, environment and health ministers work together on initiatives such as safer routes to school, which are about improving health as well as the environmental benefits. The Minister for Finance today restated our commitment to working together to make best use of our resources and energies, to ensure the biggest possible improvements for the people of Scotland. We will go on doing that.

Rural Housing

6. Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): To ask the Scottish Executive whether it has any plans to exclude from the proposed extension to the right to buy those rural communities where social housing provision is already at a very low level. (S1O-1446)

The Minister for Communities (Ms Wendy Alexander): As part of the rural partnership for change initiative, which I announced on 11 March, we are considering whether provision needs to be made in the forthcoming housing bill to designate a specified period for pressured rural areas during which new tenants would not be able to exercise the right to buy. Any such power of designation,

which would replace the current but rarely used power, would apply solely to new tenants and would not affect the rights of existing tenants in any way.

Mr Rumbles: Is the minister aware that the authoritative 1997 Shelter report suggested that 35 per cent of rural council housing has been sold off? In Aberdeenshire, that figure is over 50 per cent and in my own constituency it is even higher. Does the minister accept that the proposals as they stand will cause real problems in rural communities? Will the minister give a guarantee that the availability of socially rented housing in rural communities will not fall below a specific level?

Ms Alexander: The right to buy is popular with tenants. The level of sales has fallen to a third of what it was 10 years ago. The proposed extension to the right to buy is estimated to mean 120 additional sales per year. This year, we are promising to build 1,570 new homes in rural Scotland. That, combined with the power to designate, will allow us to increase the supply of socially rented housing in rural Scotland.

David Mundell (South of Scotland) (Con): Does the minister agree that significant changes to national planning policy guidelines and in the approaches of many local authority planning departments are needed if we are to see socially provided housing stock replaced in Scottish rural communities?

Ms Alexander: David Mundell raises an important point that applies to all housing in rural areas. That is why the rural partnership for change will look at land assembly, land designation and development powers in such areas, to allow both socially rented and low-cost ownership houses to be more easily built.

Railways (Electrification)

7. Mr Kenny MacAskill (Lothians) (SNP): To ask the Scottish Executive what representations it intends to make to the strategic rail authority regarding electrification of railways in Scotland. (S10-1466)

The Minister for Transport and the Environment (Sarah Boyack): Provision has been made in the UK Transport Bill to enable the Scottish ministers to issue directions and guidance to the strategic rail authority in relation to rail services that start and end in Scotland. Those directions and that guidance will be concerned with matters such as service levels and fares policies. It will be up to the train operating companies and Railtrack to provide the necessary infrastructure.

Mr MacAskill: Thirty-eight per cent of the UK rail network is electrified, but only 23.6 per cent of

the network in Scotland is electrified. When does the minister think that we will have reached the UK average, and what lines does she propose to electrify to ensure that we get up to that average?

Sarah Boyack: I am not prepared to accept Mr MacAskill's simplistic analysis of how we need to improve the railway network in Scotland. The east coast main line, for example, does not end in Edinburgh, and new proposals that are being made by both Virgin and Great North Eastern Railway refer to tilting trains. Electrification is not the only way in which to improve services in Scotland. Tilting trains and the network improvements that are currently being carried out will also do that.

Helen Eadie (Dunfermline East) (Lab): What plans does the minister have to make representations to the rail regulator about redefining the east coast main line as stretching from Aberdeen to London, rather than Edinburgh to London?

Sarah Boyack: We aim to ensure that when the franchise process takes place we retain at least the level of service that we have at the moment. In discussions with the strategic rail authority, my intention will be not just to maintain the existing service, but to expand and improve on it. That is not just about extending the east coast main line, but about integrating it with the ScotRail services that also run on the line.

Mr Murray Tosh (South of Scotland) (Con): Will the minister confirm that the so-called McLeish settlement gave the Scottish Executive powers of direction, instruction and guidance? Will she explain why in her answer to Kenny MacAskill she omitted the word instruction and say why that was significant? Does she believe that the McLeish settlement is still intact in its entirety?

Sarah Boyack: The answer that I gave Mr MacAskill was technically correct in relation to the UK Transport Bill. I do not think that it is significant that the word instruction does not appear in the bill. We are delivering the McLeish settlement, both through the work that we are doing in Scotland and through the Transport Bill that is being considered at Westminster.

National Health Service

8. Bristow Muldoon (Livingston) (Lab): To ask the Scottish Executive what NHS per capita expenditure in Scotland will be compared with England and Wales and compared with the European Union average, following the Chancellor of the Exchequer's budget announcement. (S10-1486)

The Minister for Health and Community Care (Susan Deacon): Following decisions taken by the Scottish Cabinet on Tuesday, Scottish

expenditure on health will be £1,057 per head from 1 April. The comparable English figure is £890. Comparable figures for Wales and the European Union for 2000-01 are not available.

Bristow Muldoon: I welcome the continued additional investment in Scotland's health service compared with the rest of the United Kingdom. How does the minister intend to work in partnership with NHS staff to use the additional investment to improve Scotland's record on cancer, stroke and coronary disease?

Susan Deacon: It is more than significant that we are, without question, channelling record amounts of investment into the NHS in Scotland. As I have said before in the chamber—and I say it again—it is important that we do not just spend more, but spend better. That means that we must ensure that investment is targeted on change—on improving and developing services and making a difference to patients by reducing waiting times and making treatment more responsive.

Staff in the NHS must be at the heart of the decision-making process on changes to services. We have led the way in Scotland, through the establishment of the Scottish partnership forum, in working together with staff representatives and trade unions. We are rolling out partnership working at a local level. As we move forward, investing more, doing better and achieving more in the NHS in Scotland, NHS staff must be at the heart of that.

Mr Duncan Hamilton (Highlands and Islands) (SNP): On the subject of spending per head of population, the minister is always keen to highlight the fact that Scotland receives 20 per cent more per head than the rest of the UK receives. Does she agree that that is entirely justified by the additional costs of providing services for rural communities and of dealing with historical deprivation? Will she give an absolute guarantee that over the next four years the 20 per cent differential will be maintained?

Susan Deacon: Members may call me naive and optimistic, but I would have thought that, after the many debates and exchanges that we have had over recent weeks, the SNP might have come up with an original question and one that made more sense.

Perhaps SNP members should think about uttering the words—as even Michael Portillo did in Westminster last week—that they think that it is a good thing that record levels of additional investment are going into the national health service in Scotland. The figures for the next four years were announced in the Parliament today. They show record additional investment in the health service, an increase in spending per head of population that is the same as in England, and

continued higher health spending in Scotland. I do not think that we can be any clearer about that. It is time that the SNP grew up, moved on and started to engage in the facts and the real issues.

Lip-reading Tutors

9. Mary Scanlon (Highlands and Islands) (Con): To ask the Scottish Executive what assistance is given to people wishing to train as lip-reading tutors. (S1O-1462)

The Deputy Minister for Community Care (Iain Gray): Lip-reading tutors may receive assistance from the Scottish course to train tutors of lip-reading based at Donaldson's College in Edinburgh. In addition, where there is local demand, help may be delivered through local authority community education services and through colleges of further education. The Scottish Executive awards a specific grant for social work training to local authorities, which can use it to train social work staff in lip-reading according to their assessment of local needs.

Mary Scanlon: Given that 737,000 people in Scotland suffer from hearing impairment, what will be done to set up a Scotland-wide service to ensure that people with acquired hearing loss are given the opportunity to attend lip-reading classes, and are not just provided with a hearing aid and then sent home to cope without support? Will the minister consider giving financial support for people who wish to train as lip-reading tutors and for people who wish to attend classes?

Iain Gray: I thank Mary Scanlon for pointing out just how many people are affected by deafness or difficulties with hearing. It is important to ensure that a variety of approaches to enable people to communicate with others are provided, because different approaches are appropriate in different cases. There is considerable variation around the country in what is required and how requirements can be met. Therefore, the best way of matching need and availability is through the voluntary sector and local authorities, which understand needs. A couple of years ago, ministers increased section 9 funding by £150,000 over two years to facilitate training in sign language and lip-reading. Organisations such as the Royal National Institute for Deaf People and Deaf Blind UK benefited from that funding.

The Scottish strategy, which is made up of local responses, is more important, and we will continue to endeavour to deliver that.

Johann Lamont (Glasgow Pollok) (Lab): Is the minister aware that many people who experience hearing loss during their lives—as opposed to those who are born deaf—are not directed towards lip-reading support when they are diagnosed as having lost their hearing? As a

result, such people may become very isolated, which is a particular problem for elderly people. Will the minister raise with his colleagues the importance of examining that issue and discussing it with people who are involved in health and social work services, as part of our broad and important social inclusion and equal opportunities strategy?

Iain Gray: I agree that it is extremely important that professionals consider the full range of their clients' needs. It is an issue that Ms Lamont raised with me a couple of weeks ago. I have asked for information to be sent to her on that matter.

Ms Margo MacDonald (Lothians) (SNP): I add my entreaties to those of Johann Lamont. Does the minister agree that a benchmark might be for each ear, nose and throat unit in Scotland to identify a qualified lip-reading tutor? The number of people who become deaf in later life is increasing. Rather than leave it to a local response, therefore, we should accept that we need a national strategy. Perhaps we could start by asking each ENT specialist to identify one lip-reading tutor.

Iain Gray: That is a constructive suggestion—I hear what Margo MacDonald is saying. It seems that the demand for lip-reading tutors is relatively recent. Indeed, one of the problems is that the need has not been well quantified; there is a lack of information. Following on from Ms Lamont's question a couple of weeks ago, I have asked for some information to be gathered. I take Ms MacDonald's suggestion in the spirit in which it was intended.

District Courts

10. Mrs Mary Mulligan (Linlithgow) (Lab): To ask the Scottish Executive what plans it has for the future operation of the district court service. (S1O-1448)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): Court arrangements in Scotland, including those for the district courts, are kept under regular review.

Mrs Mulligan: Are there any plans to extend the work of the district court to cover the areas that are at present the remit of the sheriff court, as has already been alluded to by Lord Cullen in a previous report?

Mr Wallace: Such matters are kept under review, although there is no specific proposal at present to make any change.

Planning

11. Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): To ask the Scottish Executive what detailed plans it has to improve the planning system to increase public participation and ensure

decisions reflect the principles of sustainable development. (S1O-1491)

The Minister for Transport and the Environment (Sarah Boyack): Public participation is a cornerstone of the planning system and there are already significant opportunities for the public to be involved. We will address the issue of how the planning system can contribute to the achievement of sustainable development in the revision of national planning policy guideline 1.

Ian Jenkins: In the light of the recent report of the Transport and the Environment Committee, will the minister act urgently to bring the erection of telecommunications masts under full planning control, ensuring that situations such as that in the conservation village of Carlops cannot be repeated?

Will the minister ensure that in cases such as the realignment of the A701, where many objections were made on the ground of sustainability, there will be a full and open inquiry into the environmental impact and sustainable aspects of the proposals?

Sarah Boyack: On the member's first question, I will spend time looking at yesterday's report from the Transport and the Environment Committee on telecommunications masts. The Executive has been considering that matter, particularly in relation to our own proposals for prior approval. I will read the report, I will consider its implications and, further to that, I will take action as it is deemed appropriate.

On the second matter that the member raised, the decision by the Scottish ministers on that route was taken in line with the development plan that had been approved.

Christine Grahame (South of Scotland) (SNP): I refer the minister to the *Edinburgh Evening News* of 27 March, which announced that a 50 ft by 50 ft hole has opened up in the proposed route for the A701. It is believed to be redundant mineworkings or an old landfill site. Will the minister explain what happened to the 447 objections lodged against the plans for the road, which drew attention to such problems in advance? Now that this hole has appeared, will she halt the development, pending a public inquiry, or will she merely be looking into it?

Sarah Boyack: Having decided not to call in that planning issue, the matter is now for Midlothian Council to pursue as it sees fit. It will have to consider the matters to which the member refers.

Dr Sylvia Jackson (Stirling) (Lab): While I support the sentiments of Ian Jenkins's question, does the minister agree that it is imperative that

we tackle a significant educational agenda: the understanding of the term sustainable development?

Sarah Boyack: I am happy to agree with the points that Sylvia Jackson has made. It is important that we increase our understanding of sustainable development. I hope that the work that Sylvia is doing with the European Committee in considering the sixth environmental action programme will help us to broaden and deepen that knowledge.

Tax-varying Powers

12. Mr John Swinney (North Tayside) (SNP): To ask the Scottish Executive what discussions there have been in its Cabinet regarding the implementation of the tax-varying powers. (S10-1475)

The Minister for Finance (Mr Jack McConnell): The Scottish Executive has already stated that it will not implement its power to vary the basic rate of income tax during the lifetime of this Parliament.

Mr Swinney: I wonder whether the minister will go into more detail and tell us whether the Executive has had any recent discussions on this subject. During the visit of the Prime Minister to this Parliament, many of us were struck by the strong stance that was taken by the Deputy First Minister when he called for Gordon Brown to abandon his 1p cut in income tax. I was further delighted to see the Deputy First Minister trooping through the lobby in the House of Commons on Monday night to vote on exactly that point. Have there been recent discussions, or have the Liberal Democrats lost the argument within the Executive?

Mr McConnell: Mr Swinney disappoints me: I thought that he had asked his question with the intention of announcing a second U-turn in SNP policy in recent months, following the U-turn last year on the policy on independence.

It is also worth noting that Mr Swinney's proposals for a penny for Scotland last year, which were described as the largest investment ever in Scottish public services, have been outdone in one week by the Government and by this Executive, which this morning announced £288 million of investment in Scottish public services.

I do not believe that it would be appropriate to have a higher rate of tax for people in Scotland than for people in England over the next four years. We are agreed on that, and we are investing in Scottish public services. We are right and Mr Swinney is wrong.

Assisted Areas

13. Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): To ask the Scottish Executive what representations it has made to Her Majesty's Government on the need to conclude and agree the assisted area status map so that public sector agencies across the United Kingdom will be permitted to invest more than the paltry minimum €100,000, or £63,000. (S10-1456)

The Presiding Officer: Members ought to read the exact question in the business bulletin.

