

MEETING OF THE PARLIAMENT

Thursday 8 June 2000

Volume 7 No 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2000.

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

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

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

CONTENTS

Thursday 8 June 2000

Debates

	Col.
DILIGENCE	105
<i>Statement—[Mr Jim Wallace].</i>	
The Deputy First Minister and Minister for Justice (Mr Jim Wallace)	105
LOCAL ECONOMIC DEVELOPMENT	117
<i>Motion moved—[Mr Swinney].</i>	
Mr John Swinney (North Tayside) (SNP)	117
Allan Wilson (Cunninghame North) (Lab).....	123
Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP).....	125
Nick Johnston (Mid Scotland and Fife) (Con).....	129
George Lyon (Argyll and Bute) (LD).....	132
Irene Oldfather (Cunninghame South) (Lab).....	135
Richard Lochhead (North-East Scotland) (SNP).....	137
Dr Elaine Murray (Dumfries) (Lab).	139
Phil Gallie (South of Scotland) (Con)	140
Alex Neil (Central Scotland) (SNP).....	142
Euan Robson (Roxburgh and Berwickshire) (LD)	143
Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)	145
Mr David Davidson (North-East Scotland) (Con)	146
Andrew Wilson (Central Scotland) (SNP).....	148
The Minister for Enterprise and Lifelong Learning (Henry McLeish).....	150
Miss Annabel Goldie (West of Scotland) (Con).....	154
LOCAL GOVERNMENT	158
<i>Statement—[Ms Alexander].</i>	
The Minister for Communities (Ms Wendy Alexander).....	158
BUSINESS MOTION	168
<i>Motion moved—[Mr McCabe]—and agreed to.</i>	
QUESTION TIME	171
FIRST MINISTER'S QUESTION TIME	186
POINTS OF ORDER	194
LEARNING DISABILITY REVIEW	195
<i>Motion moved—[Iain Gray].</i>	
<i>Amendment moved—[Mr Hamilton].</i>	
The Deputy Minister for Community Care (Iain Gray).....	195
Mr Duncan Hamilton (Highlands and Islands) (SNP).....	198
Mary Scanlon (Highlands and Islands) (Con).....	201
Mrs Margaret Smith (Edinburgh West) (LD).....	203
Margaret Jamieson (Kilmarnock and Loudoun) (Lab)	206
Tricia Marwick (Mid Scotland and Fife) (SNP)	207
Dr Richard Simpson (Ochil) (Lab)	208
Mr Brian Monteith (Mid Scotland and Fife) (Con).....	210
Dennis Canavan (Falkirk West).....	211
Mr Adam Ingram (South of Scotland) (SNP)	213
Nora Radcliffe (Gordon) (LD)	213
Johann Lamont (Glasgow Pollok) (Lab)	215
Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD).....	217
Ben Wallace (North-East Scotland) (Con).....	218
Michael Matheson (Central Scotland) (SNP)	220
Iain Gray	222
PARLIAMENTARY BUREAU MOTIONS	226
<i>Motions moved—[Mr McCabe].</i>	
DECISION TIME	227
WOMEN'S PAY	231
<i>Motion debated—[Elaine Thomson].</i>	

Elaine Thomson (Aberdeen North) (Lab)	231
Brian Adam (North-East Scotland) (SNP)	233
Lord James Douglas-Hamilton (Lothians) (Con)	235
Nora Radcliffe (Gordon) (LD)	236
Maureen Macmillan (Highlands and Islands) (Lab)	237
The Deputy Minister for Communities (Jackie Baillie)	239

Oral Answers

Col.

QUESTION TIME

SCOTTISH EXECUTIVE	171
Anorexia	182
Fuel Excise Duty	184
Genetically Modified Organisms	177
Health Services	179
Road Safety (Children)	176
Roads (A77)	171
Roads (A8000)	171
Schools (Repairs)	174
Scottish Economy	172
St Andrew's Day	185
Voluntary Sector	182
Volunteers Week	175

FIRST MINISTER'S QUESTION TIME

SCOTTISH EXECUTIVE	186
Cabinet (Meetings)	186
Cabinet	187
Higher Education	189
Laidlaw & Fairgrieve Ltd	192
Waiting Lists	191

Scottish Parliament

Thursday 8 June 2000

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

Diligence

The Deputy Presiding Officer (Patricia Ferguson): Good morning. The first item of business is a statement on diligence by the Deputy First Minister. The minister will take questions at the end of his statement, so there should be no interventions.

09:31

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): I am glad to have this opportunity to bring members up to date with the Executive's plans for the law of diligence.

Diligence is the Scots law term for the procedures that enable court orders in civil matters to be enforced, usually for the payment of money. A number of different diligence procedures are available to enforce payment. Poining and warrant sale is only one type among many. Different measures exist for use against different types of property, such as heritable property—all types of land and buildings—and movable property, including income, money held in different forms and all sorts of goods and assets.

The fundamental tenet that underpins the system of diligence in Scotland—indeed it underpins our society—is that people have responsibilities as well as rights. We come together in civil society on the basis that we honour our responsibilities and expect others to do the same. That expectation and belief is at the heart of every transaction, whether it be between individuals, between individuals and enterprises, or between people or organisations and the state. The payment of debts is one such responsibility. Unfortunately, some people simply refuse to pay their debts until they are forced, even though they are able to do so. In those circumstances, the legal system must have a mechanism that people can use to enforce payment that is due to them. Those who pay their debts should not have to subsidise those who choose not to.

The system must be able to ensure that those who attempt to avoid meeting their liabilities cannot do so. There should be no loopholes for the cheats who can, but do not, pay to sneak through. The system needs to strike a fair balance between effective enforcement and protection of the vulnerable. It must support hard-working

families who pay their taxes against those who decide not to bother. It must also free from oppression those who are genuinely unable to pay. To do that the diligence system must be comprehensive—no form of property can be exempted from it. Such an exemption would be exploited by the small number of people who seek any opportunity not to pay.

I will explain the Executive's plans for the law of diligence. I have said on previous occasions that it is essential to consider the law of diligence as a whole because there are many facets to the system, all of which are complementary and interlink to form a complete whole. Improvements to any one part must be considered in light of the impact that they will have on the remainder. A complete set of measures covering all types of property must be available so that all types of creditor, including individuals, local authorities and businesses, can recover all types of debt, and so that reluctant debtors cannot take advantage of gaps or loopholes.

The Executive has planned a review of the law of diligence as a whole for some time and I confirmed to members on 4 May that arrangements for such a review were under way. The review is thorough, wide ranging and, perhaps most important, coherent. All aspects of the diligence system are included. The reform of one part is being assessed to ensure that there are no unintended negative consequences on any other part. Above all, debtor protection and effective enforcement are being carefully balanced.

I will mention some areas of the review in particular. Members will be aware of the research study that was commissioned by the Scottish Office on the operation of the diligence procedures that were introduced by the Debtors (Scotland) Act 1987. That act effected widespread reform of the existing system and introduced new procedures for earnings arrestments and time-to-pay orders and directions.

The research study into the operation of the act was a substantial work of eight reports, which were published in April 1999. Among the conclusions reached by the study was the view that certain new procedures introduced by the 1987 act are not operating properly, particularly in the case of procedures designed to assist those who have difficulty paying their debts or who have multiple debts. We are examining those procedures and will introduce appropriate reforms.

Published Scottish Law Commission reports relating to diligence remain unimplemented, including its "Report on Diligence on the Dependence and Admiralty Arrestments". I expect to receive two further reports from the commission—on diligence against land and on attachment orders and money orders. Those

areas are being examined and appropriate reform will be introduced.

Furthermore, the review covers areas of the diligence system that the Executive has identified as requiring further investigation, some of which flow from concerns raised by organisations or individuals. Let me be clear that representations are welcome from anyone with concerns. In any event, the review will involve wide consultation to take into account all interests.

Some of the issues that the review is considering cut across the whole of the diligence system and affect various different types of diligence. For example, the review is considering the arrangements that can best assist both debtors and creditors in managing the very real problem of multiple debt, whether by a debt arrangement scheme or otherwise. Issues identified in the research include debtors' reluctance to use existing protections and the need to improve information and advice to debtors to that end. Another important issue is access to information to enable creditors properly to target the most appropriate form of diligence that should be used in particular circumstances.

We must give careful consideration to these very real and problematic areas, to achieve a solution that genuinely makes a difference. Those key issues are fundamentally important to how the diligence system operates and of course they will be included in the review of the law of diligence. We are considering all aspects of the diligence system and we intend to produce a coherent, systematic and comprehensive package of reform. Legislation to implement the reforms identified by the review will be introduced within the lifetime of this Parliament. That legislation will give us a modern system of diligence in Scotland—not one that is rooted in past centuries.

As members are well aware, legislation is already passing through Parliament for the abolition of poinding and warrant sales. Members will recall that the Justice and Home Affairs Committee recognised that that legislation would have to be coupled with an alternative, humane replacement diligence against movable property, which would have to be formulated before the Abolition of Poindings and Warrant Sales Bill is brought into force. The committee recommended a delay between the passing of the bill and its coming into force. The serious consequences that would follow from a failure to do so are abundantly clear, and I am sure that we would not want to create the loophole that would result.

Therefore, the Executive has undertaken to resolve that problem. On 27 April, I said that the Executive would meet the committee's challenge to find a workable and humane alternative and that it would set up a cross-party parliamentary

working group to identify the essential elements of an alternative to poinding and sale. I am able to inform members that I have issued invitations to those people whom I would like to join the group, which will be chaired by the Deputy Minister for Justice, Angus MacKay. On the parliamentary side, they include the conveners of the Justice and Home Affairs Committee, the Local Government Committee and the Social Inclusion, Housing and Voluntary Sector Committee, Mr Tommy Sheridan, a representative from the Conservatives and a representative from my own party. Others invited, who can bring the perspectives of both creditor and debtor to the group, include Citizens Advice Scotland, the Scottish Consumer Council, Money Advice Scotland, the Institute of Credit Management, the Convention of Scottish Local Authorities, a business representative and an academic in the field of diligence.

The group will be faced with a challenging but extremely important task and will have to work to a tight time scale. I intend that the group should meet for the first time later this month and regularly after that. Following on from the work of the group, we will introduce legislation no later than the 2001-02 parliamentary year.

In the meantime, I am taking immediate steps, by way of secondary legislation, to extend the list of goods exempt from poinding, largely in line with the recommendations of the Scottish Law Commission in its recent publication, "Report on Poinding and Warrant Sale". New items to be added to the list include televisions, radios, microwave ovens, telephones and computers. I made a commitment in Parliament to put in place that reform before the summer and I confirm that I will lay the regulations before the Parliament next week.

The Executive's position on the proposal for an arrestment bill, which has recently been lodged by Mr Alex Neil, is that we recognise and are sympathetic to the concerns that led him to make that proposal. We are also sympathetic, in principle, to the idea of preserving within bank accounts arrested a basic sum, similar to the protection that already exists when earnings are arrested. We think that the idea is a good starting point for dealing with the problem, but it requires considerably more work to be done on it.

The Executive is willing to take up the idea and to develop it to ensure that those who have their accounts arrested are not left bereft of the wherewithal to live. As the review will consider all types of diligence, it will include a range of issues concerning non-earnings arrestments. We cannot support Alex Neil's bill because of its piecemeal approach. Nevertheless, the comprehensive, systematic and co-ordinated approach of which I have spoken and which my department is taking

forward can take account of any impact on other types of diligence and avoid unintended negative consequences. That is better than piecemeal reform.

I welcome this opportunity to set out the Executive's intentions for the reform of the law of diligence. I hope that members will agree that this is a wide-ranging and challenging undertaking.

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 move to the next item of business. It would be helpful if members would press their request-to-speak buttons now.

Phil Gallie (South of Scotland) (Con): My button is not lighting up. I will move to the seat behind, if necessary. *[Interruption.]* I have not got my card in.

The Deputy Presiding Officer: I am relieved that, for once, we are dealing with human error and not a technical hitch.

Roseanna Cunningham (Perth) (SNP): I welcome the minister's statement. I am tempted to ask whether he would have been making it if Parliament had not voted for the Abolition of Poindings and Warrant Sales Bill, but that might be pressing a rather tender spot.

Could the minister be a little more explicit about the time scale for this reform? He said that the Executive intends to introduce legislation in the parliamentary year 2001-02. That can be as soon as May next year and as far away as May the following year, with the resulting act not coming into force until considerably later in 2002. It would be helpful if the minister could give us a better idea of when he wants this legislation to be in operation.

My next point concerns the composition of the working group. It was not until I read the statement at 25 past 9 that I realised that I was getting an invitation to serve on the working group. With my committee convener's hat on, I would like to ask whether committee conveners are the most appropriate persons to serve on the working group, given that the three committees concerned will have to deal with whatever legislation emerges during stage 1 consultation and so on. The Parliament may want to consider whether committee conveners are the right people for this job. Conveners are meant to retain a sense of impartiality in their work, which may be difficult if they have had a hand in producing the legislation.

I want now to address some of the more specific issues that the minister raised. In his statement, he did not mention the system of summary warrants. The minister will know from the evidence that all three committees took at stage 1 of the

Abolition of Poindings and Warrant Sales Bill that this aspect of current procedure was identified as a major problem area that needed to be overhauled. It does not include, for example, the time-to-pay orders that are popular in other areas of diligence. Can the minister confirm this morning that examination of the summary warrants system will form part of the working group's remit? That will be key to any change in the law of diligence.

Mr Wallace: I am grateful to Roseanna Cunningham for her general welcome for the statement. A letter of invitation was issued to her yesterday, but it had probably not got through the mail system by today.

I hear what the member says about conveners. The decision to invite them to take part in the working group was based on the fact that the committees have already done some work and are up to speed on these issues. I will not be inflexible about that, but we want to get on with this work very quickly. Two of the conveners I mentioned come from the Labour party, and Ms Cunningham comes from the SNP. We want to ensure that both of those parties are involved, so if the member has an alternative proposal I would be grateful if she could bring it forward quickly. We hope that the working group will meet for the first time later this month and regularly after that. That is indicative of the commitment to press forward.

It is important to make—as my statement did—two distinctions. There is the overall review of diligence, on which we have said that we will introduce legislation before the next parliamentary election. There are also the provisions that the working group will address, which would obviously include summary warrants as they are a key element. The working group will look at the replacement—the humane replacement, as Ms Cunningham's committee described it—of poinding and warrant sales. That will be a separate piece of legislation and I have said that we would want to introduce it no later than the 2001-02 parliamentary year. The greater the progress made by the working group, the better. I cannot put a timetable on the legislation because it will be in the hands of the working group, but it is not our intention that there should be any foot-dragging on this. We want to make progress and I hope that we will.

Phil Gallie: I thank the minister for the copy of his statement, which I received this morning. I would also like to acknowledge Tommy Sheridan's contribution, which perhaps hastened the statement. I also welcome the minister's comment reinforcing the responsibilities as well as the rights of those who incur debts.

We note the minister's acceptance of the Justice and Home Affairs Committee's recommendation that something must be in place before warrant

sales and poindings are abandoned.

I welcome the working party that will be set up. Will the minister accept in good faith our commitment to co-operate with and give full support to that group?

With respect to the extension of the exempted goods list, will there be a limit on the number of televisions, computers and microwaves per household? Given Alex Neil's contribution, will there be a limit on the number of accounts that a debtor has in his or her name?

Finally, sheriff officers are much maligned. Will the minister join me in acknowledging the efforts of sheriff officers who have to do the dirty work of parliamentarians in upholding the law and pursuing the aims of legislation that is already on the statute book?

Mr Wallace: I thank Mr Gallie for his welcome for the statement and for his positive response to the working group. He asks whether there will be a limit on the number of televisions and microwaves. Yes; the framework in which those additional items are included relates to items that are deemed to be household necessities. In this day and age a microwave and a television are household necessities, but it might be pushing it to say that five televisions in the household are necessary.

Mr Gallie mentioned Mr Alex Neil's bill on multiple accounts. We have seen the terms of Mr Neil's bill, but from what we have read and gleaned, the issue of multiple accounts must be properly and thoroughly examined. It will be taken up in the comprehensive review of diligence.

Sheriff officers are officers of the court and are subject to the control of the court. They have difficult jobs to do and are instructed by clients to do them. Their activities are strictly regulated by statutory instrument and the legislation provides for complaints and disciplinary procedures. Some of the allegations made against them have been unfair. All aspects of diligence will be considered in the review, including the regulations relating to sheriff officers.

Euan Robson (Roxburgh and Berwickshire) (LD): I welcome the statement. It is widely agreed that reform is long overdue. Does the minister recognise the role of advice agencies such as Money Advice Scotland and the citizens advice bureaux not only during the consultation period and the passage of the legislation, but afterwards, in handling problems of debt? Is there any plan to consider the resources available to them—particularly capital resources such as computer systems—to facilitate their handling of clients' problems?

Furthermore, how will we involve the Department of Social Security in this process?

Many of the problems of multiple debt can be helped by direct payments from benefits, such as the Department of Social Security 519 fuel direct scheme, which assists in the payment of energy bills. It is important to involve the DSS. Are there plans to do that? Will it be given a continuing role after the legislation is passed?

Mr Wallace: I am grateful to Mr Robson. Money Advice Scotland and Citizens Advice Scotland have been invited to be part of the working group, so they will not simply be consulted but will have direct input into the search for an alternative to poindings and warrant sales. Questions of funding of citizens advice bureaux go beyond the remit of the statement and the review, but the point is noted.

I accept that the Department of Social Security has an important role to play. There are issues of reserved powers, but I have indicated that the consultation will be wide ranging, particularly with regard to the fundamental review of the law of diligence. It is important that the DSS is involved in that consultation, because it has a significant role to play in these matters.

Tommy Sheridan (Glasgow) (SSP): Given that prevention is much better than cure, and taking into account the points made by Mr Robson, I hope the minister will accept that the idea of funding free independent financial advice should become part of the remit of the committee. We have to examine not only what happens when people get into debt but why they get into debt. If we can prevent them getting into debt through advice at an early stage, perhaps we can prevent the use of diligence as a whole.

I have a couple of points on the statement. First, in relation to the involvement of parliamentary committees, would it be better if their members, rather than their conveners, were invited to serve on the working group? Conveners' work load is well known; my concern is that that might affect the number of meetings.

The second point relates to the minister's reference to the Justice and Home Affairs Committee's opinion that the member's bill should be passed immediately and have an implementation date as soon as possible thereafter. An amendment to change the implementation date to April 2001 was lodged yesterday by the sponsors of the member's bill. Does the minister think that that time scale is realistic? The date was chosen—and was mentioned by the Local Government Committee—because it is at the beginning of the next financial year for local authorities.

On the exemptions, Phil Gallie's point may seem trivial, but it is important. The diligence committee report from the Law Society of Scotland made the

point that TVs and other goods up to a certain value would be exempt. My worry on reading that was who would determine the value—it is not valuers who go out, but sheriff officers. I would like clarification on what the minister means by the improvement in the exemption.

Is the minister willing to issue some form of statement to the Deputy Minister for Local Government with a view to recognising that, as we speak, sheriff officers throughout Scotland are, in my opinion, trying to squeeze as much blood as possible before the removal of poindings and warrant sales? I do not accept the points that Phil Gallie made about sheriff officers. Poindings and warrant sales are a profitable pursuit for them—£70.15 every poinding, regardless of any money that is raised.

I have evidence in my office, as I am sure do other members, that sheriff officers are increasing the number of poindings in anticipation of them being removed in the near future. Will the minister issue an appeal to local authorities to examine their debt recovery methods with a view to instructing sheriff officers to use other methods than poinding and warrant sales, as is the case in West Dunbartonshire?

We have mentioned the fact that sheriff officers are independent officers of court. Will the overall review of diligence also examine the role of sheriff officers vis-à-vis their involvement in debt recovery as a whole? They are often linked to rich and powerful debt recovery agencies, which are limited companies. I hope that the review will examine that role and decide whether it is acceptable that it should continue.

Mr Wallace: Mr Sheridan has raised a number of points, which I hope I can cover. As I said in reply to Roseanna Cunningham, we invited conveners to be members of the committee because they are closely involved in the matter. If, for example, she felt that it would be helpful to include another SNP member of the Justice and Home Affairs Committee, I would be happy to talk to her about that. As for the conveners of the other two committees, I have yet to hear their responses—and I had better not prejudge what they will say to me.

Mr Sheridan also mentioned Euan Robson's point about providing advice to prevent people from getting into debt in the first place. That is important, and the problem of multiple debt and debt arrangement schemes should be considered by the committee in its wider review of diligence. That point was well made.

Mr Sheridan asked about the amendment on April 2001 that he and his sponsors have lodged. I repeat that we are committed to the abolition of poinding and warrant sales and to replacing that

system with a modern, humane and effective diligence against movable property. It is self-evident that that alternative is not yet available. It is unlikely, if one is being realistic, that it will be available 10 months from now, as the working party will have to conduct the necessary consultation process and the legislation will have to be passed. We will therefore introduce legislation no later than parliamentary year 2001-02. Mr Sheridan's amendment will be debated properly at stage 2 of the bill, but I hope that members will agree that allowing the working party to complete its task is the best way forward. The working party should get under way this month and is expected to meet regularly, so there cannot be any foot-dragging on this matter.

The precision with which the maximum number of television sets or microwaves is decided will be reflected in the regulations and the relevant committees will have an opportunity to consider that.

As I said to Mr Gallie, there are regulations covering sheriff officers. They are officers of court and are subject to control of court and regulated by statutory instrument. All aspects of the diligence system will be considered in the review, including those regulations, and the role of sheriff officers will therefore be addressed.

Mr Sheridan will know that the Executive is already pursuing the recommendations of "It Pays to Pay—improving council tax collection in Scotland", which will ensure that people in financial hardship are not subject to poinding and warrant sales. We are trying to develop a new protocol covering working arrangements between councils and sheriff officers, which should be available later this year. It is important that councils gather information on people in debt before instructing diligence and should be in a position to offer debt management and counselling arrangements, including increased use of direct reductions from benefit. We will encourage councils to do that.

The Deputy Presiding Officer: I ask members to keep their questions brief or we will run out of time.

Mr John McAllion (Dundee East) (Lab): If the minister seriously wants to be flexible about the working group, will he accept that no individual can represent a cross-party group and a political party? I am happy to volunteer to represent the Labour party on his working group.

Does the minister accept that the Scottish legal establishment, of which he and the First Minister are prime examples, has been promising a review of diligence for more than a decade—without fruit—and that there is little excuse for further delay on this important matter?

Finally, does the minister accept that the will of this Parliament is to abolish poindings and warrant sales—not to replace them with some sanitised version of the same that suits the Scottish Law Commission?

Mr Wallace: I note Mr McAllion's generous offer. That is a matter that he might want to sort out with his own party. Invitations have gone out to the conveners of the Social Inclusion, Housing and Voluntary Sector Committee and the Local Government Committee, both of whom are members of the Labour party. Ministers on the committee will be members of the Labour party as well.

The need to make progress on the review of diligence was the thrust of the statement. This has been around for a long time. Some of the Law Commission reports to which I referred have been gathering dust on shelves for some time. The fact that we have now undertaken this review with—as I said in my statement—a view to legislation in the next parliamentary election is indicative of the benefits of having a Scottish Parliament. I do not believe that that would have happened in a Westminster context.

I accept that Parliament is committed to the abolition of poindings and warrant sales. I repeated in my reply to Mr Sheridan that the Executive is likewise committed. Members will recognise that the Justice and Home Affairs Committee said that although there should not be a sanitised version of poindings and warrant sales, there should be a humane and effective diligence against movable property, which exists in 41 other countries that the Law Commission studied in its report.

Alex Neil (Central Scotland) (SNP): Mr Wallace said that my bill on arrestments has some flaws, but he has not yet seen it. I suggest that he examine the draft of the bill. He will realise that I deal with a number of the issues that he raises. Bank arrestments, as I am sure he is aware, total about 100,000 a year. This will be a useful measure—to say the least—pending the implementation of wholesale reform. I am willing to accept reasonable amendments from the Executive if it will give some backing to the bill.

My second point is in relation to the remit of the working party. One issue that has not been mentioned by Mr Wallace is loan sharking. I hope that part of the remit of the working party will be to deal firmly with loan sharking, which is a major problem in Scotland.

Thirdly, in addition to the secondary legislation to extend the exemptions, will the minister consider other immediate measures that could be taken, in particular to give a guarantee to local authorities that are not going to use poindings and

warrant sales that they will not be penalised?

Will the minister issue guidance on the behaviour of sheriff officers, which is abominable in many parts of Scotland? Will he also issue guidance to all public sector agencies in Scotland that when they try to collect debt they should not send a one-off letter to people, threatening that if they do not pay the whole sum within 10 days they will be taken to court? A more humane way of communicating about debt should be established in the public sector as a matter of priority, given that 80 per cent of poindings and warrant sales are from public sector agencies.

Mr Wallace: That is a lot of questions; I will try to deal with them all.

I hear what Mr Neil says about his bill. I said that issues of multiple accounts had to be taken account of. Looking at the principles of his bill, parts of it are already in place with regard to releasing arrestments. The point that I will make to him is that to proceed on an ad hoc basis of one bill after another would not necessarily lead to the coherence that we want in a total reform of the law of diligence. Apart from anything else, in a practical sense it diverts time, resources and people from proceeding with a much wider review. For that reason, I wish to take up the important points that he raises in the principles of his bill in the context of the wider review of diligence, on which we have indicated we will wish to legislate before the next parliamentary election.

Mr Neil mentioned giving guidelines to sheriff officers. I repeat that, far from guidelines, sheriff officers are subject to rules of court. Their activities are strictly regulated by statutory instrument. Those ought to be far more demanding than any guidelines, because they have the force of law.

Sending one letter with a 10-day notice is inadequate. We can expect better than that. I dealt with several, more detailed aspects of that matter in my reply to Mr Sheridan.

Alex Neil: What about loan sharks?

Mr Wallace: One of my concerns, which has been reflected in a number of articles, is that if we were simply to abolish poindings and warrant sales without humane and effective diligence against movable property, we would push more people into the hands of loan sharks if they were unable to obtain credit from other, more reputable, providers of credit services. The fact that we have involved creditor interests in the working group indicates that we are conscious of that.

Local Economic Development

The Deputy Presiding Officer (Patricia Ferguson): The next item of business is a debate on motion S1M-935, in the name of Mr John Swinney, on behalf of the Enterprise and Lifelong Learning Committee, on the local economic development services inquiry.

10:06

Mr John Swinney (North Tayside) (SNP): It is my pleasure to introduce the report of the Enterprise and Lifelong Learning Committee on local economic development services, and to speak in my capacity as that committee's convener.

Our report was published on 10 May, and I welcome this early opportunity to debate the issues that were raised in it. The Executive is entitled to an eight-week period to respond to committee reports, and we appreciate the fact that ministers are prepared to take part in an earlier-than-anticipated debate, outwith that time scale.

The committee has proposed substantial changes to the existing arrangements for economic development; I will come to those changes later. Before that, I will explain what led the committee down its route of inquiry. We had all experienced dealings with local economic development and, from members' constituency experience, the committee was aware of fairly widespread unease over the effectiveness of existing services. There was a concern that, if the agencies involved were not actually out of control, they were potentially out of touch with those whom they were established to serve.

The committee embarked on its inquiry unanimously, and agreed its report unanimously. We were determined to listen to the case that was put in front of us, to test the evidence from a wide base and to formulate conclusions with all that in mind. Our report fits into a welcome debate about the future of economic development, which has been developed by the minister. As important as the debate is the recognition that the talking must, at some point, stop and the delivery of services must begin in earnest under any revised model.

I am glad that the Minister for Enterprise and Lifelong Learning was able to give a commitment, during his appearance at the committee in March, that the debate over the future of the enterprise networks, the framework for economic development and the delivery of local services would be complete in time to ensure implementation of the proposals in the autumn and towards the end of the year.

In its deliberations, the committee took substantial evidence over an eight-month period. That involved consideration of more than 100 written submissions, and hearing 41 witnesses who came to speak to the committee. We visited the Highlands and Islands to appreciate the differences between the lowland and Highland perspectives, and we were the first committee to move its proceedings out of metropolitan Edinburgh, if I can so describe it.

In December, the committee published an interim report. To ensure that our conclusions had some resonance in reality, and reflected the debate among those who needed to use the services, we held the business in the chamber event, in which 129 business people were invited into the parliamentary chamber to debate our key interim conclusions. That event provided a valuable opportunity for us to test the effectiveness of the direction of our thinking, and to find out whether we were touching the issues that were of concern to the wider community.

We also commissioned independent academic research from the University of Paisley in an attempt to capture the nature of the map of services, and to provide a schematic of how those services are delivered. To say that the University of Paisley produced a rather complex schematic would be an understatement of all proportions, but it was certainly a useful example of the benefits of independent academic advice. It gave us useful information about the problems with which we were wrestling. We also recruited input from academic, business and media circles to judge the conclusions that we were adopting.

Before going on to discuss those conclusions, I express the committee's thanks to our clerks, Simon Watkins, David McLaren and Mark MacPherson, for their work on the inquiry. I also record my thanks to Enterprise and Lifelong Learning Committee members for their involvement. I record our appreciation to those people who gave evidence to the committee, in writing and orally, and to the Presiding Officer and his deputies for agreeing to and chairing the business in the chamber event on the committee's behalf.

I want to cover three main areas: first, the principal conclusion that congestion exists in service provision and that there is a need for rationalisation; secondly, the nature, quality and effectiveness of business advice; and thirdly, the integration of tourism into local economic development.

Before I make my remarks, which in many respects will be quite critical of existing practice, I want to place on record the committee's acknowledgement of the fact that, in a range of areas, in different parts of Scotland, many good

services are provided and much good work is done by our local enterprise companies, enterprise agencies, local authorities, area tourist boards, chambers of commerce and all the other players who are involved. However, in spite of that welcome for the work that is being undertaken, there are some hard issues to wrestle with.

On the first of those three main areas, the committee concluded that there is congestion in the field of economic development in Scotland. There is confusion, overlap, duplication and even active competition between the many agencies that are involved. There are numerous circumstances in which the same services are provided by different organisations, all of them publicly funded, in the same part of the country.

In reaching that conclusion, the committee made two clear points. First, the existing provision of services is failing adequately to meet the needs of consumers. Those who seek to use the services are not best served by the existing arrangements. The agencies have lost their focus on the consumer; they have become too insular and are not delivering the flexibility and responsiveness that is required to help aspiring and dynamic businesses. Secondly, if that principal conclusion is correct, there is an inherent failure to deliver maximum value to the public purse for the substantial sums of public money that are invested in those services. It is difficult to capture absolutely and definitively the sums of money that are spent on this area of policy, but it must be between £800 million and £1 billion per annum in Scotland. If we are prepared to spend 5 to 6 per cent of the total Scottish block on economic development, we must be sure that we receive optimum value for that investment.