The Minister for Enterprise and Lifelong Learning (Henry McLeish): The Scottish Executive continues to work closely with the Department of Trade and Industry on the review of the assisted area status map. Map proposals are subject to European Commission approval and we hope that discussions with the Commission will be completed quickly and a new map approved soon.

Fergus Ewing: Does the minister agree that any further delay in resolving the issue will seriously jeopardise any major new employment creation initiatives in Scotland and the UK, especially in places such as Inverness, Nairn and Kinlochleven, where thousands of people are about to be made redundant? What precise links does the Executive have with the DTI? Will the minister make a specific and detailed report to the Parliament and to the Enterprise and Lifelong Learning Committee on the precise barriers that prevent the issue from being resolved?

Henry McLeish: I do not agree with the central proposition of that supplementary question. The assisted areas map is being dealt with in Europe—it is with the Commission. It is important to stress that that does not jeopardise in any way inward or indigenous investment in this country.

Mr Ewing's way of creating problems where none exists does not help. For people worldwide and for people here, Scotland is a first-class place in which to invest. There has been excellent success that can be built upon. Everyone in the chamber can be reassured that we are working closely with our colleagues in the DTI to ensure that the map is approved at the earliest opportunity.

If there is an application for regional selective assistance from anywhere in Scotland, a letter will be sent approving the project in principle, subject to the new map being approved. There is therefore no threat to any project. The message is: business as usual.

Local Government (Electoral Reform)

14. Donald Gorrie (Central Scotland) (LD): To ask the Scottish Executive whether it remains committed to progress on local government

electoral reform following "The Report of the Commission on Local Government and the Scottish Parliament" and what time scale it envisages for such progress. (S1O-1485)

The Deputy Minister for Local Government (Mr Frank McAveety): In July of last year, we announced a commitment to set up a cross-party renewing local democracy working group to be chaired by Richard Kerley. The group is due to report in the spring. We look forward to receiving the report and to considering its recommendations.

Donald Gorrie: Will the minister give a commitment that there will be legislation—this year, next year, or whenever—on the voting system for local government? We must have a commitment for a date for that legislation.

Mr McAveety: We are committed in the partnership agreement to having progress on electoral reform. It would be premature, while we await Kerley's report, to consider its recommendations. When the report is published, the Executive will be able to examine it and make recommendations that may meet Mr Gorrie's aspirations.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): As part of the discussions on local government, does the Executive have any plans to reorganise existing local government boundaries?

The Presiding Officer: I am not sure that that is relevant to the question.

Mr McAveety: We have no such plans.

The Presiding Officer: Thank you.

Mr Kenneth Gibson (Glasgow) (SNP): Is it not time for the Executive to give a clear commitment to introduce proportional representation at the next local government elections? Why is the minister unwilling to condemn the reactionaries in the Labour party who are willing to split the coalition to preserve their local government political power base? Why will the minister not tell the chamber his personal views on the subject?

Mr McAveety: I will leave the condemnation to the rhetoric of Kenny Gibson. We await the Kerley report. It is important that we consider the whole of that report. Richard Kerley and his cross-party committee are also considering critical issues such as the representation of women and young people in local government, and the roles and responsibilities of elected members, in which there has been no substantial change for the past 20 to 25 years. When we talk about the modernisation of local government, I hope that we do not regard that as a single issue but as a range of issues that are concerned with enhancing local democracy, where appropriate.

Railways (Electrification)

15. Mr John McAllion (Dundee East) (Lab): To ask the Scottish Executive when it last met Railtrack to discuss the completion of the electrification of the east coast main line. (S1O-1453)

The Minister for Transport and the Environment (Sarah Boyack): I met the chief executive of Railtrack on 13 March. We discussed a wide range of matters, including the east coast main line.

Mr McAllion: Does the minister agree that the aspiration of a genuinely integrated railway infrastructure in this country will never be realised so long as Dundee, Aberdeen, Inverness and the north of Scotland are excluded from the benefits—including environmental benefits—of electrification? If Railtrack continues to refuse to complete electrification on the ground that it is not profitable for it to do so, what steps will the Scottish Executive be prepared to take, in partnership with the Westminster Government, to instruct Railtrack—or to force it, I do not mind which—to make the required investment on social grounds? Surely, in the new Scotland, people should always come before profits.

Sarah Boyack: On all those issues, I assure Mr McAllion that we are working with a variety of rail interests, including Railtrack, to try to get more investment into our railways.

We want to improve journey times and the level of service. In fact, on the route that Mr McAllion refers to, recent improvements such as the £15 million Eurostar—sorry, I mean Turbostar—rail units that ScotRail has placed on that line and the improvements that are coming around through enhancements to the track, will take about 10 minutes off the journey between Edinburgh and Aberdeen. That is the start, but we must go further. A wide range of enhancements, many of which are mentioned in the Railtrack network management strategy, will be the key things that we need to think about and prioritise if we want to improve the quality of the services that people in Scotland get from the rail network.

I want to emphasise the point that the network is growing. The figures that appear in the next 10-year plan, which are in front of us today, suggest something in the region of a 30 per cent increase in passenger numbers. I strongly support that.

Bruce Crawford (Mid Scotland and Fife) (SNP): The minister rightly mentioned integrated transport, as did John McAllion. Eurostar was also mentioned. What discussions has the minister had with her counterparts in the European Union about the furtherance of integration between the European and British, as well as Scottish, rail networks to help further Scotland's export interests

and to ensure that our goods get to market as soon as possible?

Sarah Boyack: The work that we are doing through our freight facilities grant is intended to give the opportunity for fast, good rail networks that will allow people to export their goods to Europe. The work that we are doing, which involves £6.1 million each year over the next three years, will enable us to do precisely that.

First Minister's Question Time

SCOTTISH EXECUTIVE

Cabinet (Meetings)

1. Mr Alex Salmond (Banff and Buchan) (SNP): To ask the First Minister what issues were discussed at the most recent meeting of the Scottish Executive's Cabinet. (S1F-239)

The First Minister (Donald Dewar): Mr Salmond should not be surprised to learn that we discussed several matters of significance to the Executive and the people of Scotland. Lest he be disappointed, I should mention that his name cropped up once, in passing.

Mr Salmond: Only the once?

What should have been discussed at that meeting is the increased cost of the Holyrood project. Will the First Minister explain paragraph 4.3.4 of John Spencely's report, which has been made available to members today? That paragraph highlights the fact that, on four separate occasions last year, up to £27 million of additional costs had been identified but were not reported to the Parliament. Will the First Minister tell us whether, at any stage, the project team that he appointed made him or any member of his Administration aware of those possible additional costs? Does he accept that, for whatever reason, when the Parliament decided last June to go ahead with Holyrood, the chamber was seriously misled about the true costs?

The First Minister: No, I do not accept that Parliament was misled, and I give Mr Salmond a categorical assurance that I would not be party to misleading Parliament and have no intention of doing so.

The figures supplied to me were £62 million for construction costs and a total of £109 million. I reported that in good faith and believe it to be correct. That total included £6 million for construction contingency costs. The figure of £89 million is of course important, and I understand that it is built on the inclusion of a number of elements including £16 million for design risks. Those figures were not firm costs and as such were not supplied to me, or to the Scottish Parliamentary Corporate Body. I gave an honest estimate based on expert advice. My officials have advised me that they deliberately excluded those figures because they saw it as part of the task of the design and project teams to manage the risks out. In their view, it would have been contrary to good practice to add them in, as it would have effectively removed the pressure on the design team to prevent the costs from rising.

My officials further point out that the process of setting and working within the overall budget must be seen as a whole. Although some extra risks might materialise, further savings can often be made. For example, the value engineering exercise that they planned turned out to offer savings of around £20 million. The design risk figures that were not included must be considered in that context.

I should add that I would expect the Auditor General's forthcoming study to examine my officials' judgment on this matter, and I imagine that many members will be interested in the results of that inquiry. Mr Salmond will notice that paragraph 4.3.4 of the Spencely report says that the additional £27 million

"were not identified in cost terms in the report to the Client"—

the client being the SPCB. However, the same holds for me as well.

Mr Salmond: Given that the project team is not noted for managing costs out but for managing them up, might it not have been a good idea for the client to have been told about the £27 million that had been identified on four separate occasions in four separate cost assessments?

Is not it the case that the Parliament was entitled to have that information when it made its vital decision last year? Furthermore, given that we did not have that information, does the First Minister agree with the statement that the £109 million figure that he reported to this Parliament was wrong and not the whole story?

The First Minister: No, I would not agree with that, for the reasons that I have given at some length. I do not believe that Parliament was misled and I gave an account of the situation based upon my knowledge and the information available to me. Furthermore, the SPCB made its decision on that information and those figures. Mr Salmond will remember that paragraph 11 of its report, which was published this morning, says:

"It may well have been possible for the project as it then stood to have been completed for a figure in the region of £109m. At the time we accepted the £62m construction component of this as a challenging budget. But clearly it assumed very limited design changes and no delays."

For reasons that the SPCB goes on to explain very fairly in its report, the pressures for increased accommodation from the parliamentary family and the spread of interests in the Parliament meant that there were very substantial increases in space demands that had to be built into the design. That greatly affected the cost profile. At the time, the figures that I gave were accepted by the SPCB as challenging but possible. It was certainly on that basis that they were put forward.

Mr Salmond: When I said that the figures were wrong and not the whole story, I was quoting John Spencely directly. Given that information, will the First Minister now say that his officials were wrong not to tell him about the £27 million costs? Will he retract the statement he made, quite incredibly, at a press conference this morning, that it was perfectly proper for him not to be told about the figures? If he was not told about the figures, how on earth was the Parliament expected to reach a rational decision? Given that the officials concerned were appointed by the First Minister when he was Secretary of State for Scotland, will he now accept his personal responsibility for the contribution he has made to the unacceptable and escalating costs of the Holyrood project?

The First Minister: No. I do not accept that charge. I certainly accept that I am responsible for the project in the same way as a minister is responsible for anything that occurs within his bailiwick or area of responsibility. I sometimes think that I take that more seriously than others have in the past.

I take some consolation from a large number of John Spencely's findings. It is important to recognise, for example, that he endorsed the construction methods, which were much criticised. I note the evidence in his and the SPCB's report that many of the cost features were very competitive when compared with Portcullis House, the new Parliament building in London. I know for a fact, despite many of the rumours that have been put about, that the demands made by the Executive for additional space were less than 5 per cent of the total increase that occurred. I certainly believe that the decision to go to the Holyrood site, which was made as a result of investigation and advice from men of skill and experience, was the right one. I hold to that decision and will continue to defend it.

Joint Ministerial Committees

2. David McLetchie (Lothians) (Con): To ask the First Minister whether there are any plans to set up further joint ministerial committees. (S1F-241)

The First Minister (Donald Dewar): My apologies, Sir David. I am looking for my papers, as I really must get this reply word perfect. The answer is that a joint ministerial committee on health will meet shortly. Beyond that, I have nothing to say.

David McLetchie: We look forward to the establishment of that committee and to its deliberations.

May I suggest that we might have another such committee on the construction and financing of major public buildings? I listened with interest to

the First Minister's answers to Mr Salmond's questions. In retrospect, rather than charging ahead with the Holyrood project on his personal recommendation last year, does the First Minister accept that it would have been far better if the Parliament had accepted the amendment lodged by Mrs MacDonald and Donald Gorrie to halt and take a look at all the options, before taking a final decision? In the light of the bitter and costly experience of the past months, is the First Minister prepared even at this late stage to back our call for a halt to consider the options so that when a decision is taken by the Parliament it is an informed one that takes all the factors into account?

The First Minister: Mr McLetchie makes his point rather more reasonably than he sometimes does. I am grateful for that.

The difficulty with his suggestion is that delay undoubtedly means additional cost. Delay eats money. If Mr McLetchie has looked with care, as I am sure he has, at the SPCB's report, he will have seen that one of the difficulties with, for example, the redesign of the chamber and various other factors—although I understand why they happened—is that they have led to delays. Mr McLetchie will also have looked at the Spencely report, which makes it clear that we are talking about penalties of tens of millions of pounds if we simply write off the Holyrood site. There is no comfort there for anyone who argues that there is some easy, cost-effective solution to be found by moving to another site.

I remind Mr McLetchie, in a spirit of co-operation, that the early indicative costs—from the same chartered surveyors—for, for example, the St Andrew's House-Calton Hill site were considerably higher than those for the Holyrood site.

Of course I want everyone to look rationally and sensibly at the facts of the situation. I also urge that we take into account the very considerable inconvenience, increased cost and difficulties of starting at a new site, with a new design, with costs that may well end up being higher, and with leaving this Parliament operating on a hand-to-mouth basis under the very unsatisfactory circumstances in which we find ourselves at the moment.

David McLetchie: I accept that delay has a cost attached to it. Sometimes, however, a pause for reflection and consideration of options can achieve substantial cost savings. If there had been a proper examination during the summer, as recommended by Mr Gorrie and Mrs MacDonald, some of the cost factors that have come to light now would have been revealed then. We would be substantially better off and not in the mess that we are in now.

I will ask the First Minister about the financing of the project—which is a very serious matter. He will recall that, when he responded to my question on this subject on 2 March, he said that he was not looking for additional funding from Gordon Brown to assist with the financing of the escalating costs of the Parliament, and that funding had to be found from within the Scottish budget.

The First Minister will be aware of the report in *The Herald* today that suggests that the Chancellor of the Exchequer is indeed to gallop to the rescue. Can the First Minister clarify whether that is the case? If not, are other funding options, such as a parliamentary bond or some private finance initiative, to be considered for the overall funding of the project?

If the First Minister is unable to give a clear answer to that today—he may not be—will he make such information available to the Parliament in time for next week's debate, so that we can take all factors into account when we debate the report of the Scottish Parliamentary Corporate Body?

The First Minister: I will try, of course, to make available any information that seems relevant and which will help that rational discussion and debate. I am all in favour of rationality in such matters.