The committee recognised that there has been significant progress on co-operation and partnership working between local economic development providers over the past three years. Examples of good practice at local level have been examined and can be recommended as models to influence developments elsewhere in Scotland. Nevertheless, however welcome that process may be, the committee took the view that intensified partnership working alone would be unlikely to deliver the level of rationalisation of services, cost-effectiveness and consumer focus that is desired. Local economic development services should be restructured to achieve that.

The committee came to the conclusion that a new structure for local economic development in Scotland should be established, and set out how that would impact on key players. At a strategic level, we believe that the Executive should withdraw from operational programmes and concentrate on giving strategic guidance, setting targets and measurable outcomes, ensuring value

for money in service provision, promoting good practice, reporting and evaluation. As part of that strategic role, the Executive should take the lead in guaranteeing that a simpler, more cohesive structure exists in Scotland for the delivery of local economic development services. The Executive should initiate a process of eliminating duplication in service provision at local level and should be prepared to penalise publicly funded bodies that do not co-operate in that process, in the way that it is prepared to do in the tourism strategy.

A key tool in assisting the Executive to fulfil its strategic role should be the development of an economic framework for Scotland, and the committee supports the Executive's desire to do that. The framework should specify outcomes that reflect the need for Scotland to be globally competitive and should draw together, for the first time, the Executive's aims and ambitions for the Scottish economy. The framework should also outline the contribution that is expected from local economic development organisations towards achieving those aims—I make that point strongly. In acting on behalf of the Scottish Executive, Scottish Enterprise and Highlands and Islands Enterprise should concentrate on managing the enterprise network and ensuring that there is effective, focused provision of services by local enterprise companies, acting with the principles of transparency, accountability and clarity at the core of their thinking.

The committee's key recommendation is to establish local economic forums, working with the Executive, to drive forward the process of simplifying, focusing and rationalising local economic development structures in Scotland. Each economic forum should create for its area an economic strategy that is capable of achieving the contribution that is expected of that area to the economic framework for Scotland, and that has at its core the delivery of support services with clarity in each local area.

In aiming to rationalise services, the committee could have identified one or more players that could have been taken out of the process; we could have removed local authorities, local enterprise companies or area tourist boards—everyone could have picked their favoured target. However, in reality, the issues are not so simple. A local authority is essential to the planning process, which is an integral part of the system of economic development. Local enterprise companies have built up different ranges of experience that should not be lost. An area tourist board offers contact with tourism, businesses and a range of expertise. Chambers of commerce offer contact with the business community. The transport infrastructure is essential to economic development and involves considerable local authority input.

The committee took the view that the delivery of services at local level should be decided locally, but within clearly defined and understood parameters. The committee did not wish to stifle local discretion by setting a prescriptive national model. However, I stress that the creation of local economic forums as a means of eradicating duplication is not a soft option. Rather, local economic forums are a serious attempt to force agencies into dialogue and to kick-start the process of eradicating duplication in service provision, which is a key first step in improving the effectiveness of the services that are provided to the consumer. The forums must not become an extra layer of bureaucracy, or talking shops. They must decide how better services can be delivered and how more value and effectiveness can be released from the process.

We argue that the Executive must be prepared to penalise publicly funded organisations that pay lip service to the process and do not participate effectively. We have given further force to our recommendations by requesting that, in two years' time, the Auditor General for Scotland and the Accounts Commission undertake a joint study to determine whether the process of rationalisation has taken place.

The second key question is business advice. Some improvements in that area are under way and the committee supports the establishment of a new business support service in Scotland that merges the services of all publicly funded authorities and markets them clearly to consumers through a nationally branded service. The Executive should initiate the introduction of that service, which at local level should be delivered through the strategy agreed by the economic forum.

However, we also need to re-examine the nature, quality and effectiveness of the business advice that is given to customers. The committee set out its views on the improvements that are required. Advice must be targeted more effectively to the consumer. Account management support to specific companies, which is available in some parts of the country, is essential to building relationships between companies and agencies and supporting them in the process. The quality of business advice through referral must also be strengthened.

At the business in the chamber event, I was struck by the contribution of Kevin Dorren, a young man who has established a successful software development company in Scotland. In a 90-second contribution—a model for the rest of us—he made a clear point on the nature of the advice that was given to him when he started his business. His adviser was a retired bank manager. I do not want to besmirch the reputations of retired bank

managers, but Kevin Dorren was looking for advice from a mentor who had been through the process of establishing a high-growth, high-tech organisation with a steep learning curve and who could talk to him about the challenges that he would face. Getting the appropriate business advice and ensuring that it is correctly focused is essential.

The third main issue that I want to cover is the need to ensure that tourism is firmly integrated in the mainstream of local economic development. We propose to do that by including area tourist boards as mandatory members of local economic forums. Each forum's strategy should include a tourism element that must set out the strategy and delivery mechanisms at local level. That must be linked to a national tourism strategy and should identify every area's contribution to realising that strategy. The strategy should also indicate the resources that are dedicated by each partner—particularly by local authorities or local enterprise companies—to tourism development.

In some parts of Scotland, we have the ludicrous situation in which area tourist boards, which have no money, agree tourism strategies with local authorities, which have some money, and local enterprise companies, which have loads of money. Those strategies are then usurped by unilateral announcements and initiatives by local enterprise companies, which have the money to fund such activities, disregarding the partnership agreements that they have signed. The committee finds that practice unacceptable, and our report is designed to bring it to a halt.

On tourism, the committee will monitor the effectiveness of its proposed method of operation, and if that method does not guarantee the effective delivery of tourism support services or investment in the development of the tourism sector, we will consider proposing further structural changes.

I want to make a few comments on where the process goes from here. The minister has sparked an enterprise networks review to achieve sharper focus in those agencies. There is the imminent production of the framework for economic development, and the implementation of the tourism strategy and any structural changes that may be required. The Enterprise and Lifelong Learning Committee has completed its inquiry, and all those documents and initiatives now require ministerial action. I hope that ministers will be able to stick to their commitment to come to conclusions over the summer and the autumn, and to set out to all the parties in this complex process a clarity that will enable them to serve their consumers.

This is the moment when we must listen to consumers and not be driven by an agency

agenda. We must provide simple choices and services to the consumer and, above all else, ensure that no two publicly funded organisations are involved in the provision of the same service in the same part of Scotland. That way, we may deliver services that customers want. We will also release the resources to deliver greater value. We may yet tackle some of the root challenges that have led to the underperformance of the Scottish economy in areas such as business start-up, and that have caused such bewilderment in key sectors of the business community.

I move,

That the Parliament notes the 1st Report 2000 of the Enterprise and Lifelong Learning Committee on local economic development services (SP Paper 109) and commends the conclusions to the Scottish Executive in the context of its current review of economic development structures.

The Deputy Presiding Officer: I call Allan Wilson.

10:21

Allan Wilson (Cunninghame North) (Lab): It is a bit of a surprise to be called to speak, because I did not realise the running order, but there you go. Life is full of surprises.

I considered how to construct my speech for today's debate, which comes in the wake of John Swinney's fair and honest assessment of the committee's deliberations, in the early hours of this morning. I had been in the company of a number of Labour colleagues, none of whom I see with me today. We were guests of the Federation of Small Businesses; members of that organisation are consumers of local economic services and business support services, key drivers in the Scottish economy and major players in our efforts to build a knowledge-based economy and to tackle some of the endemic structural problems that John Swinney referred to. I was reminded that many of our social inclusion targets demand a functional and responsive small business sector and the rebirth of an entrepreneurial culture, which used to characterise our nation. As John Swinney mentioned, the creation of 100,000 new businesses and the generation of wealth and employment, which flow from entrepreneurial activity, are at the centre of what the Parliament and the Executive hope to achieve.

Scottish Labour's 1999 manifesto emphasised the creation of a strong and dynamic economy and the role of Government—in our case principally on the supply side—in fostering enterprise at all levels in Scotland. The manifesto proclaimed Scottish Labour's duty to equip our people and businesses for the challenges of the 21st century. It recognised that knowledge, skills and innovation are the keys to future prosperity. It committed

Scottish Labour's representatives in the Parliament to providing skills to individuals, supporting entrepreneurs, investing in modern infrastructure and creating the right climate in which to generate wealth, with which we could address our economy's well-documented problems with employment and training.

The effective delivery of local economic services and business support services, therefore, is not an end in itself, but a means to an end. For Scottish Labour, that end is the delivery of our social justice agenda. The committee's report must be seen in that context; not as an end in itself, because manifestly it is not, but as a means. It is not the only means—criticisms of the report have made that clear—but it is the best bet for an end to the problems of duplication, replication and confusion that have plagued our system of business support and the delivery of local economic services, to which John Swinney referred.

It does not matter that the report does not represent the purist agenda of the Federation of Small Businesses, the Scottish Trades Union Congress, the Confederation of British Industry, the Convention of Scottish Local Authorities, the enterprise network or—dare I say it—the Scottish Executive. In fact, it is a strength and a bonus that the report does not represent any other agenda apart from, perhaps, Scottish Labour's vision that the

"future business support regime should have a range of more flexible financial and other tools . . . essential to ensure that indigenous businesses have the . . . support they deserve . . . to attract the new types of inward investment we most want."

We are committed to the principle of arm's-length, long-term, business-led enterprise and lifelong learning strategies. The Labour manifesto for the Scottish Parliament elections proclaimed:

"The Scottish Parliament must get the one stop approach to business development right at the local level."

I trust that at the end of today's debate, and in ensuing debates on the national economic framework and the enterprise network itself, the Parliament and the Scottish people will conclude that we have delivered on that pledge.

The Enterprise and Lifelong Learning Committee has sometimes been held up as a good example of the new politics, and there has been widespread praise for the conduct of both the committee members and the ministers for their constructive approach to the inquiry. Much of the credit undoubtedly goes to John Swinney and Annabel Goldie and, more generally, to the other committee members for the creditable transformation of their party political swords for their economic ploughshares. That does not make any one of us less of a political animal, but it makes the sum of our efforts more of an economic

asset to our nation, which is ultimately what the committee is all about.

As a result, I was disappointed—though not necessarily surprised—at some of the criticism that came our way, muted though some of it was. Despite the suggestion by the FSB or COSLA that only its agenda can provide the knowledge economy that we seek to build, I do not accept that either organisation, the Enterprise and Lifelong Learning Committee, Scottish Enterprise or the Scottish Executive has the monopoly of wisdom in that regard. That lends weight to the committee's findings.

As John Swinney pointed out, partnership is not an end in itself, and partnership as a means to an end provides the best perspective for the way forward. If partners of equal esteem in the forums cannot, or will not, co-operate for the common good, the committee's message in the report is quite clear: the Executive must act to protect that common good and the future of our local economic services and business support. For example, there were fairly substantial differences between our respective manifestos in many areas of the enterprise and lifelong learning agenda, such as individual learning accounts, business support or interest rates. However, if committee members can submerge their political differences for the common good, it is perfectly possible and eminently desirable that all the partners to the proposed local economic forums—whether local enterprise companies or local authorities—can submerge their far less fundamental differences to work towards a common objective of building a more effective, efficient and inclusive economy in which all can participate and from which all, not the few, can benefit.

10:29

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): The SNP very much welcomes the report. I wish to echo the remarks of my two colleagues on the committee: the way in which the committee worked to produce the report perhaps provides a model of how the Scottish Parliament can work well in taking on a very serious topic. Our report is considered and detailed, and suggests a workable approach to solving a widely acknowledged problem.

The committee considered evidence from a great many witnesses, as can be seen from the substantial tome of evidence that was produced. The evidence volume does not include the written submissions, which were even more substantial. We listened to all the voices in Scotland: the business organisations; the trade unions; the higher education institutes and further education bodies; and the consumers, who—as has been pointed out—are the most important people. The

committee had the pleasure of visiting Inverness and I was delighted that the committee was the first to sit outwith this fine city. Duncan McNeil and I had the pleasure of visiting Tayside and the excellent business shops there.

Every committee member took the trouble to consider the issues on their merits, not in a party political sense; that was the keynote of the committee's work. I will depart from that spirit of consensus for a moment to say that the workings of the committee go to prove that if a little home rule is good, it follows that full home rule would be much better. That is a fairly simple example of impeccable logic. I see, from the reactions of members, that I have struck a controversial note.

The business in the chamber event was another objective indicator of the success of the committee's proceedings. I believe that 77 per cent of the 129 people from a wide range of businesses who attended the event said that they found the experience useful. They became involved in the process, which serves as a marker for how any serious piece of work can be dealt with by putting interim conclusions to the test. Perhaps the event was only a straw poll, but it created a structured way for business people to report back. We secured their support for the interim conclusions before we went on to consider whether to make those conclusions final. I imagine that we would have had a harder time if the women's institute had formed the audience.

Miss Annabel Goldie (West of Scotland) (Con): In defence of my sex, I must say that I do not think that yesterday's audience was the problem.

Fergus Ewing: My comment was not an attack on Miss Goldie's sex, but a compliment. I have been told that I must watch my back as I am speaking, but I am sure that robust argument is always welcomed, no matter who the speaker might be.

The committee's conclusion was that there is a great degree of overlap, duplication and congestion in local economic development. I will explain the approach that the committee decided to adopt. As was stated in an SNP Saltire paper, we must use public money to best effect and yield savings from administration and bureaucracy that we can use for the benefit of the public. We must create more entrepreneurs and achieve the target of creating 100,000 new small businesses. We all subscribe to the desirability of those aims and we must devise structures that allow us to deliver them; we cannot waste money on duplication, overlap and bureaucracy.

Mr David Davidson (North-East Scotland) (Con): Will Fergus Ewing describe how the SNP will deal with the over-regulation of the small

business sector?

Fergus Ewing: Yes. I will turn to that later, although we are debating structures, not red tape. I have said many times that red tape is a serious problem. Michael Forsyth made a notable speech about that problem many years ago, at a Tory conference, subsequent to which the Conservative Government produced reams and reams of more red tape, thereby exacerbating, rather than solving, the problem that it had identified.

Phil Gallie (South of Scotland) (Con): Will Fergus Ewing give way?

Fergus Ewing: No. We have had a good innings so far.

The committee could have suggested that one layer or more be scrapped. We could have taken a crude approach and said that the LECs should be taken out of the system, or that the local authorities have no place in it. We could have said that the various additional bodies should be removed, so that one body would fit all. However, we reached the correct conclusion that such a crude analysis was inappropriate for several reasons.

The circumstances throughout Scotland vary considerably. In fact, there is hardly commonality between any areas of Scotland—Western Isles, Lanarkshire, Lothian, Fife and the Highlands have extremely different mechanisms for the delivery of local economic development. In the Highlands, there is one council and six enterprise companies, whereas in Fife there is one enterprise company and one council. There is no single model; one size does not fit all.

The committee became increasingly aware of the diversity of the delivery of economic development as its inquiry proceeded, so we concluded that it would be wrong to wield an axe. Instead, we should hand a scalpel to the local business community and allow it to decide whether that scalpel needs to be used to make minor incisions. That is the correct conclusion. Surely, if we believed in any devolution of power, we would not want to impose on Scotland a centralised solution that would apply everywhere.

I was delighted that the Scottish Council for Development and Industry's recommendation, for an ombudsman for economic development, was included among the committee's recommendations. On page 482 of the Enterprise and Lifelong Learning Committee's report, the specific recommendation is:

"The ombudsman would investigate client complaints including perceived duplication of services or inconsistencies in approach or delivery."

That means that ordinary people in business will have the opportunity, if that particular form of

ombudsman's powers is adopted, to make a complaint to the ombudsman about a specific situation that has arisen, identifying any duplication that they have encountered in their daily business lives. That is a terrific opportunity, which will be extremely useful in helping the forums to perform their functions.

One area of controversy is the composition of the forums that are to be set up. We have heard from the convener of the Enterprise and Lifelong Learning Committee that they should include all the agencies. Nevertheless, it is essential for the consumer voice to be heard, perhaps in the majority. By consumer voice, I mean business people and the voluntary sector, which is highly reliant on assistance from local enterprise companies. Their voice and place in the enterprise of Scotland must never be neglected.

The committee recommended that the chambers of commerce should be the prime movers, but we should also listen to other representative bodies. We should be willing to include business people who are not members of any specific business organisation, and should be mindful of the danger, in some small areas, of the big fish in the pool being seen to influence the result in an inappropriate way. That is a difficult practical problem, but if we adopt the principle that the consumer should be in the majority, we will deliver the correct result. It is difficult to conceive that, if the agencies are in the majority, there will be any exercise of the scalpel at all. I hope, therefore, that the Executive will take that recommendation on board.

I am pleased that several policies from the SNP manifesto have been adopted in the report. However, I did not point out to the committee that, in its deliberations and work, it was incorporating and implementing SNP policy. I chose not to mention that fact, in case it diverted the committee from reaching its conclusions. I am also pleased to associate the SNP with the findings of this report. Today we are more concerned with the structures than the substance. When implementing the conclusions, we should always be mindful that we are dealing with people's lives and livelihoods.

I believe that we have produced an historic report. It has not hit the front pages of the tabloid newspapers, but it is an example of the solid work of the Parliament. It goes to show that Hubert Humphrey's comment of many years ago is not always right. He said that to forgive is human, to blame someone else is politics. On this occasion, we have eschewed the politics of blame, and struggled to grasp the politics of responsibility. In running our own affairs, we have found a workable solution for the business community that will ultimately be for the good of Scotland and for the good of business.

10:41

Nick Johnston (Mid Scotland and Fife) (Con):

I add my thanks to the clerks and the parliamentary staff for their work in producing this report and especially for arranging the fact-finding visit to Renfrewshire, where so much of the theory that the committee heard in evidence was tested in practice. I endorse John Swinney's remarks on the special advisers, who were extremely helpful. As the committee convener said, the inquiry was chosen by the committee to be its first major piece of work as a result of the experience of us all of confusion and duplication and of complaints from the business community of congestion in local economic development.

Conservative members were pleased to do the work, because we recognised that the structures that our party had set up 10 years ago were probably ripe for some examination. Those structures have done their jobs extremely well over the 10 years, but now there is a new Scotland. Our inquiry took place within a shifting framework. During the eight months of the inquiry, we saw an internal review of Scottish Enterprise being carried out by the new chief executive, we heard the announcement of the establishment of a group to produce a national economic strategy and we heard the announcement by the minister of a total review of the enterprise network, which we very much welcome. Add in the tourism strategy and the advent of individual learning accounts, and it will be appreciated that the whole effort was akin to eating an elephant with a teaspoon.

On a more serious note, the inquiry took place, as has been said, with certain grim facts firmly in evidence: Scotland's low gross domestic product as measured against the rest of the United Kingdom; a low business birth rate; a service sector that was weaker than that of the rest of the United Kingdom; and one of the lowest levels of research and development and innovation in the United Kingdom. However, the most worrying factor of all in the background to this report was probably the technological revolution that is sweeping not only Scotland and not only Europe, but the whole world. That revolution will involve goods, services, traditional industries, new industries, different ways of working, home workers, part-time workers and flexible working, with all the challenges of reskilling and retraining that that implies.

I hope that the report has gone some way towards helping to clear away the confusion and towards equipping Scotland for the new economy. We reached our main conclusions after hearing evidence from many organisations. Two things in particular stuck in my mind. First, we elicited the information that the enterprise network touches

only 20 per cent—one in five—of new-start companies. That means that 80 out of 100 companies had no contact with the enterprise network at the start-up stage. We should perhaps examine why that is so and what the response of the enterprise companies and other agencies should be.

The second thing that stuck in my mind came from the evidence that Allan Wilson and I took during our visit to Renfrewshire. It epitomised some of the problems that are arising in the new Scotland. It concerned a traditional industry, operating from two sites and crossing LEC boundaries, that was hammered by a tough export regime and that was a soft target for cheap imports. Despite those difficulties, the industry was restructuring and positive, but it was unable to get any meaningful help from the enterprise network.

Alex Neil (Central Scotland) (SNP): A study that was carried out in Renfrewshire about three years ago showed that, over a period, the 80 per cent of start-ups that had not come through the enterprise network had survival and growth rates significantly higher than those of the 20 per cent of start-ups that had. The reasons for that need to be addressed. It seems that the enterprise network is missing a substantial proportion of start-ups. The rate of start-ups in Scotland is again in decline, and the enterprise network appears to be missing the boat with a lot of top-quality start-ups.

Nick Johnston: That is interesting and will be most helpful to Mr McLeish.

In an earlier debate, I asked the Deputy Minister for Enterprise and Lifelong Learning, who is not here today, whether his advice to the company would be different from mine, which was to close down, sell their sites to developers, wait for a fortnight and then pick up the phone to Mr McLeish and say, "I want to start a manufacturing business in an area of high unemployment. What help will I get? How much will I be paid and what will my rent-free period be?" Needless to say, I did not get an answer from the deputy minister and I do not see one today, but the issue of displacement will not go away.

In our view, the key recommendations of the report are in three areas. First, the Executive should take the lead in guaranteeing a simpler, more cohesive structure in Scotland for the delivery of local economic development services. Secondly, it must be prepared to penalise publicly funded bodies that will not co-operate in that. Thirdly, the Executive must concentrate on strategic guidance, setting targets and measurable outcomes. That has been widely requested by the business community and is the least that we can accept.

We welcome the apparent acceptance by the

minister—suggested in *The Herald* this morning—of the recommendation that the economic forums should be introduced for each LEC area and we endorse the sentiment that they should not be talking shops. We particularly welcome the inclusion of the higher and further education sectors. However, although there should be parity of esteem, the forums must be business led and reflect the views of the business community; they should be led by the creators of wealth and not by the consumers of it.

As John Swinney said, each economic forum should create an economic strategy for its area. We welcome that but, as a minimum, the strategy should set out the forum's goals for the next three years in the areas of new business starts, support for existing small businesses, key local industries and skills training. The setting of targets will be crucial. As has been said, the new business support service should merge the existing services of LECs, local authorities and so on. Area tourist boards must be integrated into the new strategy. There is scope for providing greater general advisory support to start-up companies and for giving advice to more of them.

On Alex Neil's point, support to start-up companies should be longer term and more based on enhancing the company's aspirations for export, e-commerce and product development. Accreditation of business advisers must be a priority and must be rigorous. Moreover, a new breed of super-adviser for new technology, e-commerce and biotech businesses should be developed.

I was pleased to listen to the Minister for Enterprise and Lifelong Learning at the Federation of Small Businesses and Royal Bank of Scotland seminar last Friday. His speech went to the heart of the problems facing Scotland's economy today. Promoting entrepreneurship, removing competition between agencies, encouraging social inclusion, getting people into work by sweeping away the barriers to learning, and meeting the challenges of low aspiration and fear of change are all policies initiated by the Conservative Government. We initiated the spirit of enterprise, and progress was gained through our determination to sweep away the dead hand of nationalised industries and to produce a climate where business could flourish.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Will the member take an intervention?

Nick Johnston: I would rather not take one from Mr Rumbles.

The minister must grasp the opportunity to sweep away divisions between higher education, LECs, tourism, small business training and local authorities.

Mr Rumbles rose—

Nick Johnston: I will take an intervention in a minute. We have the chance to create a new structure to allow Scotland to flourish in entrepreneurship and enterprise. If Michael has something to contribute, please will he do so.

Mr Rumbles: I was wondering whether Nick Johnston was taking credit for all that having been done under the Conservative Administration 10 years ago—he was using the word “we”. However, many times in response to my interventions, the Conservative group has wanted to put some distance between it and the previous Conservative Administration. Will he confirm that he takes responsibility for the 18 years of action and inaction by the previous Conservative Administration?

Nick Johnston: I knew that it was a mistake to take that intervention. Of course we take the credit for what we achieved in the 18 years of Tory Government—I thought that that was self-evident.

I would rather address the minister than Mike Rumbles. I urge the minister to take the chance to sweep away the confusion and to cut across ministries and colleagues if necessary. If he makes the targets challenging, relevant and real, we will co-operate. We will not seek to make political capital of the stumbles along the way, of which there will be some. The Conservatives feel strongly about the importance of robust testing of performance in all these areas.

I believe that the minister wants change, but behind that desire there must be will and behind that will must be determination. The minister has spoken in the past about feathers being ruffled, but the debate will be about what ruffling feathers means. If the minister's definition is the same as ours, he will hear no arguments from the Conservative benches. I commend the motion to the chamber.

10:50

George Lyon (Argyll and Bute) (LD): I would like to begin by congratulating Fergus Ewing on his speech. Oh! He is leaving. I ask him please not to—I am about to congratulate him. [*Laughter.*] We in the Liberal Democrats had a small wager on whether Fergus Ewing would complete his speech without mentioning fuel tax. It must be a first for the Parliament—he made a speech in which the price of fuel was not a major component.

Alex Neil: I take it that George Lyon lost his bet.

George Lyon: No, no. I have faith in Fergus—he is very non-partisan.

John Swinney touched on most of the issues and recommendations that came forward from the

Enterprise and Lifelong Learning Committee, but there are two others that I would like to deal with in more detail. The first is the need for an economic development strategy for Scotland. Those who gave evidence to the committee were almost unanimous about the need for such a strategy, which would underpin policies right down to local level. The Executive has given a commitment that it will introduce a new economic framework for Scotland. That, as I understand it, will contain an economic strategy.

A fundamental part of the framework must be a critical analysis of the strengths and weaknesses of the Scottish economy. If we are serious about developing a proper economic strategy for Scotland, we must examine our current position.

Alex Neil: I could not agree more about the need for strategy, but Scottish Enterprise produced three economic strategies during the 1990s, plus strategies on skills, tourism and a range of other matters. The problem has been that we have had strategies coming out of our ears, but they just gather dust on the shelf. Nothing ever happens—they are never implemented. If there is to be a strategy, there must also be a commitment to implement it.

George Lyon: I agree. Most witnesses at the committee said that we need a coherent economic strategy that brings everything together so that everybody understands where the Scottish economy is going in the long term. A strengths-and-weaknesses analysis is a crucial part of that. We need to assess Scotland's economic and competitive position in relation to other countries because that is fundamental to trying to develop our economy.

The Executive will be tempted to present a document that pretends that all is well in our economy and that all we need to do is to build on all our current successes. That would be a major mistake and would be seen by most commentators as a failure to face some of the fundamental challenges to the economy.

The Scottish economy is performing reasonably well but, in the overall picture, major difficulties are faced by some sectors of our industry. I refer to the manufacturing industry, the primary sector—I know a lot about the agricultural problems that must be faced—and the timber industry. There are immense difficulties in trying to remain competitive. The reason for that is the strength of the pound—or the weakness of the euro—which, however we look at it, causes considerable damage to primary industry and, for example, the textiles industry. My colleague Euan Robson will expand on that in his speech. We must address the fundamental problem of developing a longer-term economic strategy for Scotland.

The Scottish Executive must, as part of its development of policy, be prepared to take a clear and unambiguous position on Scotland's attitude to joining the single European currency. At a presentation on the euro by the Confederation of British Industry two weeks ago—I know that the meeting was attended by several members—Jeremy Peat of the Royal Bank of Scotland made it clear that the single currency matters much more to Scotland than it does to the rest of the UK. As he pointed out, Scotland exports a greater proportion of its output than the rest of the UK does, and a greater proportion per head. Although the rest of the UK is our dominant market, a relatively high share of Scotland's exports is destined for Europe—

Miss Goldie: Although I in no way wish to impugn the opinion of Mr Peat, will Mr Lyon concede there are widely varying opinions about the single currency? Does he accept, as I have to do in my meetings with the business community, that there are profound reservations within the exporting business community about being part of the single currency?

George Lyon: I accept that there are various strands of opinion. Indeed, Murray Tosh expressed a very strong opinion at that meeting, demonstrating that he is very much in favour of examining entry into the single currency. There are many strands of opinion in all organisations and, indeed, parties.

Jeremy Peat also said that our lack of involvement in the single currency meant that our inward investment programmes were put at risk; that the euro interest rate was already more appropriate for Scotland than our current rate; and that, most important, as we had a small, open economy, a stable exchange rate mattered much more to Scotland than it did to the rest of the UK. Jeremy Peat's opinion is shared by many other commentators. If we are serious about developing a proper economic strategy, the Scottish Executive must develop a clear position on joining the euro. I ask the minister to give an assurance today that the Executive will take a clear and unambiguous view on the euro.

Mr Davidson: Will the member give way?

George Lyon: I have taken a number of interventions. I will push on and deal with other issues.

The fundamental issue that the Enterprise and Lifelong Learning Committee dealt with related to the duplication, overlap and outright competition in the provision of economic services in Scotland. It is recognised at the highest level that that takes place. Mr Alan Sim, the managing director of local enterprise company operations at Scottish Enterprise, told the committee that there was

"a perception that there seems to be some sort of internal competition in the economic development network as a whole, which includes economic development providers such as local authorities, chambers of commerce and many other organisations.

There is a strong view that the service available across Scotland is inconsistent and that there is a real requirement for us to simplify access . . . we will seek to remove duplication by working with local authorities to identify who does what best. I suspect that that will lead to the formation of joint-venture organisations."—[*Official Report, Enterprise and Lifelong Learning Committee*, 29 September 1999; c 95 and 106.]

That was recognition by a senior individual in Scottish Enterprise that the current system was failing consumers.

The study that was carried out by Professor Danson, which was the first of its kind in Scotland, clearly demonstrated that literally hundreds of organisations are involved in serving the business community across the spectrum of economic development, business support and education and business training. The consumers' message was quite clear: the system needs to be simplified.

The committee recognised that that was a fundamental issue that had to be addressed. I believe that we have come up with some sensible recommendations, the most important of which is that local economic forums should be set up. At the Federation of Small Businesses conference that I attended on Friday, a number of people from various organisations were critical of that recommendation. They believed that it would add a further level of bureaucracy.

I do not believe that that is the case. The forums will develop economic strategy, delineate who does what, rationalise, and define clearly which organisations will deliver services after the strategy is developed. I tell those organisations that we have asked the Executive to set up economic forums and we will find out whether we can make partnership work. Clearly, we cannot legislate for good will. If executives come to the table determined to defend their territory and their own organisations, the strategy will not work. If the Executive is to implement the forums, it must give a commitment that Audit Scotland will be required to assess their progress after two years to ensure that they are working. I hope that we are given that commitment today.

11:00

Irene Oldfather (Cunninghame South) (Lab): I feel like a bit of an interloper today, as I am not a member of the Enterprise and Lifelong Learning Committee. However, the debate gives me the opportunity to congratulate that committee on its report and on the work that it has undertaken. It is widely felt that the debate, which the inquiry and the report have stimulated in interested

communities throughout Scotland, is welcome.

Although I am not a member of the committee, I have an interest in its work, since my membership of the European Committee of the Regions includes membership of the key committee on employment, small and medium enterprises and the internal market. That committee is, more or less, the equivalent of the Scottish Parliament's Enterprise and Lifelong Learning Committee.

I welcome the fact that the report is focused on and driven by the customer or consumer. In my view, that approach led the committee to arrive at the right conclusion. Although agencies felt that there was some merit in competition in the provision of services, the committee recognised that there was confusion and duplication in, for example, the delivery of a single support business service.

From my discussions with business people, particularly those from the small business sector, I am aware how confusing the different points of entry can be. As well as providing advice and support, on which I agree with the comments made by John Swinney, something else is needed. Somewhere in the system, someone must speak up for the individual. To my mind, business start-ups need advocates as well as advisers.