I read with a certain curiosity the story that appeared in *The Herald*. I recognise that speculative pieces sometimes appear. I stand by what I have always said: the Scottish budget was transferred to this Parliament; the Scottish budget was intended to bear the weight of our own building and of our own arrangements for our future home, and that remains the situation.

The increase in price is of course a matter of concern and we will examine that with great care. There will of course, or it may well be—I had better be careful—that the phasing will be over a rather longer period than was previously anticipated, and that will be of help: £109 million is in the line at the moment, ending in the year 2002-03. We believe that the cost of £195 million, assuming—as I would hope and believe to be wise—the Parliament decides to proceed with the Holyrood site, could be managed reasonably comfortably, without impacting on other things and perhaps using some end-year flexibility to bring the matter to a successful conclusion.

I am certainly prepared to listen to suggestions about other methods of funding, but I do not think that I would hold out a prospect of an escape hatch opening and allowing us to dive off in another direction without any financial difficulties.

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): In the light of the present difficulties of the Holyrood project, does the First Minister believe that there is a case for moving to a fixed price for the remainder of the contract?

The First Minister: That is an interesting subject. There was running criticism about the fact that we proceeded by what is called a construction management method. That essentially means that work was put out on a package basis to competitive tender, with the lowest satisfactory bid being accepted in each case.

It is interesting that John Spencely rejects what he calls single-stage lump-sum contracts, which means, as I understand it, a fixed-price contract. One of the reasons for that is that he believes that that would lead to enormous—or rather very significant—delay and additional expense. He believes, as is clear from the terms of his report, that the method chosen was suitable and appropriate to the contract. On the ground of the need to avoid lengthy pauses, I caution against rushing to the conclusion that we should move from our present construction methods.

New Deal

3. Paul Martin (Glasgow Springburn) (Lab): To ask the First Minister what impact the new deal has had in reducing youth unemployment in Glasgow and elsewhere in Scotland. (S1F-246)

The First Minister (Donald Dewar): The new deal has made a substantial contribution to reducing youth unemployment in Scotland, which has fallen by 55 per cent in the past two years, to its lowest level for a generation. Of the 46,800 young Scots who have joined the new deal programme, 22,100 have secured jobs and 14,350 have taken up full-time education and training or joined work experience placements.

The programme has been particularly effective in Glasgow; youth unemployment there has dropped 57 per cent over the past two years.

Paul Martin: Does the First Minister agree that although the 36 per cent drop in unemployment in my constituency is to be welcomed, at 10.2 per cent it is still well above the Scottish average?

Can the First Minister assure me that the success of the new deal will be matched by wider initiatives that will include other age groups and deal with the harsh realities that the long-term unemployed have had to experience as a result of 20 years of John Major and Margaret Thatcher?

The First Minister: I have a great deal of sympathy with Paul Martin. I recognise that Springburn and that part of north Glasgow have had intractable problems. We are extending the new deal to age groups beyond 18 to 24-year-olds, which will help. The lowest unemployment claimant count for 24 years is creating an environment that is helping to put downward pressure on unemployment figures.

We are making particular efforts in Glasgow.

The gateway to the new deal is sophisticated and has been well funded. We offer guaranteed interviews with employers who back the new deal, such as Stakis Hotels, British Telecommunications, the Wise Group and Marks and Spencer. I believe that we can make further progress, but I am genuinely proud of the remarkable change that has been brought about and the remarkable progress that has been made.

Alex Neil (Central Scotland) (SNP): Is the First Minister aware of the recent research undertaken by Dr Sunley of Edinburgh University and others that demonstrates that up to 75 per cent of the new dealers leave their job after six months and that up to two thirds of those jobs would have been created under other programmes, given the general level of activity in the economy? Is he aware that there is a growing opinion that the new deal is more about massaging figures than about creating real jobs? Will he take steps to improve the effectiveness of the new deal?

The First Minister: I find that a deeply depressing contribution. I know that Alex Neil would expect me to say that, but it is true. The energy and perverse cunning by which people such as Alex Neil seek the downside of any announcement is getting past the tolerance level of most of us.

The new deal has made a considerable impact. The figures support that fact. Of course there will be failures. Without being in any way pejorative, it is clear that the client group has problems: people would not be in that client group if they did not. We are investing time and resources to equip those people with the confidence that is required to allow them to enter the job market.

There have been many successes. If Alex Neil is telling me that Governments should not try to help in this area, but should leave the matter to the market, he is not the Stalinist I remember.

Higher Education Funding

4 Miss Annabel Goldie (West of Scotland) (Con): I will declare an interest, as I am a member of the court of the University of Strathclyde.

To ask the First Minister whether the Scottish Executive considers that higher education is being adequately funded on the basis of the levels of funding outlined to institutions by the Scottish Higher Education Funding Council in its circular letter of 23 March 2000. (S1F-249)

The First Minister: I recognise Annabel Goldie's efforts in this field.

We have made provision to increase higher education funding by more than £250 million in the current comprehensive spending review period. Miss Goldie has watched this scene over the

years, so she will know that the contrast with the legacy of the Conservative Administration—a reduction of almost 40 per cent per student during that party's time in office—is clear. The final funding announcement left higher education facing a cash reduction of £40 million over two years. That was the position when Mr Michael Forsyth went into banking.

Miss Goldie: I thank the First Minister for the fullness of his reply, with which I do not agree at all. However contemptible he may consider the efforts of the Conservative Administration, we are now considering the efforts of the current new Labour Administration.

Does the First Minister accept that the announcement of an increase in the overall grant funding for our higher education institutions of 2.8 per cent—which in reality translates to a 2 per cent increase—means that some form of top-slicing is being applied to the Scottish Higher Education Funding Council, which is tantamount to a covert agenda? Does he accept that that contrasts uneasily with the situation in England, where grant funding of 3 per cent—which was announced by the Higher Education Funding Council for England—has meant an increase of 3 per cent for institutions there? Does he accept that that means that as institutions in Scotland try to cope with reduced resources, they face the possibility of high-calibre staff being poached by English institutions? Is that not an affront to higher education in Scotland? Is not this Administration reducing it to the pauper's option?

The First Minister: I admire Annabel Goldie's phlegm and general staying power. As she sat on the Strathclyde court during the term of the Conservative Government, she will remember that, in 1998-99 and 1999-2000, there were reductions of £20 million in funding for higher education. The cliff that had been established had to be overcome, and it took a good deal of the £250 million that we ploughed in to undo the damage that had been done by the Conservative Administration.

The present £609 million, as against £591 million last year, represents a 3 per cent cash increase on the previous year. There is some ring-fencing—around, for example, SHEFC's £2.4 million running costs. I understand that those costs have been ring-fenced, as a matter of practice, for some time. The sum of £1 million is being used to sustain the professionalism and commercialisation of the research process to support the knowledge economy, and a further £1 million is being allocated towards the cost of decommissioning the Scottish Universities Research and Reactor Centre. I remember the correspondence in which I was engaged when I was at the Scottish Office. That £1 million was ring-fenced at the request of a

number of Scottish universities, and was agreed with the university sector as a whole.

With all due respect, Miss Goldie is talking through a hole in her hat.

Miss Goldie: I shall have another go at trying to get a simple answer to a simple question.

A 2.8 per cent increase in funding to our higher education institutions has been announced at a time of stringent funding. In reality, that is reduced to a 2 per cent increase, although higher education institutions in England have received a real-terms increase of 3 per cent. What is happening to the difference and how are our higher education institutions meant to compete with those in England?

The First Minister: I have given the figures. I am beginning to worry about my teaching skills. I recognise that every class contains a few people to whom the teacher cannot get through. They may be people of infinitely pleasant personality, but they are not quick on the uptake.

I am advised—I hope that this will help Annabel Goldie—that there will be a further allocation of a £49 million retention within the next month or two.

Mr John Swinney (North Tayside) (SNP): Now that one independent committee, the Cubie committee, has savaged one part of the Labour party's higher education policy and another independent committee, the Quigley committee, has savaged another part, will the First Minister give us a cast-iron assurance that he will argue with the Westminster Government for the restoration of benefit entitlement for students, which was taken away by the Conservative Government and which the Labour Government has failed to restore?

The First Minister: I must confess that whenever I hear a Scot nat asking for a firm and binding assurance I reach for my gun.

The answer to the question is no. I find it very odd indeed that John Swinney, who has honourably pursued the cause of particularly Scottish solutions for many years, should now complain that we have worked one out—and a good one, in terms of the Cubie inquiry. It is going to plough about £34 million net into the Scottish student support system, and it has been widely welcomed. I am happy to endorse that solution and I hope that he will endorse it also.

Mental Welfare Commission Report

The Presiding Officer (Sir David Steel): The next item of business is a statement by Susan Deacon on the Mental Welfare Commission for Scotland report. As the minister's statement will be followed by questions, there should be no interventions.

Please proceed to your statement right away, minister. *[Interruption.]* I say to ministers collectively that we have more than one lectern in the chamber, and it would be easier for them to make use of a second one, rather than shifting places. Let us begin.

15:35

The Minister for Health and Community Care (Susan Deacon): I am grateful for this opportunity to make a statement to Parliament on the Mental Welfare Commission's "Report of Inquiry into the Care and Treatment of Noel Ruddle". As members will recall, we took swift action to close the legal loophole following Noel Ruddle's discharge from hospital last summer.

As part of our thorough review of this case, I asked the Mental Welfare Commission to conduct an inquiry into aspects of the care and treatment that Mr Ruddle received in the state hospital between 1994 and 1999 and to provide a report with recommendations. I am grateful to the Mental Welfare Commission for carrying out such a thorough inquiry. I received its report two days ago, and made it publicly available today. Mr Ruddle also received a copy of the report today.

I welcome the commission's report, which sets out clearly what happened, recognises that some changes for the better have already taken place and offers practical recommendations to improve further the situation for the future. It does not seek scapegoats, it seeks only solutions, an approach that I endorse. As we strive to keep improving the quality of care and treatment, we must be willing to examine past practice and experience openly and critically, to learn and to make changes for the better.

Few of us face jobs as daunting as those of the many dedicated professional and other staff who run our state hospital and who look after patients there. Day in, day out, they are asked to balance the safety and security of the public with the care and treatment of the individual. The report makes it clear that, in the case of Mr Ruddle, certain psychological therapies, such as anger management and therapy for substance misuse, were not secured for him by the state hospital. In

addition, security concerns caused inappropriate restrictions to be imposed on him. The commission's chief finding is that the combination of those factors led to a deficiency in care.

In the light of that and other findings, the commission made 12 recommendations, most of which relate to the state hospital. The commission recommends that the hospital's board of management should acknowledge that there was a deficiency in care, carry out a review of communication between security and clinical teams and examine its management systems. It is recommended that the hospital's clinical board make changes in the organisation of specialist psychological therapies and take other steps in relation to the care of individual patients. The commission recommends that responsible medical officers in the state hospital should have all security, medical and other information relevant to patients in their care made available to them.

This afternoon, I give an assurance to the chamber that I am determined to work with the state hospital management and clinical staff to help them to implement in full those recommendations. I told the chairman of the state hospital's board that I expect action to be taken without delay, and that a full report should be submitted to me within six months.

I have also asked Professor Brian Edwards to work with the state hospital's board to push through those changes as quickly and as effectively as possible. Professor Edwards brings with him a wealth of experience in health care management including his recent membership of the committee of inquiry, known as the Fallon inquiry, that investigated the operations of the personality disorder unit at Ashworth special hospital. He will be able to call on further clinical resources if he feels that they are necessary.

The commission has made other recommendations through the Scottish Executive to the Millan committee, which is currently reviewing Scotland's mental health legislation. It also recommends a review of the current procedural memorandum for dealing with restricted patients, and consideration of the development of a national care plan to assist in the planning and provision of community care for certain patients discharged from the state hospital. The Scottish Executive will act on all those recommendations.

I have written today to Mr Bruce Millan, asking him to convey to his committee the commission's suggestions for legislative review. I am also making the report available to the MacLean committee, so that it may consider it as part of its work on the sentencing of personality disordered offenders. Work is already in hand in the Scottish Executive to review the procedural memorandum

on restricted patients. We will consider how we might develop a protocol for handling such cases in future and will develop that with local authorities and other relevant interests.

The commission's final recommendation is that its own co-ordination of information received on the state hospital, and the way in which potential deficiencies of care are identified, should be reviewed. I am determined to act quickly on the findings and recommendations of the report to ensure that the changes that are needed happen.

The action that we are setting out today will confirm our determination to achieve the right balance between security and care in the state hospital. That will help to ensure that its reputation for being at the forefront of similar facilities in the UK is maintained. We need appropriate levels of care for each patient—care that is secure, flexible enough to meet changes in need and best able to tackle the disorder, so that the patient and the public benefit.

Like other national health service bodies, the state hospital management and staff expect to improve the quality of the services that they provide year on year, and much progress has been made in recent years. The recommendations in today's report are essential steps in that continuing process of improvement. I have made it plain to the state hospital's board that supporting and encouraging the hospital's staff will be vital in making the important further changes recommended by the commission.

The Mental Welfare Commission's report has been published in full. That approach is consistent with our commitment to deal with such matters in an open, honest and transparent way. The report raises sensitive issues about a complex service. I hope that members, the media and the general public will recognise that complexity and support us in our aim of improving services, informed by this report.

The Deputy Presiding Officer (Mr George Reid): The minister will now take questions on the issues raised in her statement. I intend to allow up to 20 minutes for such questions, after which we will move on to the next item of business. Members who wish to ask questions should press their buttons now.

Kay Ullrich (West of Scotland) (SNP): I am grateful to the minister for the cross-party briefing that she provided earlier today. As she said, we have only just received that complex report and it will be some time before we have fully absorbed the details. I welcome her statement, particularly in relation to the issues surrounding the state hospital. I support the quick action that she has taken and I welcome the fact that the chairman of the state hospital's board will be reporting

progress to her within six months.

Does the minister share my concern that the report again raises the question of treatability and whether treatment could have been delivered elsewhere in the system? Does she agree that we must never allow ourselves to forget that the state hospital at Carstairs, although it is a secure hospital, is a hospital none the less, and that a hospital should be in the business of providing treatment, not simply containment?

I thank the minister for the inclusive approach that she has taken on this occasion. In that spirit, will the minister consider making available to the Health and Community Care Committee the report from the state hospital, to allow the committee, and this Parliament, to play a constructive role in ensuring that the changes that are outlined in today's report are brought to fruition?

Susan Deacon: I thank Kay Ullrich for the constructive nature of her comments. A number of the points that she made demonstrate the sensitivity and complexity of these issues. The difficult challenge that is facing us all, and which is certainly facing management and staff in the state hospital, is to reach an appropriate balance between security and care.

It is fair to say that as a society we have moved a long way on these issues in recent years, as has the state hospital, and it should be commended on that, but this report demonstrates that there is still a long way to go. Much can and should be done to improve the treatment and care of all patients in the state hospital. I endorse Kay Ullrich's emphasis of the fact that the individuals that we are talking about are patients and that they deserve the highest standards of care and treatment that we can offer.

I am happy to agree to come back to members and to the Health and Community Care Committee with further details of how the report's recommendations will be implemented. The recommendations require action on the part of the state hospital, the Scottish Executive and the Mental Welfare Commission. Of course, some recommendations will be implemented more quickly than others, but I hope that we can adhere to the general principle of discussing these matters further.

I hope also that the tone and substance of today's comments will serve us well in the future when we look at the wider issue of mental health legislation, which will be a challenging and important subject for this Parliament to address. I look forward to parties across the chamber addressing the issue in the months and years ahead.

Mary Scanlon (Highlands and Islands) (Con): I also welcome the Mental Welfare Commission's

report on the care and treatment of Noel Ruddle, and the honesty, openness and transparency of the minister. Problems have to be identified before addressing them. I will ask my questions in the light of the report and the positive and constructive way in which it has been delivered.

Given that the deficiencies in Ruddle's care have been identified and addressed in the report's recommendations, and in the light of the Scottish Prison Service's announcement that it is to put general medical services out to tender, will the minister consider extending the system of assessment and health therapies to those in Scottish prisons, many of whom suffer similar problems to those identified in the state hospital?

Given the Ruddle experience, will prisoners throughout the system receive the same standards of health care and appropriate treatment for their problems? That would help to address the high rates of reoffending by concentrating on treatment and rehabilitation, not just containment. Will the health care in Carstairs and our prisons be of the same standard as in the rest of Scotland? The British Medical Association requested that in its response to the announcement by the Scottish Prison Service.

Finally, there should be an integrated and seamless service for the continued care of ex-prisoners and ex-patients in the community, not only to ensure health care for prisoners, but to assure the public on safety.

Susan Deacon: I thank Mary Scanlon for her constructive comments and questions. All the points that she touched upon are relevant, and I will attempt to respond to each of them briefly.

First, I will comment on the relevance of the report to other parts of the public sector. It is important that as we conduct such exercises, we ensure that experience and information is shared. Although the report focuses specifically on the state hospital and the matter of restricted patients, I am sure that there are wider lessons that can be learned from it by other parts of the public sector. We will make the report more widely available.

I should stress that the state hospital is part of the NHS and is distinct from prisons, which are managed by the Prison Service. We will, however, share information as we ought when lessons on good practice can be learned.

Mary Scanlon made a point about the importance of attempting to achieve integrated and seamless care—that is crucial. It is also covered in the report and it is a subject that we discuss often in relation to health and community care generally. One of the keys to successful delivery to patients of effective services in future is to ensure that the different parts of the system are connected. That comes through in the report in

relation to restricted patients.

Finally, the other issue about integration and working together that is emphasised in the report is the importance of multi-disciplinary working and effective team working that is centred on the patients in the state hospital. Good progress is being made on that, and progress must continue in the state hospital. That is the direction that I want to encourage throughout the NHS.

Mrs Margaret Smith (Edinburgh West) (LD): I thank the minister for her statement and for her positive actions to date on the matter. I also welcome the Mental Welfare Commission's report on what is, as colleagues have mentioned, a sensitive and complex subject.

The Executive has a duty to protect citizens, but it also has a duty of care to patients while they are in the state hospital and on their release. It is worrying that the report finds that there was a deficiency in Mr Ruddle's care, but I am sure that the lessons that must be learned will be learned. Those lessons are outlined in the report's recommendations. The Health and Community Care Committee will welcome the opportunity to play a full part in any future monitoring of the recommendations.

I have a couple of questions raised by points that the minister made in her statement. There are a number of other reports that we await with keen interest, especially the reports from the MacLean committee and the Millan committee. How will the report from the Mental Welfare Commission fit in with those, and how does the Executive intend to monitor progress on the recommendations in that report?

Susan Deacon: I thank Margaret Smith for her comments and I welcome the fact that every speaker this afternoon has stressed the importance of restricted patients getting the standard of care and treatment that they deserve. While security and public safety are key issues, they should not be achieved at the expense of an individual's right to a high standard of care and treatment.

Margaret Smith made points about further discussion on the report and further action on its recommendations. The report is being issued to both the MacLean committee and the Millan committee so that it can inform their work. The MacLean committee will report to ministers relatively soon and the Millan committee report is expected some time in the summer. Both reports will be important watersheds in our consideration of the wider issues.

As far as continuing discussion and debate on the issues is concerned—I will, if I may, return to a point that was made by Kay Ullrich—there is always a question of judgment regarding the

appropriate gap between publication of a report and the time at which it is discussed in Parliament. Members must have time to consider various matters, but I stress that we see this as the start of a process of improvement and discussion.

I will be happy to receive further questions and correspondence from members if there are matters that they want to raise after today's debate. I am sure that the Health and Community Care Committee will also want to discuss the matter further.

The Deputy Presiding Officer: Another five members want to ask questions. It might be possible to fit them all in if questions are kept short and specific.

Karen Gillon (Clydesdale) (Lab): As the constituency member for the state hospital, I welcome the minister's statement and the positive recommendations in the report. It is a significant development for the state hospital and the care of patients.

Will the minister agree that the staff work in difficult circumstances, which many of us in the chamber could not even begin to understand? Will the minister indicate, as detailed in recommendation 4, that appropriate training, support and supervision will be given to all staff in the hospital? What steps will the Scottish Executive take to ensure that communication between staff and management improves, as it directly affects the care of patients and has clearly done so in this case?

Susan Deacon: I am conscious that, yet again, I will start an answer with words of congratulations, but I feel that it is appropriate. I welcome not only Karen Gillon's question but also the fact that, as the local constituency member for the state hospital, she has played a constructive and effective role in liaising with the hospital and assisting the local community's relationship with the hospital.

I recognise the difficult job that is done by all the staff—not only clinical staff—who work at the state hospital. I visited the state hospital recently and spent considerable time in discussions with a range of staff and patients. It is a difficult and challenging environment in which to work. That is why I am so keen to ensure that we take forward the work that flows from this report on as constructive and managed a basis as possible.

The issues that Karen Gillon raises in relation to training and communication lie at the heart of moving those recommendations forward. The actioning of many of those matters will be for the state hospital management to take forward as part of their local action. I will ensure that the Scottish Executive supports and facilitates that as far as possible. We have placed considerable emphasis,

in our national efforts, on improving investment in training and development for all NHS staff. Similarly, we are working hard to improve communication across all parts of the service. If we can work in partnership with local management at the state hospital to facilitate that process, I will certainly want to do so.

Mr Duncan Hamilton (Highlands and Islands) (SNP): At the risk of putting the minister into a state of severe shock, I also thank her for the helpful tone that she has taken throughout the publication of this report.

The report settles the argument that was basic to the debate about treatability that we had, all those months ago, as to whether Mr Ruddle was not capable of receiving treatment or whether treatment was available. Will Susan Deacon tell us what additional steps are being taken, before the national care plan that this report mentions, to identify other individuals within the system who might be in a similar position now that this report has identified that there is a problem?

What is the Executive's view on the recommendation made in the report that an independent body should assume the powers and responsibilities of Scottish ministers in relation to restricted patients? An indication of where the Executive stands on that would be useful.

Susan Deacon: Duncan Hamilton's point about the bearing that this report will have on other individuals and the steps that will be taken to ensure that similar deficiencies do not occur is an important one. The difficulty is that it is impossible to give a general answer to that because, by its nature, each case is different.

What is important is that the recommendations contained in the report, specifically recommendation 4 I think, set out the steps that need to be taken, within the hospital, to ensure that the appropriate processes are in place to deal with each case in an appropriate way and to make appropriate therapies and treatments available. Remember that this report covered a period from 1994 to 1999. Progress in those areas has been made over that time, but we want that to continue.

On the point about the handling of restricted patients, and the possibility of an independent body considering certain decisions in future that are currently taken by ministers, I stress that the existing practices in this area are laid down in statute so any change made in the future would be through statute. Again, that will be for the MacLean and Millan committees to advise and this Parliament to consider.

Lord James Douglas-Hamilton (Lothians) (Con): While I welcome the minister's statement that there have been substantial improvements at the state hospital, will she give an assurance that

those patients who have taken a life will only be released under supervision?

Susan Deacon: I must repeat the general point I made in my answer to Duncan Hamilton: every individual case is different. It is complex terrain. Our particular emphasis today is on health care but, as I know James Douglas-Hamilton is aware, there are important legal issues. The MacLean committee is looking at sentencing mentally disordered offenders whereas the Millan committee is looking at mental health legislation. I do not think that we can give short, general answers to questions such as that posed. Each individual has a different disposition and clinical condition. The most important thing is that we have a robust legal framework and the health services to deal effectively with each individual case.

Public Appointments

The Deputy Presiding Officer (Mr George Reid): The next item of business is a debate on motion S1M-706, on public appointments, in the name of Mr Jack McConnell.

16:01

The Minister for Finance (Mr Jack McConnell): I welcome this opportunity to move a motion that notes the consultation exercise. I also welcome the fact that no amendments have been lodged, which creates a helpful tone for the debate. It is important that we consider together how we can build as much consensus as possible about the way in which public appointments are made in post-devolution Scotland.

As I said, I welcome the opportunity to debate the public appointments consultation paper, which I launched on 9 February. We are now seven weeks into the 11-week consultation period and I am looking forward to hearing the views of members this afternoon and those of organisations and individuals from throughout Scotland in the weeks ahead.

Devolution was a crucial step towards the modernisation of democratic structures by bringing people and government closer. The partnership agreement committed the Executive to innovative government that is open, welcomes good ideas whatever their source and encourages participation. The public appointments consultation paper is yet another demonstration of our determination to live up to that commitment. It encourages people from whatever part of society not only to submit their views and opinions on how the system should be reformed, but to play a part in the future government of Scotland.

This is very much a listening exercise. It is about ensuring that our public bodies command public confidence by being fair, open and transparent. It is also about encouraging wider participation and being accessible and informative. We want to devise a modern system. During the 1980s and 1990s, quangos and those who served on them lost public confidence. We want to change that, to transform the system, to put the past behind us and to look to the future positively to rebuild confidence. Devolution creates the opportunity to modernise our public appointments system.

The consultation paper is a useful focus for debate, as it raises a number of the issues that I want to reflect on this afternoon. First, the role of independent assessors is widely recognised as a success in the health appointments system; the UK Commissioner for Public Appointments may advise that Governments should go further on

that. In Scotland, we could pursue that further either across all Executive appointments or perhaps in specific departments and bodies.

The paper also raises the issue of the creation of a Scottish commissioner for public appointments. There is no doubt that the new UK commissioner is doing a very good job. She has proven her independence from Government in looking at the system and taking up complaints and issues—she commands respect across the political spectrum. However, we may want to create our own Scottish commissioner, either by establishing a new post or by combining posts that currently exist or that may exist in the future. Such a commissioner would deal with complaints and review the system. They might even be involved in the appointment of independent advisers in some areas or across the board.

We also want to examine whether there is a role for Parliament. Yesterday, we published research that shows that parliamentary involvement in public appointments is not, as I thought, the norm across Europe. I found that research educational and interesting and I hope that members will read it—copies are available in the Scottish Parliament information centre and on the Government's website. The research shows that, although recent parliamentary involvement in the appointment of, for example, European commissioners has been widely recognised as a success, parliamentary involvement in appointments at national level is not the norm either in the European Union or in the Commonwealth. We need to reflect on those facts and on the reasons for and against parliamentary involvement in appointments, although we in Scotland are not obliged to adopt the systems that prevail elsewhere. The aim must be to devise a system that permits transparency and accountability for the elected representatives of Scotland, without putting off people who might otherwise come forward to serve—and serve well.

We are not tinkering at the edges, but examining the fundamental elements of the public appointments system—the independence of at least part of it, the way in which complaints are handled and reviews are conducted, and the role that this new Parliament can play. If we end up with a system that is merely a variation on jobs for the boys, we will have wasted an opportunity. I hope that members will accept our assurance that we will not allow that to happen. We must ensure that we can all have confidence in the new system.

Diversity in public appointments in Scotland is a big issue. In recent years, targets for improving the representation of women and ethnic minorities have been set, but the issue goes wider than that. The targets themselves may need to be reviewed. The inclusion of children's panels and tribunals in

the overall total for public appointments in Scotland skews the picture in terms of the appointment of women to public bodies. If panels and tribunals are excluded from the total, the number of women appointed is still demonstrably low. The number of ethnic minority representatives on Scotland's public bodies is derisory and we need to consider how we can improve that.

We also need to consider how we can increase the number of people with disabilities who are appointed to public bodies and ensure that Scotland's rural areas and people from different socio-economic backgrounds are properly represented. Scotland's public bodies cannot be the preserve of professional elites in the cities of central Scotland. They must be open, accessible and transparent, with appointments available to people from all parts of society, who bring with them all kinds of life experience.

Yesterday, the Minister for Health and Community Care, the Deputy Minister for Communities and I hosted a lunch with representatives of ethnic minority, disability and women's groups, along with others from the voluntary sector. We had some excellent discussions about modernising the system and some good suggestions were made, which we will pursue. We may establish a group made up of such representatives for our officials to meet regularly, following the consultation, when they are seeking to put into practice much of what we will discuss this afternoon. We are keen to look into the possibility of organising events and providing information to promote public service and opportunities to serve.