I am aware of at least half a dozen cases in my area where businessmen and businesswomen have become frustrated with the system. In one case, a doctor wanted to set up a single doctor practice in my constituency, providing both an enhanced health service in the town centre and local employment for ancillary staff. She leased a building and applied for planning permission for internal structural alterations, only to discover that she also required planning permission for change of use. That permission was about to be denied to her, on the basis of lack of parking facilities. Previously, the building had been a bar and restaurant and I am sure that members will be as confused as I was by the planning officials' approach.

Suffice to say that, after weeks of negotiations, common sense broke out. My constituent now operates a successful business from the town centre and has no parking problems whatever. That case arose in an area where, I am given to understand, there is a one-stop business shop. However, despite the fact that my constituent contacted a number of agencies, no one felt able to assist her with those problems.

A proactive approach is required, both within and between organisations. I hope that, when the committee's recommendations are put into practice, they will resolve those issues, which are clearly barriers to self-employment. Changing

structures is not enough, as we must change attitudes as well. We need a cultural sea change in entrepreneurial thinking. From whatever port of entry we approach this issue, the attitude must become a can-do one.

I will draw on my local and European experience in order to say a few words about partnership working.

The Deputy Presiding Officer (Mr George Reid): Briefly, please.

Irene Oldfather: I was pleased that the Enterprise and Lifelong Learning Committee recognised the good practice established by the Ayrshire economic forum, which has been established for some time and which provides an opportunity for co-ordination that, otherwise, would be lacking. It is backed up at officer level with additional and added-value liaisons between formal meetings of the forum. That is important to the development of the partnership principle—economic forums must not merely be talking shops, as that would be a missed opportunity. True partnership working is about more than biannual meetings of economic actors.

There are some excellent examples of successful partnership working. The Strathclyde European Partnership springs to mind and, in the Netherlands, there are good examples of partnership development plans that have had the effect of energising and unifying populations.

The Presiding Officer is calling on me to wind up. I am very disappointed, because I have many other things to say.

The Deputy Presiding Officer: Yes, but there are other members who wish to speak.

Irene Oldfather: There is much to be commended in the report. Economic development is one area in which consensus seems to have broken out in the Parliament. I welcome that, and I think that the people of Scotland will, too. I thank the committee for its inquiry and look forward to the Executive's acting on it.

11:05

Richard Lochhead (North-East Scotland) (SNP): I, too, very much welcome the report. At election time, we all speak to various business organisations, such as the Federation of Small Businesses, or at business breakfasts organised by local chambers of commerce. The No 1 item on the agenda is always the local economic development networks and the changes that the business organisations want to see. I congratulate the Enterprise and Lifelong Learning Committee on this report, which we can hold up as something that the Scottish Parliament is doing for business in Scotland.

As someone who, before I was elected to Parliament, spent a year and a half working in local economic development for one of Scotland's local authorities, I can tell members that I am not surprised by the findings of this committee report. I have come across every problem that it has identified and many of the tensions that exist between the various agencies that are at work in Scotland. Indeed, it was about a year before I understood what each of those agencies does. If I found it confusing, heaven knows how people outside the system find it.

I worked at the inward investment department, which used to host lunches for potential investors in the area, perhaps from overseas. I like lunches as much as the next man, but there were quite a number of them. At the lunches, there might be one person who was visiting the area from overseas, two representatives from Locate in Scotland who had come through with them, two people from the local enterprise company, people from the inward investment section of the local authority, and other people from local initiatives. That was quite confusing, not only for people at the table like me, but for the inward investor. He or she did not know what people were doing there and where the joined-up strategy was. That duplication is wasteful—we must bear in mind the fact that such events may be taking place every week, in every area of the country.

The report identifies many of those problems. One of the recommendations that I welcome is for the establishment of a national business service. I am glad that the report refers to the possibility of delivering that service at a sub-LEC level. In my constituency, Enterprise North East and the Gordon Enterprise Trust provide a very good service and have a good relationship with local businesses. I am pleased that such organisations will be able to continue to deliver that service. When I worked at Dundee City Council, we had a small scheme to encourage exports from the city whereby financial assistance was offered for companies to exhibit at overseas trade exhibitions. That was a worthwhile service. I understand that it will be transferred from local authorities to the new business service. On the face of it, that sounds good, but we must remember that local authorities introduced those services to fill a gap, rather than to keep themselves busy. If we are to transfer the services to a bigger national authority, we must fill the gap at local level, where there is a clear need for such schemes.

I am glad that local authorities are at the centre of many of the recommendations made by the committee, particularly those concerning the local economic development forums. Local authorities can always make small local economic development budgets go a long way, unlike some of the local enterprise companies. Those

companies are very good at turning up at photo calls when a successful project has been announced, taking centre stage and taking much of the credit, but many of them are top heavy. In some LECs, 80 or 90 per cent of the staff have the title of manager. They are all very well paid, but I am not sure whether we are getting value for money from them. That is why I am delighted that the committee's report refers to the need for independent monitoring. What we find is that Locate in Scotland, local enterprise companies and, often, local authorities are all taking credit for the same jobs, although perhaps only one of the agencies has paid a key role in delivering them.

It is imperative that we have a clear-cut system. We must end confusion and simplify matters. If people want a policeman, they can go to a police station. If they want to buy groceries, they can go to the supermarket. However, people in many parts of the country who want to start a business do not know where to go. Parliament can be proud of this report and hold it up as a shining example of the way forward for the delivery of local economic development in Scotland.

11:10

Dr Elaine Murray (Dumfries) (Lab): I apologise to members whose speeches I missed. I was meeting a party of schoolchildren from my constituency, whose arrival was delayed by congestion of another sort.

The creation of a dynamic, thriving economy must be a priority for the Scottish Parliament. That priority was recognised by the committee and by ministers very early in the first term of the Parliament. We embarked on the inquiry with the impression—which I think we all had—that local economic development and business support were neither as effective nor as streamlined as they might be. That impression was confirmed when we took evidence from national and local organisations. In some respects, we came to the end of the inquiry feeling even more confused about the structures that are in place in Scotland. Out of that confusion arose a set of conclusions which we believe will help to clear the congestion of the current situation.

One of the committee's conclusions was, as we have heard, that services should be streamlined by the creation of local economic forums, which would be charged with forming the economic strategy of the region in the context of the overall economic strategy for Scotland. Some areas already have experience of such forums. A joint economic forum was inaugurated in Dumfries and Galloway this year by the Minister for Enterprise and Lifelong Learning in response to concerns regarding the loss of employment in manufacturing and agriculture in the area. Those concerns were

expressed by me and by others, including the local MP, Russell Brown. Some people asked for a task force to be set up, as has happened in other parts of Scotland when major manufacturers have left an area. In rejecting that approach in favour of one that is more long term and strategic, Henry McLeish and Nicol Stephen showed considerable foresight—not only because their approach accords with the committee's findings.

Inward investment by major employers is desirable, but in rural areas, the bulk of employment is created by small and medium enterprises, which is why representation of the chambers of commerce and the area tourist boards on the economic forum is essential.

Late on in our inquiry, the committee took evidence on tourism in particular, at the request of ministers, at the time when the Parliament held a debate on tourism strategy. Possible restructuring of the current system was suggested in evidence to the committee, achieved by reducing the number of area tourist boards by merger or incorporating the tourist boards within the local enterprise companies. There was general agreement, however, that as tourism is so important to local economic development, the area tourist boards must be an integral part of the economic forum. That is particularly true in rural areas such as Dumfries and Galloway, which do not at the moment realise their full potential. I was surprised to learn that some of the economic forums in Scotland do not involve their area tourist board.

There was not time to debate radical options and considerably more investigation would be needed before we could come to conclusions about changing the structures of tourism. Nevertheless, the manner in which local tourism strategies cohere with the wider economic development of local enterprise company areas and with the national tourism strategy must be monitored, and the arguments will have to be revisited if the current approach does not work. I know that the minister and the committee will be monitoring closely both the funding and the performance of the current structures that support the tourism industry in Scotland, and I know that action will be taken if it is deemed necessary.

11:13

Phil Gallie (South of Scotland) (Con): I heard George Lyon's remarks, and if it had not been George, I would not have believed my ears. He said that Scotland needed a stable exchange rate and then he referred to the euro. It seems to have escaped his notice that the euro's value has plummeted some 15 per cent since its introduction.

Mike Rumbles suggested that Conservatives should take credit for 18 years of government.

Mr Rumbles: Will Mr Gallie give way?

Phil Gallie: I think that the Labour party speaks better for us. It seems to have latched on to our key policies of privatisation and management of the economy in a way that vindicates our 18 years and shows that we put Scotland and the United Kingdom back on track.

Mr Rumbles: Will Mr Gallie give way?

Phil Gallie: I have no time.

I declare an interest, in that I worked for a short time with Enterprise Ayrshire. I also operated a company called PG Business Advice. I take no commissions and all advice that I offer is now free and under parliamentary service arrangements.

As far as the local enterprise companies go, I recognise that there are many good people within the enterprise movement who are very experienced. However, they face constraints. The committee's report identified many of the constraints that local enterprise companies come up against. They can offer training support and an abundance of business consultancies, and they give good market research knowledge. Given the amount of red tape that is heaped on them by the Government, perhaps there is potential for advice on new legislation and on the way in which businesses can be maintained within the law.

Local enterprise companies are constrained in the way in which small businesses in particular look to them for support. On many occasions, the needs of small businesses come back to short-term cash aid and development funding for projects or schemes that they feel can bring benefit and create employment. It comes down to other aspects of capital investment in small businesses that will allow them to grow. However, it is the incoming companies that seem to be able to pick up the funding. Enterprise companies are saddled by Government constraints in those areas.

I recognise the recommendations of the committee, but unless those issues are addressed, the enterprise companies cannot do the recommendations justice. Final conclusion 4 of the report, on a new structure, suggests lifting constraints in the current system and directing effort towards meeting business needs. What is needed is a one-door approach, but that approach must be based on Fergus Ewing's comments, when he pointed out that we must recognise the needs of the various local areas throughout Scotland.

With respect to final conclusion 6, that strategic targets should be set by the Executive and that otherwise it should back off, I suggest that it would

be tempting to set those strategic targets against outputs set for the enterprise companies at local level. However, there are problems there as well, because one thing that we must not do with enterprise companies is to stifle risk.

The committee has put much effort into the report. It is not an answer to all the problems faced by business and industry, but it is a good starting block and something that the Parliament can develop into the future.

11:17

Alex Neil (Central Scotland) (SNP): One of the biggest problems of the past 20 years has been the balkanisation of economic development services in Scotland. We are getting to the point in this small country where almost every hamlet has its own tourism strategy, food strategy, technology strategy and so on.

There is a need at area and at regional level to consider the needs of the economy, but let us not detract from the need for a national economic development strategy in Scotland. We cannot compete effectively in the key technologies of tomorrow—nanotechnology, optoelectronics, biotechnology and so on—on the basis of an Ayrshire strategy, a Fife strategy or a Highland strategy. There has to be a Scottish strategy with an element of local economic delivery.

Let us distinguish between economic development and part of economic development: business development. Economic development covers business development, but it also covers transport, education, skills, housing, health and a range of other services. The local economic forums should include people from the transport and education sectors, as well as the business development, training and other sectors, so that everybody is talking the same language and is committed to the economic development strategy at local level.

There is a need for a national economic development forum, bringing everybody together, so that they can agree on the national strategy, which should be bottom up, as well as having an element of top down. I welcome some of the changes that Bob Crawford has already made at national level to the structure of Scottish Enterprise. However, two or three other changes are required. First, there is a strong case for transferring responsibility for volume training and elements of area regeneration to other bodies; in particular, volume training could be transferred to the lifelong learning section of the enterprise and lifelong learning department and the responsible agencies therein.

Secondly, there is a need to look at the external organisation furth of Scotland. I welcome Bob

Crawford's integration of the international operations of Scottish Enterprise. However, when we operate abroad, our tourism is still handled via the British Tourist Authority, which is actually the English tourist authority, and there is a separate operation for inward investment and a separate operation, Scottish Trade International, for exports.

Surely the logical thing to do is to integrate our operations furth of Scotland so that there can be a one-door approach. When someone walks into the Scotland shop in Cologne, Boston or Chicago, they should be able to get information on trading with Scotland, visiting Scotland and investing in Scotland. That would help to raise the international image of Scotland. One of the problems that we face, in Europe and elsewhere, is that too many people still see us as being part of a heather-and-haggis culture, rather than a modern industrial nation. It is as important to get it right furth of Scotland as it is to get it right inside Scotland.

Most of the companies, be they start-ups or indigenous companies, come to the enterprise network primarily for assistance with funding. However, services are wholly inadequate in the area of risk funding and venture capital for different sizes of business. We must address that urgently.

My final point—in this ridiculous system of four-minute speeches—relates to the one small area in which I disagree with the committee. Local enterprise companies should not be made into membership-based organisations. That was one of the fatal flaws with the area tourist boards and one of the reasons why many of them fell apart. We must keep the local enterprise company as a funded organisation independent of any local vested interest.

The Deputy Presiding Officer: I note the member's point about speech times, but 10 members want to speak in just 20 minutes, so it is not possible to include everybody.

11:22

Euan Robson (Roxburgh and Berwickshire) (LD): I was pleased to read the report's conclusion about congestion in local economic development. Simpler and more cohesive structures would obviously be welcome, but it was also important that the committee clearly stated that it did not want to stifle local discretion by setting up prescriptive national models. With local discretion and working from the national economic strategy, we should have the best of both worlds.

In the Scottish Borders, local development bodies have developed much of what the committee recommends. There is an economic forum that encompasses all the local agencies.

The enterprise company strives to be transparent; it briefs the press after every board meeting and holds a lively annual public meeting. Because of coterminous boundaries, and because different areas of the Borders have common experiences of economic difficulties, there was no option but to work in partnership—the type of partnership that is commended in the committee's report.

In that context, people involved in economic development in the Borders were able to give a general welcome to the Department of Trade and Industry's statement on the textile industry. We were able to say with a united voice that what the industry needs is a major exporting initiative, a drive to maintain and develop skills, support for high-quality products, such as cashmere made in Scotland, delivering to the top end of the market, and assistance with capital expenditure to help the area to compete.

There is another important point that the committee might not have covered. The minister agrees that there is considerable merit in an individual local enterprise company leading for the network if it has particular expertise or if it represents a significant proportion of an industry in the area. To take another example from the textile industry, 90 per cent of the cashmere knitwear sector is in the Borders. Textiles and knitwear still provide 50 per cent of the area's manufacturing employment. In such circumstances, the expertise and knowledge in the local enterprise company should lead for the whole of the enterprise network. We can see the advantages of such leadership in the revived spectre of the banana war, as a result of the US Trade Carousel Bill, which has recently been passed.

The LEC, the Borders Knitters Forum and the Scottish Cashmere Club have already written to the Prime Minister to ask for his support.

My colleagues Archy Kirkwood and Michael Moore have been to Brussels and will visit the American embassy next week. Ian Jenkins and I will work on the problem, but the point is that the LEC, in partnership with the local authority, is providing the resources and back-up to inform the lobbying activity to get cashmere off the list of goods for tariffs, to pressure the EU to reach a settlement and—if the worst happens—to get the UK Government to underwrite the tariff. If a LEC is to take on such a role, it must have the resources to do so.

If in future LECs are to lead for the Scottish Enterprise network and resources are to remain constant, some redistribution of the overall budget to LECs will be necessary to achieve the best results.

11:26

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): In summing up for the Liberal Democrats, I take the opportunity to recognise the comprehensive nature of the report.

As the report says, there is no doubt that there is congestion in local economic development in Scotland. There is confusion, overlap, duplication and competition among the many agencies involved. The central recommendation that local economic development services should be restructured to achieve cost-effectiveness and customer focus is most welcome.

John Swinney, as convener, and all the members of the Enterprise and Lifelong Learning Committee are to be congratulated on their approach to the inquiry. In his speech, John Swinney recognised that there was much good practice throughout Scotland, but that it was by no means the norm. Therefore, a new structure is required.

Fergus Ewing, if I may say so, commented on how successful the inquiry was in a devolved Parliament and suggested how much better it would be in an independent one. I disagree; it shows how well our home rule Parliament is working, and that should be recognised.

Fergus Ewing: Mr Rumbles's colleague George Lyon says that it is essential that the economic strategy comes out in favour of Scotland joining the euro. How could that Liberal Democrat policy be achieved in the context of the devolved settlement?

Mr Rumbles: I will answer that in a moment, when I come to Phil Gallie's comments.

Nick Johnston talked about reforming the system. He said that it was like eating or beating—I could not quite work it out—an elephant with a teaspoon, which caused some consternation and confusion among the Liberal Democrats, but I assume that he meant that reforming the system would take some time.

George Lyon rightly talked about the long-term national economic strategy. He made the essential point that we need a clear and unambiguous attitude in favour of our joining the euro. The Scottish view must be given to the UK Parliament. Phil Gallie commented on this—a grasp of economics is not one of his strong points. I want to find out what are his strong points, but economics obviously is not one of them. We need entry to the euro as soon as practicable. Our main competitors are without doubt European—

Nick Johnston: At what rate does Mike Rumbles see Britain joining the euro? How would he achieve that rate?

Mr Rumbles: At the most advantageous rate possible. We need to join as soon as that advantageous rate is achieved, because our main competitors are there. A stable currency is essential for our businesses in Scotland. I am surprised that the Conservatives do not appreciate that.

Richard Lochhead mentioned Enterprise North East as a good model. He also highlighted the effect of Gordon Enterprise Trust in his regional constituency. The danger of doing that is that he misses other good trusts in his area, such as KADET—the Kincardine and Deeside Enterprise Trust—where I had the pleasure recently of congratulating the finalists for the Alick Buchanan-Smith spirit of enterprise awards.

I will make three main points for the Liberal Democrats. First, there is a need for a national economic strategy, as George Lyon outlined. Secondly, with the local economic forums, we must have a partnership approach, and it must be pursued. The committee's proposals are not set in stone. If no significant progress can be identified by 2002, we should have no hesitation in reducing the number of agencies. Audit Scotland should have a fundamental role.

Thirdly, I will highlight the tourist industry. We welcome the review of the area tourist boards that the Executive undertook, and we look forward to ATBs becoming key players in the local forums. The Liberal Democrats argued in favour of centralised Scottish Tourist Board funding. Henry McLeish has promised to revisit the issue of funding in a year's time.

We should also press for a review of the performance of ATBs, of the level of local authorities' support for tourism and of the integration of tourism into local enterprise activity. Essentially, we need fundamental reform of tourist boards' funding.

The Enterprise and Lifelong Learning Committee's report is first class and exemplary. I emphasise that John Swinney and his team should be warmly congratulated. The report, as John Swinney himself said, is a start of a process; it is not the end of it.

11:30

Mr David Davidson (North-East Scotland)

(Con): I congratulate the committee and I thank its convener, John Swinney, for allowing me to participate in so many of the open meetings, which were dealt with in a sensible manner. People whom I talked to and who visited the committee as witnesses were also encouraged by the committee's support and approach.

That said, I was going to criticise the Minister for

Enterprise and Lifelong Learning for rushing off to do his thing before the committee had reported. However, I was assured by the minister this morning that he was trying to ensure that we would have his comments before we break for the summer recess, and I welcome that.

We have spent a long time dealing with overlap, over-provision and confusion. One of the committee's comments, that we must have best practice uniformly throughout Scotland, not the lowest common denominator, was one of the committee's critical statements. We have to eliminate inconsistency of delivery, but we do not want over-prescription. Other members have mentioned the fact that we need local models and local solutions, based on a national strategy.

Everybody but everybody mentioned the need for a national economic development strategy. The question is who delivers that, and that is what the committee is trying to address. I wanted to add—Phil Gallie and Fergus Ewing also referred to this—that the recognition of risk has been a weak consideration when dealing with the Scottish economy. I have told the banks time and again that they have to change their risk-taking approach. There has to be a better understanding of risk and better recognition of what it means when people take risk.

The 80 per cent of businesses that start up without going through the local enterprise company support system have been mentioned. Those are the people who have taken the risk. When they want help, it is not always there. That is an area of need which we should consider when we decide how to proceed.

The Conservatives called for a root-and-branch review of the Scottish Enterprise network, and the report is the first step, but I do not think that it goes quite far enough. We are encouraged by the idea of setting up economic forums, but it has to go further—it cannot stop there. Consideration of who takes part in those forums must include consideration of the local authorities' role. That has not been defined and that is, I think, the next step.

John Swinney's comment about the talking needing to stop and delivery needing to commence encapsulates the Conservatives' position. One or two comments from other members were quite unusual. Mr Lyon apparently wants to take Scotland into the euro on its own. Does he envisage a devolved Scotland having its own economic framework? I, too, was at the Jeremy Peat lecture, and I am afraid that Mr Lyon was very selective about how he used what Jeremy Peat said. He was absolutely wrong in his reporting of the comments made on interest rate divergence.

I appreciate that the only organisation which Fergus Ewing cannot join is the women's institute, but I am sure that he will try to do something about that.

If separation is an outcome of all this, I would advise the minister to do nothing. I agreed, however, with some of Fergus Ewing's comments. I agree that one size does not fit all, and we support the role of the enterprise ombudsman. The most important thing relates to the comment made by the Confederation of British Industry, on the role of business in the new structure. We must have a business-led, business-owned system. If we do not have that, the businesses of Scotland will fail to turn to the system, and will be out of step with the Government.

We turn to the Executive, and expect leadership from the top. We expect a clear definition from the Minister for Enterprise and Lifelong Learning of who does what in the system—of who does the local strategy and of who delivers. That will eliminate the present unnecessary waste and confusion.

11:35

Andrew Wilson (Central Scotland) (SNP): I begin by clarifying my party's position on a key issue in the debate. Our view is that the women's institute is an outstanding institution in our society, which shows a great degree of judgment and personal character. As an audience, its members are to be commended.

There is much talk about new politics and consensus politics in the Parliament and in the Enterprise and Lifelong Learning Committee. It is an aspect of political life that is little understood. Consensus politics does not mean at all that everyone agrees; it means that people listen to each other's arguments and act on them. The Minister for Enterprise and Lifelong Learning and all the members of the committee chaired by John Swinney are to be commended as models in the Parliament for that approach. It does no one any—or too much—damage to say that. All actors are to be commended on the consensus that has been brokered, if not entirely reached.

We are lucky in this area of policy that it is not an area of massive political or ideological discord. We do not see too many people taking to the streets over the structure of enterprise companies—we have the same goals. In the long term, it would be nice to agree more of our goals for Scotland and to argue about the best route to get there. The success stories around Europe—Ireland, Scandinavia and elsewhere—have achieved national cohesion around set goals, which is something that small countries can do well.

The Scottish Parliament is showing its worth in the business case for a Scottish Parliament, home rule, devolution or even the greater powers of normality and independence that I want. The Parliament is showing that it is responding to the business community. Given many organisations' opposition to the existence of the Parliament, it is ironic that, with the Standard Life debate last night and today's discussions on improved structures, the business community should be getting a good deal from the Scottish Parliament's first year of work. I am sure that if we were to poll the business community now, we would find almost unanimous support for the institution and all that it is doing.

The report reaches many conclusions—there are 37 final conclusions. We cannot discuss all of them today, but the themes have been brought out by members from all parts of the chamber. The key point is that we do not want crude streamlining, but we want considered rationalisation. We need to recognise that devolution does not stop at Edinburgh or Bothwell Street, but must be carried down to local level. That is a lesson that could be learned in other areas of policy. By definition, supply side measures need to be focused and local, but must also fit into the wider national economic framework. On my party's behalf, therefore, I welcome conclusion 7, on the economic strategy framework.

Scotland exists in a global context—everyone in all parties recognises that. Even within the constraints of the Parliament, we need to understand global trends and UK policies, so that we can use the tools at our disposal as accurately and as efficiently as possible. That applies to interest rates, to fuel tax—which I am sure I heard Fergus Ewing mention in his speech—and to the wider question of the euro, on which I welcome George Lyon's comments. The UK interest does not always converge with Scotland's interest. It is important that the Executive and the Parliament make their views known. It would help a great deal if UK ministers had the good grace to give evidence and send officials to the Parliament when invited, as the Minister for Communities was good enough to do at a Westminster committee in the past couple of months. Good will on both sides would prove that the two Parliaments can have something to teach each other.

We are all clear that there are challenges. The structure suggested in the report points to the way forward. We know that unemployment is too high and that 47,000 jobs in the manufacturing sector have been lost since the Government came to power at Westminster. We know that development of the entrepreneurial spirit is not strong enough. The report points the way to how the public sector can play a collective role in improving the situation.

We must all agree that Scotland has the potential. Scotland is a small country operating in a big world, but we can become a centre of excellence. It is not well recognised, but in the 19th century, Scotland was, bar none, the most enterprising and most successful economy on earth. Between the Napoleonic war and the first world war, there was more capital mobilisation in this country than in any other. We must aim to get back there. We have the opportunities and the tools at our disposal. We must look forward. I am sure that if the committee report is taken on board by a listening minister—which I am sure he is—we can look forward to success in the long term. I commend the report's results.

11:40

The Minister for Enterprise and Lifelong Learning (Henry McLeish): This is an excellent committee report that illustrates the benefits of working together. It brings the best out of the aspirations that we had for the new Parliament and its committee system. It is a model of dialogue that other committees are replicating, although there is still much that they can learn from the Enterprise and Lifelong Learning Committee.

The convener of the Enterprise and Lifelong Learning Committee laid down a challenge on the time scale. We intend to stick to the time scale. On 28 June, we want to be in a position to publish the framework for economic development. Today, we have heard some powerful messages about the need for a national economic strategy. Everyone agrees on that and we are getting on with it.

On 28 June, subject to time pressures in the Parliament, I hope to make a brief statement on the consultation and the framework. We will develop the strategy over the coming months. A week after that, I hope to be in a position to launch my response—by now it is more than an initial response—to the work of the committee and to outline the network review that I have undertaken over the past two or three months.

In the spirit of consensus and inclusion, in the autumn I would like the Enterprise and Lifelong Learning Committee and the Executive to take part in a Scotland-wide conference to allow Scotland to be involved in our deliberations and findings. Finally, we need to stop the talking—another challenge from the convener. The national issues are so important that there is an immediacy and urgency to getting on with the task ahead. We must ensure that, by the end of the year, changes are being made and we are carrying out our economic policy.

I hope that the Parliament will embrace that as a token of our sincerity and our desire to get on with the hard action. If one thing is clear, it is that there

are no easy options—every change will have a consequence. I hope that the Parliament is signing up not only for the ruffling of feathers—something in which I intend to be involved—but to the implementation of some of the powerful ideas that have emerged from the work of the Enterprise and Lifelong Learning Committee and the consultation.

We have received more than 160 responses to the enterprise network review. There has been a clear and overarching message: where we are is not where we want to be. That is a clear indication that we need to push forward. We need more strategic clarity in our policy framework. That was reflected in the work of the committee. We also need greater clarity in the roles and responsibilities of the key players. Again, that has come out strongly from the committee inquiry and the consultation responses.

We also need better partnership working, because one agency alone cannot cover all our objectives and agencies should not be balkanised to the extent that there is no overlap. The Enterprise and Lifelong Learning Committee has recognised that there has been progress over the past few years, although not enough. Ten years into the LEC network, we must move forward and modernise.

I want to emphasise some other issues on which the Enterprise and Lifelong Learning Committee has commented and that have come out of the consultation. We must consider a value-for-money and added-value approach. Do the LECs, Scottish Enterprise and the Executive know the return on every pound that is spent? More important, we need to know what is the added value to the Scottish economy—nationally and locally—in relation to the money we spend. We want every pound of public money that is spent to give a positive return. We are at a point where we are not quite sure—this is virtually post-war government—whether we are in a position to assess all that. The Enterprise and Lifelong Learning Committee and the consultation have sent the message that we need to take the matter very seriously.

There is another message, which is about embracing technology. Our country, business community and public sector are very complacent. We do not appreciate how all embracing the technological impact will be on what we do as a nation. We can talk about Finland, Ireland, Israel or some regional governments in Europe, but there is a real urgency for action. The message from the Parliament is that we need to do more. Let us issue a challenge to the business community—to every company. The technological revolution is happening and we are in danger of being left behind, unless there is a quantum leap in how we approach that development. I believe that the delivery mechanism that we are talking

about may help us to achieve that change.

The other issue that I want to stress is learning. Learning is crucial to selling Scotland worldwide. It is also crucial to the internal success of Scotland. The learning revolution must move forward. The review of the enterprise network will help to push that along.

I will keep my comments brief, because I am aware of the time constraints. I have said that the framework for economic development will be published on 28 June. For the first time, it will provide at national level a strategic framework within which we can get on with the business of delivering locally. However, the key to that is to ensure that the national aspirations, national strategy and national policy feed in to what we do locally.

I accept that there are debates about bottom-up and top-down. There are always arguments, but we cannot have firm conclusions and aspirations as a nation and then have 57 varieties on the ground delivering different things. That is not good enough. The situation demands a more focused, disciplined and professional approach. I hope that the first step will be the framework for economic development. That will send a powerful message down the line to local enterprise companies and to the proposed new forums.

Secondly, I will come out with a whole lot more on the enterprise networks review very soon. I have already put some of it into the public arena at conferences. There is no doubt in my mind that after 10 years the LECs need to be modernised. There has been debate in the consultation about the constitutional structure of LECs. While the Ethical Standards in Public Life etc (Scotland) Bill is looking at one dimension of that, it is not the most crucial dimension. Public accountability has to go much further. If we want to have a debate about changing the constitution of LECs, we have to be very clear about what we are trying to achieve, and therefore what the form of the LECs should be. It is important that we reform LECs and make them more accountable, but we should do so with an agenda that is firm, focused and business-like in approach. I will leave that issue for now. There will be further public discussions.

Thirdly, on local economic development, I want to praise the Enterprise and Lifelong Learning Committee because local economic forums provide a significant way forward. I will briefly say why. It is suggested that forums can be a solution to address overlap and public money not being used properly and most effectively. There will be no easy solutions to those problems. If we go down the road of the economic forums, which I want to do, there will be huge consequences locally, because they will not be talking shops. I am sick and tired of people sitting round the nation

and debating without being involved in taking action. Let us remove that from our consciousness.

We also need to say, "Right, the forums have to be opportunity based." There are many issues in our public life that we are not tackling locally. Why should not literacy be a key issue locally? Why should not widening access be a key issue locally? Why should not employment opportunities for all be a key issue locally? Why should not the e-revolution be taken on board locally? Why should not the role of women in modern apprenticeships, in science and in start-up businesses be debated locally? We have heard about exports. If we have a national exporting strategy, why then do we not diversify our export base locally by getting more companies involved?

Mr Swinney: The committee will welcome the language the minister is using about ending the talking and getting on with the action. Does he recognise that there is a huge challenge for the Executive in creating the climate and the attitude that involves the agencies that have been referred to, to focus on the outputs that are required and to deliver the objectives that we are debating this morning?