John Young (West of Scotland) (Con): I have found repeatedly that many people simply do not know who is on their local health board and other public bodies. Would it not be a good idea to publicise appointments in a mandatory way, through libraries and other centres where people can find out about them readily? On one occasion three or four years ago, it took me four telephone calls to find out the names of the new members of a health board. If people could see the information in libraries and other well-used centres, that would be a distinct help.

Mr McConnell: That is an excellent idea. The information needs to be made available at both ends of the process. Yesterday, voluntary organisations, including those representing disadvantaged groups, suggested that we publish an information leaflet detailing public bodies and the opportunities to serve on them. The leaflet could include a tick list, which people could send back to receive more information about the bodies in which they were interested. The voluntary organisations have helpfully offered to circulate that leaflet among committee members and

activists across Scotland.

At the other end of the process, local authorities, for example, are much better than they used to be at publicising the names, photographs and contact points for elected councillors. Public bodies—especially local public bodies—should do the same.

We should also examine training, to ensure that people have the confidence to come forward and that they have the skills to perform their functions well. At the lunch seminar yesterday, the point was well made that there is perhaps a role in the education curriculum not just to examine systems of government, elected representation and the other topics that are covered in modern studies, but to consider public bodies as part of the system of governance. We should educate our young people about how the country is run and how services are delivered.

I hope that we can discuss those important points this afternoon and that they can be raised in the weeks ahead. I hope that there will be improvements in the system after the consultation. We have to rise to that challenge. Members should be clear that the Executive is determined to ensure that appointments to public bodies are fully representative of Scotland. We want talented, committed people to come forward, irrespective of gender, race, location or political party. I can guarantee that we will make appointments that are based on merit. We will treat the consultation seriously and report back to Parliament with proposals that can be debated and, I hope, agreed to by members.

The system must be open, transparent and fair. We have a valuable opportunity for everybody to make a contribution towards achieving that goal. I look forward to hearing views this afternoon and I hope that it will be possible to realise that goal.

I move,

That the Parliament notes the consultation paper on Modernising the Public Appointments System in Scotland, and urges individuals and organisations to contribute views and ideas during the consultation period.

16:12

Alex Neil (Central Scotland) (SNP): The SNP welcomes the publication of the consultation document, "Appointments to Public Bodies in Scotland: Modernising the System", and the spirit in which the minister is presenting his proposals. We will not dispute his objectives, except perhaps on the role of Parliament in the confirmation of public appointments—I will address that point later.

We urge the minister to produce radical and innovative proposals at the end of the consultation

process. The fact that Parliaments in other European countries do not have a huge role to play should not be an excuse for inaction on our part. There are differences between us and most of our European counterparts; the main one is that they do not rely on quangos to the same extent as we do. For example, in France, the cabinet system makes it unnecessary to have a large number of quangos.

Although this is not part of the remit of the document, I urge the minister to undertake, in the not too distant future, a radical review of the number of quangos in Scotland, which has increased in recent years. Some of the legislation that is in the pipeline, such as that on national parks, will increase the number of non-departmental public bodies in Scotland. Excluding children's panels and tribunals, quangos account for £6.5 billion of expenditure—a figure that approaches 50 per cent of all the expenditure under parliamentary control—and for 1,223 appointments in 146 bodies, including national health service bodies. Those appointments represent a substantial spectrum of public administration in Scotland. I hope that, as well as considering appointments, we can examine how to make quangos much more directly accountable, either at Scottish level through ministers or at local level through elected representatives. I beg the minister to undertake such a radical review.

Let me concentrate on the proposals in the consultation paper. The minister mentioned in passing one of the reasons why the public appointments system has become so discredited in Scotland—to be fair, not just over the past two or three years, but over the past 50 years. The issue is not so much the cronyism in relation to ethnic or women's representation and so on, important though those issues are—and I will come to that in a minute—but the political cronyism, actual and perceived.

Dame Rennie Fritchie, the Commissioner for Public Appointments, produced a report last week on the health service south of the border, which showed that 83 per cent of all the councillors on national health service bodies were from one political party—the Labour party. I have tried to get the equivalent information in Scotland, where I suspect the ratio is not much different. The figures illustrate the need for a much greater spread of representation. There are good Liberals, good Tories and good SNP people who can serve on these bodies. I do not see why such public service posts should be confined to one political party.

Although I will not name names or personalise the issue, I cite as an example the chairmanship of the Scottish Environment Protection Agency. The chairman claims a salary of £38,000 a year for a three-day week. I remember the three-day week

under Ted Heath. I am sure that Duncan McNeil would have been glad to get £38,000 for a three-day week in the shipyards. Given the salaries in the Parliament for a seven-day week, I do not see any justification for the chairman of SEPA receiving almost the same amount of money for a three-day week. That kind of thing brings the system into disrepute. I want ministers to rid themselves of the power of patronage and, as the minister said, to make the system more accountable.

I shall pick up on some specific issues in the consultation document, the first of which is the representation of women. From the total number of appointments, in annexe D, it appears that there is a reasonable balance: 53 per cent male and 47 per cent female. However, tribunals make up about 80 per cent of all appointments. When the representation in tribunals, where males make up 44 per cent and females 56 per cent, is taken out, the gender balance in the remaining public appointments is appalling.

In the executive and advisory quangos, 72 per cent and 70 per cent of the appointees, respectively, are male. In the national health service bodies, 61 per cent of appointees are male and only 39 per cent are female. In the nationalised industries, 95 per cent of appointees are male and only 5 per cent are female. In the public corporations, 85 per cent of appointees are male and only 15 per cent are female. In the 21st century, we cannot justify such gender imbalance on those bodies.

Similarly, 0.5 per cent of all appointments involve someone from the ethnic community. Clearly, in a multiracial society such as ours, that is an unacceptable ratio. I welcome the minister's commitment to change that.

I promised to keep my speech tight to allow other speakers in, so I shall be brief. The current incumbent of the UK post of Commissioner for Public Appointments is doing an excellent job. However, the policy issue is whether we should have our own commissioner in Scotland. There is no doubt in my mind that that makes sense, but I hope that our commissioner will be appointed by the Parliament and not by ministers. The independence of the commissioner is essential. We have been lucky with the current appointee, but the way in which the commissioner is appointed is extremely important. I would like the Parliament to appoint the commissioner, as well as the independent assessors to ensure that the commissioner is truly independent.

I hope that every member will support my member's bill to introduce a system of public confirmation for the key public appointments in Scotland. Let us get rid of ministerial patronage. Let us open up Scotland and make the system

fair, representative, transparent and—above all—accountable.

16:20

David McLetchie (Lothians) (Con): The Scottish Conservatives are happy to support the Executive's objective—as expressed in the consultation paper—of making public appointments more open and accountable. We should aim to build on the Nolan reforms of the mid-1990s, which established an independent Commissioner for Public Appointments, a code of practice for ministerial appointments to public bodies and a monitoring process to ensure that appointments were made on merit after fair and open competition. I believe that those arrangements have worked well but that, as the minister fairly said, it is right that we should review them in the light of the advent of this Parliament.

We all know of the public perception that public appointments have been—how shall I put it?—made on a less than politically neutral basis. Our first objective must be to dispel that notion and to demonstrate clearly that those who have been appointed have achieved their positions on merit. Sadly, it seems that there is a conflict of sorts between the Executive's stated aim of ensuring that appointments are made on merit and the methods by which it is proposing to widen the range of people who are appointed to public bodies.

I am more than happy to support measures that encourage more applicants and candidates from a wider cross-section of society to respond to advertisements and to offer themselves for public service, as long as those measures can be reconciled with the aim of ensuring greater openness in the system of appointments.

I appreciate that I may differ in some respects from people whose desire is more to achieve an equality of outcomes among people who are appointed to a public position than to achieve an equality of opportunities for people to obtain that appointment to a public position. The targets that the Scottish ministers have inherited from the Scottish Office look to me suspiciously like quotas. I cannot support that form of positive discrimination, because it totally undermines the principle of appointment on merit in an open and competitive system. In fairness, the consultation paper recognises that conflict—paragraph 5.7 flags up the issue of merit versus balance. That issue needs close examination before we come to final conclusions on the system. I hope that the minister will take that on board.

I will illustrate that point with an example. It is always interesting to peruse papers such as this and identify the number and nature of non-

departmental public bodies. I was especially intrigued by one of the more exotic species in annexe A of the paper—the Electricity Fisheries Committee. Seven appointments to this body are apparently in the gift of the Scottish Executive. It may bother Alex Neil and some others but, to be frank, I do not care whether the members of the Electricity Fisheries Committee are black or white, male or female, gay or straight, Protestant or Catholic, Labour, Liberal, nationalist or Tory. All that matters to me is that—when it comes to electric eels, electric kippers or any other high-voltage fish that come within the domain of that committee—there are no better-informed people in Scotland than the seven good men or women who are appointed.

That approach should pervade the system of appointments to all public bodies in Scotland. The people appointed from the candidates who come forward—and I recognise that we have to widen the field of candidates—must be the best available for that position. That also means that the people who make the decisions on the relative merits of the candidates must be independent, which is why I am interested in some of the suggestions in the paper about reinforcing the independent element in the making of appointments.

According to the paper, we currently have 27 independent assessors, but those assessors are appointed by ministers. That could compromise the assessors' independence and it could lead them to conform to some quota-setting principle in the making of public appointments instead of taking their decisions on the basis of the merits of the candidates. The suggestion in the consultation paper—that the independent assessor should be appointed by the commissioner—is sensible; I hope that it will be followed up. We should also try to increase the number of independent members on Executive appointment panels, again with the aim of sustaining and promoting the integrity of the appointments system.

The consultation paper suggests that we might have a separate Scottish commissioner for public appointments. That suggestion is worthy of examination, but we must ensure that it does not lead to inconsistencies in appointments across the United Kingdom, bearing in mind, in particular, the fact that some 65 cross-border bodies operate in Scotland but are controlled largely from Westminster. The appointment system must be meshed between the two commissioners. The suggestion that the UK commissioner might be the initial Scottish commissioner, until the system settles down and Scotland has a commissioner of its own, is sensible.

I welcome the consultation paper and the motion. I hope that the minister will take on board some of our suggestions.

16:26

George Lyon (Argyll and Bute) (LD): When Alex Neil mentioned the chairman of SEPA, I was not sure whether he was arguing for a decrease in the chairman's salary or an increase in his own. No doubt he will clarify that later.

In reviewing the system of public appointments, we must pursue the key objective that everyone who serves on public bodies enjoys public confidence through being seen to be appointed by a fair, open and transparent system.

It is regrettable that, in too many cases, appointments to public bodies have been dogged by accusations of cronyism and lack of accountability. As David McLetchie rightly said, the Nolan committee helped by limiting the length of time for which people can stay on public bodies to two three-year periods; that change must be welcomed. Nevertheless, accusations of lack of accountability and cronyism continue to surround various appointments.

An example that springs to mind, which attracted considerable discussion in my part of the world, was the appointment last year of Harold Mills to the chairmanship of Caledonian MacBrayne. That appointment caused a great deal of concern in my constituency and throughout the Highlands and Islands. As members know, Dr Mills—in his previous incarnation—advised the Secretary of State for Scotland and Conservative ministers on various aspects of CalMac policy. Naturally, this man's credibility in chairing CalMac comes into question, especially as there are other issues surrounding the company that require decisions to be made.

The manner of Harold Mills's appointment also calls its credibility into question. Only last week, the First Minister admitted that the circumstances surrounding Dr Mills's appointment merited

“criticism of the detailed procedures surrounding the specification of the selection criteria, the composition of the panels and the selection and role of independent members”.

That is a damning indictment of how the appointment came about.

Some months ago, I tried to obtain from the Executive a list of all the independent members or assessors who have sat on interview panels for appointments to public bodies in Scotland over the past five years, and an indication of how often each individual had been involved in making judgments about whether people got the job. I could get the names, but not the information on how often each panel member had been engaged to carry out that work. That is wrong—access to such information is vital if we are properly to democratise Scotland's public bodies. I hope that the consultation that Jack McConnell has

proposed will address that. We must ensure the credibility of such appointments and establish a proper system to achieve that.

The appointment of a separate commissioner for Scottish public bodies, who would report back to the Scottish Parliament, is well worthy of support and further investigation. We have all heard that about £2 billion a year of public money is distributed by those bodies in Scotland. The Executive is also responsible for NHS bodies—whose total spend is £4.5 billion—and a number of tribunals, public corporations and nationalised industries. With responsibility for such enormous budgets, it is vital that public bodies in Scotland are as open and accountable as possible.

It must be recognised that thousands of people give their time generously to sit on the boards of such public organisations—they give that time to contribute to public life. We must get the balance of public scrutiny right, and I would not support a system in which volunteers who were giving up their time to serve on public bodies were put under US Senate-style interrogation. We want an open, transparent and accountable system, but we must ensure that volunteers still put themselves forward.

Clearly the Scottish Parliament must have a role in the appointments system. The committees can already scrutinise the activities of, and summon as witnesses, not only the chief executives but the chairmen of bodies.

We want a system of appointments that enjoys public confidence through being transparent, accountable and free from any accusation of cronyism. Furthermore, that system must strike the right balance to ensure that individuals will still give of their time and volunteer for positions.

The Deputy Presiding Officer (Patricia Ferguson): The time for this debate is extremely tight and we will move to closing speeches at 16:40. If members can keep their speeches to three minutes, I will be able to call three speakers.

16:32

Mr Michael McMahon (Hamilton North and Bellshill) (Lab): I welcome the opportunity to endorse the minister's speech. High standards in public life are an important issue, not only for us as parliamentarians, but for the ordinary working people whom we serve. Just as they want to have faith in elected politicians, they must have faith in public appointments.

I welcome the creation of the role of Commissioner for Public Appointments, which should achieve the aim of avoiding political interference while ensuring that independent scrutiny is implicit in the system of appointments.

The promotion of equal opportunities is also important in any system of public appointments. The Labour party manifesto for the Scottish Parliament election committed us to celebrating the diversity of Scotland's people.

However, in Lanarkshire and elsewhere, we have failed in the past to ensure that our public appointments system was representative of the diversity of the communities served by those bodies. We know that public bodies comprise mainly white, professional males. Although we recognise the wealth of talent and experience already employed in those organisations, we must deliver a system of public appointments that reflects the diversity of Scottish society. I welcome the Executive's agenda on that matter.

The Parliament welcomed the establishment of the Equal Opportunities Committee as a sign of our commitment to equality in Scotland. I am pleased that the Executive is expanding the values on which the committee was founded by promoting and enshrining those values in our public bodies to make them truly representative of the public.

Without disparaging any individual or group of professionals, I often wonder whether my area of Lanarkshire is mainly populated by middle-class professionals. Even a cursory look at the background of the people who serve on public bodies would indicate that the personnel are drawn from too narrow a section of society. Where are the women, the ethnic minorities, the disabled and the ordinary working people? At the moment, those groups are under-represented, if they are represented at all. That issue must be addressed, which is why the Executive's initiative is so welcome.

The issue is not only about proportionality or social exclusion, or about whether 75 per cent of appointees are of one gender or another; it is about fiscal competence. As such bodies account for approximately £6.5 billion of public money, there is a good case for a scrutinising role for the Commissioner for Public Appointments.

Having the right people to make the correct decisions about such large sums, along with other prerequisites, will lead to potentially greater fiscal competence, by better matching needs to available resources.

It is my earnest hope that through the introduction of those initiatives, the profile of public service will be raised in the eyes of the general public, which in itself could encourage more people than ever before to consider offering their talents for the country's benefit.

I believe that the Executive is determined to fulfil its commitment to the equality agenda and that we will continue to strive for greater diversity of

representation on public bodies. Jack McConnell's proposal goes a long way towards creating a climate of greater trust in our appointees and towards independent scrutiny becoming a reality.

There is still much to do, but we recognise the work that has already been done. The minister's proposals are good for public confidence in appointments, for Lanarkshire and for the people of Scotland whom we serve. I commend the motion.

16:35

Richard Lochhead (North-East Scotland) (SNP): I will try to keep my comments as brief as possible. I, too, welcome the debate, which is long overdue.

It is imperative that we break down the barriers between the public and the many quangos in Scotland. There is a perception that quangos are stuffed with a combination of the untouchables and the usual suspects, to borrow titles from the Hollywood movies. That must change.

As the minister knows, I have an interest in the water industry. The water industry highlights the desperate need for change in public appointments. I want to take the example of the North of Scotland Water Authority and, in particular, of its chairman, Colin Rennie, whom I have mentioned before in the chamber.

Colin Rennie is chairman of NOSWA by virtue of the fact that he was once a Labour party councillor in Dundee. However, shortly after his appointment, the Labour party in Dundee decided that he was not good enough to be a councillor and he was deselected. He is therefore no longer a councillor, yet has kept his position as chairman of NOSWA.

This is a man who is contracted to work one and a half days a week, yet who last year cost NOSWA £36,000. He gets a salary of £26,000, taxable benefits of £7,000 and £3,000 towards his pension—all for one and a half days a week. That is an appalling state of affairs, yet the consumers in that water authority, when faced with 45 per cent increases in water charges, must put up with statements from the chairman that they should not worry, because the increase is only the same as the cost of a packet of crisps.

The chairman is untouchable—there is nothing that consumers can do to remove him. They are not happy with his statements nor with the 45 per cent increase in their water charges, yet there is no facility to remove him from his position as chairman of the water authority, a position that he got by virtue of his position in the Labour party, although he no longer holds his post there due to lack of confidence in him. People must be given the means to remove such people from their

posts.

Staying with the water industry, I want to turn to the position of the water commissioner. The recently appointed water commissioner was appointed to be the customers' champion, yet the customers had no role whatever in his appointment—he was appointed by ministers. Again, from what I am told, customers are not happy with his performance, but there is no means whereby they can do anything about it. They did not even have a say in his appointment. That also must change.

I do not want to continue because others wish to speak, but I want to ask the minister to acknowledge when he winds up that those two examples illustrate why we desperately need to change the system.

16:38

Marilyn Livingstone (Kirkcaldy) (Lab): I welcome the motion moved by the minister and congratulate him on the innovative approach in the document. The consultation is welcome and will allow input from a wide range of agencies, which is important.

I want to examine two of the key objectives outlined in the consultation document, the first of which is fairness, openness and transparency, to which we all subscribe. Its importance was stressed by many members.

If we are to realise the second objective in the consultation document—encouraging a much wider range of people from all sections of society to participate in public bodies—we must increase participation by women, people from ethnic minorities and people with disabilities. As Alex Neil so eloquently said, the level of women's representation is, quite frankly, unacceptable.

Alex Neil pointed out that women participate primarily in children's panels, and are not chosen for executive appointments to quangos. That illustrates the fact that women are segregated into perceived women's roles and do not have an impact on the key decisions that affect our lives.

I want to respond to an issue raised by David McLetchie. The issue is not one of merit versus balance; surely it is one of equality of opportunity.

The targets that have been set for appointments to the devolved Scottish public bodies for women and ethnic minorities are welcome, as is the commitment to encourage disabled candidates to apply. Will the minister reassure Parliament that disabled people's membership of public bodies will be monitored, given that no specific targets are set? If we are to encourage people from a wide cross-section of society to respond, we must change the perception of our public bodies. An

advertising campaign targeted at publications that are primarily read by women and by people from ethnic minorities is welcome, as is the commitment to child care.

If we are to succeed in broadening social representation, we must ensure that the environment in which our public bodies operate is changed. We must remove the perception of elitism, to ensure increased participation. There is general criticism of the lack of transparency and accountability and of the undue bureaucracy in public sector bodies. Attitudes must change.

We need to encourage people from a diverse range of backgrounds and, if we are to do that, we need a co-ordinated approach. Because of a lack of relevant data, it is often difficult to pinpoint where under-representation lies, and I would like a further commitment from the minister that that will be addressed. The issue of equality must also be addressed not just in the boardroom but at management level.

I look forward to the outcome of the consultative process, and I welcome the commitment from the minister fundamentally to overhaul the public appointments system, to ensure a more inclusive and transparent approach in our public bodies.

16:41

Dorothy-Grace Elder (Glasgow) (SNP): I welcome what the minister said, and I know that we have a difficult job ahead in trying to rid the country of the curse of cronyism. Cronyism is not exclusive to any one political party, or to any section of life. It is a perfectly horrible part of the human condition, I am afraid. The worst possible workers are acquired through it, and it is to be avoided.

While we talk of transparency, we must admit that, until we in the Scottish Parliament began to try, the governance of Scotland has been about as transparent as a Harris tweed nightgown. There is far too much secrecy. One way to stop that is to stop the march of the cronies into the 3,900 appointments that are controlled by the Scottish Executive. That means that all public appointments must come before the Parliament. Only that way will we all be able to play spot the crony and achieve fair selection.

We need the oxygen of the different, new views of everyone represented in Scotland. We need only look at how well the Parliament did yesterday, when we had contributions from every possible political party on the Adults with Incapacity (Scotland) Bill. We did well, and pulled together as a Parliament, producing much better legislation than would have been the case before.

Imagine how good people could be in those all-

important public bodies, which govern Scotland more than we in Parliament do, if we were free from the old ways of doing things.

Alex Neil referred to SEPA—I did not know that he would. SEPA is one of the most secretive of all the quangos. We have all had perfectly dreadful experiences with SEPA. In November 1998, when I arranged a public meeting in Baillieston about Paterson's toxic dump, there was a SEPA representative on the platform. Two months after that meeting, I had to discover for myself that another 100,000 tonnes of material, half-raw sewage this time, was about to go into that dump. I telephoned SEPA and said, "Why didn't that man inform the public of that on that particular night? Did you know that that was going to happen?" SEPA just replied, "Yes." It had no legal compulsion to tell anyone. But the absence of legal compulsion does not matter—what an insult to the public that they were not told. They have to suffer that toxic dump, but they could not be told by that body, SEPA, which we are paying for.

We need more openness and, through that, better governance. There must be a radical shake-up with—please—appointments brought before the Parliament.

The Deputy Presiding Officer: We now come to winding-up speeches, and I apologise to members whom I have not been able to call. I thank the closing speakers for giving some of their allotted time in order to accommodate as many members as we did. I now call Robert Brown, who has three minutes.

16:45

Robert Brown (Glasgow) (LD): Perhaps I can draw the minister's attention to the Scottish Standing Committee for the Calculation of Residual Values of Fertilisers and Feedingstuffs. I suggest that he offer a post on that committee to Alex Neil should his questions in Parliament become too troublesome. I instance that not because of the oddity of its name—I have no doubt that it is an important body—but to illustrate that the range of bodies that we are talking about is vast.

In the document, we read that on the Justices of the Peace Advisory Committee are 10 ordinary people, such as councillors and managing directors, four lord provosts, four members of the peerage, two knights of the realm and 13 military men. That is not representative of Scotland in the 21st century. A fair bit of work needs to be done in that direction.

I confess that I concur with Alex Neil's call for a reassessment of quangos. I do not think that all quangos are bad, but they have a tendency to grow and they are hidden away in corners of the

governmental machine. The object of the exercise is to get good people who reflect the population of Scotland into posts in a way that is seen to be transparent. We are discussing a number of politically sensitive areas. Appointments to water authorities were touched on earlier; I would instance the chairs of health boards. Health boards operate in a politically sensitive area and have come in for some criticism in the Parliament in recent weeks. It might be that Parliament should scrutinise the appointment of their chairs and those of other bodies, such as SEPA, the Scottish Arts Council and Scottish Enterprise.

Parliamentary scrutiny of appointments seems less appropriate for technical and professional bodies. I know that that raises the image of appointments to such bodies being made behind closed doors, but we have to include an element of selection by people who know about candidates' professional abilities.

The technique of appointment is also important. A system of formal appointment making, which includes interview panels manned by people who know what they are doing, has to be built in. With great respect to parliamentary committees, we are not professional appointers.

We have to strike a balance. We do not want to put people off, but those who are appointed must realise that they are in public life and that they must behave accordingly. We need to produce a system that is worthy of a 21st-century democratic set-up. We have a variable system; we should not adopt one pattern across the board and apply it to all sorts of different bodies.

16:48

Miss Annabel Goldie (West of Scotland) (Con): I also welcome the consultation paper. As Mr McLetchie said, we are broadly in support of the initiatives that are listed therein. We hope that there will be a wide and constructive response from the public.

Transparency of procedure for appointments and transparency of operation of quangos is essential for the credibility of those organisations in the eyes of the public. It is important to bear that in mind as there is a degree of cynicism among the public about how those bodies operate. That transparency is equally necessary for the effective working of the quango. I hope that the broader issue of quangos in general can be examined. Perhaps some of them can be restructured into voluntary organisations. Not all of them need retain their current character.

There is a need to depoliticise appointments and to remove the appointments system from the direct political arena although, of course, it is acknowledged that there must continue to be a

link, in the interests of accountability.

My party supports the concept of an independent commissioner and—in the short term—using the UK commissioner seems a sensible transitional proposal.

Merit and added value to the quango must be the criteria. Considerations of gender and other comparable and worthy factors must be balanced with that. Marilyn Livingstone made a good point: there are apparent deficiencies in the composition of many of those bodies, but it is important for the sake of the credibility of the people serving on the bodies and the credibility of the body itself that merit be paramount. I do not believe that it is impossible to find merit in the groups to which Marilyn Livingstone referred.

The Conservative party opposes an abstract quota approach. For a responsible and transparent approach to these issues, there must be openness. An application of that approach would be to allow the commissioner to appoint the 27 independent assessors, and to increase the number of independent members on the Executive's appointment panels.

Given what we can only estimate to be the total cost of remunerating personnel in quangos—that, interestingly, does not figure in the document, but it must be a significant sum—I suggest that there is a need to monitor the appointment process and the performance of appointees. To minimise bureaucracy and cost, the commissioner could audit the process. However, should not appointees be appointed for an initial probationary period, whereby continuance of their appointment would rest with the individual quango chairman? Given the responsibilities that those people have, and the budgets for which they are responsible, that would be a perfectly acceptable commercial proposition, and I see no reason why it should not be extended to the sphere of quangos.

The Conservative party supports the minister's motion and hopes that the response that he receives will be positive and helpful.

16:51

Colin Campbell (West of Scotland) (SNP): I shall try to be brief, having cut out quite a lot of my speech. I cannot hope to compete with the speed at which Richard Lochhead spoke.

Political parties and their networks are an inevitable route by which people are drawn into public life, and it is rather disappointing that that fact will not be for discussion in the consultation document. That aspect of public appointment puts many people off; some people simply do not want to enter a system in which there are many party political appointees, and that excludes a

considerable market of people.

I do not doubt that the Executive genuinely wants to attain a measure of transparency. However, if ministers keep appointments to themselves—which seems to be a possibility—they run the risk of being accused of cronyism. Cronyism is easy in a country as small as this. We all know the line, “Ah kent yer faither”—or, in Jack McConnell’s case, “Ah kent yer auntie in Bridge of Weir.” It is a small country and accusations of nepotism and cronyism are easy. Therefore, we must take special steps to ensure that there is no hint of cronyism in anything that we do.

The Executive’s suggestion that the First Minister should make an annual statement to the Scottish Parliament about the year’s appointments will simply bolster the notion that the Executive wants to cling to control with retrospective scrutiny. That would not encourage the atmosphere of transparency that the Executive wants to foster. In the consultation paper, the Executive alarmingly veers away from pre-appointment scrutiny, on the ground that that might deter able candidates from applying.

Linda Fabiani (Central Scotland) (SNP): Does Colin Campbell agree that, contrary to the statements that were made by the Executive on its commitment to attract a wider range of candidates to the boards of public bodies, the recent recruitment advertisement for the board of Caledonian MacBrayne actively discouraged applications from anyone other than people with identical backgrounds to the ones of those who were already represented?