Henry McLeish: I endorse the sentiments and the substance of that intervention. We are at the point when the talking has to stop. I choose my words carefully; we have to be absolutely ruthless in the application of our national economic framework at local level. The nation requires that in a global market and when embracing the technological revolution that I have talked about.

I have mentioned some of the measures that we have to take at local level. I have talked about exports. There is a vital role in starting to integrate the tourism network into the main stream of economic policy. That has been my aim, and it will be a significant step forward. It is also a wake-up call to the tourism industry. If we are asking it to be mainstream, it will have to make sure that it gets involved with mainstream issues. If area tourist boards and the Scottish Tourist Board want to be treated as serious, big economic players, I hope that we will give them the chance to do so in the autumn.

I appreciate the time constraints on me, Presiding Officer. I hope that I have given a flavour of some of the issues that I want to develop in a few weeks' time. Furthermore, I want to ensure that my sentiments match the committee's sentiments. Ultimately, in Scotland, the new politics must mean that we have a chance to focus the economy and make it successful. Such success can be measured by prosperity for the people whom we represent and by how we achieve our historic ambition of employment opportunities for all—which means, in old Labour

terms, full employment.

11:50

Miss Annabel Goldie (West of Scotland) (Con): I acknowledge that, to some of my colleagues on the Enterprise and Lifelong Learning Committee who are not in my party, I might seem an unlikely ambassador to represent the committee's views. Indeed, I can see the unease almost rising in their gorges as I speak. However, at the risk of being fulsome, I want to echo John Swinney's comments that it was a pleasure to serve on the committee during the inquiry and to realise that all members were willing to focus on issues that were presented to us in evidence.

Evidence is a very compelling influence and we all found it refreshing to find out that committee members were prepared to be independently minded. In short, that is the report's strength. It is not so much that there was an unexpected cross-party consensus in identifying the problems as that all committee members were willing to examine the evidence and not dodge the issues raised by it.

By way of general background, I should say that the committee's early decision to inquire into the delivery of economic development, post-school vocational education and training and business support services at local level in Scotland, was sound and that the subject was an interesting first choice.

Scotland's gross domestic product lags behind the rest of the UK. Scotland has one of the lowest business birth rates in the UK; the service sector is weaker than in the rest of the UK, especially for business services; unemployment levels are still higher in Scotland than in the rest of Britain; and it has one of the lowest levels of research and development and innovation in western Europe. I do not think that any of us can dodge those issues. The essence of the inquiry and the report was not to lose sight of what we need to do in Scotland to improve employment opportunities and, as a result, the quality of life here.

There were more specific reasons for our desire to undertake the inquiry. First, we suspected that there was congestion in economic development in Scotland. It was known that there was cynicism in the business community about existing facilities and providers. Furthermore, it was apparent that although significant sums of public money were being expended on provision, there was a widely varying and fluctuating pattern of achievement and performance.

The inquiry was therefore timely. It is to the committee's credit that it made its decision and to the Parliament's credit that time has been made

available to debate the report before the recess. The committee would wish to record its appreciation to the Parliament for that.

Timely is not a word that I use lightly because—to use that venerable phrase of contract law—time is of the essence in this debate. The challenges that I have described—or, as some might say, the problems that dog Scotland in global competitiveness—are with us and will aggravate and compound difficulties unless they are positively and urgently addressed. I hope that the minister recognises that the report offers a substantive and sensible framework of solution and feels impelled to encourage and promote early implementation of the framework.

The minister should feel at ease in doing so because of the committee's impressive modus operandi, which included a reliance on extensive and painstaking evidence; a variety of evidence sources; and the significant contribution of our advisers in assisting with the assessment of evidence and tempering some of the wilder flights of fancy on which the committee might have been disposed to set off. As a result, the report is an authoritative and logical series of conclusions. Although it is voluminous and broad in application, that should not be confused with generalisation and lack of specification.

John Swinney was right to say that any attempt to over-prescribe detailed solutions would create rigidity and inflexibility and place a restriction on the autonomy of legitimate local activity. Final conclusion 1 is the pivotal conclusion of the report.

"There is congestion within the field of local economic development in Scotland. There is confusion, overlap, duplication and active competition between the many agencies involved."

From that conclusion, all else flows. The Scottish Executive must not shirk its responsibility. It must take the lead to simplify the structure and eliminate duplication by penalising publicly funded bodies that do not co-operate in this process.

I mention in passing that the Scottish Executive's review of the enterprise network was somewhat premature and would have been more useful if it had followed this report rather than pre-empted it. None the less, I am sure that we all agree that the review of the enterprise network is welcome and I was pleased to hear the minister's comments.

The report expands on the obligations of the Executive in final conclusion 6, which says that the Executive should

"withdraw from operational programmes and concentrate on strategic guidance, setting targets and measurable outcomes, ensuring value for money in service provision, promoting good practice, reporting and evaluation."

With devolution, the role of the Executive in this

area can be strategic, but it must also play the part of a watchdog that is prepared to bite. In final conclusions 9, 10 and 11, we begin to get to the meat of what should be happening at local level, at the heart of which are the local economic forums. I hope that they will be viewed by the business community as a flexible local friend.

The sting in the tail of the report comes in final conclusion 10, which says that the forums must devise a strategy that must include

"the definition of lead agencies and the unambiguous delineation of their areas of responsibility."

It goes on to say that the forums

"must also identify the process of eradicating duplication in the provision of services"

and that their strategy should

"set out clearly the division of labour proposed by the forum, which should aim to ensure value for money and transparency."

The final sting is that the report suggests strongly that all of that should be assessed by a joint study by the Auditor General for Scotland and the Accounts Commission via Audit Scotland in 2002. The report has teeth and should not be taken lightly. For that reason, we urge the minister to consider the recommendations it makes.

The other conclusions in the report, which deal with small businesses, LECs and tourism, are positive and constructive, as are the Executive's forthcoming document on an economic framework for Scotland—I welcome the minister's comments in that regard—and proposals for lifelong learning.

I draw members' attention to the sections of the report that deal with business support services and performance management. They demonstrate that the inquiry produced startling and disturbing evidence of where we were failing to provide the counselling, mentorship and the vital support service that any new business needs. As John Swinney stated, there is profound concern about the calibre of some advisers that are provided to business.

The report identifies problems and provides solutions and is about making partnership work not for a supply-driven agenda but for a customer-driven one. That is the feature that came through time and again in the evidence that we took. If we are to deal with the problems that I have outlined, we have to consider the concerns of the business community that were clearly articulated in the business in the chamber event. There is an unhealthy cynicism among business people about the existing structures, which are felt not to work for them but to work for people with a predetermined agenda on the supply side. They are felt to be of varying levels of relevance to the business community.

I suggest that there can be no other impetus or approach to providing business development services locally than what will be good for business, our communities, job creation and a wealthier and more fully employed society.

Although the report may be voluminous, and although some may think it generalised, it has a carefully crafted structure. It has drive, clarity, focus and teeth. It is the way forward for business in Scotland and I commend it to the Parliament and the minister. I reiterate the committee's desire for the minister to consider and promote implementation of the recommendations in the report, and I support the motion.

Local Government

The Deputy Presiding Officer (Mr George Reid): The next item of business is a statement by Wendy Alexander on best value and planning in local government. The minister will take questions at the end of her statement, and there should be no interventions.

12:01

The Minister for Communities (Ms Wendy Alexander): Presiding Officer, I shall make a statement about our plans for modernising local government, which follows on appropriately from the debate that we have just had on local enterprise companies. As in that debate, the issue concerns the creation of opportunity for innovation and the breaking down of barriers. I hope that the same consensus will be evident following this statement as was evident in the previous debate. Although Annabel Goldie may superficially bear a resemblance to members of the Women's Rural Institute, we do things differently in Scotland and I hope that consensus can be reached on this statement.

I begin by highlighting the real partnership between the Scottish Executive, the Parliament and local government in Scotland. We began, almost 12 months ago—on the first day on which this Parliament got down to business—by choosing the McIntosh report as the subject for the first full debate in the Scottish Parliament. We have continued to develop policies in partnership with local authorities. Partnership is a better, more enjoyable and more effective way of doing business.

Over the past year, a huge amount of often unacknowledged work has gone into local government throughout Scotland, with the Convention of Scottish Local Authorities, councils and councillors all playing their part in renewing Scottish democracy. Important steps have been taken. Last July, we established the leadership advisory panel, under Alastair MacNish, to oversee the modernisation of councils' decision-making processes. Councils throughout Scotland have embraced the modernisation agenda and the need for change, not as a one-size-fits-all approach, but to make a virtue of the rich diversity that exists in Scottish local government. That flexible approach has been welcomed by councils, and all Scottish councils are now working on reviews of their own structures.

In July, we announced the establishment of the Kerley working group to consider the renewal of local democracy, the widening of access to council membership, the remuneration of councillors, the

size of councils and the electoral system for local government. That group will report shortly. I am aware of the press speculation about its recommendations, but it would be discourteous to the working group for me to speculate on those recommendations before it has completed its work.

We have also created the opportunity—through the community leadership forum—for council leaders to have regular, full and frank exchanges of views with ministers as they move from the old administrative ways of governing Scotland to a much more democratic approach. We should build respect between local government and the Executive; we need its support in delivering our promises on social inclusion, education and the regeneration of our communities.

In 12 months, we have begun to develop the structures that support change rather than obstruct it. We have begun to achieve better government, rather than simply bigger government. However, much remains to be done if we are to achieve parity of esteem between the Executive, local authorities and the Parliament. Today, we take the next steps in the journey towards McIntosh's vision of parity of esteem between Parliament and local government.

Scotland's councils want to play their full part in the new Scotland. However, they are legally constrained to doing only those things that are allowed by their specific statutory powers. That is not the way of the future. We need to end the dead hand of ultra vires culture. By creating this Parliament, we have succeeded in replacing the politics of grudge and grievance in our relationship with Westminster with a new politics of power and responsibility. We owe it to Scottish local authorities to do the same in our relationship with them. Today we send a clear signal of our trust in, our commitment to and our expectations of local government. We need to give councils the ability to deliver better services. We need to empower councils to take on a leadership role in their communities. That means giving them powers to take any action to benefit their localities that are not otherwise prohibited or restricted by other legislation.

We have listened carefully to the arguments and we believe that a new power—a power of community initiative—will help councils. The new power of community initiative will help to make a reality of joint working with other bodies and cross-cutting initiatives, and it will provide strong foundations for community planning. In essence, it will set a framework within which councils can truly embrace a community leadership role, and so help to deliver the renewal of our communities. I am pleased to confirm that the Executive will introduce a power of community initiative for Scottish local

government in its forthcoming local government bill.

I turn now to community planning. We have always believed that the wickedest problems cannot successfully be tackled in handy compartments marked education, crime, roads, health care or housing. Community planning offers a way for public services at local level to work together with the community and with the voluntary and private sectors to develop and deliver an agreed joint vision for their community. The potential value of community planning is beyond doubt. Pioneering work has been done by five pathfinder councils; other councils across Scotland are following suit. However, there are real challenges in moving from the vision to the practical delivery. Community planning is an evolving process; we are all learning, and long-term commitment from us all is vital to its success.

To encourage that process, we will introduce a statutory basis for community planning. We want to get the detail right and we will be consulting soon on the exact nature of both the new power of community initiative and the statutory basis for community planning. Those new powers of community initiative and community planning will help to deliver renewed and self-confident communities.

We have a third objective: best value. Best value has a crucial role in the modernisation agenda. It involves new ways of thinking and working. It demands continuous improvement. Best value asks councils—and others—to state clear aims and outcomes and to develop strategies to achieve them. It encourages the consideration of all options—including some that might initially seem unpalatable—because thinking outside the box can identify real and lasting solutions to previously intractable problems. Best value requires clear justification for all decisions and actions. It requires balanced consideration of all relevant views—of customers, citizens, staff and trade unions. It requires courage and political commitment.

Local authorities in Scotland have been developing best value in Scotland for three years. Already, key lessons are emerging. Councils are largely following the deliberately broad-brush guidance that has been issued by the best value task force. In its recent final report, the task force published recommendations for securing best value's long-term future. On behalf of the Executive, I am happy to confirm that we accept in principle all the recommendations in that final report.

There is further work to be done, and we want to continue in the spirit of partnership. We have decided that a duty of best value should also be enshrined in legislation—although without moving

to an overly prescriptive approach. I am pleased to announce today that we have placed in the information centre a consultation document on best value's next steps. The consultation document invites views on the wording of a duty of best value and promises the creation of a new group to develop guidance for authorities and further work on how to ensure that Scottish local government makes the best use of public resources.

Scottish councils have embraced the modernisation agenda that we outlined a year ago. Today we are responding by giving them modern powers to deliver that agenda. If we are to achieve genuine renewal of local government in Scotland, we must place our trust in councils to act in new and innovative ways to better meet the needs of their communities. In each case talked about today—the power of community initiative, community planning and best value—we have listened. In each case, we have accepted in principle the need for legislation. Now we want to consult on the detail in order to get the legislation right.

Everything that we have talked about today must centre on better services. Our ability to help to deliver better services depends on those who deliver those services every day. By our actions today, we make it easier for them to do their jobs and we reaffirm our belief in local democracy, recognising the central role that local government plays in giving Scotland the public services that it deserves. I commend the statement to the Parliament.

The Deputy Presiding Officer: The Minister for Communities will now take questions on the statement. There is approximately 18 minutes available for that.

Mr Kenneth Gibson (Glasgow) (SNP): I thank the minister for her statement, although I am sure that she will agree that allowing us only 40 minutes' advance notice of it is unacceptable if we are to prepare an informed and constructive response.

There are many positive aspects to the statement, including the introduction of a power of community initiative and the comments on partnership, parity of esteem and the Kerley report. Will the minister clarify how much of what has been announced today will require primary legislation? If some of the measures do not require that, will she confirm which measures those are and what powers the Executive will use to implement them? She said that issues requiring legislation will be included in the local government bill. Can she confirm reports in today's newspapers that the bill will not be forthcoming until the end of 2001? If that is the case, does she regard today's announcement as perhaps

premature? If she is to meet the statutory requirement of local elections by 2002, does the Executive not think that the local government bill must be introduced in the next parliamentary term and not the one after that? Will the minister clarify the matter and give us a clear commitment that legislation will be introduced sooner rather than later?

Ms Alexander: I apologise if the statement was received by Mr Gibson's office only 40 minutes beforehand; I will check the arrangements.

We anticipate that the three areas covered today will have a statutory basis in primary legislation. The purpose of the pre-legislative consultation that we are embarking on today is to establish how wide the coverage of the primary legislation has to be and what will appropriately be covered in secondary legislation.

On the timing of legislation, the three areas—the power of community initiative, community planning and best value—were not dealt with in any depth by the McIntosh inquiry; they were given a fair wind in principle but none of the detail needed to establish what the legislative framework should be was laid out. South of the border, a more prescriptive approach has been taken than we want to take. There is widespread consensus in local government for scoping those three areas in more detail. Community planning and best value particularly are virgin territory for local government legislation in Scotland. Our intention is to have consultation over the summer on the three areas, when a lot of thinking must be done in conjunction with local government and COSLA. Having completed the consultation and reflected on it with local government, we should by the late autumn be in a position to give an indication of what the scope of the bill will be.

I am thinking, for example, about the other 30 recommendations, many of which it would be much more straightforward to legislate for. Those recommendations would not require detailed pre-legislative scrutiny. I envisage that we will be able to come back to the chamber with a broad, scoping green paper at the end of the autumn, having first looked at those three difficult areas. That would allow us to consult on the green paper and to publish a draft bill sometime next spring. We do not think—having had discussions with COSLA—that we are ready to rush to primary legislation. That is because the scope that would be required of such legislation—not least in the three areas that I mentioned—is not yet clear. There is a desire throughout local government that the Parliament's central legislative focus next winter should be on the detail of the forthcoming housing bill, just as this year the main focus was on the Standards in Scotland's Schools etc Bill. The principles of local government legislation must

also be established next winter.

Bill Aitken (Glasgow) (Con): I, too, am obliged to the minister for her statement and for its pre-release to us this morning. Mr Gibson griped that 40 minutes was not sufficient time but, if one takes out all the hype and spin, the statement does not take too much time to read. However, a number of points arise from it on which I would appreciate some answers.

First, in her statement the minister expressed a wish to depart from

“the politics of grudge and grievance”.

Does she accept that local authorities certainly have a grievance—even if they do not bear a grudge—because their share of the Scottish block has been reduced from 40 per cent to 36 per cent since the Labour Government came to power? Does she acknowledge that what she proposes—much of which is to be welcomed—will have an associated cost? Will she confirm that the grant to local authorities will be examined in the light of that? Does she agree that there is an inconsistency in her statement, in that, although she says that she will legislate for best value, she intends to do so without introducing a “prescriptive approach”? The two things seem to be contradictory.

I see also that, when Ms Alexander championed change last July, one of those who was lauded was Brian Souter. Can I assume that his gold star has been removed and that he is no longer regarded as one of her champions for change, given that there does not seem to be consensus *ad idem* on certain other issues? Will Ms Alexander also respond to the demand by the community in general to be allowed input to planning policy? Will she consider giving consideration to an—albeit limited—appeal process that would involve objectors to any planning application?

Ms Alexander: In the spirit that I was keen to engender in the debate, I will not dwell on “grudge and grievance” in relation to consultation on enforced local government reorganisation or the poll tax.

Bill Aitken’s point about local government finance is important. On-going discussions are taking place with COSLA on modernising our financial relationship with local government. That does not detract from the agenda in my statement, which will allow local authorities the scope to rationalise, streamline and improve service delivery in a way that is not currently available to them.

Bill Aitken mentioned best value. I hope that the consultation will demonstrate that it is not contradictory to say that we need a statutory

underpinning for best value, but that it would be wrong to prescribe in legislation every step in the process of establishing best value. The savings that have been delivered throughout Scotland have been led largely by local initiatives. I can reassure Bill Aitken by pointing to the areas on which we think consultation is required. Those include, for example, finding out what performance information we require from local authorities and what should be the graduated framework of intervention in cases of failure. We must also find out how best value fits with the repeal of compulsory competitive tendering and how equality matters and competition fit into the best value process. Those are the matters on which we will consult in the coming months, although—as is the way in Scotland—the Executive thinks that all those issues are, probably, more effectively dealt with in guidance and guidelines than they would be through primary legislation.

On that note, I will address Bill Aitken’s point on Mr Brian Souter as a champion for change. I am pleased to put on the record that Brian Souter made an enormous contribution as a champion for change. He gave generously of his time and attended a number of the community leadership forums. The community leadership forum used the champions for change in the winter of its first year, but has now moved to a different agenda.

On Bill Aitken’s final point, I note that planning as a statutory function is the responsibility of Sarah Boyack. Generally, we associate the success of community planning with a reduction in the number of statutory requirements that we place on local government. In that context, people may want to examine how the current planning framework dovetails with the emerging community planning framework.

Donald Gorrie (Central Scotland) (LD): I welcome the statement whole-heartedly, if it means what it says, as I am sure it does. It is the first document on local government from the Scottish Office or Scottish Executive that I have read that is positive to local government and does not carp—its tone is excellent.

The proposals in the statement are welcome, and will be welcomed by the Local Government Committee, which has pressed hard for the power of community initiative—or whatever the current phrase is—and community planning. I welcome the proposal on best value. The minister has said that the approach on that will not be prescriptive, but there is a danger that it will become too bureaucratic and prescriptive. If the legislation is along the lines that are set out, we will welcome it whole-heartedly.

I will ask two questions. First, if there is a problem about the timetable, will the minister consider, as has been discussed in various

quarters, expanding her department by bringing in people who have current or recent knowledge of local government, to supplement the work of officials, who are under a lot of pressure because of the business that has to be done? We could get through these matters better and more quickly if such people were co-opted into the department.

Secondly, I was not quite clear from the minister's statement whether the legislation would be introduced in the parliamentary year 2000-01 or in the following year—she spoke about consultation until Christmas. The Liberal Democrat group would be very concerned if there were not legislation in 2000-01. Will the minister make it clear when she envisages that the bill will be introduced?

Brian Adam (North-East Scotland) (SNP): When are we going to get to a question?

The Deputy Presiding Officer: I think that we have just had it, after a somewhat long haul.

Ms Alexander: I begin by thanking Donald Gorrie for his kind words about the statement. We mean what we say, and we will be held accountable for what we have said today.

I will deal with the couple of substantive points that Donald Gorrie raised. He asked whether I thought that we should supplement civil service departments with experts in their fields. It is fair to say that I am widely regarded as a champion of secondees. Of course, there are issues that would have to be addressed and, ultimately, secondments into departments are a matter for the permanent secretary. In principle, I think that we should unquestionably make as much use as possible of the expertise and good will that exists in the new Scotland. I accept what Donald Gorrie says and will take forward his representations on the subject.

On the timetabling of legislation, when I start speculating about what may or may not be in the legislative programme and on the time scale for legislation, I am mindful of the chief whip sitting to my right. Bearing in mind the caveat that legislation is a matter for the Cabinet, I draw an analogy with the housing bill. Exactly a year ago, when we came into office, we inherited a green paper that was widely regarded as excellent. Over the year, we have consulted on the most difficult outstanding areas—indeed, some are still outstanding—and we expect to publish draft sections of the bill in the next three weeks. We will use the draftsmen's time over the summer to write further sections, with a view to publishing the bill at the beginning of September.

I highlight the fact that we are not even at the stage of a green paper on local government, because we have yet to scope the possible parameters of the legislation on the three areas

that I mentioned in my statement. I do not wish to be dishonest by suggesting that we can get through all the pre-legislative stages when, as I said, we are not even at the stage of a green paper. I regard housing as a matter of comparable complexity, as there has been the same desire for consultation, and we will have a comparable bill—this will be the most radical legislation in its field for 20 years. I simply do not think that it would be possible to publish a bill before this time next year; to do so would mean a more truncated time scale than we followed in housing, where we started with a green paper a year ago.

I do not say that as a way of giving out political instructions. Rather, I refer to the process through which our major policy bills are emerging into the parliamentary system. We could genuinely explore that matter in more detail with the Local Government Committee when we consider the pre-legislative stages, as it is a legitimate area for discussion.

The Deputy Presiding Officer: I call Brian Adam, to be followed by Michael McMahon. I ask members to keep their questions short and to the point, and the minister to keep her answers likewise.

Brian Adam: Would the minister care to explain the difference between her proposal for a community initiative and the power of general competence, with which many members are perhaps more familiar?

The minister suggested in her statement that there was a desire within local government for parity of esteem between the Parliament and local government. Although she has discussed that with local government, she has not discussed it with the Parliament's Local Government Committee. It might also be appropriate to have in place parity of esteem between the Executive and the Parliament.

On partnership arrangements and the community leadership role of local government, will the minister reassure us that the legislation will not attempt to widen local government's enabling role at the expense of service delivery?

Ms Alexander: Mr Adam asked about the difference between general competence and a community initiative. The difference is essentially semantic. We have chosen the phrase "community initiative" because it was COSLA's favoured option; COSLA felt that it matched more closely the vision of community leadership and community planning appropriate to the new century. The phrase does not represent a change in concept, powers or responsibilities.

I wrote to the Local Government Committee in advance of my statement in order to signal that we were committing ourselves to parity of esteem in

principle. I would welcome a dialogue on that point over the coming weeks and an immediate dialogue on what is, and what is not, appropriate for the consultation on the three areas highlighted in the statement. Before taking the next steps on the local government agenda, we thought it important to highlight the willingness of the Executive to move on those three areas. We look forward to discussing those matters further with the committee.

Mr Adam also asked about the extent to which the legislation would widen the role of local government. We are saying to local government, "Don't think about what you can't do; think about what you can do." We want to bolster that mindset. The choices that councils make between services is entirely a matter for them. That approach is appropriate to the vision of community leadership that I talked about.

The Deputy Presiding Officer: I call Michael McMahon. I ask for a quick question and a quick response.

Mr Michael McMahon (Hamilton North and Bellshill) (Lab): I welcome this morning's positive statement. My simple question is to seek an assurance from the minister on whether the Executive will involve in the consultation the employees who deliver services. That would give the consultation on best value the best chance of a positive outcome.

Ms Alexander: We will very much do so. I confirm that today we are accepting in full all the recommendations of the best value task force. The Scottish Trades Union Congress and individual trade unions were outstanding partners in contributing to that. The task force made its recommendations unanimously. We are consulting on them and we hope very much to take forward the same partnership approach.

Business Motion

The Deputy Presiding Officer (Mr George Reid): The next item of business is consideration of business motion S1M-970, in the name of Tom McCabe, on behalf of the Parliamentary Bureau, which sets out the business programme. I ask any member who wishes to speak against the motion to press their request-to-speak button now.

Motion moved,

That the Parliament agrees

(a) the following programme of business—

Wednesday 14 June 2000

2.30 pm	Time for Reflection
followed by	Stage 1 Debate on Regulation of Investigatory Powers (Scotland) Bill
followed by	Financial Resolution in respect of Regulation of Investigatory Powers (Scotland) Bill
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business – debate on the subject of S1M-659 Robert Brown: Housing Needs of Disabled People

Thursday 15 June 2000

9.30 am	Non-Executive Business – Conservative Party
12.15 pm	Ministerial Statement
followed by	Business Motion
2.30 pm	Question Time
3.10 pm	First Minister's Question Time
3.30 pm	Executive Debate on Early Education and Childcare
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business – debate on the subject of S1M-894 Mr Duncan McNeil: Greenock Morton Football Club

Wednesday 21 June 2000

2.30 pm	Time for Reflection
followed by	Parliamentary Bureau Motions
followed by	Stage 3 Debate on the Ethical Standards in Public Life etc (Scotland) Bill
5.00 pm	Decision Time
followed by	Members' Business – debate on the subject of S1M-882 Roseanna Cunningham: Edinburgh Folk Festival

Thursday 22 June 2000

9.30 am Non-Executive Business – Scottish National Party

followed by Business Motion

followed by Executive Motion on Care Standards Bill – UK Legislation

followed by Members' Business – debate on the subject of S1M-913 David McLetchie: Milestone House Hospice

2.30 pm Question Time

3.10 pm First Minister's Question Time

followed by Stage 1 Debate on the Bail, Judicial Appointments etc (Scotland) Bill

followed by Financial Resolution in respect of the Bail, Judicial Appointments etc (Scotland) Bill

followed by Parliamentary Bureau Motions

5.30 pm Decision Time

(b) that the Rural Affairs Committee reports to the Health and Community Care Committee by 23 June 2000 on the following:

The Animal Feedingstuffs from Belgium (Control) (Scotland) Revocation Regulations 2000 SSI 2000/158

The Food (Animal Products from Belgium) (Emergency Control) (Scotland) Revocation Order SSI 2000/159

and, (c) that Stage 2 of the National Parks (Scotland) Bill be completed by 20 June 2000.—[*Mr McCabe.*]

The Deputy Presiding Officer: No member has asked to speak against the motion. The question is, that motion S1M-970, in the name of Tom McCabe, be agreed to.

Motion agreed to.

12:31

Meeting suspended until 14:30.

14:30

On resuming—

The Presiding Officer (Sir David Steel): Before we begin this afternoon's meeting, I am sure that members would wish to welcome in the gallery the members of the British-Spanish parliamentary conference who are meeting here in Edinburgh.

There are eight members from both Houses at Westminster, led by Peter Temple-Morris MP, and eight members of the Spanish Parliament, led by Señora D Soledad Becceril Bustamante. [*Applause.*]

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): On a point of order, Presiding Officer. I draw the chamber's attention to an error in the printed *Official Report* of the Borders rail link debate last Thursday, which mistakenly indicated that I was speaking on behalf of the Conservative party. We in the Conservatives—[*Laughter.*] That idea might not please Conservative members, but it scares me witless.

First, I was thinking of suing the official report for defamation. Secondly, I wondered whether this official recognition would give me a say in the Conservative leadership struggle or would allow me to write indiscreet letters to the newspapers maligning my colleagues.

The Presiding Officer: Many strange things were said during that debate, including by Mr Russell, who described me as no spring chicken. The record will speak for itself.

Question Time

SCOTTISH EXECUTIVE

Roads (A8000)

1. Lord James Douglas-Hamilton (Lothians)

(Con): To ask the Scottish Executive what the most up-to-date plans are for the A8000 upgrading and what the time scale is for its completion. (S10-1876)

The Minister for Transport and the Environment (Sarah Boyack): That is a matter for City of Edinburgh Council, which is responsible for that road.

Lord James Douglas-Hamilton: In view of the massive congestion of the A8000, especially during rush hours in the early morning and evening, will Sarah Boyack give that matter high priority in her spending plans and will she trunk the road immediately after it is upgraded?

Sarah Boyack: What I can say to Lord James Douglas-Hamilton is that all the relevant local authorities in that area are working through the Forth Transport Infrastructure Partnership group of authorities to focus on congestion. We need the powers that have been identified in the Transport (Scotland) Bill, to enable us to take the matter forward in a speedy manner.

Mrs Margaret Smith (Edinburgh West) (LD): Many of us believe that the A8000 is the missing link in the trunk road network in Scotland. What benefits does the minister think the Transport (Scotland) Bill might bring to the Queensferry and Edinburgh areas, especially with regard to the upgrading of the A8000?

Sarah Boyack: It is clearly for this Parliament to decide on the final content of that bill. The draft bill, as proposed, suggests that surplus income from the Forth road bridge could be used to assist transport improvements in the area. The local authorities that constitute the Forth Road Bridge Joint Board and are involved in discussions in Forth TRIP are focusing on how to progress the A8000. It is currently a matter for City of Edinburgh Council to progress the road, but discussions are on-going.

Roads (A77)

2. Mr Adam Ingram (South of Scotland)

(SNP): To ask the Scottish Executive what progress has been made to date on securing funding for the upgrading of the A77 to motorway standard. (S10-1885)

The Minister for Transport and the Environment (Sarah Boyack): The costs of

preliminary work, land acquisition and detailed scheme preparation have been provided for in the motorway and trunk road programme, which I announced on 31 March.

Mr Ingram: Has the Executive taken on board the sceptical view expressed by this Parliament's Audit Committee as regards the financial benefits of private finance initiative projects in relation to the building of the M74? Would not it be more prudent to access the substantial Government funding being promised for UK transport projects by John Prescott, or is the minister committed to writing a blank cheque to private companies to complete vital road projects such as the M77 link, and saddling future generations of taxpayers with the tab?

Sarah Boyack: It is our view that we should get the best value for money for our roads investment and that that should come out of our resources. Our approach draws from the experience of the M74, as members will note from the response of Scottish Executive development department officials. We will pursue a scheme that gives us best value for money and enables us to go ahead with the M77 scheme as we have timetabled and as I have announced to Parliament.

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): I know from one of my constituents that the Scottish Executive has purchased his land for the upgrade of the A77. Can the minister tell me what statutory procedures have yet to be completed in respect of that upgrading?

Sarah Boyack: The main statutory procedures for the M77 have been completed. The design is currently being audited, and any changes that would need to be incorporated into the scheme could be the subject of supplementary orders and compulsory purchase orders.