The Presiding Officer (Sir David Steel): If Mr Campbell is giving way, he ought to sit down.

Colin Campbell: I am sorry.

Linda Fabiani: Does Colin Campbell agree that, even during this consultation process, we are talking about more jobs for the boys and the establishment elite?

Colin Campbell: I am sorry that I remained standing, Presiding Officer. It is the habit of a teacher that is hard to give up. It is a way of dominating the audience. [*Laughter.*]

I could be persuaded to agree with Linda Fabiani’s assertion in some circumstances. The member’s bill that was suggested by Alex Neil would require ministers to bring nominations to the Scottish Parliament for confirmation. If appointments were made primarily on merit, not on political ties, that would be uncontroversial and would avoid the type of confrontational grilling that is referred to in the consultation paper. A pre-appointment endorsement of an appointee by the whole Scottish Parliament would make the public feel much more relaxed in the knowledge that the

job had been done transparently and fairly.

The SNP welcomes this debate on public appointments and hopes that any publicity that accrues from it will result in a large number of individuals and organisations contributing to the consultation.

16:55

Mr McConnell: The debate has been interesting and helpful. I assure members that all points raised will be taken on board both during and after the consultation process, with the possible exception of Dorothy-Grace Elder’s eloquent proposal of including cronyism in a new definition of original sin. However, the establishment of a new quango to monitor Harris tweed nightwear is a singular challenge that arose during the debate. I assure Colin Campbell that, however much he might stand up, he would have some difficulty dominating my auntie in Bridge of Weir, as I certainly never managed to do so.

A number of important points were made during the debate. While I will not attempt to respond to all of them, it would be appropriate to refer to a few.

Equality targets and diversity of representation were raised by Michael McMahon, David McLetchie, Annabel Goldie, Marilyn Livingstone and other members. The current targets are either incomplete or unsatisfactory and do not appear to produce the desired outcome.

If we are considering changing the targets to improve the diversity of public appointments in Scotland, we must be a little more creative and imaginative, by examining the beginning of the process, not just the outcome. We should examine the criteria that we establish, the way in which we advertise potential appointments and the way in which we assess those who come forward. That would ensure that we achieve not just a vague, technical, political correctness, but real equality of opportunity. It would also ensure that we take on board life experiences from across Scotland and that appointments are made completely on merit, without any disadvantage or discrimination. That would be a welcome objective, which we can achieve with the assistance of the organisations that we met yesterday.

During the debate, members raised the issue of payments made to people who sit on quangos—some quango members receive remuneration, but many do not. We need to consider a consistent approach if we are to encourage a wider range of people to come forward.

I am not sure whether members of the Electricity Fisheries Committee, to which David McLetchie referred, receive any remuneration. However,

anyone who sits on a committee that advises and assists

“Scottish ministers and any person engaging in, or proposing to engage in, the generation of hydro-electric power on any question relating to the effect of hydro-electric works on fisheries or stocks of fish”

deserves remuneration, in my view. [*Laughter.*] I hope that we will consider that.

Robert Brown helpfully referred to our variable system. The consultation document suggests that we might consider piloting new systems in the advisory non-departmental public bodies; perhaps the Parliament could pilot new scrutiny and accountability systems in some NDPBs. We must address such issues at the end of the consultation exercise.

I agree strongly that we must examine the fundamental role of the independent assessors. A Scottish commissioner, or the national commissioner, could consider the appointment of those independent members. In considering a Scottish solution to that question, we should ensure that the appointment of independent assessors is up front and is not diluted by the fact that they are appointed by ministers or by any other politician.

This is a one-off opportunity. As we approach the end of the Parliament's first year, we should ensure that those who serve on Scotland's public bodies receive the credit for their work that they deserve. The vast majority of people who serve on public bodies do so for the best of reasons, irrespective of the decisions that they are asked to make and of the source from which they come. At times, it must be difficult to serve on public bodies when everyone seems to suggest that members of quangos should jump on a bonfire at the first opportunity, rather than giving them credit for the work that they do. The appointments process must be seen to be fair and transparent. The procedures are important, but the way in which they are perceived across Scotland is even more so.

That is the challenge that we set ourselves. I hope that we will meet that challenge, and I look forward to debating the outcome of the consultation exercise and, perhaps, Mr Neil's bill, in the months ahead.

Parliamentary Bureau Motions

17:00

The Presiding Officer (Sir David Steel): The next item of business is consideration of Parliamentary Bureau motions. I ask Tom McCabe formally to move the following motions: S1M-708, on the days on which the office of the clerk will be open; S1M-709 and S1M-710, on the designation of lead committees; and S1M-711, on the membership of committees.

Motions moved,

That the Parliament agrees that between 1 May 2000 and 7 January 2001 (inclusive) the office of the Clerk will be open on all days except: Saturdays and Sundays, 1 May, 26 May, 29 May, 1 December, 22 December, 24 December (PM), 25 December, 26 December, 1 January 2001 and 2 January 2001.

That the Parliament agrees the following designation of Lead Committees—

The Transport and the Environment Committee to consider The Scotland Act 1998 (Agency Arrangements) (Specification) Order 2000, SI 2000/745.

That the Parliament agrees that the Rural Affairs Committee be the lead committee in the consideration of the National Parks (Scotland) Bill and that the Bill should also be considered by the Transport and the Environment Committee.

That the Parliament agrees that John Scott be appointed to the Public Petitions Committee.—[*Mr McCabe.*]

The Presiding Officer: Votes on those motions will be taken at decision time. Although they have been formally moved, there is a slight error in motion S1M-708. The reference to 24 December should not be there, as that day is a Sunday. The motion should read “22 December (PM)”.

Decision Time

17:01

The Presiding Officer (Sir David Steel): There are 10 questions to be put to the chamber. The first question is, that amendment S1M-700.2, in the name of Nicol Stephen, which seeks to amend motion S1M-700, in the name of Tommy Sheridan, on a Scottish service tax, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Dewar, Donald (Glasgow Anniesland) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 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)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 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)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeish, Henry (Central Fife) (Lab)
 McLetchie, David (Lothians) (Con)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)

Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

AGAINST

Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 77, Against 30, Abstentions 0.

Amendment agreed to.

The Presiding Officer: Because amendment S1M-700.2 is carried, amendment S1M-700.1, in the name of Andrew Wilson, falls.

The third question is, that motion S1M-700, in the name of Tommy Sheridan, on a Scottish service tax, as amended, be agreed to. Are we all

agreed? That is agreed.

Members: No, it is not.

The Presiding Officer: For once, I have to ask members to be a little more vocal. There will be a division.

For

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Dewar, Donald (Glasgow Anniesland) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 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)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 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)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeish, Henry (Central Fife) (Lab)
 McLetchie, David (Lothians) (Con)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)

Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 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)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 77, Against 0, Abstentions 32.

Motion, as amended, agreed to.

Resolved,

That the Parliament supports the principle of progressive taxation on social, economic and moral grounds and welcomes the Executive's commitment in A Partnership for Scotland to keep under review wider issues of local government finance and notes that these matters fall within the remit of the Local Government Committee.

The Presiding Officer: The fourth question is, that amendment S1M-707.1, in the name of Frank McAveety, which seeks to amend motion S1M-707, in the name of Robin Harper, on housing energy efficiency, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (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)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 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)
 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)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)

Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 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)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

Aitken, Bill (Glasgow) (Con)
 Brown, Robert (Glasgow) (LD)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Tosh, Mr Murray (South of Scotland) (Con)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 60, Against 33, Abstentions 19.

Amendment agreed to.

The Presiding Officer: The fifth question is, that motion S1M-707, in the name of Robin Harper, on housing energy efficiency, as amended, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Dewar, Donald (Glasgow Anniesland) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 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)
 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)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Campbell, Colin (West of Scotland) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 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)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

Aitken, Bill (Glasgow) (Con)
 Canavan, Dennis (Falkirk West)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 62, Against 28, Abstentions 20.

Motion, as amended, agreed to.

Resolved,

That the Parliament commends the Executive for its Healthy Homes Initiative as pledged in the Partnership for Scotland and the Programme for Government; commends the Warm Deal; welcomes the investment in improving Scotland's housing; welcomes the Executive's agreement in principle to the introduction of sellers' surveys, including an energy efficiency assessment; notes favourably the proposals for reforming the Improvement Grant system and amending the Building Regulations to require higher standards of energy efficiency, and recognises that these initiatives show the Executive's firm commitment to tackling fuel poverty and its effects and meeting climate change objectives.

The Presiding Officer: The sixth question is, that motion S1M-706, in the name of Mr Jack McConnell, on public appointments, be agreed to.

Motion agreed to.

That the Parliament notes the consultation paper on Modernising the Public Appointments System in Scotland, and urges individuals and organisations to contribute views and ideas during the consultation period.

The Presiding Officer: The seventh question is, that motion S1M-708, in the name of Mr Tom McCabe, on the days on which the office of the clerk will be open, be agreed to as verbally

amended.

Motion agreed to.

That the Parliament agrees that between 1 May 2000 and 7 January 2001 (inclusive) the office of the Clerk will be open on all days except: Saturdays and Sundays, 1 May, 26 May, 29 May, 1 December, 22 December (PM), 25 December, 26 December, 1 January 2001 and 2 January 2001.

The Presiding Officer: The eighth question is, that motion S1M-709, in the name of Mr Tom McCabe, on the designation of lead committees, be agreed to.

Motion agreed to.

That the Parliament agrees the following designation of Lead Committees—

The Transport and the Environment Committee to consider The Scotland Act 1998 (Agency Arrangements) (Specification) Order 2000, SI 2000/745.

The Presiding Officer: The ninth question is, that motion S1M-710, in the name of Mr Tom McCabe, again on the designation of lead committees, be agreed to.

Motion agreed to.

That the Parliament agrees that the Rural Affairs Committee be the lead committee in the consideration of the National Parks (Scotland) Bill and that the Bill should also be considered by the Transport and the Environment Committee.

The Presiding Officer: The 10th question is, that motion S1M-711, in the name of Mr Tom McCabe, on the membership of committees, be agreed to.

Motion agreed to.

That the Parliament agrees that John Scott be appointed to the Public Petitions Committee.

Health and Safety at Work

The Presiding Officer (Sir David Steel):

Tonight, members' business is a debate on motion S1M-488, in the name of Cathy Jamieson, on health and safety at work in Scotland. The debate will be concluded, without any question being put, after 30 minutes.

Motion debated,

That the Parliament is concerned that a recent report by Glasgow University claims that, relative to Britain as a whole, there is a greater risk of workplace fatalities and injuries in Scotland, fewer prosecutions in Scotland arising from fatalities at work, a lower rate of successful prosecutions where such cases are raised and a lower average level of fines in successful prosecution arising from fatalities and injuries at work, and believes that a Standing Commission should be convened by the Parliament, as provided for in the Report of the Consultative Steering Group, to investigate standards of health and safety at work in Scotland, to consider how these can be improved and to review the effectiveness of the regulatory and judicial authorities in relation to occupational health and safety.

17:06

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I welcome the opportunity to bring this important issue for ordinary working people to the floor of the chamber today. I congratulate Charles Woolfson and Matthias Beck, the authors of the report "The Scottish Safety Anomaly", on their work in preparing the report and on bringing it to the attention of members. Frankly, I hope that this issue hits the headlines. This chamber ought to be full to hear about the number of people who have lost their lives as a result of work-related injury in the past year. The press should also take notice, and examine the surrounding issues, rather than only report the horrific scandal of violent crime.

I want to say something about the contents of the report, and why I have asked in my motion for a standing commission to be established. I will quote a few statistics, because they put the issue into perspective. Since the deaths of 167 workers on Piper Alpha, there have been 60 more deaths in the oil and gas industries. I have already mentioned that there are more work-related deaths in Scotland than deaths through crime. Those work-related deaths are ones that are caused at work, and not those that are caused by illnesses that are related to work.

We are all aware of the changing circumstances at work, and the hazards that people are being exposed to in the workplace, not just in the traditional industries, but in some of the new industries. As a member of the Transport and General Workers Union, one of my concerns is that we do not pay enough attention, not just to

issues such as repetitive strain injury that occur in office settings but—speaking as a representative of a union that works closely with the agricultural sector—to the continuing hazards of pesticides and other chemicals, and to the concerns of workers in that sector.

Excluding natural deaths at work, deaths through industrial diseases, deaths through vehicle collisions and so on, there were 34 work-related fatalities in Scotland in 1998-99. That is a considerable number of people who have lost their lives, and a considerable number of families who have suffered as a result. In the same period, there were 2,400 major injuries at work in Scotland.

The report highlights the fact that workers in Scotland are more than twice as likely as those in England to be killed at work, and are 26 per cent more likely to experience serious injury. Many of those serious injuries result in the loss of a limb, loss of hearing, loss of sight or some other major physical impairment.

Only 9 per cent of major injuries at work in Scotland were investigated in 1996-97. According to the report, that represents a decline from the previous figure. In the same period, only 6.4 per cent of the injuries that were investigated proceeded to prosecution—the national average throughout the UK is 10.4 per cent. In Scotland, 12.8 per cent of deaths at work were prosecuted, compared to the national average of 18.8 per cent. The average fine in successful prosecutions for a death at work in Scotland is £14,575, but the average for the UK is more than £18,000. The average fine for all health and safety actions in Scotland is just over £3,000, but the UK average is about £5,000. By any measure that the report used, workers in Scotland fared worse than their colleagues in the rest of the UK.

Why is that the case? The report suggests that there might be a number of reasons, but not one easily identifiable factor. The report suggests that it cannot simply be explained by different industry and work force structures in Scotland and raises the possibility that Scottish employers might be cutting corners on safety. That must be addressed.

The report also suggests—and studies by the Health and Safety Executive will confirm this—that about 70 per cent of accidents at work can be linked to managerial failures. Are Scottish employers cutting corners in the training of their management, as well as in their health and safety training?

A number of other possibilities are also suggested in the report. Are incidents being investigated and employers penalised in Scotland as they are elsewhere? The statistics clearly

suggest that that is not the case. Do the labour market opportunities that are available to people in Scotland bring additional hazards? We know about the difficulties of people being unable to secure safe, long-term work, but is it the case that more and more people are taking on jobs for which they are not, perhaps, properly trained? Are they taking on more dangerous jobs—jobs that they would not have been prepared to take on in the past?

There are high unemployment rates in areas such as Ayrshire, my area. The report suggests that the areas that have the highest unemployment rates are the areas in which there are increasing numbers of injuries and fatalities at work. Is there a link? What is it? How can we deal with it?

The report also poses the question whether the Health and Safety Executive is well enough resourced. It suggests that in Scotland there are, perhaps, particular geographical constraints that mean that incidents are not being investigated and that they are not being followed up as they should be.

People have asked me why I am asking for a standing commission. My plea to those people is not to get hung up on the term standing commission. I have used it because it is the term that was suggested by the authors of the report. Although health and safety generally is a reserved matter, it is important that the Scottish Parliament has an opportunity to examine a matter that the report has highlighted as being of importance to the people of Scotland. We should investigate that and the authors of the report, with whom I concur on this, say that we should find a mechanism to do that in the Scottish Parliament. Setting up a standing commission would be one way of doing that.

The consultative steering group suggested that Parliament should have the opportunity to set up cross-cutting groups that would look across the work of the subject committees and which could bring in experts from various policy and academic areas and—I would argue strongly in favour of this—from trade unions. Such a commission could bring those people together with MSPs to examine some of the issues that have been highlighted. More important, it could set in train action plans, link with Westminster, which has responsibility for health and safety, and, ultimately, monitor effectiveness. The present situation is not good enough and we want improvements.

I would like, finally, to mention an issue that was highlighted in the report. Public health is a concern for the Scottish Parliament and for the Minister for Health and Community Care. The report graphically illustrates that public health cannot stop at the factory gate or the office door. It cannot

stop either at the doors of this chamber, so I ask members to give consideration to this motion.

17:15

Fiona McLeod (West of Scotland) (SNP): I thank Cathy Jamieson for bringing this matter before Parliament and giving me the opportunity to speak on a matter in which my family has a long-standing interest as my husband has spent his whole professional life in the safety services.

I will mention more statistics. They are similar to those that Cathy Jamieson has already given us. Last year, 27 employees lost their lives in accidents in the workplace. Several thousand more were injured or suffered ill health as a result of their work. That will have long-term consequences for them. Some of those events resulted in prosecutions followed—on conviction—by fines, but most did not.

The difficulty in examining stark figures is that counting accidents, even fatal ones, is not an especially good method of determining whether a job, or a workplace, is dangerous. Focusing on accidents concentrates the mind, but it is like driving a car by looking only in the rear view mirror—the driver knows only where they have been; they cannot tell where they are going. Other techniques are much better suited to predicting where and how accidents might occur.

As Cathy Jamieson said, the Health and Safety Executive is the primary safety regulator in Scotland. It rightly concentrates on other techniques of safety performance measurement. Its field operations division in Scotland enforces several hundred acts of Parliament and sets of regulations in a work force of 2.3 million people in many thousands of workplaces. Cathy Jamieson has already mentioned that it is funded to the tune of £8 million per annum. No doubt London feels that that is sufficient; I hope that the minister will agree that it is insufficient to provide for safety services in Scotland.

In the UK as a whole, there is a clear downward trend in the number of fatal accidents at work but, as Cathy Jamieson said, the rate of fatal injuries is higher in Scotland and Wales than it is in England. Because of the relatively small numbers involved, however, we must be careful about what conclusions we draw from the figures. The question therefore—once statistical variation has been ruled out—is what might the reasons be for the difference. If Scotland is faring worse than might be expected, what must we do about it?

As Cathy Jamieson said, the root cause of most accidents at work is acts or omissions by management. The likely remedy is to improve the management's understanding of safety in the workplace and to make management accept its

responsibility. The way in which to achieve that is to enable safety regulators to explain to employers what is required. HSE can do that only if it is able to spend more time performing its inspection duties. Deciding whether to prosecute or refrain from prosecution is currently a policy matter in the HSE. The question for the Parliament is whether that policy is relevant and effective in Scotland.

There are reasonable questions for the Parliament to have answered, such as whether the working man or woman is more likely to be killed or injured at work in Scotland than elsewhere. Is the safety regulator able to do its job effectively? Does our civil administration and judiciary take these issues seriously enough? We should welcome open debate on health and safety at work and support the call for a standing commission. I hope that the minister will agree with us.

The proposed standing commission must be given access to all the necessary data and individuals who can assist in its task. It must be charged not only with examining the current situation but with developing strategies that will drive real improvements in workplace safety in Scotland. However, this entire endeavour will fail if resources are not made available to ensure that the remedies are implemented. I therefore call on the minister to assure Parliament that resources will be found to ensure the safety of Scotland's workers.

17:20

Bill Aitken (Glasgow) (Con): I, too, congratulate Cathy Jamieson on introducing this constructive motion; I find very little in it to take issue with.

When I was in what might be described as the real world, I worked in the insurance industry and sometimes carried out health and safety at work surveys. Some of the things I saw made even my hair curl. I have seen salamander heaters on wooden floors a few feet away from liquid accelerants; unguarded machinery that was an accident waiting to happen; wiring that was sparking; safety exits completely blocked; and many other things that we must discourage. As Cathy Jamieson showed, and as Fiona McLeod said, there are far too many accidents at work.

There are two places we are entitled to expect to be safe: at home and at work. Employers are failing in their responsibility to their workers—and to society—in not taking health and safety measures more seriously than they apparently do. I can offer no explanation for the difference between the prosecution systems in England and Scotland, or for the disparity in court disposals. The courts should heed the serious level of

accidents at work and steps should be taken to discourage irresponsible employers.

Of course, it takes two to tango. It is important to involve the trade unions, as their members can show a lack of interest in their own safety. I have also seen an unwillingness to wear safety apparatus such as goggles and helmets. Sometimes, young boys at work indulge in the kind of horseplay that would be fine outside, but is not in a factory. That also must be addressed.

Some forum that will look at the matter more closely than has happened heretofore is needed. I find Cathy Jamieson's proposal attractive and hope that the Deputy Minister for Enterprise and Lifelong Learning will pay attention to it in his summing up.

Our working conditions are not immune to criticism. I can think of seven or eight breaches of the health and safety at work legislation in the Scottish Parliament headquarters building. We have Crown immunity, but we cannot and should not expect others to operate under the same working conditions as we do.

There is much to be commended in the motion and I associate myself with it.

17:23

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): I, too, thank Cathy Jamieson for giving us the opportunity to debate this motion. I welcome the report "The Scottish Safety Anomaly" and regret the apparent acceptance of the high incidence of accidents and industrial disease and the lack of investigation and prosecution.

In a previous life, I was a trade union official. I think I have time to tell a story from that time. Because of the good value a local contractor appeared to offer, an employer got him in to do a wee paint job. The contractor used lead paints that invaded the integrity of the factory's safety system, creating a toxic mix. Forty-three people went to hospital. Almost every service was involved: the ambulance service, the police service, the NHS, the benefits system and, eventually, the justice system. The cost was enormous—for the people who were injured, for the company and from the loss of productivity. There was a substantial financial loss.

I mention that case because it underlines the fact that industrial accidents and diseases bear a high cost—to the employer, to the individuals affected and to society. They are preventable and they have a considerable impact on the services that are devolved to this Parliament.

I believe that the Scottish Parliament has a role to play in shaping the work programme of the Health and Safety Executive in Scotland, as the

type of employment in Scotland differs from that elsewhere in the UK. We have moved from the very obvious health hazards of the shipbuilding and steel industries to the less obvious hazards of the new so-called sunrise industries, which deal with chemicals.

Women in my constituency are fighting for recognition of the effect of glycol ethers on their lives and their children's lives over the past several years. The workplace is changing and is different in different parts of the country. We should expect the work of the Health and Safety Executive to reflect what is happening in Scotland, and this Parliament should have some say in its work programme and priorities.

The debate is not just about the HSE's funding; it is about what we add on. We should not expect the HSE to take full responsibility for health and safety in Scotland. We need to graft on a role for health boards, trade unions and the community. The Health and Community Care Committee may also have a role. Last week, the Minister for Health and Community Care told us that the Executive is to invest a great deal of money in prevention. People in my constituency are still paying the price for what went wrong in the shipbuilding industry in the past. We are footing the bill for problems with asbestos, welder's lung, beat knee and noise-induced deafness. If we want to avoid that in the future, the Health and Community Care Committee must consider health and safety issues.

I know that the Justice and Home Affairs Committee is busy and will not thank me for this, but it could look into why prosecution rates are low and why, when we prosecute, we fail to get successful results. It could also consider the levels of compensation in Scotland as compared with those in England.

I welcome the standing commission as a way of moving the process forward and ensuring that this issue and its impact across Scotland are accorded greater recognition.

17:28

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): I thank Cathy Jamieson for raising this important issue. Health and safety in the workplace is a reserved matter and is the responsibility of the UK Government. The appropriate legislation is the Health and Safety at Work etc Act 1974—abbreviated to the HSWA—which falls within the remit of the Department of the Environment, Transport and the Regions.

I could stop there and suggest that these matters be brought to the attention of Mr Meacher, Mr Prescott and others, but I will try to be more

helpful in responding to the debate. I sometimes receive information on cases from the HSE and the DETR. We should thank them for their co-operation in that regard. In other respects, members may find their comments less than helpful, but I am the messenger rather than the instigator of those comments.

The Health and Safety Executive's mission is to ensure that risks to people's health and safety from work activities are properly controlled. Members will know that the HSE's remit covers Scotland. Enforcement is carried out by the HSE and local authorities.

In England and Wales, the HSE can prosecute its own cases, but in Scotland only the procurator fiscal or the Lord Advocate has jurisdiction to raise prosecutions. It must also be remembered that the procurator fiscal can initiate criminal proceedings only if there is sufficient legal evidence under Scots law and if the public interest is served by a prosecution. Another distinction between England and Scotland is the requirement for corroboration in Scotland.

Sentencing is entirely a matter for the courts and it would be wrong for me to comment on the level of fines that are selected by the courts in HSE or any other cases. The HSE suggests that fines in the agriculture sector appear lower than those in other sectors, but it has done no detailed calculations.

Cathy Jamieson referred to a report by Glasgow University. For the reasons that I have explained, it would be wrong of me to get involved in the detailed figures in it, but I have been given information about discrepancies between the report and the official statistics. For example, the report says that there have been more than 60 workplace deaths among offshore workers since Piper Alpha, but the HSE figures record 46 deaths. Based on provisional official figures, the major injury rate is 16 per cent higher in Scotland than it is in Great Britain as a whole, not 26 per cent higher as Dr Woolfson's report suggests.

Historical trends must also be treated cautiously. The introduction of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 has had an upward effect on the total number of injuries that are reported, so the percentage of injuries that are investigated has gone down. In 1995-96, 244 major injuries were investigated. In 1996-97, the figure was 261; in 1997-98, it was 332; and in 1998-99, it was 316.

It is vital that we are not complacent and that we understand more and give these issues a high priority. The HSE has commissioned the Institute for Employment Research, which is based at the University of Warwick, to examine social and economic variables affecting injury rates in detail

and we expect the results of the analysis to be available later in the year. The research will consider, for example, the proportion of employees in historically higher risk sectors such as heavy industry, manufacturing, agriculture and construction. We look forward to seeing the results.

Fiona McLeod: Will that research break the results down geographically?

Nicol Stephen: I asked that question and was told that it seems unlikely that the research will break the results down geographically, although it may be possible to extrapolate on the basis of geographical regions. The institute has said that it will try to analyse underlying trends and work out what is happening in different regions and countries—I hope that this debate will trigger that effort.

It would not be within the legislative competence of the Scottish Parliament to set up a standing commission or any other sort of body that was intended to deal with a reserved matter.

Cathy Jamieson: I outlined that this is public health issue. Duncan McNeil referred to that, and the minister identified matters that pertain to Scots law. Would it not be within the competence of the Parliament to set up a group to examine this issue in a cross-cutting, joined-up-government sort of way, the better to inform the Westminster Government, which deals with reserved matters?

Nicol Stephen: Indeed. It would be possible for the Parliament to establish a committee to consider workplace health and safety in a cross-cutting way, and aspects of that could be considered by committees. That is a matter for the Parliament to decide, not me or the Executive.

The Scottish Executive recognises the importance of making further inroads in reducing the number of deaths and injuries and the amount of ill health caused by work. A major tool in helping to do that is the revitalising health and safety initiative. Due to lack of time, I will not go into the detail of that initiative, but I will give further information to Cathy Jamieson and others who are interested. It was launched by the Deputy Prime Minister in March last year and a consultation was carried out. New proposals to take the initiative forward will be announced shortly by the Department of the Environment, Transport and the Regions in a revitalising health and safety strategy statement.

I shall finish on the national health service and issues relating to it. The NHS is considering these issues in relation to its own staff. It has a strategy document "Towards a Safer Healthier Workplace". The Scottish Executive's commitment to public and occupational health is demonstrated by the action proposed in the white paper "Towards a

Healthier Scotland". For example, workplace health promotion and occupational health support, with a particular emphasis on small and medium enterprises, will be stepped up by appropriate agencies, notably the Health Education Board for Scotland and the Health and Safety Executive. A publicity drive will be launched to secure wider coverage for Scotland's health at work award scheme. Again, SMEs will be a particular focus of that.

The Scottish Executive takes health promotion very seriously. We have recently applied for an award, under the Scottish health at work scheme, for Executive employees. We have recently announced considerable additional funds for health promotion.

I thank Cathy Jamieson for raising this important issue.

Mr McNeil: On a point of order, Presiding Officer. Is it possible, given the encroachment on the minister's time, for his speech to be published?

The Deputy Presiding Officer (Patricia Ferguson): It is entirely possible, if the minister is happy for that to happen.

Nicol Stephen: I am happy for that to be done.

The Deputy Presiding Officer: Thank you.

Meeting closed at 17:37.

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