Scottish Economy

3. Andrew Wilson (Central Scotland) (SNP):

To ask the Scottish Executive what plans it has to ensure that the Scottish economy benefits in the long term from the depletion of oil and gas reserves. (S10-1905)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): We are about to publish the framework for economic development in Scotland, which will set out our long-term perspective of Scotland's economic development needs, covering all sectors of the economy.

In the North sea, there are still known remaining oil and gas reserves, which are equivalent to production to date. They are becoming more difficult to extract. Commercial viability therefore demands that the industry should develop new

technology, help reduce costs and improve competitiveness. That is where the PILOT initiative is crucial, with its aim of sustaining a strong UK oil and gas sector.

Andrew Wilson: Is the minister aware that Norway and Scotland discovered oil at the same time, when the gross domestic product per head of both countries was identical? Today, a quarter of a century on, Norway's GDP per head is 40 per cent ahead of that of Scotland. Does that mean that Norway is doing something well that we are not?

Is the minister aware that Norway's current oil and gas reserve is worth £50 billion in the bank, providing the Norwegian public purse with an income of more than £600 million a year? What plans does he have for such a reserve, so that Scotland can benefit from the £160 million that is going to the London Exchequer so far and—

The Presiding Officer (Sir David Steel): Briefly, Andrew.

Andrew Wilson:—the sum in excess of £25 billion that will be taken from the North sea in the coming four years?

Henry McLeish: I certainly do not accept the proposition upon which the final question was based. Suffice it to say that we still have very ambitious plans in the United Kingdom for the oil and gas industry. The aim of the PILOT initiative is to sustain a strong, vibrant UK oil and gas industry.

Targets are to sustain investment at £3 billion per annum for UK continental shelf activity; to keep production at or above 3 million barrels or equivalent per day; to prolong self-sufficiency in oil and gas; and a 50 per cent increase in the export of oil and gas products.

Once again, let us praise the work being done in the North sea, praise the benefits to the United Kingdom and praise the benefits of the employment prospects in Grampian and elsewhere in the United Kingdom. Let us work as a Parliament, with Westminster, to ensure a viable, healthy, sustainable industry well into the 21st century.

Mr David Davidson (North-East Scotland) (Con): Rather than dwell on the faded aspirations of the separatists on SNP benches, I would rather ask the minister this: what plans does he have further to develop the north-east of Scotland as a world centre of excellence in oil and gas technology, which would lead to massive exports of technology and knowledge all over the world?

Henry McLeish: I am happy to reinforce that positive expectation for the north-east of Scotland. I concur with Mr Davidson's first comment about the ragbag of economic policy issues raised by the official Opposition.

We are working hard to ensure that the benefits of North sea oil and gas are sustained not only for the Treasury, but in terms of employment, producing services, and exporting our expertise. Discussions are taking place on several fronts to ensure that the type of excellence to which Mr Davidson referred becomes a reality. We want to develop such initiatives through the oil and gas task force, now known as PILOT, which is chaired by Helen Liddell and vice-chaired by me.

It is important for the Parliament to be positive and that it looks upon the north-east as a major developer of new ideas and new technology. If we do that, I have no doubt that there will be success in the future.

Schools (Repairs)

4. Mr Gil Paterson (Central Scotland) (SNP): To ask the Scottish Executive whether there is a contingency fund available for emergency repairs to schools. (S10-1886)

The Deputy Minister for Children and Education (Peter Peacock): The answer is no. Local authorities are responsible for the repair and maintenance of their school buildings and should have their own arrangements for dealing with emergency repairs.

Mr Paterson: Is the minister aware of a report regarding Airdrie Academy? It states that

"water is pouring through the walls . . . ceiling came crashing down . . . electric cables were dangling down from ceilings . . . slates were falling off the roof . . . asbestos was found in different areas of the school".

If there is no contingency fund, does not the minister think that there should be—and soon?

Peter Peacock: I am aware of the situation, because the local MSP, Karen Whitefield, has brought me up to date. North Lanarkshire Council is dealing with the matter successfully. I have every confidence in the council's ability to resolve the matter satisfactorily, no doubt helped by the additional cash that the Executive is giving to education.

Dennis Canavan (Falkirk West): Is the minister aware that the parents of children at Larbert Village Primary School are disappointed about the decision not to go ahead with the proposed extension and about the minister's refusal to arrange an inspection of the school building? Will the minister ensure that adequate funds are made available for essential improvements to the existing building until the go-ahead for the new extension is given?

Peter Peacock: I am sorry if primary pupils are disappointed in any respect. However, the Executive makes available funds to local authorities on a formula basis, taking account as

much as possible of the needs of those authorities, which must make priority decisions in their own programmes. I have every confidence that the problem will be overcome in due course.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): Over the years, local authorities have had great difficulty in setting priorities between managing repairs and maintenance of school properties and providing books and so on for schools. Is the minister discussing with education authorities ways of improving the fabric of our school buildings?

Peter Peacock: We are doing several things. Annually, local authorities spend about £150 million of their own capital resources. We are putting £115 million of additional resources into the system as a whole through the new deal for schools. More than £500 million-worth of additional expenditure is going into school fabric in Scotland as a result of the public-private partnership programme. Only recently, in our consultation paper on national priorities in education, we highlighted the need to put school fabric and buildings much further up the political agenda, to overcome the problems which, we recognise, exist.

Volunteers Week

5. Phil Gallie (South of Scotland) (Con): To ask the Scottish Executive which ministers participated in volunteers week activities and what it learned from the week that might affect its policies on the voluntary sector. (S10-1872)

The Deputy Minister for Communities (Jackie Baillie): Thirteen Executive ministers have given a firm commitment to Volunteer Development Scotland to give at least one hour of their time, to participate in volunteers week. In addition, it is intended that a group of ministers will take part in a joint volunteering opportunity in the summer, which will help to inform the development of the active communities strategy.

Phil Gallie: I thank the minister for that positive answer. Does she agree that 18 volunteers working with one part-time leader, funded by Ayrshire and Arran Acute Hospitals NHS Trust to assist in the rehabilitation of stroke victims, provides excellent value for money for the health trust? Does she further agree that volunteers working on such projects within the health service provide excellent back-up to the health service and that money spent in support of such volunteering activity is money extremely well spent?

Jackie Baillie: For the first time in my life, I agree with Phil Gallie. [MEMBERS: "Oh."] It is all right—I will not make a habit of it. Phil Gallie has provided me with an opportunity to place on record

the thanks of the Executive and the Parliament to the many volunteers who contribute to communities across Scotland daily, whether in the health service, in child care or in environmental work—the list is endless.

Cathy Peattie (Falkirk East) (Lab): Will the minister also congratulate the hundreds of workers in the fire, police and health services and in the private sector who volunteer regularly, not just in volunteers week?

Jackie Baillie: Absolutely. There are currently about 600,000 people in Scotland who volunteer regularly, not just during volunteers week, but throughout the year. There are an equal number who want to volunteer and are just waiting for the chance.

Road Safety (Children)

6. Des McNulty (Clydebank and Milngavie) (Lab): To ask the Scottish Executive what it is doing to help children get to school more safely. (S10-1883)

The Minister for Transport and the Environment (Sarah Boyack): In December last year, the Executive issued guidance to all schools and local authorities in Scotland on how to run safer routes to school. On 25 May, I announced additional capital consents, totalling £5.2 million, which will enable local authorities to take forward a wide range of projects, building on the guidance.

Des McNulty: Will the minister indicate on what sort of measures the money will be available to be spent at local level?

Sarah Boyack: All sorts of measures are urgently needed in the vicinity of our schools—safer routes to schools, pedestrian access, cycle routes and advice to schoolchildren on how to use the safety guidance that we have provided. I point out to Mr McNulty that in his area, the effects of the boost that I announced last week are £114,000 for East Dunbartonshire, and £98,000 for West Dunbartonshire. That is practical help for parents, children and teachers who want the improvements to be made in order to cut child accident rates and to tackle traffic congestion.

Alex Neil (Central Scotland) (SNP): Is the minister aware of the incident that was reported in *The Herald* on Tuesday of a 20-month-old child being left to leave Flowerbank nursery in Kilmarnock and who was later found on a busy road? Is she further aware that that was the latest of three such incidents in East Ayrshire? Will she and her colleagues institute an immediate inquiry into the operation of nursery and primary school education in East Ayrshire, to ensure that standards are put in place to avoid any repetition of such incidents?

Sarah Boyack: That is precisely the sort of issue on which we need a joined-up approach. As Minister for Transport and the Environment, I am concerned with the broader issues of safer routes to school. However, Alex Neil's specific question might more appropriately be asked of the Minister for Children and Education.

Genetically Modified Organisms

7. Dorothy-Grace Elder (Glasgow) (SNP): To ask the Scottish Executive whether it can confirm with certainty that seed contaminated with genetically modified seed was not planted and harvested in 1999. (S10-1879)

The Minister for Rural Affairs (Ross Finnie): On the contrary, Advanta Seeds UK made it clear when it notified the UK Government on 17 April that the affected seed was produced in 1998 and was sold and sown in both 1999 and 2000. The 1999 crop will have already been harvested.

Clearly, that is a highly regrettable development of which we had no knowledge. It is important that I inform the Parliament that the advice that the Food Standards Agency Scotland has given me is that there is no food safety implication arising from the possible entry into the food chain last year of oil from the affected crop. I have also taken steps to seek preliminary advice from the Advisory Committee on Animal Feedingstuffs, which also confirms that there is no added risk from feeding material to animals from any contaminated crop. Finally, I have sought advice from the Advisory Committee on Releases to the Environment, which has also confirmed that there is no added risk to the environment from any seeds sown in 1999.

Dorothy-Grace Elder: That is absolutely shocking—even more shocking than what we learned last week. We now know that in 1999 almost double the number of hectares were planted with GM contaminated seeds and harvested. That material is now in the food chain for animals as well as humans, because rape seed husks are used as animal feed.

The Presiding Officer: Please ask a question.

Dorothy-Grace Elder: We know how badly the minister and the Parliament were treated, but what will Mr Finnie do about the incompetence of the Ministry of Agriculture, Fisheries and Food? We all remember the ministry's secrecy and almost criminal incompetence over BSE.

The Presiding Officer: Order. That is enough.

Dorothy-Grace Elder: Will the minister ask for an ordering of checks on the fields and for the production of—

The Presiding Officer: Order. I remind members that, according to standing orders, questions must be brief.

Ross Finnie: I am sure that no one in the chamber would want to underestimate the very serious nature of the failure of Advanta Seeds UK to notify anybody. However, I suspect that in 1998, even Advanta Seeds UK did not know that the crop was contaminated.

In no way do I wish to underestimate or understate that problem, but it is not helpful for Dorothy-Grace Elder simply to ignore what I previously said, which were not my words—*[Interruption.]* Members should bide their time. If they want an answer, I will give an answer. On the question of public safety, we must be absolutely clear that the independent advice from the Food Standards Agency Scotland is that what has happened does not give rise to a health risk in the food chain. The preliminary advice from the Advisory Committee on Animal Feedingstuffs is the same.

Having been alerted to this serious problem, we are prosecuting the matter in three ways. First, as members will be aware, because of public concern that the bodies concerned did not involve people other than scientists, the Agriculture and Environment Biotechnology Commission was established in early June. It includes farmers, consumers and representatives of environmental bodies. They have been asked to give independent advice, not on last year, but on steps that have to be taken to improve the regulatory process.

Secondly, with regard to making progress in Europe, we have collaborated with MAFF over the past 10 days and we have already promoted an order in Europe to try to change the regulatory procedure for the examination of imported seeds, to give member states much greater powers to reject seeds that are or are not contaminated.

I apologise for the length of my answer, Presiding Officer, but it is an important matter. It is being announced today in the House of Lords by Baroness Hayman that the interim committee—*[Interruption.]* The issue that we are dealing with is that we are promoting proposals that would allow us to take far greater care and to reject seeds that have a tolerance level of less than 0.5 per cent. Those crops might be perfectly safe, but we have adopted the precautionary principle. The one issue that is clear is that as far as the Executive is concerned, there is no licence to sell those crops. Having acquired the knowledge that the problem existed and that there was no licence to sell those crops, the proper action to take was for us to require the destruction of the crops this year.

Alex Johnstone (North-East Scotland) (Con): Can the minister tell the chamber when he expects to be in a position to offer definitive advice to farmers on the disposal of the crop that is currently in the ground?

Ross Finnie: That depends on when we receive the text from Brussels. It is being discussed in Brussels today. I hope that it will be only a matter of days before we receive the final text, which will confirm beyond doubt that even applying force majeure, and even if there are leaks, farmers will be able to recover their arable area payments compensation this year.

Robin Harper (Lothians) (Green): Given that last year's and this year's plantings qualify as a gigantic farm-scale trial, is it the intention of the Scottish Executive to monitor or partially audit the affected fields and their environs for the effects of possible gene flow, seed drop and pollen spread?

Ross Finnie: I intend to do two things. First, we are in discussions with the National Farmers Union to try to put in place a system so that once we have the advice that Mr Johnstone referred to, indicating to farmers what they should do, we will in the first instance, as part of trying to assure the public that these particular crops have been removed, have a process of inspection. Secondly, we are in discussions with the regulatory authorities about how they should monitor the fields that have been used, because clearly there is, as I think Robin Harper is alluding to, the prospect that volunteers will emerge. That will form part of the advice that will have to be given to farmers.

Health Services

8. Scott Barrie (Dunfermline West) (Lab): To ask the Scottish Executive what effect local health care co-operatives have had on the development of health services in local areas. (S10-1894)

The Minister for Health and Community Care (Susan Deacon): As the member will be aware, local health care co-operatives have recently completed their first year of operation as part of the new partnership-based structure of the national health service in Scotland. In that time, LHCCs have begun to demonstrate how much can be achieved when different health care and other professionals come together at a local level for the benefit of patients and communities. We have recently completed a series of regional LHCC seminars and are now evaluating the feedback from the seminars, which will act as the basis for further improvement and development in the future.

Scott Barrie: Does the minister agree that social care agencies and particularly local authority social work departments seem to be the missing link in the development of LHCCs? Will she consider bringing them into proper partnership with health agencies under the umbrella of the local health care co-operatives?

Susan Deacon: Scott Barrie raises a very important point that we have touched on many times, about the link between the NHS and social care agencies. In order to get effective link-working between the NHS and other agencies, it is important to get effective link-working within the NHS itself, and the partnership-based approach that is being developed locally is the first step down that road.

As there are social work representatives on many LHCC boards, there is already a direct connection between the two areas, and links are increasingly being established. However, we want to explore further the question of the links between the NHS and social care, and it was one of the issues that was discussed at the joint ministerial committee on health that Jim Wallace and I attended. Furthermore, through our own joint futures group, we will consider further the most appropriate way of cultivating effective links between health and social care in Scotland in the future.

Kay Ullrich (West of Scotland) (SNP): Is the minister aware that, at the recent Scottish conference of local medical committees, no fewer than six of the 15 area committees submitted motions critical of the function and structure of local health care co-ops? Their criticisms were directed at inadequate funding and the complete failure of the joint investment fund, or JIF, and were put succinctly in the motion from the Glasgow area, which simply said:

"This conference believes that the concept of the JIF, like its namesake, has disappeared down the plughole."

Will the minister today give a commitment to address the very real concerns of the people involved in LHCCs?

Susan Deacon: I am very familiar with the conference to which Mrs Ullrich referred, and it is unfortunate that her account of the conference is a misrepresentation of its conclusions. Many positive outcomes were identified and many positive resolutions were agreed, about the direction of travel of the NHS in Scotland.

As for the joint investment fund, I have said previously in the chamber that we would evaluate its operation over the first year of LHCCs, and the issue has featured prominently in discussions at the regional seminars that I mentioned. We can make improvements in that area; it is important to have effective links between primary and secondary care in the NHS. However, it is right that we have moved on from the two-tier GP fundholding system that existed under the previous Administration. If we build on the experience of the first year and put in place effective arrangements for the future, we will continue to improve.

Patricia Ferguson (Glasgow Maryhill) (Lab): I am pleased that the minister recognises that there should be a co-ordinated approach to health care, which is provided by LHCCs. My experience in my constituency is that they work particularly well and provide a great opportunity for professionals to come together. Is the Executive undertaking any work, perhaps across departments, to find out what can be done to establish LHCCs within social inclusion partnership areas, where health statistics are usually much worse than in other parts of our communities?

Susan Deacon: I want to address two points in that question, the first of which is the crucial issue of health inequalities and the fact that ill health is more prevalent in the poorest areas of society. As such, it is important that, particularly through our community-based health initiatives, we examine how we can address the particular needs of our poorest communities.

The second issue is how we effectively build upon partnership working both across the Government's activities and at a local level. Over the past few years, enormous progress has been made on building partnership-based models nationally and locally. An active piece of work that is being undertaken across the Executive examines how we can ensure that such a partnership approach operates as effectively as possible and that the connections exist between local delivery mechanisms, so that local people derive the maximum benefits from the work of those agencies.

The Presiding Officer: The convener of the Health and Community Care Committee is signalling to me that she has a brief question.

Mrs Margaret Smith (Edinburgh West) (LD): What direction has the department given to health boards regarding the role of LHCCs in the service planning process, particularly in the production of health improvement plans and trust improvement plans? Would the Executive welcome the development of local improvement plans generated by LHCCs?

Susan Deacon: As I indicated in my first answer, this has been the first year of operation of the new structure in the NHS. We have been keen to build on the principles on which the partnership-based system was established and to ensure that we develop it as effectively as possible. One of the recurrent themes in discussions with health boards and trusts has been how to build on the LHCC model and to integrate it into the planning process. We want to emphasise not just what happens in secondary and acute care but what goes on in our communities. That is a major part of our investment programme and will form a major part of the local health improvement plans and trust improvement plans, and the national planning

documents that we are developing.

Anorexia

9. Mary Scanlon (Highlands and Islands) (Con): To ask the Scottish Executive what proposals it has for the provision of services for anorexia sufferers in Scotland. (S1O-1865)

The Deputy Minister for Community Care (Iain Gray): The care and treatment of individuals with eating disorders such as anorexia nervosa or bulimia is covered by the framework for mental health services in Scotland that was published in 1997. Health boards and NHS trusts are expected to develop specialist services for the treatment of those and other psychological disorders, based on an assessment of local need.

Mary Scanlon: Given that a recent survey showed that there are specialist centres in Aberdeen, Perth and Edinburgh, that more than half of Scotland has no specialist service and that one in every hundred people develops anorexia, with the condition proving fatal to more than 13 per cent, what plans does the minister have for implementing the recommendations of the British Medical Association's report, "Eating Disorders, Body Image and the Media"?

Iain Gray: The important thing is that an integrated care package will be available to sufferers. It will include a range of measures from health education to psychological and psychiatric therapies and in-patient facilities. The key to getting that right is to get local agreement. The mechanism for that is the mental health framework. The mental health and well-being support group is beginning a series of visits around health boards, to help with the implementation of that framework. Any gaps in the service will be identified in that process and, as the framework rolls out, sufferers of anorexia will benefit.

Voluntary Sector

10. Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): To ask the Scottish Executive what strategies it has to establish secure funding for voluntary sector organisations. (S1O-1910)

The Deputy Minister for Communities (Jackie Baillie): The Scottish compact sets out the principles that underpin the relationship between the Government and the voluntary sector. As part of its implementation, good practice guidance on funding will be published next week. The Executive is committed to creating a more stable funding environment for the sector, including the provision of three-year funding packages where appropriate.

Ian Jenkins: In volunteers week, it is important that we recognise the massive contribution that

voluntary organisations make to our society. The use of partnerships is important, but does the minister recognise that many voluntary organisations depend on three-year funding from lottery sources, among others, and that those organisations can be left high and dry when that funding runs out? I recognise that some aspects of this matter are reserved, but I ask the minister to use whatever influence she has to promote continuation funding, which should be made more readily available, either by encouraging direct extension funding for another two or three years or by having a tapering-down system, so that effective organisations are not forced to lose momentum or fold because of inflexible project funding regulations.

Jackie Baillie: I am happy to give consideration to the principles that Ian Jenkins has outlined. We want to encourage the voluntary sector to identify a diversity of funding sources rather than to rely on one source. Those sources should also be sustainable, which is why the Executive is not only moving towards stability of funding for three years, but considering alternative funding sources such as the new community investment fund.

Miss Annabel Goldie (West of Scotland) (Con): Does the minister accept that one aspect of secure funding is allowing voluntary organisations to conserve the funding that they receive? Does she realise that adding unreasonable charges to those organisations may be prejudicial to funding? Can she give any interim assurance to voluntary organisations that Scottish Criminal Record Office charges will not represent an unreasonable burden?

Jackie Baillie: As Annabel Goldie will know, we have set up a review group to consider the charging structure and the efficiency of the mechanisms that will operate in the voluntary sector as part of the Scottish Criminal Record Office checks. That review group is working hard, and includes representatives of Volunteer Development Scotland, the Scottish Council for Voluntary Organisations and Youth Link Scotland. At this stage, it is too early to report back on our findings to the Parliament, but we will do so in due course.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Does the minister recognise that voluntary organisations such as the Caithness Voluntary Group face problems due to sparsity and distances? Will she undertake to examine those special problems when she reviews the funding arrangements?

Jackie Baillie: Yes. I give Jamie Stone an assurance that I shall do that. We had a useful meeting with councils for voluntary services from rural areas, and recognise that they have a key role in building the capacity of the local voluntary

sector, especially in rural areas. That will be a feature of the CVS Scotland review.

Fuel Excise Duty

11. Mr Kenny MacAskill (Lothians) (SNP): To ask the Scottish Executive what representations it has made to the Chancellor of the Exchequer regarding the impact of the rate of fuel excise in rural areas of Scotland. (S10-1884)

The Minister for Transport and the Environment (Sarah Boyack): With the co-operation of the Scotland Office, the Executive continues to make the case for rural Scotland on fuel duty and other reserved matters.

Mr MacAskill: The minister will be aware that the Finance Act 1995 allows rebated fuel to—among others—tractors, mobile cranes, mowing machines, road rollers, gritters and snow ploughs, but not to police, fire or ambulance services, nor to school buses or road hauliers. From her discussions with the chancellor and the Scotland Office, can she tell us the logic of that? What representations has she made about the issue, and what does she propose to do about it?

Sarah Boyack: Let us get behind the bluster of that question. It was the SNP that stood for election to this Parliament on a policy to make full use of the fuel duty escalator until 2003-04. It was Gordon Brown, as Chancellor of the Exchequer, who did not raise fuel tax this year, who has tackled the issue of vehicle excise duty on fuel and who has enabled £45 million less to be collected from hauliers, which will benefit hauliers in Scotland and in the rest of the UK.

Mr Murray Tosh (South of Scotland) (Con): I have never seen the minister so animated. *[Interruption.]*

The Presiding Officer: Order. We want to hear the question.

Mr Tosh: At the risk of appearing “too clever by half”—*[Interruption.]*

The Presiding Officer: Order. The chamber must settle down. I cannot hear, nor can the minister.

Mr Tosh: Has the Scottish Executive raised with the Chancellor of the Exchequer the possibility that fuel duty might be rebated in sparsely populated areas of the United Kingdom and Scotland, as a means of bringing rural fuel prices in line with those in urban Scotland?

Sarah Boyack: We have been involved in discussions with the Treasury and the Scotland Office, in considering a range of options that would deliver benefits in rural parts of Scotland on the issue of fuel. I draw to Mr Tosh's attention the recent decision by one of the major oil companies

not to continue to discriminate in rural areas. We are seeking a series of initiatives in this matter, and continue to discuss with our colleagues in the UK Parliament precisely the matters that Mr Tosh has raised.

St Andrew's Day

12. Donald Gorrie (Central Scotland) (LD): To ask the Scottish Executive whether it plans to make St Andrew's day a public holiday in Scotland. (S1O-1906)

The Minister for Parliament (Mr Tom McCabe): The Executive has no such plans.

Donald Gorrie: I welcome Tom McCabe to his post as minister for holidays; it must be a lot more fun than being a Government business manager.

Will the minister consult all the relevant people to try to create a more sensible pattern of Scottish public holidays? Holidays are in a muddle: some employers still use the traditional local holidays; others—usually UK or international companies—prefer to use English or UK public holidays. Could we have a coherent system of Scottish holidays that might include, for example, St Andrew's day?

Mr McCabe: I am glad to welcome those fraternal sentiments from a member of our coalition Executive. I understand the rationale behind Mr Gorrie's question. As he will know, bank holidays in Scotland are fairly consistent, although some differences exist in specific local areas. However, there is a long-standing tradition of local holidays, and that tradition varies widely across Scotland. From his experience in local government, Mr Gorrie will know how difficult it has been to rationalise school holidays, even within relatively small geographical areas. Although I can see from an organisational point of view that the rationale behind Mr Gorrie's question may be desirable, the evidence suggests that it may be difficult to achieve.

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-388)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The Cabinet discussed several matters of significance to the Executive and to the people of Scotland.

Mr Salmond: Did the Cabinet discuss the implications of the non-attendance of Westminster ministers at committees of this Parliament? Is it not the case that the Chancellor of the Exchequer has snubbed both the European Committee and the Finance Committee, and the Secretary of State for Scotland has snubbed the European Committee? Has the acting First Minister any knowledge of why those gentlemen are so nervous? Are they expecting a walk-out or a slow handclap? Will he tell them that all that will happen is that they will be asked pertinent questions by important parliamentary committees on subjects that are important to the Scottish people?

On behalf of the whole Parliament, will the acting First Minister deprecate the non-attendance at the committees, and will he encourage future attendance from Westminster ministers?

Mr Wallace: Mr Salmond should reflect on the fact that the Scotland Act 1998—which he supported—makes express provision that ministers of the Westminster Parliament will not be required to attend. He should also reflect on the fact that the Secretary of State for Scotland will shortly attend the Scottish Affairs Select Committee. If Mr Salmond and some of his parliamentary colleagues at Westminster attended the Westminster Parliament, they might be able to ask the questions that they are now asking of me.

Mr Salmond: The last time I attended the Westminster Parliament, I went through the lobbies with the acting First Minister to vote against fuel duty and the chancellor's budget.

I am surprised by the acting First Minister's answer. Members of the Finance Committee from all the political parties deplored the chancellor's answer that he would not come to the committee and would not even send his officials. Does the acting First Minister recall that, during the parliamentary debates on the Scotland Bill 1998, he said:

"It must be expressly set down in the bill that the Scots

Parliament has the power to compel witnesses and to compel the production of documents." —[*Official Report, House of Commons*, 29 January 1998; Vol 305, c 506.]

Does the acting First Minister still believe that? Is he still allowed to believe that? Does he stand by his words of two years ago, and does he still think that this Parliament should have that power?

Mr Wallace: As Mr Salmond well knows, my responsibilities relate to the Scottish Executive. The Chancellor of the Exchequer and the Secretary of State for Scotland are well able to speak for themselves, and they would do. Next Monday, Mr Salmond's party has the opportunity in the Scottish Grand Committee to nominate the subject matter for debate. It has not chosen the kind of issues concerning which they wanted the Chancellor of the Exchequer and the Secretary of State for Scotland to appear before committees of this Parliament. If Mr Salmond's party had been really interested in those issues, it would have taken the opportunity to pursue them and it would not have been trying to score political points.

Mr Salmond: Is the acting First Minister seriously saying that members of the Finance Committee and the European Committee of this Parliament—from every party—who have expressed disappointment that their inquiries were being obstructed were not correct?

Will he answer the key question—does he stand by his remarks of two years ago in the House of Commons, that if Westminster committees can summon ministers of the Scots Parliament, why cannot committees of the Scots Parliament summon Westminster ministers? Does he stand by those remarks or is that something else that has been junked in the coalition?

Mr Wallace: As Mr Salmond knows, that amendment was lost; nevertheless, we both still supported the bill that now governs the relationship between Westminster and this Parliament. If the issue is of such burning importance to Mr Salmond, his party has more than adequate opportunity to raise it at Westminster. The fact that he chooses not to do so shows that he is more interested in making gestures than in getting to the heart of such an important issue.

Cabinet

2. David McLetchie (Lothians) (Con): I would like to—[*Interruption.*]

The Presiding Officer (Sir David Steel): Order. We want to hear the question.

David McLetchie: Presiding Officer, it is becoming more like the women's institute every day. [*Laughter.*]

To ask the First Minister whether he has any

plans to reshuffle his Cabinet. (S1F-382)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): No.

David McLetchie: Thank you. Perhaps the Deputy First Minister might like to offer himself as a prime candidate for reshuffle when the First Minister returns, because his record so far on law and order is one of abject failure. Apparently, he is about to compound that by raising the age of criminal responsibility from eight to 12 and by treating 16 and 17-year-old offenders as children and not adults, a move that has been described by the Scottish Police Federation as laughable. Instead of adopting such cloud nine ideas, why does he not come back to earth and give the police the support they deserve to deal with neds on the ground?

Mr Wallace: The chamber may have been thinking that Mr McLetchie would use his question about reshuffles as a preliminary to announcing his own reshuffle. We see Tory front benchers in fighting form—they are fighting each other. When Mr Murray Tosh says that there is a split between the militants and the mainstream, our real concern is that Phil Gallie is in the mainstream.

I deeply regret the fact that Mr McLetchie trivialises the very serious issue of youth crime. He knows that one of the first things the Executive did was to set up a youth crime review. A study has been completed, and the outcome and our response to it will be published tomorrow. Sam Galbraith will make a statement on it at a conference. The issue of the age of criminal responsibility has been raised in this Parliament on a number of occasions. There is ECHR case law on it. We think it should be studied and we are inviting the Scottish Law Commission to do that. There is no proposal on it, as Mr McLetchie suggested.

Mr McLetchie is also well aware that a considerable amount of crime is committed by young people aged from 18 to 24. They are responsible for inflicting a lot of misery on a lot of communities and our intention is to tackle that effectively. It is perfectly clear that the range of options for tackling that problem until now—including those options that were brought in during the 18 years when his party was in power—have not been successful. That is why a responsible Government should look at the issue and try to devise an effective response.

David McLetchie: We take crime very seriously—that is why the incidence of crime fell consistently under our Administration during the 1990s and has risen during the minister's, over the past couple of years. As we have pointed out repeatedly, Mr Wallace's justice budget has been slashed while he has stood by, police numbers

have been cut and prisons are being closed. We now have the final piece in the jigsaw—the master plan; fiddle the crime figures by raising the age of criminal responsibility and pretend that the 4,000 crimes that are committed in a year by eight to 11-year-olds do not happen. Is that the Liberal Democrat idea of justice? Is that why, on all the law and order issues, the police agree with us and the criminals agree with Mr Wallace?

Mr Wallace: I am genuinely disappointed that Mr McLetchie trivialises such a serious subject, which we as an Executive are treating seriously.

Phil Gallie (South of Scotland) (Con): Never mind the claptrap—answer the question. *[Interruption.]*

The Presiding Officer: Order.

Mr Wallace: We recognise the importance and seriousness of youth crime. As I indicated, there have been calls for a review of the age of criminal responsibility and that is what we are asking the Scottish Law Commission to examine. We also want to tackle youth crime effectively.

On the police, Mr McLetchie will be well aware that it is some three weeks since I announced an £8.9 million increase in this year's police budget, which had already been increased by more than the rate of inflation for this year. The extra money will allow the employment of more than 300 police officers, in addition to those who will be employed by the Scottish Drugs Enforcement Agency. It is clear that the Executive takes law and order seriously, but we are not into solving the problems of law and order by sloganeering—we want to solve them by taking effective measures.

Higher Education

3. Allan Wilson (Cunninghame North) (Lab): To ask the First Minister how the Scottish Executive intends to promote an inclusive system of higher education in Scotland. (S1F-394)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The Executive is determined to remove barriers to wider access and participation for those groups that are currently under-represented in higher education. We have, therefore, proposed a new £50 million student support package for 2001 that will include access payments of up to £2,000 for students from low-income families. We have also announced a £10 million mature student bursary fund. The overall package offers real improvements to the support that is available to under-represented groups.

Allan Wilson: I thank the Deputy First Minister for that reply. Does he agree that an inclusive higher education system means that many more students from manual-labouring family

backgrounds must be encouraged to go to Scotland's universities? Does he also agree that every Scottish university—including the University of St Andrews—must play its part in the process?

Mr Wallace: I certainly agree with that. That is why the Executive has taken some of the measures to which I have referred. Only yesterday, my colleague Nicol Stephen, the Deputy Minister for Enterprise and Lifelong Learning, attended a conference that was sponsored by the Scottish network for access and participation and the Scottish Higher Education Funding Council. They made the very point that Allan Wilson makes. The question is not only about access. We must also ensure that there is an improved retention rate when the people about whom Allan Wilson speaks go to university. We must try to provide the support and infrastructure that will ensure that the objectives of retention and access, to which he referred, are achieved.

Mr John Swinney (North Tayside) (SNP): Will the Deputy First Minister tell Parliament how an inclusive system of higher education will be created when students will, under the Executive, have to start paying back-end tuition fees when they start to earn £10,000 per annum, which is lower than the average wage in Scotland? Will he also explain when his support for the £10,000 threshold began? I am startled to read that the Liberal Democrat higher education spokesman, Dr Evan Harris, has said that the Liberal Democrats have never supported a threshold as low as £10,000.

Mr Wallace: I will take this opportunity to put Mr Swinney right on one or two matters. For a start, there are no back-end tuition fees. *[MEMBERS: "Yes there are!"]* The SNP does not like it, but we have abolished those fees.

There is a £10,000 threshold, but we examined closely the possibility of introducing a £25,000 threshold, as recommended by Andrew Cubie and his committee in their report. That would have required the setting up of an entirely new bureaucracy and might have led to the need for students to make two sets of payments. I do not believe that Mr Swinney would support money being used to fund a bureaucracy when it could be used to support higher education.

Most students in Scotland will pay less in repayment of loans than would have been the case under the Cubie proposals. They will also pay less than they would in the situation that existed before we abolished tuition fees and introduced graduate contributions and support, through access awards, for students from the poorest families.

Mr John McAllion (Dundee East) (Lab): Does the Deputy First Minister agree that the major

problem with access to university for young people who come from low-income families is that they cannot afford to go? If he does agree, will he accept that there is little prospect of our university education system ever being genuinely inclusive until the core problems of student poverty and student debt are tackled through the reinstatement of a realistic maintenance grant on which students can live?

Mr Wallace: It is clear that efforts must be made to tackle student poverty. That is why the Executive is taking the biggest step forward that has been taken in this country for years towards doing that. Mr McAllion will acknowledge that the £2,000 access award that is targeted at the families who have the lowest incomes is a big step forward. As I have said, student loans for the majority of Scottish students will be less under our proposals than they would have been had we not been here to implement them.

Waiting Lists

4. Kay Ullrich (West of Scotland) (SNP): To ask the First Minister why hospital waiting lists increased by 17.2 per cent between 31 March 1999 and 31 March 2000. (S1F-375)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The exceptional pressures that were placed on the national health service last winter were the main contributory factor to the increase in hospital waiting lists between 31 March 1999 and 31 March 2000.

The NHS in Scotland remains committed to reducing the in-patient and day-case waiting list to 75,000 by 2002. We have invested an additional £60 million in the NHS this year to help reduce waiting times and waiting lists. That will directly support the considerable work that is already under way to modernise services and improve the way in which the NHS works for patients.

Kay Ullrich: I thank the acting First Minister for his answer, if indeed it was an answer—frankly, I think it was more of a song and dance act. If he does not know what caused the increase, how on earth will he address it? At least we have heard an acknowledgement that there was a winter crisis, something that the Minister for Health and Community Care has never seen fit to acknowledge.

Does the acting First Minister agree that it is worthy of note that in the three months from December to March, waiting lists in Scotland rose by an average of 6 per cent? Does he also agree that the enormous variation in the rises across health board areas is of even more concern? Can he—

The Presiding Officer (Sir David Steel): You have asked two questions already.

Kay Ullrich: Can the acting First Minister explain why, for example, in a period of only three months, waiting lists increased by 20.7 per cent in Fife Health Board and by 15.9 per cent in Ayrshire and Arran Health Board, compared with a rise of 4.1 per cent in Grampian Health Board?

The Presiding Officer: Order. Questions have to be brief.

Kay Ullrich: Does the acting First Minister—

The Presiding Officer: Order. That is enough—the member must sit down.

Mr Wallace: I cannot give precise details on each of the area health boards that Kay Ullrich mentioned. It is self-evident to everyone that there were exceptional pressures on the health service in the winter because of the flu. Perhaps that is so self-evident that Mrs Ullrich cannot see it. I am interested in her deep concern about waiting lists because on 9 June 1999—almost exactly one year ago—Mrs Kay Ullrich MSP warned against too narrow a focus on crude waiting list statistics at the expense of other vital areas of the health service. She said that the real issue to address was the waiting times for patients in Scotland.

It is important that we address waiting times; that is why the Executive has taken initiatives to reduce them. In December, Susan Deacon announced that we would work with the NHS in Scotland to establish maximum waiting times in the three national clinical priorities of heart disease, cancer and mental health. That should be considered along with the £60 million that will be used specifically to tackle waiting lists; the fact that all 15 health boards have signed up to a recovery plan to ensure that a waiting list target of 75,000 is met; and initiatives such as instant appointment booking, which will be introduced in 2002, and one-stop clinics.

Sir David, I will not take up any more of your time—[*Interruption.*]

The Presiding Officer: Quite right.

Mr Wallace: The list of things that the Executive is doing to tackle waiting lists and waiting times, in which Ms Ullrich was once interested, is very long.

Laidlaw & Fairgrieve Ltd

5. Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): To ask the First Minister whether he will make a statement about the closure of Laidlaw & Fairgrieve Ltd in the Scottish Borders and Dalkeith. (S1F-391)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): We deeply regret the loss of those jobs. A team of local support agencies has been established to help all those who are affected to find new jobs. The package of

support will include the provision of benefits advice, counselling, job search and retraining. That is in line with the partnership action for continuing employment strategic framework, which was introduced by the Executive in March.

Ian Jenkins: Following the Department of Trade and Industry's announcement this week of additional money to support the textiles industry, can the minister clarify that there will be extra money in Scotland, in addition to the support that will be sought through Mr McLeish's very welcome textiles forum? How will that support be used and within what parameters will it be available?

Does the minister recognise that such a closure reinforces arguments for the real, positive investment in the Scottish Borders infrastructure that the Parliament endorsed and recognised last week?

Mr Wallace: I assure Mr Jenkins that the initiative that the DTI announced earlier this week will extend to Scotland. We are in discussions with the DTI about the shape of that extension.

As Mr Jenkins may be aware, my colleague, Henry McLeish, will announce further measures to support the Scottish textile industry at the first meeting of the Scottish textiles forum, which is due to take place on Monday of next week.

I agree with Mr Jenkins that the proposals on the infrastructure in the Borders, and the Scottish Borders railway feasibility study in particular, are moving forward. I understand that Scottish Borders Council has engaged consultants to work up a bid for the public transport fund.

Pauline McNeill (Glasgow Kelvin) (Lab): Does the Deputy First Minister agree with the position adopted by the GMB, which is that working together with the UK Government is the best way in which to support the Scottish textile industry, and that textiles should be given a high priority by both Parliaments?

Mr Wallace: It is clear from initiatives such as this week's announcement by the DTI, with which we are in discussion, that the textile industry is being given a high priority. There is further evidence from the fact that Henry McLeish is launching, and chairing the first meeting of, the textile forum next week. That forum will create an opportunity to engage the industry, unions and support agencies as well as ministers, and is indicative of the support that we want to give the textile industry and the importance that we attach to it.

Points of Order

Michael Russell (South of Scotland) (SNP): On a point of order. There seem to be considerable difficulties—[*Interruption.*]

The Presiding Officer (Sir David Steel): Order. I am trying to listen to a point of order.

Michael Russell: There still appear to be considerable difficulties with question time. For you, Presiding Officer, those difficulties relate to the length of questions, but there are also difficulties with the length of answers. I ask you to consider the answer from the acting First Minister to Mrs Ullrich's question, which must be almost a new record.

The Presiding Officer: I am always willing to consider such issues. [*Interruption.*] Order. May I respond to the point of order?

The real problem that the chamber must accept is that the standing orders are quite specific and I, as much as any other member, am governed by them. They state quite clearly that questions must be brief. I am afraid that Mrs Ullrich asked at least three questions before I asked her to cease. The standing orders say nothing about the length of ministerial answers.

Michael Russell: On a further point of order. I hope that you are indicating that the standing orders must begin to take account of the fact that the answers are neither brief nor are they answers. It would help the situation if ministerial answers were covered by the standing orders.

I notice that the convener of the Procedures Committee is listening to this point of order; I hope that that committee will consider the matter.

The Presiding Officer: We should continue to discuss such matters. I am certainly not happy with the way in which matters are proceeding, and I can tell that members are not happy either.

Learning Disability Review

The Presiding Officer (Sir David Steel): The next item of business is motion S1M-966, in the name of Iain Gray, on the learning disability review, and an amendment to that motion. I invite members who wish to speak in the debate to press their request-to-speak buttons now.

15:33

The Deputy Minister for Community Care (Iain Gray): We spoke about learning disabilities recently, in the debate on community care, but learning disabilities have not had their due place on the community care agenda. As politicians, we must take responsibility for that, or for some of it at least. I hope, therefore, that members will value the opportunity to debate this matter in its own right today.

People with a learning disability will continue to be denied the fullness of citizenship if we do not change the way in which we view them. We must overcome the public's negative views, professionals must manage less and listen more and attitudes must change. Politicians must show a lead, which is why it is important to bring the voices, the aspirations and even the dreams of people with learning disabilities to our Parliament for the first time. For too long, learning disabilities have been no one's priority; the learning disability review is about changing that.

Over the past 20 years, most European countries have been developing new, modern and effective services and support for people with a learning disability. Indeed, much progress has been made in Scotland, where we have some fine examples of innovative services. More than 4,000 fewer people live in long-stay institutions, but a further 2,000 Scots could live more independently. In the 21st century, no one should be in hospital because they have a learning disability.

A learning disability is not an illness. That is the headline of the review, but at its core are values the Parliament holds high. It puts people first. It promotes social inclusion, equality and fairness, and the opportunity for people to improve themselves through continuous learning. Sadly, those are the very qualities that people with learning disabilities have often not enjoyed to date.

Anyone who thinks that the review is just another glossy document is badly mistaken. It reflects strongly the experiences of people throughout the country, many of whom have never before have been asked what they think, feel or want. It is the authentic and powerful voice of people with learning disabilities. No one who was at the launch of the review a month ago can deny

that.

The previous review of services for people with learning disabilities in Scotland was carried out more than 20 years ago and addressed the balance between hospital and community care. This review, too, began by looking at those services, but it changed course almost immediately, to concentrate instead on people's lives and lifestyles. It recognised that people's lives are what matters and that services must support them. That was a watershed. It conditioned the review and the report, and I believe that it must serve as an example to this Parliament for its future thinking.

The review involved people who use services, and their carers. It involved visits, speaking directly to people in their homes and holding seminars. It also had a well used website. Users and carers were members of the national steering group and they conducted their own roadshows to bring out views and opinions. I took part in some of the visits and attended some of the conferences. I also held an interview on the website. I wanted to see and hear what people thought and felt, and that was made powerfully clear to me.

The most potent message of what is possible always comes through personal example. I think of one young woman, whom I met in Aberdeen, and her mother. They provided an outstanding example of the approach that we want following the review. The young woman has a learning disability and a physical disability. She uses a wheelchair, electronic communication and a carer whom she interviewed and appointed herself. Through her care manager, Grampian Service Brokerage, her family and, above all, her determination, she attends college, swims, goes to aromatherapy classes and works for Asda part time. It is no special job—she monitors and controls the closed-circuit television, which is bad news for shoplifters as she is particularly adept at tracking them. The one part of the job that she cannot do, her carer does. Asda gets a valued worker, she gets the chance to earn a proper wage and the shoplifters get their collar felt. A job, a home, some leisure time, a life—that is what “The same as you?” means.

There are 29 recommendations in the report and they all contribute in some way to what people want. People want more control and say over their lives. The recommendations would strengthen advocacy services and extend people's entitlement to direct payments. People want better-quality, more consistent and more person-centred care and support.

Under the recommendations, there would be a new type of local area co-ordinator to organise support in the community; personal life plans for

everyone with a learning disability who wants one; and more help and support through short breaks. People want new opportunities that support inclusion. We need modernised day services that focus on personal development and employment. We want people to have more mainstream and less specialist supports, and more integrated and better-developed community-based services that will lead to the closure of the remaining long-stay hospitals by 2005.

Above all, people want a new vision for learning disability generally. We propose, therefore, to set up a new Scottish centre for learning disabilities. It would be a resource to support users, carers and agencies, to promote public awareness and to tackle discrimination and stigma. We also propose to set up a national network for people with an autistic spectrum disorder and to introduce partnership in practice agreements that would give a clear focus for local authorities and health boards when working together to develop services. Finally, we propose to create a change fund, to help local authorities move quickly towards the vision for people with learning disabilities.

We have sent out about 7,000 copies of the report—I had some trouble getting one for myself today—and are asking for comments on its implementation by the end of August. I make no apologies for the review taking 18 months to complete. The effort to ensure that it was accessible and inclusive was important. I make no apology for now ensuring there is the time for a wide constituency to hear and engage with its conclusions.

I attach considerable importance to the views of the Parliament's committees—the Health and Community Care Committee, the Social Inclusion, Housing and Voluntary Sector Committee and the Education and Lifelong Learning Committee—and that is why I am pleased that the whole Parliament has this opportunity to discuss the recommendations. The review is the start of a 10-year journey. I want to go forward with a fair wind from this chamber.

We cannot stand still and wait. I intend to keep up the momentum. We will make an early start on setting up the Scottish centre. We expect to go out to tender soon and it is my aim to have the centre up and running this autumn. The centre is pivotal to reshaping the future. It is a key marker of our commitment to the vision of the review. I intend to entrench the user and carer perspective, which has run through the process of the review, in the work and management of the centre, which will be a key player in making a reality of the recommendations.

We have begun discussions with some of the key organisations that will be involved in

implementing specific recommendations. The need for new resources to implement the review as a whole, particularly through the change fund, is being considered carefully in the current spending review. Those who might try to argue that nothing can happen without new resources are simply wrong. We expect local authorities and health boards, with their local partners, to make an early start on identifying where they can do better within the existing pool of resources.

Local authorities and health boards spend more than £270 million a year—a substantial amount—on direct services for people with a learning disability. Too much of that—37 per cent—is tied up in bricks and mortar and in services that lack the focus that this review demands. The review makes very clear that the key resource issue is the priority given to people with learning disabilities and what it is spent on. That has to change if any increase in resources is to deliver what we want. The review indicates how we can spend better.

“The same as you?” can move learning disabilities in Scotland from negative to positive, from policy drift to a vision for the future, from people with learning disabilities being ignored to their being valued.

The solution is not easy, but in one sense it is as simple as this: someone I know who worked years ago in a long-stay hospital told me that she met an ex-patient whom she had known as one man in a ward of many. She said hello and asked what he was doing these days. The first thing he said was, “I don’t live in Gogarburn any more and I get to choose what I do.” That’s what “The same as you?” means.

This Parliament is accountable to the people of Scotland. They include people with learning disabilities who have made clear what they need and want. I hope that we can embrace their vision, endorse these recommendations and discuss how we deliver them.

I move,

That the Parliament notes that the report of the Learning Disability Review, *The same as you?*, was issued on 11 May to a wide range of consultees, calls for the fullest possible debate on how its recommendations should be implemented, and looks forward to a future where all relevant agencies work together with people with learning disabilities to ensure that they can live as full lives as possible in our communities.

15:43

Mr Duncan Hamilton (Highlands and Islands) (SNP): I have pleasure in moving the amendment, but I should perhaps start by dispelling the confusion about why I am moving it and my boss, Kay Ullrich, is not. I, too, was confused, but that was before I read the document. I can only

assume that Ms Ullrich is attempting to preserve her reputation as a determined opponent of the Executive. I think that this is an excellent document and that there is a lot in it that must be praised. I have great pleasure in saying that the SNP will provide the fair wind that the minister is looking for from this chamber.

This is an honest, radical document and it sets out, on the basis of need, the way must go forward. I hope that the minister will take what I have to say by way of criticism of some of the areas that we need to tighten as constructive. As the first review in 20 years, this is a ground-breaking debate and a ground-breaking document. We welcome the recommendations on direct payments, the new Scottish centre for learning disability, the action on autism and the aspects of the report that relate to the promotion of independent advocates. I know that Richard Simpson has been pursuing that in a different environment. We all welcome it. We certainly welcome the fact that the report puts people with learning disabilities right at the heart of an equality agenda. I am sure that there will not be a voice of dissent in the debate today.

So why lodge the amendment? The simple reason is that the motion does not adequately reflect what the report says. There are real criticisms of the current set-up in the report, which the Parliament should reflect. It is important that the minister knows that the Scottish National Party will vote for this amendment. Should that fail, we will vote for his motion for the simple reason that we want to give the report a fair wind. However, I ask him to reflect that the amendment is carefully worded; he will find that it chimes with much of what is in the report.

On the major issue of funding, the minister is right to say that this is not only about new resources—but it is also about new resources. With the current resources, we should, we can and we will do better, but if the minister considers the report he will find that the current status of funding needs a radical re-think. It contrasts the per capita spend on learning disabilities: Wales, £63; England, £59; Scotland, £54.

The minister referred to the vast disparity in funding across Scotland: up to 37 per cent. It is no surprise that there is such divergence; some areas are deprived and in others—rural communities—access to services is more expensive. There is an honest appraisal of that harsh background in the report, but no Executive action has followed identification of that problem.

What the report says about future funding proposals is interesting. I make no apology for quoting it at length. It says:

“Local authorities, for their own services and those they

commission from . . . the voluntary sector, will not be able to manage and pay for old and new services at the same time. They will need help with the costs of creating new services while keeping the old ones going until it is appropriate to close them down. Funding is also needed to re-direct existing services, develop new ones and to pay for training to improve the skills of staff.”

It goes on to advocate more funding for independent advocacy and the skills change that is needed, but it does not tell us any of the detail on the change fund. It does not give us a time scale for implementation, nor does it give any indication of the level of new resources that is needed and whether it will be matched funding—as was the case with the carers strategy—or new funding. We need to know that before we can go forward.

It is not that we are against the principle of what is being proposed; we are very much behind it, but it is impossible to gauge the effectiveness of the proposal until we see the real resources—the new money—that are being put behind it. It is fair to say that we agree in principle, but we remain in the dark over the practice.

There is a central tension in the document between the role of central Government and the role of health boards and local authorities. To know whether the new obligations and the new responsibilities being placed on local authorities and health boards are fair, we need to know whether the resource transfer will take place as well. That remains an issue throughout the health service.

My amendment calls for better consideration of benefits, which, it is fair to say, the report highlights. The report also refers to flaws in the independent living fund system and the inability to deliver anything other than pilot schemes on the new deal for disabled people. I add to that invalid care allowance, which does not apply to people over the age of 65 or to people who earn more than £50. Nor does it apply if people are in full-time training or education. It is certainly not additional money; once people reach pension age, they do not receive it.

Those are all real issues and I am sure that there is consensus in the chamber for addressing them. However, I suggest to the minister that we need to toughen the report substantially. It recommends:

“The Scottish Executive should consider raising, with the Department of Social Security, specific areas of concern related to benefits and support for people with learning disabilities.”

Let us be a bit bolder. Let us say that the Parliament requires the Scottish Executive to raise all these issues with the DSS on behalf of the people of Scotland—on behalf of those with learning disabilities. The document has highlighted

a serious problem, but the recommendation that flows from it is not necessarily tough enough, nor does it get to the heart of the problem.

I have two other small points, which I shall put as questions to the minister, rather than criticisms. I hope that he will take them in that spirit. My first question concerns the proposal for partnership in practice. We have had HIPs and TIPs and now we have PIPs—I do not know where this will end; there are only a few more letters to go. The document says that the PIPs will require three years of funding, starting from June 2001. Is that possible in the Executive, local authority and health board spending plans? In the Health and Community Care Committee we came up against the issue of whether long-term financial planning is possible within the current strictures. I would welcome his reassurances on that front.

My other question is about local area co-ordinators. The report cites an example from Western Australia as a good way forward. We all support the move towards mainstreaming people with disabilities, so why should local area co-ordinators be under the auspices of the local health care co-operative? I suggest that that should be reconsidered.

The SNP wishes the Executive well with this strategy. We support the report as there is a lot in it that is very good. However, we ask ministers to take further action on the specific points that I have raised.

I move amendment S1M-966.1, to leave out from “and” to end and insert:

“recognises the difficulties faced by local authorities as a result of underfunding; calls upon the Scottish Executive to press for a review of the social security and benefits systems to provide greater support to those with learning disabilities and welcomes the opportunity for inter-agency co-operation to ensure that those with learning disabilities are treated with equality and respect.”

15:51

Mary Scanlon (Highlands and Islands) (Con):

I welcome the motion and the tenor of the minister's speech. The motion calls on the Parliament to note the report of the learning disability review, “The same as you?”, to progress towards implementing the recommendations and to look forward to

“a future where all relevant agencies work together with people with learning disabilities to ensure that they can live as full lives as possible”.

Like the minister, I welcome this historic occasion. Today is the day on which a glossy brochure became reality and I truly welcome that. I have been critical of all the glossy brochures, but I endorse the practical approaches outlined in this one.

The review continues the reform of services for people with learning disabilities, building on the community care reforms put in place by the Conservative Government. The number of patients with learning disabilities in long-stay hospitals has fallen from 6,500 in 1980 to just over 2,000 now. There is a need to increase confidence in our service so that it does not reduce to containment or a form of babysitting, and so that services are provided to suit the needs of users.

Of course, all the recommendations cannot be achieved overnight, but there is no doubt that many of the 29 recommendations can be progressed by good practice and improved practice. Section 50 of chapter 2 gives a good example of that—the bringing together of the Scottish Society for Autism and the National Autistic Society for a managed clinical network.

This debate does not deal only with today's problems; it puts in place mechanisms to avoid and address future problems. Some points are crucial to the whole debate. First, we need more and continued research on the increase in the number of people with disabilities. The number has been rising at a rate of more than 1 per cent a year for more than 35 years now, and I am pleased that the Health and Community Care Committee is pursuing and investigating the alleged link between the measles, mumps and rubella vaccine and autism. I would welcome further similar research.

The key to successful implementation of the recommendations in the review document is, as I have said before in the chamber, assessment. It must be extended where appropriate and carried out as early as possible so that those in need of support get help that is uniquely tailored to their needs and adequately funded. Not only will assessment lead to better quality health care, it will lead to savings elsewhere in health and education, as the minister said in his opening remarks.

A friend of mine has a son with Asperger's syndrome. He was not assessed until he was over 18. They thought he was just a very difficult child who could not make contact with others. Once they decided that he had Asperger's syndrome and his condition was addressed, he flourished. He is now getting a job. It may be a tedious job, but children with Asperger's syndrome have talents that, once recognised, can help them to find fulfilment and independence and to be confident in their own abilities.

I also endorse recommendation 28, which suggests research into the number of people with learning disabilities in prison or in secure accommodation—they also have the right to be assessed and appropriately supported.

Prisoners' health care needs should not be judged by their offences—they have every right to assessment, care and support as people. I am delighted that that is included in the recommendations. Assessment is the key to successfully addressing individual needs and providing appropriate health and educational support as well as the full range of services to fulfil present and future needs and to make personal life plans workable.

My next point is the partnership in practice—the PIPs Duncan Hamilton mentioned—to achieve integration and assessment. There is a need to address current practice and current levels of support and care positively. In requiring agencies to work together, it is not good enough, when the quality of care is reported to fall well beneath the minimum standards, that councillors turn round and state that they can look after their own centres. That happened recently in Highland. I hope that in future councils will be more open and accountable, will listen to and address problems and will improve care rather than defend the indefensible. I welcome the new partnerships.

We also welcome the direct payments, which will give people and carers more control over their care, freedom and choice to buy services. The change fund must be open and transparent. We must be able to track the money to the provision of services. We have had a bad experience in resource transfer in relation to care of the elderly, as Duncan Hamilton mentioned. I look forward to a more open and transparent relationship in future.

Finally, while it would be easy to pick out preferred recommendations, I especially like recommendation 21, which states:

"There should be a long-term aim to promote public awareness about learning disabilities and including people with disabilities in the community."

I believe that we have progressed that by using the title "The same as you?" and I look forward to the new centre for learning disability being set up this autumn because I believe that it will take forward better understanding in a move towards sensitivity, greater tolerance and greater inclusion of people with learning disabilities.

15:58

Mrs Margaret Smith (Edinburgh West) (LD): Like members who have spoken already, I welcome the learning disabilities services review. It is the first major policy initiative aimed at learning disabilities services for 20 years.

I was pleased to join Iain Gray, Peter Peacock and Mary Mulligan, the convener of the Education, Culture and Sport Committee, at the launch of "The same as you?" last month. It was a joyful occasion, mainly—I mean no disrespect to my

colleagues—due to the input of people with learning disabilities who were at that occasion. They have waited a long time for this important review.

I pay tribute to the hundreds of people who have played a part in bringing this review together. Iain Gray has had an open ear. He has also had an open heart. It is an honest document, as Duncan Hamilton said. I will refer to his comments later in my speech. It is fundamentally important that the people who use the services were at the heart of this document. They were asked what they wanted and they stated what they wanted. What they say is that they want a life, just like the rest of us.

The title "The same as you?" is a challenge to us all. It is a challenge about how we view and interrelate with the 120,000 people in Scotland who have a learning disability. It is a challenge to all of us who want an inclusive Scotland in which all are valued, supported and recognised and in which all people are given opportunities to learn throughout life, to access health and social services as required, to earn a living and, crucially, to live in a decent home in their own community, not incarcerated or institutionalised in long-stay hospitals.

When we can see the title of this document as a statement, not as a question or a plea, we will be on our way to building the new society that we all want. The review goes some way towards achieving that, but it is critical that the fine words, to which we all sign up, and the hopes and aspirations of people with learning disabilities that the document represents, leave the pages of the document and are put swiftly into action. That is why I welcome the targets the Executive has set itself, as well as the partnership in practice agreements, which are to be drawn up between councils and health boards and implemented within the year. There will be a new centre for learning disabilities within a matter of months. I hope that we can achieve the aims of the document well within the overall time frame of 10 years.

Funding is central to making the provisions in the document work. Scotland spends £54 per person on learning disability services; England spends £59 per person; the Welsh spend £63 per person. We still have a greater proportion of spending tied up in hospitals—37 per cent compared with England's 15 per cent. Lothian Health has a good reputation in the field, having managed the closure of Gogarburn hospital in my constituency with some success, but the picture across the country is patchy. I welcome the announcement of a change fund to assist local authorities in shifting resources, to help put the recommendations into practice and, crucially, to move funds from long-stay hospital settings to

services in the community.

This is not all about new money; we can do much better with the £275 million that is already spent every year on services. We can use the money more constructively; we can listen to what people want; and we can make changes.

I found the documents very readable: whoever wrote them has to be congratulated on the way they were written. I particularly like the booklet, which I think was aimed at people with learning disabilities—it was pitched at just the right level for me by midnight last night.

The document says that the change fund will be extra, new money. We need some further information from the Deputy Minister for Community Care about the amount of that new money and about how the change fund will work in practice. With the correct funding mechanisms, personal life plans will become a reality. If proper funding and funding mechanisms are not provided, personal life plans will be a cruel joke, made all the worse by the hopes and aspirations behind the document.

With correct funding mechanisms, local authorities and health boards will be able to work productively in partnership, and with correct funding, local area co-ordinators will be able to support the 50 individuals in their care without frustration and without failure. The change fund as outlined in the review needs hard cash if it is not to go the same way as other aspects of care in the community, or the joint investment fund, which we have already heard about.

I welcome the establishment of local area co-ordinators for learning disabilities as a means of facilitating joint working and of assisting individuals and their families and carers in accessing information and the best, most appropriate, services. That will be particularly important when individuals have access to direct payments, which I welcome, and are able to make their own choices about how they wish to make the best use of services.

The review acknowledges points of crisis and transition in the lives of people with learning disabilities and personal life plans may well assist in the management of those periods of transition. It is essential that we help people manage transition from school to adult life by giving access to lifelong learning and work; help them deal with points of crisis through support to carers and respite services; and help them deal with other changes or transition, such as the death of a parent or carer, or the move from a long-stay facility or long-established day centre—of which I have some experience from my former life as a councillor.

As Duncan Hamilton noted, "The same as you?"

is an honest document. It states that services for people with learning disabilities could be much better. I welcome the review as a major contribution towards achieving that improvement and I hope that it receives support from across the chamber. More important, I hope that it receives support from all the people of Scotland. Delivering a better life for people with learning disabilities and treating them with proper respect remains a challenge for us all.

The Deputy Presiding Officer (Mr George Reid): The debate is now open. We have 10 speakers and 35 minutes. The maximum length of speeches is therefore four minutes.

16:04

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): I am grateful for the opportunity to take part in this debate and to welcome this long overdue review. For more than 20 years, the treatment of people with learning disabilities has been in a dark age; they have been hidden away in establishments with no opportunity to make their own decisions or to be part of their own community.

People with learning disabilities are as much a part of my community as I am and can play as active a role in enhancing that community—they just need to be given the opportunity to do so. Several things need to be in place for them to have that opportunity. They need information and services to be available when they need them, not when someone else thinks they need them or when they can be bothered to supply them. They and their families must have access to information and support and must be directly involved in decisions about care. Most important, they must be able to make their own choices about their lifestyle and they must be given support for independent living when they want it.

I give the example of one of my constituents, Patrick. For more than two years, Patrick and his mother were concerned about the care that he was receiving. My colleague, Des Browne MP—who dealt with the case before the advent of the Scottish Parliament—and I have been impressed by the commitment of Patrick's mother to his well-being and by her certainty that her son was inappropriately placed in a long-stay hospital, a view that was shared by the medics. Despite that, it took until March this year for a solution to be found. At last, a partnership programme was agreed between East Ayrshire Council, Ayrshire and Arran Health Board, Ayrshire and Arran Primary Care NHS Trust and Horizon Housing Association to provide a supported tenancy in my constituency.

Patrick has been central in designing his living space and he and his mother have been an

essential part of the development of his lifestyle plan. The development of the new partnership has given Patrick the dignity and independence that he needs and deserves. I invite the minister to visit to see at first hand how the review will change the life of Patrick and so many others. How many other Patricks are out there, struggling with their families to take back control of their lives from bureaucracies that jealously guard their profession and have never heard of partnership working? Partnership is the key to the successful development of the review.

I have shared with members an example of how joined-up provision of services can work for the well-being of our constituents. The review summary says:

"Members of the Scottish Parliament will read the report and decide if they agree with the ideas. If they do, then they can help make them happen."

This long-awaited review commits the Executive to ensuring that there are no more Patricks and their families, who have years taken out of their lives trying to secure rights that we all take for granted.

I have read the report. I agree with the ideas. Staff will embrace the changes and will transfer their skills to benefit clients. I have worked and will continue to work in partnership to make that happen. I ask the Parliament to endorse the report.

16:08

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

I add my congratulations to the Executive and, in particular, to the minister on producing the document "The same as you?" I also congratulate all those who contributed to the document. I acknowledge that the Executive is committed to bringing people with learning disabilities out of the shadows and giving them their place, if not in the sun, certainly in society, where they belong.

I want to raise three specific issues, which may not have been addressed fully or at all in the report. The first is housing. People who rent a house have a secure, assured or short-term tenancy. However, only a small minority of people living in supported accommodation have such tenancies. Instead, they have occupancy agreements, which offer many fewer rights and are intertwined with the relationship between the occupant and the service provider. A 1999 Scottish Homes research report concluded:

"There is nothing in the nature of supported accommodation which prevents the legal use of tenancies even in shared accommodation or dual agency situations."

However, only 16 per cent of people in supported accommodation have assured or short-term tenancies. In other words, 84 per cent of people in supported accommodation have fewer rights than

people in mainstream housing. That is not acceptable.

If we want people with learning difficulties to be the same as you—as the document has it—or the same as me, we must address the most basic issues: their right to a home and to legal rights. They must have no less protection than anyone else renting a home. A housing bill is soon to be introduced in the Scottish Parliament. I understand that, although there is to be a single social tenancy, the specific issue of supported tenancies will not be addressed. I would be grateful for an assurance from the minister that he will discuss that with the Minister for Communities as a matter of urgency.

My second point is about the quality of care for people with learning disabilities. The SNP has long supported the concept of community care. I share the joy of those who have escaped incarceration in long-stay hospitals and are now, perhaps for the first time, enjoying a quality of life that was unthinkable only a few years ago. However, I am concerned that nurses qualified in caring for people with learning disabilities are finding it difficult to gain employment because local authorities and the voluntary sector are employing social workers and care workers in community homes, rather than using the much-needed expertise that is available. I know that resources are limited, but the many welcome recommendations in the report cannot be implemented on the cheap or by reducing the level of expertise.

Finally, I come to a problem that has not been sufficiently addressed—the facilities available to people who have what is referred to as challenging behaviour. There is a real need for specialised support for that group of people. In particular, I understand that in most health board areas, no accommodation exists for youngsters with learning difficulties who are sexual offenders. That is something that we should address honestly.

This is the first review to be undertaken in 20 years. It will bring the learning difficulties service in Scotland up to date. However, I urge the minister to go further and to ensure that the service is the envy of the rest of Europe.

16:12

Dr Richard Simpson (Ochil) (Lab): I welcome Tricia Marwick's speech, which was excellent. The Health and Community Care Committee took evidence from the Scottish Federation of Housing Associations, who referred to the specific housing issue that she raised. The SFHA said that good practice was to have full tenancies and not occupancies. That is something that will be

addressed.

Tricia Marwick: I understand what Dr Simpson says about good practice; I welcome that and I know that great strides have been made. However, good practice is not the same as a legal right, which is fundamental.

Dr Simpson: I accept that.

I had the honour of serving on the programme planning group sub-committee that produced the Peters report, 20 years ago—that dates me. Although people talk about moving out of a dark time, it should be recognised that there has been accelerating change over the past 20 years. The closure of Gogarburn hospital, Lennox Castle and Lynbank hospital and the proposed closure of the Royal Scottish National Hospital are all testament to the fact that there has been some development, although not enough. The Executive report is welcome because it has involved users, which is a significant change.

It is particularly important that the bridging funding is available when hospitals are being closed. That was the problem with the Peters report. The bridging funding was not available to allow the services in the community to develop before units were closed. The funding that has just been given to RSNH for that purpose is particularly welcome.

The second issue that I want to address is that of resource transfer. Information from the Accounts Commission and evidence given to the Health and Community Care Committee on community care have shown that there is massive variation in the extent to which resources, beyond the initial bridging funds, are transferred on closure. Until now, the health boards have been required to track the resources that they transferred. The Accounts Commission has indicated that that is extremely difficult, if not impossible. The Sutherland report has also suggested that, at least in England and Wales, there has been a substantial diversion of funds into other priorities. I will be making a submission in response to "The same as you?" on that subject.

I hope that the minister will consider ensuring that 100 per cent of the resources to be transferred are identified and agreed by all the parties to the partnership in progress. This should be not simply be a matter of the local authority deciding on the spend or the health board deciding on the moneys available; those organisations, with voluntary organisations, user groups, users themselves and housing associations should collectively decide on the best use to which the money should be put. In that respect, I refer members to the Scottish Society for Autism, which is based in my constituency. It is regarded as a

centre of excellence and should be involved in that process.

The final area that I wish to address is advocacy, a subject in which, as Duncan Hamilton kindly mentioned in his speech, I have been interested. Advocacy is mentioned time and again in the report. I welcome the fact that planning guidance on advocacy is already in place. I particularly welcome the fact that the new centre for learning disability will help in the further development of advocacy. I recommend to the minister the model of the centre for social research on dementia at the University of Stirling in my constituency, which has had, and is having, a substantial effect on another neglected area—dementia.

In conclusion, I refer to a subject that Irene Oldfather would have mentioned had she been able to contribute—elderly parents or carers, who have concerns about what will happen to the people whom they have been supporting. I hope that the flexible support that the report refers to will be put in place and that those carers and relatives can be confident about their care. There is no doubt that early planned support is worth its weight in gold, not just in preventing a crisis, but in reducing the anxieties of carers. I commend the report to the chamber.

16:16

Mr Brian Monteith (Mid Scotland and Fife) (Con): I welcome the report. I am sure that there is cross-party support for continued improvement in community care for those with learning disabilities. Indeed, it was a Conservative Government that introduced community care in the early 1990s, a change that brought great benefits to people with learning disabilities.

The report states:

"Estimates suggest that there are about 120,000 people with learning disabilities in Scotland . . . compared with 83,000 . . . about 35 years ago. This trend will continue for at least another 10 years. As a result more people are living with their families or on their own and can access local services, in the community."

I am sure that we all agree that that is a good thing.

"This means that these local services are being asked to meet needs more than ever before."

That is why it is important that this review was held. The report continues:

"The range of those supported living options has increased a great deal in recent years . . . The numbers of people in hospital have reduced from nearly 6,500 in 1980 to fewer than 2,450 in 1998".

I am sure that the chamber will agree that that is a step in the right direction.

Of course, it is worth repeating what the Conservatives contributed to attaining that improvement. I say that not because I seek to claim any party advantage or to score points, but to argue that there is no monopoly on this matter—we all have something to contribute. In community care, which itself has been a significant help, invalid care allowance provides an independent income for carers of normal working age, including married women who have sacrificed the opportunity of full-time work to care for someone who is severely disabled. Expenditure on that allowance has risen from £4 million in 1978-79 to an estimated £609 million in 1996-97. No one can say that that is not a considerable sum.

I hope that as the recommendations in the review are put in place we will continue to have cross-party support. In speaking to his amendment, Duncan Hamilton was careful with his words; he showed that, although he wished to take the debate further, he was willing to endorse the Executive's position. That was an important point.

Of course there is much more to be done. The minister is right to say that we cannot stand still and wait. The report makes it clear that considerable change is required to put the individual at the heart of any decisions that are made. That is an important step in the right direction. When talking about education in schools and universities, we talk about a child-centred approach. It is important that this review takes an individual-centred approach. Although I endorse many of the 29 or 30 recommendations in the report, the third recommendation—that everyone should have a “personal life plan”—is particularly attractive, given the context that I have outlined.

As I said, we welcome the report and the next stage of the review. I have done voluntary work in this area and, in my previous life as a public relations consultant, I worked with a number of clients in this area; I see no reason for party political debate or point scoring. The report has been presented and the debate conducted in a way that demonstrates our wholesale commitment to find a common view. That is a good thing and is what the agencies, the charitable organisations and the individuals concerned want, because they believe that, with the Parliament's help, they can achieve great things. This is an area where the Parliament can achieve a consensus; I look forward to the review stage and to finding a solution that we can all support.

16:21

Dennis Canavan (Falkirk West): I, too, welcome the review and hope that it will lead to a better future for people with learning disabilities. However, I would like the minister to respond on

the future of the residents of the Royal Scottish National Hospital, which is in my constituency and which has, for many years, been a home for people with learning disabilities.

I pay tribute to the dedicated staff at the RSNH who provide a high standard of care for the residents. I would like the minister to give an assurance that every effort will be made to find alternative employment for them when the hospital closes. I am sure that their skills and experience will be very valuable in caring for people with learning disabilities in the community.

I will concentrate most of my comments on the needs of the residents of the hospital. At one time, the RSNH—as the name implies—was a national hospital, admitting people with learning disabilities from all over Scotland. Some of those people have been resident in the hospital since childhood and are now quite elderly. As a result, the RSNH has been their home for most of their lives. However, under the community care programme, there seems to be a tendency to repatriate them to their areas of origin. I do not particularly like the word “repatriate”, but I think that some professionals use it.

Although so-called repatriation might be acceptable in cases where there are still relatives in the area of origin, in other cases the residents have no relatives and all their friends are in or around the RSNH. It would therefore make sense to find a community placement for them where they can be together with their friends. However, such a solution might entail considerable bureaucracy because of the involvement of different health boards and different local authorities for the provision of funding.

For example, I was recently asked to take up the case of an old lady who originally came from Kirkcaldy. She has a learning disability and has been resident in the RSNH since 1918. She is now 90. Although she is very friendly with other residents in the hospital, the authorities in Fife initially proposed that she should be transferred to a nursing home in Kinglassie. Removing an old lady to a strange environment at that stage in her life could have a very upsetting effect, as indeed it did in this case. The old lady would obviously feel more at home if she were offered a place in the community with her friends. Although I am pleased that fresh consideration is now being given to that case, it is not unique. Eight ladies in the hospital are in similar circumstances and six different local authorities and health board areas are involved.

I would be grateful if, in his winding-up speech, the minister could consider a more flexible funding arrangement so that there are no obstacles or delays in finding suitable community placements for residents of the RSNH. I am sure that such flexibility would be of great benefit to people with

learning disabilities and hope that the minister will respond on that point.

16:25

Mr Adam Ingram (South of Scotland) (SNP): I will be brief, as I realise that others want to speak.

I commend the review of services for people with learning disabilities, which is an area of service provision in which Scotland has lagged behind other countries—including England and Wales—for many years.

As my colleagues have said, we welcome the report and its recommendations. However, we are concerned about resources. That concern is shared by organisations such as Enable, which said that it was

“extremely disappointed that the report is so vague about resources.”

As has been pointed out in previous debates, the health department's spending on long-term care has dropped significantly as institutional care is phased out and community provision is phased in. However, social work budgets have not been expanded sufficiently to take the strain of the switch in emphasis away from hospitals towards care provision in the community. From my reading of the report, and from the minister's opening remarks, I note that health boards and local authorities will be required to implement many of the recommendations, such as the appointment of local area co-ordinators, from current resources. Clearly, the ability to do that will vary from area to area, depending on the financial circumstances of boards and councils. Costs will vary according to factors such as rurality, which gets no mention in the report.

What assurances can the Executive give that a consistent standard of services will be available across the country within the target time scale that it set for 2005? Can the Executive guarantee that it will not allow a gap to appear between the closure of hospital beds and the provision of community care, an issue that Richard Simpson raised?

Some hospitals deal with people with mental illness as well as those with learning disabilities. The minister will be aware that, despite the fact that mental illness is one of the Government's priorities, the mental illness specific grant has been frozen for this year and next year. I would like some reassurance that the needs of that group of people will not be overlooked.

16:28

Nora Radcliffe (Gordon) (LD): I commend the review both for the work that was done to involve people in the consultation that underpins it and for

the clear way in which it is presented with useful appendices. This is a good piece of work. I also commend the straightforward recognition of the fact that attitudes have to change and that a lot of the barriers to people with learning disabilities leading ordinary lives are not in their minds but in other people's minds.

All our citizens should be encouraged to lead a full life and that should be facilitated. Individuals and their families should not be constrained by low expectations about what they can do or how they should live. Raising expectations, however, comes with the responsibility of ensuring that those expectations are met.

Supported accommodation and supported employment are two important ways of empowering people with learning disabilities to take charge of and enjoy their own lives in the way that their fellow citizens take for granted as they grow up and move out into the wider world. Many people with learning disabilities will continue to live with their parents or other family members, however, and we know that there is a huge shortfall in the availability of respite provision for carers. That must be addressed urgently.

Taking a pragmatic view, we can say that a little respite can prevent a lot of expensive fallout when carers crack under the strain of coping unaided. As the old adage says, “Buy cheap, pay dear.” There is a lot of sense in putting in resources early to avert later crisis; that pays off in monetary and human terms.

A time bomb exists of all those people who would, in an earlier age, have died in early childhood but who now are being looked after by elderly and aging parents who are likely to pre-decease their dependent adult children. Many individuals in that group are invisible, as they are not in contact with the authorities or in receipt of services. None the less, we must be aware of them if we are to meet their needs. Ideally, we should seek them out to offer them the support that they need now and to free their parents from worrying about what will happen to their children when they die.

As I said, many of the barriers are in other people's minds. Those closed and limiting minds can be found among the public at large, among authorities and service providers and sometimes among the nearest and dearest family members. That is why I was pleased that the review highlighted advocacy. That is an essential element of service provision, but it has been widely lacking hitherto and often misunderstood.

Many care managers and service providers feel that they are patient or client centred; they believe that the people with whom they are dealing do not need advocates or they think that they can act as

advocates for those people. Carers can also think that. However, with the best will in the world, they are not and cannot be advocates. An advocate must be wholly and unequivocally the voice of the person for whom they are speaking. The advocate has a difficult role; they must be vigilant in not letting their own personality colour the way in which they communicate what the person for whom they are speaking wants to say.

A lot of the good stuff to which we aspire in the review will be delivered by the voluntary sector. This debate is not the time to do it, but there is an urgent need to address the ways in which the voluntary sector can be funded so that it can retain its capacity for innovation and flexibility. Ways must also be found of preventing the waste that occurs when work that has sometimes been built up over years has to end because continued funding cannot be found.

The review is a good piece of work. It adequately sets the scene of where we are and where we want to go and it identifies much of what we need to get there. Some of that concerns hearts and minds, but a lot of it relates to resources, staff, training, infrastructure and money—a lot of money. There is a thread of realism running through the review but—to end on a positive note—we must not let realism limit us in what we set out to achieve. The goals that are set in the review are good ones and, if they are given sufficient priority among the competing priorities, can be achieved.

16:32

Johann Lamont (Glasgow Pollok) (Lab): I acknowledge the importance of the debate and welcome the learning disability review. It is especially important, given the commitment of the Parliament to social inclusion.

Since my election as an MSP, I have had the privilege of working with people with learning disabilities, their carers and professionals and volunteers in that sector. It has been a steep learning curve for me. We face an important challenge to our preconceptions about what learning disability means. Historically, society has taken a limited view of the issue, which has resulted in limited opportunities for those who are defined as having learning disabilities. I want to place on record my congratulations, and those of the Parliament, to the people—whether those with learning disabilities, their carers or those who are working in the field—who, over a long time, have managed to bring about the significant shift in policy and attitude that is creating wider opportunities for people with learning disabilities.

I shall highlight two examples of good practice from my constituency, which can inform the

debate on what we mean by good-quality service. The services that are provided are important for people with a variety of disabilities, but are especially important for those with learning disabilities. The first is a project called Junction 51, in Penilee. A partnership between, among others, the social work department, the health board, Enable, the users of the service and their carers, has been able to develop a community-based service that is tailored to the needs of the individual, rather than individuals being tailored to the limits of a building. Junction 51 is based in a broad community resource, with a resulting positive impact on all those who are involved and a shared understanding of differing abilities throughout the community.

The second example is a pioneering development in Glasgow's internal transport service. The service is used not only by Glasgow citizens with learning disabilities, but by other groups with disabilities of various kinds—people who need the service's specialist provisions. Glasgow City Council undertook a best value review of the service. It took a courageous step: it asked those who used and needed the service what they thought of it. The council got answers aplenty on what people needed from the service, what its weaknesses were, and how the service had contributed to the stigmatisation of people with learning disabilities.

From that process emerged a group with the snappy title of parallel transport liaison group. Whatever the difficulties of saying its name, the group is a significant model. It includes the users of the service, the carers, and professionals from the social work department, education and building services—the people most involved in the delivery of the service. As a consequence of the thorough and rigorous assessment of the weaknesses of the service, and a detailed identification of the action that was required, Glasgow City Council has recently taken delivery of the first group of a fleet of 80 buses that are recognised across Scotland as being state-of-the-art in terms of meeting the needs of the people who will use them.

I would like to draw members' attention to the crucial role of the voluntary sector in that example. The group that was most involved was Fair Deal for 1 in 100, a locally based group in Mike Watson's constituency. The group does a whole range of things as it campaigns for those with learning disabilities, but at its heart is a central belief: it does not seek to speak on behalf of people with learning disabilities, but seeks to develop means by which those people can speak for themselves and shape their own lives.

I urge the minister and the relevant committees of the Parliament to consider the crucial work that

has been done in Glasgow and to reflect on that model. I also ask the minister to acknowledge that resources should be used not only on the services that people need, but on empowering people with learning disabilities to shape and develop the services themselves. That is not always easy, but I believe that it is crucial to getting the services right.

I will finish on a point that concerns social inclusion. I make the point gently to the SNP, because I know that we have had cross-party consensus in the debate. It is unfortunate that, in its amendment, the SNP has—inadvertently—removed a statement that captures the approach of empowerment. The SNP's amendment takes the line in the Executive's motion about the Parliament looking forward

"to a future where all relevant agencies work together with people with learning disabilities to ensure that they can live as full lives as possible in our communities"

and replaces it with a line saying that the Parliament

"welcomes the opportunity for inter-agency co-operation to ensure that those with learning disabilities are treated with equality and respect."

I believe that the Executive's approach reflects the importance of putting people at the heart of the process, rather than having agencies doing things for them, no matter how well intentioned the work of the agencies may be. I do not believe that the SNP intended not to put people at the heart of the process, but I believe that when we talk about these issues, the empowering of people to speak on their own behalf has to be central. Although we can do good work for people, the work that is done and the service that is delivered will be much more valuable if people are empowered to talk for themselves.

I support the review, and I give my best wishes to those who will take forward its recommendations.

The Deputy Presiding Officer (Patricia Ferguson): We now move to the winding-up speeches. I apologise to the members who were not called to speak.

16:38

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I would like to start by thanking the minister, Iain Gray, for the considered and thoughtful way in which he introduced this topic today. Iain mentioned fullness of citizenship and the public's hitherto negative view. Those are important themes. I hope that one is of the future, and one is of the past.

The review talks about the greater control and say that people will have over their own lives. That

to me is the key to the issue. I would like to echo the point that Johann Lamont made: by concentrating on the funding issues for local authorities, Duncan Hamilton—who is a far better debater than I will ever be—takes away from the wholeness of what we are trying to do today. I am sure that he did not do so intentionally.

We are trying to promote a new way of thinking. A sum of £275 million per annum is going in. When we take all that money, gather it together, and consider how we can involve people, there will be savings that we can make. There will be ways of rechannelling money. That is the important thing about the review—getting away from the compartmentalised departmentalism that has been the problem thus far. It is almost as simple as a right to a happy life. If we believe that all people are equal, that includes people with learning disabilities.

When I was a child, such people were put away. As I remember, when a child first came across someone with a learning disability and asked "What is that?" their mum and dad would say, "That is someone who is not quite right"—let us not mince our words. It was a shock because such people were kept out of sight. It is very different today and could be very much more different in the future. That is the vital theme—like a family, we must embrace them into our communities.

In backing the review and wishing it well, I want to take up the point that was eloquently put by Dr Richard Simpson and Nora Radcliffe, on aging parents as carers. In remote parts of Caithness and Sutherland, people in that situation are worried sick. For an elderly couple living in Melvich, or Melness, Talmine or Tongue, Craig Phadrig hospital in Inverness is long way away. As we take people back into the communities, we must solve the big problems created by distance and rurality. We also have jobs to think about. It is far easier to get an ASDA-type job in Inverness, Dundee or Aberdeen than in remote north-west Sutherland. I have every confidence that the Scottish Executive will gradually and in a considered manner take on those problems, but we must not take our eye off the ball. There must be equality of service provision between cities and remote and rural areas.

This has been a well-tempered and positive debate. I am delighted to support the Deputy Minister for Community Care and all those working in this field in the work that lies ahead.

16:43

Ben Wallace (North-East Scotland) (Con): Since I left the Army, I have been all too often disappointed and surprised by the lack of liaison and unnecessary barriers that I find in the care

sector. In the past, that has led to individuals suffering inappropriate care, bewilderment and exclusion. Therefore, I have great pleasure in recognising the valuable recommendations in the report, of co-ordination and liaison. It was, after all, the Conservatives who began to try to get people with learning difficulties out of hospitals and into the communities.

I have some questions on the report for the Deputy Minister for Community Care, and I ask him to clarify the Executive's position in his summing-up. Will he assure us that as people are being returned to communities, the smaller number of people, often with the most complex needs, who are left in institutions, will not be more isolated with fewer facilities? Will he ensure that the change fund will be substantial enough to bridge the gap between rundown and total closure and setting up community services?

The development of partnerships in practice and the appointment of local authority and area co-ordinators should go a long way to smoothing the path of an individual with difficulties. While I am concerned that in the report the Executive has put rather a lot on the local authorities and health boards and perhaps recognises too little its overall responsibility, I look forward to the national Scottish centre for learning disabilities and hope that it will bring leadership and co-ordination.

Taking the earliest and the right opportunity for someone to be assessed and given the appropriate care is crucial. I recognise that the recommendations in the report go a long way to putting that right.

It is essential that the individual—whether carer or ward—is at the heart of the Executive's plans. The previous Conservative Government helped carers, and between 1990 and 1997 it trebled the disregard for carers' incomes. We would like to see more development of direct payments to carers and wards, to ensure more choice for the individual. The Conservative party sees choice as a vital component of inclusion.

I would like to pick up some of the points that have been made in members' speeches, especially Tricia Marwick's valuable points about housing associations and the concerns that were brought to the Health and Community Care Committee yesterday by the Scottish Federation of Housing Associations. I would like to underline the concerns that have been expressed about secure accommodation for people who have learning difficulties and who are sex offenders. There is a lack of concern about that matter in Scotland, and that must be addressed.

Richard Simpson's point about resource transfer has been examined as part of the wider community care inquiry, which the Health and

Community Care Committee is undertaking. I urge the minister to take the point seriously, because resource transfer might provide a safeguard for the future.

The Conservatives will support the Executive's motion and we welcome the report, which will, I hope, help to plan for a long way into the future. I looked up the definition of disability in the dictionary; one of the definitions is "helpless". I hope that the review will go some way to changing such definitions and attitudes and that people with learning difficulties will be able to play their full part in a new, inclusive society.

16:46

Michael Matheson (Central Scotland) (SNP): I also welcome the opportunity to have this debate. I worked previously with people with disabilities, including people with learning disabilities. There is nothing that is more frustrating to professionals in the field than the fact that politicians appear not to be interested, so I welcome warmly the fact that we are examining the issue and discussing the report.

Some of the language that has been used has, however, been a little unfortunate—I believe that one of my colleagues used the term "incarceration". Many people were in long-stay hospitals who should not have been in such places. They were there because they had had to be there at a particular time. Many members of staff in long-stay hospitals who have worked with people with learning difficulties provide dedicated care to individuals to this day. We should record that in the debate.

Although I respect Mary Scanlon greatly, I feel slightly differently from her. She referred to today's debate as an historic occasion, but in my view, the historic occasion will come when the last long-stay hospital for people with learning disabilities closes and the services and resources that the former patients require are available in the community.

Unfortunately, for too long, services for people with learning difficulties have been not merely the cinderella services, but the cinderella of the cinderella services. That has needed to be addressed for a long time.

When I read the report, one of the points of interest that I picked up was the idea of local area co-ordinators. They could have a valuable role to play in the design and provision of local services, but there is a need to examine how that would be done at a national level. Will there be national guidelines to ensure that services are developed and to ensure that the role of the co-ordinators is the same throughout Scotland? We must ensure that co-ordinators are not doing one thing in one local authority area and another thing in another

local authority area. We must take a strategic view of the role of area co-ordinators and I like to think that that will be done at national level, so that those concerns are addressed.

The role of local area co-ordinator is also interesting because it is a departure from the present system of care management. As someone who used to provide care management, I think that that raises a few questions about whether the present care management model is working, not just for people with learning difficulties but for people with mental health problems and other disabilities.

The area co-ordinator will have an important role in putting forward plans for change funding. However, we must examine what the details of that change funding will be.

Johann Lamont made a good point about empowerment. It is important that any new service provision for disabled people should be about empowerment. The policy of direct payments provides the opportunity to empower disabled people as much as possible. Iain Gray will probably recall a written answer that he gave to me earlier this year, which highlighted the extent of the failure of direct payments. Only about half the local authorities in Scotland implement direct payments, and of those schemes about half are pilot projects. Direct payments are a policy that could be developed further. If we are to grasp the issue of empowerment, particularly for people with learning difficulties, we have to overcome the current problems in the way the system is implemented.

I welcome the fact that the review sets down a time scale for the closure of our last long-stay hospital for people with learning difficulties. In my previous job, I regularly visited the Royal Scottish National Hospital. Richard Simpson made a valid point about the way in which resource transfer works, which links into what Dennis Canavan said. The RSNH has patients from all over Scotland. When a care plan is prepared for an individual to move back into the community, the bun fight starts. It is said that the individual came from Kirkcaldy or Glasgow; Stirling or Falkirk say that they are not providing the money for them to move back into the community, and Kirkcaldy or Glasgow say the same. We have to overcome that.

The one thing that must come out of the review is truly joined-up policy making. As several members have highlighted, if we close the hospitals, we must have the right services in the community. Those services must develop at the same rate as hospital discharges take place. I hope that time scales will be set for community services development as well as for the closure of hospitals, so that when the last hospital closes in

2005, the right services will have been developed at the right time to match up with that.

I ask the minister to consider the issue of employment and the way in which therapeutic earnings affect people who are in supported accommodation. Being able to take up purposeful employment has a major impact on people with learning difficulties. If we address that issue, not only will people be able to go back into the community, they will be empowered and will be able to integrate into society and play their rightful role in our community.

Finally, our amendment reflects what the report says. Johann Lamont is right about empowerment, but the report mentions inter-agency co-operation. Our amendment is intended to show that the Parliament is committed to taking forward the whole report.

16:54

Iain Gray: I recall that at one of the first ministerial engagements that I undertook in connection with the learning disability review, a young man with a learning disability said to me forcefully, "We are never listened to." I promised then that they would be listened to now, and I hope that this debate gives people with learning disabilities and their carers confidence that that is the case, today and in the future.

Perhaps we have run the risk of painting too bleak a picture. Michael Matheson is right: we should acknowledge the good work that has been done and the many dedicated members of staff who work in that area. I also agree with Michael's view about what is an historic day. Lothian made a proud boast last year that no one with a learning disability in Lothian lives in a long-stay institution. By the end of this year, no one from Lothian will live in a long-stay institution anywhere in the UK. There are examples that can be followed and which show that we can make such ideas work.

Expenditure on social and health care for people with learning disabilities has risen from £235 million to £270 million over the past four years. However, it cannot be denied that the disparity raised by Duncan Hamilton exists. Per head of population, less is spent in Scotland on people with learning disabilities and on services for them than in England, and the disparity is even more apparent when Scotland is compared with Wales.

However, I do not accept the conclusion of Duncan Hamilton's argument. The flaw in the SNP amendment is that that disparity does not point to underfunding—rather, it points to a lack of priority in funding services for people with learning disabilities. The key point is that we could double resources tomorrow, but if learning disability does not get its share, or those resources are spent on

the wrong services, we will not have solved the most significant problem.

Mr Hamilton: I accept fully what the minister has just said, but he is in danger of setting up a false dichotomy between better use of existing funds, and better prioritisation, and new money. What is set out in the report, and what our amendment seeks to achieve, is both better use of resources and new money.

Iain Gray: I am not in danger of setting up a dichotomy, false or otherwise. However, Mr Hamilton is in danger of failing to lift his eyes above the immediate future to look towards the long term. Any commitment on funding made by me today would have no validity whatever in 10 years' time. It is important that we change the priority for people with learning disabilities and the configuration of services that support their lives, because such steps will still be making a difference for people with learning disabilities 10 years from now. The amendment lacks that long-term vision.

While we are still on resources, Mr Hamilton also made the point that we cannot pay for old and new at the same time. Of course that is correct, but that is exactly the purpose of the change fund. In my opening speech, I said that we will soon make clear the extent of that change fund within the spending review process.

We know that the broad policy for community care for people with learning disabilities is right—today's debate has shown that. However, we also know that being in the community is not the same as having a full and fulfilled life. Mary Scanlon and Richard Simpson both made the point that we must have confidence in the new services. For elderly carers, that is a key issue, and we must acknowledge that it is easier to have confidence in bricks and mortar than it is to have confidence in a care package. One reason the commission for the regulation of care, which will be introduced, through legislation, next year, will regulate and inspect day services and services delivered at home is to give us that confidence.

Mary Scanlon was also right to point out that the number of people with learning disabilities is growing annually. That may be because people are living longer, but I agree that more research must be undertaken, and that will be one of the functions of the Scottish centre that we intend to set up.

Many members have drawn attention to the fact that we have waited 20 years for the review. If that is the standard—we hope that it is not—we will not get this chance again in our political lives. Well, most of us will not, but I suppose that it is possible that Duncan Hamilton will get the chance again during his political life. [*Laughter.*] I do not want to

think about that. The crux of the matter is that that standard is the same for people with learning disabilities. We must get it right this time for them, and that is why I welcome constructive criticism. I will address some of that criticism briefly.

Placing local area co-ordinators in local health care co-operatives is but one suggestion and we are keen to discuss how that should be organised. Tricia Marwick talked about the range of tenancies in supported accommodation. I believe that we need a range of tenure options, but Scottish Executive guidance on tenancies is clear that full tenancies should be the norm, and I will discuss with colleagues how we can ensure that that guidance is adhered to. However, the debate gives me the opportunity to acknowledge the importance of the work in that area of housing associations, such as Key Housing Association, Ark Housing Association, the Carr-Gomm Society and many others.

I am pleased to say to Tricia Marwick that the chief nursing officer will review the training of learning disability nurses and their role in the light of the review.

Richard Simpson and several others talked about the importance of getting the reprovisioning process right when we consider closing institutions. That process must be transparent, it must be done with consultation, it must involve users, it must involve carers and—I say this to Dennis Canavan—it must involve staff.

Dennis Canavan spoke about what he called repatriation. I assure Dennis that location is not a funding issue. However, I say with reference to the hospital at Larbert that, because reprovisioning involves every local authority in Scotland, it is hard to see how that can happen without some bureaucracy. That situation was created many years ago, as the example that Dennis gave illustrates. The key thing when arranging packages is that people should have someone who can act as their advocate. I commend Dennis Canavan for being an efficient and effective advocate for some of the patients at the hospital in his constituency. Nora Radcliffe and Johann Lamont talked about the importance of advocacy generally, and I assure them that that is a key recommendation of the report.

Given that it is Down's syndrome awareness week, we should note that this debate has been not about people with learning disabilities, but about us. It is our attitudes that must change. Learning disabilities must be much more to the fore in our minds. We have come some of the way, but the difficult part of the journey lies ahead. Margaret Smith is right—that is a responsibility of everybody in this chamber and beyond.

In my opening speech, I spoke about the

meeting of an ex-staff member and an ex-patient from Gogarburn, which took place just outside the chamber. That ex-patient's journey had taken him from Gogarburn to the doors of this Parliament. This review has opened those doors today, and we must never again shut out people with learning disabilities. Tricia Marwick was right: people with learning disabilities may not find a place in the sun, as the world can be a palace of the winds, but the world is where they want to be—the same as us.

Parliamentary Bureau Motions

The Deputy Presiding Officer (Patricia Ferguson): The next item of business is consideration of Parliamentary Bureau motions S1M-973 on the designation of lead committees, S1M-972 on the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc) Order 2000, S1M-971 on the designation of lead committees, and S1M-969, which proposes that rule 9.5.3 of the standing orders be suspended for the purposes of the Regulation of Investigatory Powers (Scotland) Bill and the Bail, Judicial Appointments etc (Scotland) Bill.

Motions moved,

That the Parliament agrees that the Transport and the Environment Committee is designated as Lead Committee in consideration of the Transport (Scotland) Bill; other Committees will be the Local Government Committee and the Enterprise and Lifelong Learning Committee.

That the Parliament agrees that the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2000 (SSI 2000/draft) be approved.

That the Parliament agrees the following designations of Lead Committees—

The Health and Community Care Committee to consider the Animal Feedingstuffs from Belgium (Control) (Scotland) Revocation Regulations 2000 (SSI 2000/158)

The Health and Community Care Committee to consider the Food (Animal Products from Belgium) (Emergency Control) (Scotland) Revocation Order 2000 (SSI 2000/159).

That the Parliament agrees that Rule 9.5.3 of the Standing Orders be suspended for the purposes of the Regulation of Investigatory Powers (Scotland) Bill and the Bail, Judicial Appointments etc (Scotland) Bill.—[Mr McCabe.]

Decision Time

17:04

The Deputy Presiding Officer (Patricia Ferguson): There are seven questions to be put as a result of today's business. The first question is, that motion S1M-935, in the name of Mr John Swinney, on behalf of the Enterprise and Lifelong Learning Committee, on a local economic development services inquiry, be agreed to.

Motion agreed to.

That the Parliament notes the 1st Report 2000 of the Enterprise and Lifelong Learning Committee on local economic development services (SP Paper 109) and commends the conclusions to the Scottish Executive in the context of its current review of economic development structures.

The Deputy Presiding Officer: The second question is, that amendment S1M-966.1, in the name of Mr Duncan Hamilton, which seeks to amend motion S1M-966, in the name of Mr Iain Gray, on the learning disability review, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
Campbell, Colin (West of Scotland) (SNP)
Canavan, Dennis (Falkirk West)
Cunningham, Roseanna (Perth) (SNP)
Elder, Dorothy-Grace (Glasgow) (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)
Matheson, Michael (Central Scotland) (SNP)
McGugan, Irene (North-East 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)
Robison, Shona (North-East Scotland) (SNP)
Russell, Michael (South of Scotland) (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)

AGAINST

Aitken, Bill (Glasgow) (Con)
Alexander, Ms Wendy (Paisley North) (Lab)

Baillie, Jackie (Dumbarton) (Lab)
Barrie, Scott (Dunfermline West) (Lab)
Boyack, Sarah (Edinburgh Central) (Lab)
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)
Douglas-Hamilton, Lord James (Lothians) (Con)
Eadie, Helen (Dunfermline East) (Lab)
Fergusson, Alex (South of Scotland) (Con)
Finnie, Ross (West of Scotland) (LD)
Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
Gallie, Phil (South of Scotland) (Con)
Goldie, Miss Annabel (West of Scotland) (Con)
Gorrie, Donald (Central Scotland) (LD)
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)
Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
Johnston, Nick (Mid Scotland and Fife) (Con)
Johnstone, Alex (North-East Scotland) (Con)
Kerr, Mr Andy (East Kilbride) (Lab)
Lamont, Johann (Glasgow Pollok) (Lab)
Livingstone, Marilyn (Kirkcaldy) (Lab)
Lyon, George (Argyll and Bute) (LD)
Macdonald, Lewis (Aberdeen Central) (Lab)
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)
McGrigor, Mr Jamie (Highlands and Islands) (Con)
McIntosh, Mrs Lyndsay (Central Scotland) (Con)
McLeish, Henry (Central Fife) (Lab)
McLetchie, David (Lothians) (Con)
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)
Mundell, David (South of Scotland) (Con)
Munro, Mr John (Ross, Skye and Inverness West) (LD)
Murray, Dr Elaine (Dumfries) (Lab)
Oldfather, Irene (Cunninghame South) (Lab)
Peacock, Peter (Highlands and Islands) (Lab)
Peattie, Cathy (Falkirk East) (Lab)
Radcliffe, Nora (Gordon) (LD)
Raffan, Mr Keith (Mid Scotland and Fife) (LD)
Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
Scanlon, Mary (Highlands and Islands) (Con)
Scott, John (Ayr) (Con)
Scott, Tavish (Shetland) (LD)
Simpson, Dr Richard (Ochil) (Lab)
Smith, Elaine (Coatbridge and Chryston) (Lab)
Smith, Iain (North-East Fife) (LD)
Smith, Margaret (Edinburgh West) (LD)
Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)

Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Ben (North-East 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)

The Deputy Presiding Officer: The result of the division is: For 30, Against 78, Abstentions 0.

Amendment disagreed to.

The Deputy Presiding Officer: The third question is, that motion S1M-966, in the name of Iain Gray, on the learning disability review, be agreed to.

Motion agreed to.

That the Parliament notes that the report of the Learning Disability Review, The same as you?, was issued on 11 May to a wide range of consultees, calls for the fullest possible debate on how its recommendations should be implemented, and looks forward to a future where all relevant agencies work together with people with learning disabilities to ensure that they can live as full lives as possible in our communities.

The Deputy Presiding Officer: The fourth question is, that motion S1M-973, in the name of Mr Tom McCabe, on the designation of lead committees, be agreed to.

Motion agreed to.

That the Parliament agrees that the Transport and the Environment Committee is designated as Lead Committee in consideration of the Transport (Scotland) Bill; other Committees will be the Local Government Committee and the Enterprise and Lifelong Learning Committee.

The Deputy Presiding Officer: The fifth question is, that motion S1M-972, in the name of Mr Tom McCabe, on the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc) Order 2000, be agreed to.

Motion agreed to.

That the Parliament agrees that the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2000 (SSI 2000/draft) be approved.

The Deputy Presiding Officer: The sixth question is, that motion S1M-971, 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 designations of Lead Committees—

The Health and Community Care Committee to consider the Animal Feedingstuffs from Belgium (Control) (Scotland) Revocation Regulations 2000 (SSI 2000/158)

The Health and Community Care Committee to consider the Food (Animal Products from Belgium) (Emergency Control) (Scotland) Revocation Order 2000 (SSI 2000/159).

The Deputy Presiding Officer: The seventh question is, that motion S1M-969, in the name of

Mr Tom McCabe, which proposes that rule 9.5.3 of the standing orders be suspended for the purposes of the Regulation of Investigatory Powers (Scotland) Bill and the Bail, Judicial Appointments etc (Scotland) Bill, be agreed to.

Motion agreed to.

That the Parliament agrees that Rule 9.5.3 of the Standing Orders be suspended for the purposes of the Regulation of Investigatory Powers (Scotland) Bill and the Bail, Judicial Appointments etc (Scotland) Bill.

Women's Pay

The Deputy Presiding Officer (Patricia Ferguson): Members' business this evening is a debate on motion S1M-908, in the name of Elaine Thomson, on women's pay 30 years on from the Equal Pay Act 1970. The debate will be concluded after 30 minutes without any question being put.

Would members who are leaving the chamber please do so quickly and quietly.

Motion debated,

That the Parliament notes with concern that 30 years after the introduction of the Equal Pay Act women earn only 73.3% of average male earnings; notes further that Aberdeen has the widest discrepancy between men and women's earnings in Scotland, with women in Aberdeen earning only 64.2% of men's earnings; believes that these figures clearly show that legislation in itself has failed to deliver parity in the labour market; believes that the Scottish Executive and its economic development agencies should pursue policies that would assist in the equalisation of pay between the genders, and asks the Scottish Executive, whilst pursuing the creation of a knowledge economy, to put in place adequate monitoring and evaluation to ensure that women will become equal players in the labour market.

17:07

Elaine Thomson (Aberdeen North) (Lab): Thank you, Presiding Officer. We have just passed the 30th anniversary of the Equal Pay Act 1970. When it was introduced I—and most young women—believed that the unequal pay that women faced would soon disappear. Most young women today believe that pay inequalities are a thing of the past until they are rudely disabused of that belief during their working lives.

The pay gap between men and women means that women earn less than 80 per cent of men's wages. Some commentators believe that that gap is widening or, at best, is static. Regrettably, Aberdeen has the widest pay gap. The narrowest is in Dundee, but that does not mean that Dundee is a haven of progressive employment policies. It simply reflects the fact that many men in Aberdeen are highly paid, while men in Dundee are not. A narrow pay gap between men and women does not mean better opportunities for women; it simply means low-pay misery for everyone.

The national minimum wage means that women in Aberdeen now earn 64 per cent of men's wages, where previously they earned only 56 per cent. The dominance of the oil and gas industry, however, means that job segregation between men and women in Aberdeen is probably more acute. A recent study found that in the big oil and gas companies, the gender split is 90 per cent men to 10 per cent women; that is even worse than in the average engineering company. What it

means in Aberdeen is that a higher proportion of the highly skilled and highly paid jobs are occupied by men than would be the case elsewhere.

At the current rate of progress, it will take another 30 years to achieve parity between men's and women's pay. That is long enough for a whole new generation of women to suffer the lifelong effects of low pay.

Let us be clear what unequal pay represents. It means women being segregated into low-skill, low-pay jobs, working in a narrow range of occupational sectors, with limited access to training, combined with lack of progress within companies so that women are continually found at lower grades rather than higher up. The glass ceiling is alive and well in Scotland. Unequal pay means the loss to the economy of many women's abilities; it also means that children, particularly in single-parent families, grow up in disadvantaged households. There is also a rural aspect to the problem; women suffer more acutely in rural areas.

The Scottish Parliament can do much to improve the situation by ensuring that women have better access to training and education. For example, individual learning accounts—legislation for which is going through the Parliament at the moment—will benefit thousands of women employees.

Girls and young women consistently achieve higher grades at school and are entering higher education in larger numbers than men. I do not believe that they suddenly become low achievers through any natural means when they enter the work force.

The barriers need to be clearly identified, monitored and removed. We could encourage employers to carry out pay audits, to identify pay gaps in their own organisations. The development of the whole gamut of family-friendly employment practices is essential, from using flexitime—to stop part-time working being a ghetto for low-pay, low-skill jobs—to introducing more child care. Child care is still crucial in allowing women access to education and the labour market, and much is being done through the national child care strategy. We should move away from the long-hours culture that exists in many workplaces; that culture inevitably disadvantages women who have other obligations, for example children, older relatives or other caring responsibilities. The Scottish Parliament, in its practices, has sent clear signals about equal opportunities to the rest of Scotland. Through its adoption of family-friendly policies, the Parliament has made some progress.

Hampering the development of equal opportunities for women, particularly in the employment market, are a lack of data and the fact that existing data are not sufficiently robust.

We need to ensure that better information—giving us the national and regional picture—is available. We need to consider all public bodies and programmes, and to introduce monitoring and evaluation so that progress on equal opportunities is achieved and policies are changed to tackle stubborn areas of disadvantage.

Scottish Enterprise receives nearly £0.5 billion, but it cannot break that down to tell us how much is spent by gender. Women sometimes do things differently; their businesses develop differently, in that they tend to grow more slowly. The pay-off is that their businesses are often more successful. That might tell us something. Perhaps business start-up programmes ought to take such things into consideration.

This year, Engender is publishing for the last time its highly successful gender audit, which has been an invaluable source of information. Now that we have the new equalities unit, I would welcome the minister's comments on how the work that was started by Engender will be carried forward so that we continue to have the kind of information that we really need.

Much has improved for women. Many of the policies that are now being implemented will continue to improve women's lives. The Equal Pay Act 1970, introduced 30 years ago by a Labour Government, sent a beacon of hope to many women. I look to the Parliament to light a new beacon of hope for women, as we progress towards a fair and equal society.

17:13

Brian Adam (North-East Scotland) (SNP): Elaine Thomson has covered a wide range of the issues affecting women's pay. It is a matter of great regret that, 30 years after the Equal Pay Act 1970, so little progress has been made, despite all the monitoring mechanisms that have been put in place.

It is interesting that we are taking part in a debate that covers two reserved issues. Equal opportunities legislation is dealt with at Westminster, as indeed is employment law. I welcome the fact that Elaine has chosen to bring those reserved matters to the Parliament for debate. I will be most interested to hear what the minister has to say about how she hopes to exercise influence in what can be done here and what she might achieve through the various joint committees of the Parliaments.

Elaine Thomson: I was not aware that economic development or employment training were reserved matters. Those are the areas in which I am calling for changes.

Brian Adam: As far as I can see, the motion refers to the Equal Pay Act 1970, which concerns equal opportunities, and to employment legislation, which is also a reserved matter. I do not dispute the fact that there are matters over which this Parliament may have some influence, and I hope that we can influence women's pay, because progress so far has been painfully slow.

I have two points to address. The first concerns the low-pay end of the employment market and the implications for women who are employed there. The other concerns the higher-pay end of the market. Many women are concentrated in low-paid jobs. I am not sure that we have yet been able to set up mechanisms to identify all the reasons why there is such a disparity between men and women in that respect. We may not always be able to compare like with like, but there is no doubt at all that there are some jobs in which women predominate and that those jobs tend to be lower paid.

Lower pay can have implications not only throughout someone's working life, but beyond that—low-paid women end up with low pensions. Not only do they have a problem while they are working, they have a problem in the longer term.

Elaine Thomson and I both belong to the same trade union and indeed to the same trade union branch. Our trade union—formerly the Association of Scientific, Technical and Managerial Staff, now called the Manufacturing, Science and Finance Union—has a proud record of fighting for equal pay for women. At the higher end of the pay scale, it represented speech therapists in the health service. That profession is dominated by women, who were quite rightly concerned about the disparity in pay between themselves and similarly qualified groups in the health service.

It took many years and recourse to the European courts to rectify the situation. Unfortunately, that is all too often the route that we are forced to take to rectify such problems, but success in that case has not led to significant changes elsewhere. If it had, the pay gap would have narrowed and would have continued to narrow. In that case, the employer was the Government, but I hope that public agencies and private sector companies alike will pay heed to the need for equal pay. Unless the employers take heed, we will not get the step changes that are required to make a significant impact. I hope that we can set in train a process that will be successful, not just in monitoring the situation but in changing what happens.

It may be that we will never completely close the gap. There could be a number of reasons for that. One of the reasons identified in current reports is the maternity gap. Some ladies who leave work find it difficult to get back into employment and to

make progress in their careers.

Dr Richard Simpson (Ochil) (Lab): One of the problems is that women's careers are often more interrupted than men's are. When they return to work, they are often asked to go to the lowest grade and start again. Does Brian Adam agree that the public sector should set an example by guaranteeing re-employment at the same level as when the woman left on maternity leave?

Brian Adam: I accept that point. There are some examples of the civil service offering career breaks of a significant length of time and allowing re-employment at the same grade. Nevertheless, there should be better practice in both the public sector and the private sector.

17:19

Lord James Douglas-Hamilton (Lothians) (Con): Elaine Thomson is to be warmly congratulated on highlighting this issue and on securing this evening's debate. The principle of equal treatment is a fundamental right for all employees in the European Union, who should all get equal treatment.

The Equal Pay Act 1970 has and had the backing of the Conservatives. It was initially successful in closing the pay gap between men and women. Since 1979, women's average weekly earnings have risen in cash terms 300 per cent and in real terms 55 per cent faster than those of men. Although the gap is narrowing, women in the United Kingdom still earn far less for performing the same type of jobs as men, as Brian Adam said. As Elaine Thomson said, women who work full-time earn hourly only about 80 per cent of men's hourly rates—that is a source of real concern.

Women have entered the labour market in increasing numbers; they account for more than 50 per cent of the work force and have taken up 60 per cent of the 2 million jobs created in business and other services since 1970.

This issue is of enormous importance and I strongly support the case for equal pay and positive action for four reasons. First, equal pay is essential for fairness at work. Secondly, equal pay helps to avoid unfair discrimination and ensures that the skills, experience and potential of all staff are rewarded fairly, which increases an organisation's morale and competitiveness. Thirdly, equal pay is about good management; many young men and women will not work for a company that does not fairly reward women. Fourthly, equal pay makes it easier for women to make proper provision for their old age.

I am aware that the Equal Opportunities Commission is in favour of a new law to replace

the present legislation on the grounds that the current laws are outdated and confused. Sex equality is a fundamental human right; that principle must include the right for the sexes to enjoy equal pay. We support that principle. We want sympathetic consideration to be given to the recommendations to be put forward by the EOC. We want to ensure that equal pay for comparable work becomes a reality.

17:22

Nora Radcliffe (Gordon) (LD): The EOC commissioned three studies before launching its valuing women campaign. I found some of the findings of those studies very interesting.

First—and perhaps surprisingly—there is very low awareness that there is a gender pay gap. However, when the gap is brought to people's attention, most of them think that it is unfair, unreasonable and unacceptable—that at least is helpful in the attempt to eliminate the gap.

I was interested in people's views about whose responsibility it should be to achieve equal pay for men and women: 64 per cent—and slightly more women than men—thought that it should be the Government's; 45 per cent mentioned employers and companies; 29 per cent mentioned the EOC; and, surprisingly, just under 10 per cent of men and just under 20 per cent of women thought that the employee had a responsibility to tackle it. When asked which factor was most likely to change attitudes of employers, 63 per cent thought that Government legislation was the most likely, while 14 per cent preferred the option of a wide-scale media campaign. They will welcome the EOC valuing women campaign. I like its current poster, which has a smug little boy and a disgruntled little girl with the caption, "Prepare your daughter for adult life—give her less pocket money than your son."

Some of the data about views and attitudes are fascinating. Male and female managers hold differing views about the skills that each sex brings to the workplace. I liked:

"Men regard themselves very positively, whereas women have a more balanced view of male skills."

That was probably written by a woman.

Male managers accept that women have particular skills, such as greater dexterity and higher levels of concentration, but they perceive women as being less likely than men to exercise their initiative or to try something new. They extrapolate that into the assumption that many women are happy to stay in their current jobs, which means that they are reluctant to promote female staff.

I had to smile at the observation that both male

and female managers agree that

“men have a greater willingness and ability than women to participate in informal networking after work”.

That is so true. However, there is a serious side to that. It reflects the different impacts that family responsibilities have on men and women. A female manager observed:

“Men are seen as more committed because they don't have the child to go back to, so they are rewarded for being able to stay away from the home.”

That is probably true, but it raises a whole set of other questions about how desirable it is.

Another factor is that men are generally more aggressive than women in negotiating promotion and salary increases. Both sexes agreed that women are generally more likely to accept their current pay and position than men are.

There is light on the horizon: evidence shows that attitudes are changing. Attitudes vary between managers according to age: younger managers are less likely to have a stereotypical view of women; and younger women are more likely than older women to take positive action to achieve their goals of pay and promotion.

It is appalling that it has taken 30 years to get this far. There is no way that we will accept that it will take another 30 years to achieve the target. However, we need the right tools to measure our progress. I particularly endorse Elaine Thomson's call on the Executive to develop adequate systems of monitoring and evaluation. *Vive la différence—* but also *vive l'égalité!*

17:26

Maureen Macmillan (Highlands and Islands) (Lab): I have not finished writing my speech yet, Presiding Officer, so I hope that it is all right.

I was an equal opportunities teacher at school. I spent a lot of time trying to persuade girls to go for non-traditional subjects. I used to organise seminars in which I had successful businesswomen come to the school to try to encourage girls to have confidence in their own abilities and to assure them that they did not have to go for the dead-end jobs where they could not see a career and did not have the proper qualifications.

Bright girls do well at school and do better than boys, but fewer go to university. When they qualify as doctors, teachers or lawyers, everything is all right for a year or two, but they then discover that the senior partners, directors and senior management team are predominantly men and that it is extremely difficult to break through the barrier—the glass ceiling, as Elaine Thomson put it.

The establishment wrings its hands and wonders how to appoint more women to senior positions. One answer is to appoint them when they apply. Too many interview panels are still looking for women who are like men. Women should be appointed for what they bring to a post as women, with an inclusive approach to management rather than a confrontational one, for example.

Women are barred from many high-earning professions by institutional sexism. I will give one example of gaps that will take years to fill. Judges in the Court of Session are appointed from the ranks of advocates. How many female advocates are there? Women have to be accessing such professions at the bottom in order to progress to the highest rank. Why are female lawyers not being encouraged into the profession? What is this bastion of male privilege? How can we ever have equal pay if such professions bar women through institutional sexism?

Johann Lamont (Glasgow Pollok) (Lab): One of the big issues is indeed that of women not being able to access traditionally male jobs, but does Maureen Macmillan agree that another issue is the fact that women's work is undervalued, which is why it is low paid? Some of the most important jobs, whether in child care or in the caring professions, are low paid not because they are unimportant, but because it is traditionally women who do them.

Maureen Macmillan: The next sentence in my notes was, “But let us not concentrate on professional women.” Professional women are far better off than past generations were. The real problem is for the vast majority of women who will never aspire to high-flying jobs but who, as Johann Lamont suggested, will be working in shops and offices, caring for children or doing cleaning jobs.

Part of the problem is what happens to girls in school—their lack of opportunity and their lack of awareness, which is brought about by a lack of proper counselling and guidance on what jobs could be open to them. The problem also arises because women are undervalued, as Johann Lamont said—what women do is not thought of as important. If someone is a hairdresser, they get paid very little, unless they are in some top-flight salon. That, however, is the sort of work that a lot of girls at school want to do. We can tell them that if they do such work, they will not get anywhere and will be poor but, because it is what they want to do, they cannot see past their creativity. Yet we do not value what they do. There is a long list of similar jobs.

I would like women to be able to progress in careers without having to worry about child care or about taking career breaks. I would like young

women to be able to leave school and to have proper, well-paid jobs to go to. I would like high-flying women to be able to access any profession. There should be no professions that are no-go areas simply because of years of tradition.

17:30

The Deputy Minister for Communities (Jackie Baillie): I start by thanking Elaine Thomson for lodging this motion. This Executive has repeatedly given commitments to promote equality of opportunity for all, specifically gender equality.

Building a Scotland that is inclusive is a matter of real importance to us all. Women make up nearly half the work force and almost half the Parliament—I look forward to the day when they actually make up half. More women are working than ever before, which is key to our future economic success.

Reducing the gap between men and women's pay is an important part of ensuring that there is a level playing field in the economy. The pay gap in Great Britain has decreased from 20 per cent to 19 per cent in the past year. In Scotland, the pay gap is marginally lower and now stands at 18 per cent, but we recognise that a lot more needs to be done. The gap widens for weekly and annual earnings. That reflects the fact that men work on average 3.9 hours more per week than women, including 1.9 hours more overtime.

Richard Lochhead (North-East Scotland) (SNP): Elaine Thomson's motion rightly refers to the fact that, in Aberdeen, which has the widest pay differential, women get only 64.2 per cent of men's earnings. I suspect that one of the reasons for that is the fact that the offshore industry and the oil and gas industry in general is reliant on engineering and high-tech qualifications. Those courses tend to be male dominated at universities and in further and higher education. Does the Executive have any plans to encourage more women to study those courses to help to bridge the gap in sectors such as the oil and gas industry?

Jackie Baillie: Richard Lochhead is absolutely right. There is a unique labour market in Aberdeen, which is reflected in the high wages in the male-dominated oil industry. The Careers Service across Scotland is examining how we can move away from traditional stereotypes and, starting much earlier—in primary 6 and 7—encourage more girls to go into what are perceived as traditionally male occupations. However, the figures mask the fact that the average earnings of women in Aberdeen are £13 per week higher than for Scotland as a whole. Clearly, we need to narrow the gap.

Over the past 10 years, women's earnings in

real terms have risen by 24 per cent, whereas men's have risen by 14 per cent. We need to increase that gap in our favour. Manual workers have seen a 7 per cent pay rise and non-manual workers a 17 per cent rise pay rise. That kind of trend tends to favour women.

As members will know—Brian Adam mentioned this—responsibility for the Equal Pay Act 1970 rests with the Department for Education and Employment. However, there is much that we can do in Scotland. If the problem is to be addressed successfully, we need to understand the reasons behind the pay gap, which are often complex and influenced by a variety of labour market factors, whether gender stereotyping or occupational segregation.

Fiona Hyslop (Lothians) (SNP): Performance-related pay is one factor that was not around 30 years ago, which may lead to some differentiation, particularly for women who take time out to have children and then come back to work. The fact that pay levels are determined by performance-related pay rather than by annual negotiations through the union may discriminate against such women. What steps are being taken to monitor the civil service and the Scottish Parliament? I am conscious that there are a number of pregnant women working in the Parliament. I hope that, if they are on a performance-related pay system, they will not be discriminated against when they come back from maternity leave and will be given the full value, rather than a proportion, of any rise.

Jackie Baillie: We are currently carrying out a review of the pay system across the Scottish Executive to ensure that it contains no discriminatory elements and that all staff are treated fairly. Clearly, the examination of performance-related pay will be part of that review. We hope to have the results shortly and I will make them available to Fiona Hyslop.

We welcome and support the Equal Opportunities Commission's drive to tackle the gender pay gap through its valuing women campaign and the work of its task force on equal pay. To complement the work of the EOC, the Executive is helping to ensure improvements in education and skills levels, enabling women to stay in or return to the labour market after having children.

The Scottish Executive is also committed to raising the educational attainment of all our young people. There is a clear link between the level of education that an individual receives and the level of income that they subsequently earn. There are targets for attainment and we have commissioned research on the relative attainment of boys and girls. As I said, the Careers Service companies are tackling stereotyped images associated with certain careers.

In lifelong learning, the Scottish Executive aims to build a new culture of learning, which cuts across traditional boundaries and reaches people of all ages, backgrounds and capabilities. As a very practical measure, we are committed to improving access to high-quality, affordable day care for children and to ensure that all three and four-year-olds have access to a part-time pre-school education place by 2002.

While I am on the subject of children and child care, I must tell Nora Radcliffe that my daughter has not yet seen the adverts to which she referred—my daughter's pocket money bargaining skills, as opposed to her pay bargaining skills, are superb. [*Laughter.*]

We are working with the UK Government to improve support for women who are returning to the labour market through the new deal for lone parents. We are examining how that might be used to help raise women's overall skill levels. We also need to secure a better attachment to the labour market by making work pay. That is happening through the national minimum wage and working families tax credit, including the child care credit, which help to support families on low incomes. Those measures will directly help women in the labour market. It is estimated that, of the 1.5 million people throughout Great Britain who have benefited from the minimum wage, two thirds are women.

I want to share with the Parliament the Cabinet Office report "Women's incomes over the lifetime", which was published this year. It is the first ever report quantifying the financial consequences for women as a result of gender, motherhood, the differences between mothers and fathers, educational achievement and career choice. The research reveals that there is a cost in being a woman—we know that. That is not to do with children or motherhood, but is quite simply about being a woman. As Brian Adam helpfully identified, there is also a cost in being a mother—women spending time away from work and then choosing to work shorter hours. However, I was not sure whether he was suggesting—or indeed offering—that, in future, men should have the babies.

The cost of being a woman is estimated at £241,000 over a lifetime and the motherhood gap is estimated at £140,000. There are several reasons for that, including female-dominated employment sectors, where the pay is low, an hourly pay gap and the fact that women, even when they do not have children, on average work fewer hours than men do. However, it is the level of education that has the biggest single impact on women's incomes over their lifetime.

The labour market has changed radically since the Equal Pay Act 1970. I assure Elaine Thomson

that we are currently considering better disaggregated data, with a view to informing our policies and programmes. Let me cite the example of the £1 million that Henry McLeish announced for microcredit schemes, specifically aimed at women starting in business. The knowledge economy represents real opportunities for women, which we must harness. The Scottish Executive will play its part in assisting the UK Government in addressing that, not just for the current generation, but for future generations of women.

Meeting closed at 17:39

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

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

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

The deadline for corrections to this edition is:

Thursday 15 June 2000

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

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

Single copies: £5

Meetings of the Parliament annual subscriptions: £500

Committees annual subscriptions: £1000

BOUND VOLUMES OF DEBATES are issued periodically during the session.

Single copies: £70

Standing orders will be accepted at the Document Supply Centre.

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

Single copies: £3.75

Special issue price: £5

Annual subscriptions: £150.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

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

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

The Stationery Office Bookshops at:
123 Kingsway, London WC2B 6PQ
Tel 020 7242 6393 Fax 020 7242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 028 9023 8451 Fax 028 9023 5401
The Stationery Office Oriel Bookshop,
18-19 High Street, Cardiff CF12BZ
Tel 029 2039 5548 Fax 029 2038 4347

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

Telephone orders and inquiries
0870 606 5566

Fax orders
0870 606 5588

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

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers