

MEETING OF THE PARLIAMENT

Wednesday 20 September 2000
(*Afternoon*)

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Scottish Parliament

Wednesday 20 September 2000

(Afternoon)

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

Time for Reflection

The Presiding Officer (Sir David Steel): Good afternoon. Our first item of business is time for reflection, which is led today by Mr Parminder Singh Purba, the honorary secretary of the Central Gurdwara Singh Sabha Association in Glasgow.

Mr Parminder Singh Purba (Central Gurdwara Singh Sabha Association): Sir David and members of the Scottish Parliament, I am grateful for the opportunity to say a Sikh prayer at time for reflection. I will read the Ardas, the common prayer of the Sikhs.

Victory to the Lord, the eternal one. May almighty God assist us.

The Tenth Master's ode to almighty God.

Having first remembered God, turn your thoughts to Guru Nanak, then Angad, then Guru Amar Das. May Ram Das grant us aid; from Arjan to Hargobind and think of Hari Rai; recite upon Hari Krishan; think of Guru Tegh Bahadur; thus shall every treasure come; may they always grant their gracious guidance, help and strength in every place. May the tenth master, the revered Guru Gobind Singh, also grant us help and strength in every place. The light that shone from each of the ten masters shine now from the sacred Guru Granth Sahib. Call on God, saying, "Waheguru!"

The cherished five, the master's four sons, and the forty liberated; all who were resolute, devout and strict in their self-denial; they who were faithful in their remembrance of the divine name and generous to others, they who were noble both in battle and in the practice of charity; they who magnanimously pardoned the faults of others; reflect on the merits of those faithful servants and call on God, saying, "Waheguru!"

Those loyal members of the Khalsa who sacrificed their lives for the protection of their faith and who were steadfast in their loyalty to the uncut hair of the true Sikh; reflect on their merits and call on God, saying, "Waheguru!"

This is the first and foremost petition of the Khalsa, that God—Waheguru—may dwell eternally in the thoughts of the entire Khalsa, and that by that remembrance all may be blessed with joyous peace. May God's favour and protection be extended to the Khalsa wherever its members may be found. Sustain it in battle, uphold it in the exercise of charity, and grant it victory in all its undertakings. May its name be exalted. Call on God again, repeating, "Waheguru!"

Grant to your Sikhs a true knowledge of their faith, guidance in conduct, spiritual perception, patient trust, abiding faith and the supreme gift of the divine name. May your blessing eternally repose on all who sing your praises.

Let us praise the way of truth and call on God, saying, "Waheguru!"

May Sikhs be humble of heart yet sublime in understanding, their belief and honour committed to your care. Merciful Lord, pride of the humble, strength of the weak, defence of the helpless, our true father and our God, we come before you praying; O Lord, give us a heart of wisdom that seeks your will and follows your commands.

Bless the Parliament to serve the nation regardless of colour, creed and culture. Bless us to practise true justice and peace and to serve the citizens of this country. May your blessings shower upon those who lead and work in the Parliament. Forgive us for any errors and grant to all the fulfilment of their due tasks and responsibilities. Bring us into the company of those devout souls whose presence inspires remembrance of your divine name.

Nanak prays that the name may be magnified; by your grace may all be blessed.

The Khalsa belongs to God; all victory is to the Almighty Lord.

Amen.

Question Time

SCOTTISH EXECUTIVE

The Presiding Officer (Sir David Steel): Because this is the first time that question time is on a Wednesday, I would like to make it clear to members that First Minister's questions will begin at 3.15 pm and not at 3.10 pm.

Fuel Poverty

1. Mr John McAllion (Dundee East) (Lab): To ask the Scottish Executive whether it will raise the issue of fuel poverty at the next meeting of the joint ministerial committee on poverty. (S1O-2283)

The Deputy Minister for Local Government (Mr Frank McAveety): I am delighted to inform the member that we will raise the issue of fuel poverty in the joint ministerial team. I will highlight the fact that this week we have announced the biggest ever programme to tackle fuel poverty in Scotland. Around 70,000 pensioners and 71,000 other council and housing association tenants will benefit from this radical programme, which will eat into the major problem of fuel poverty in Scotland.

Mr McAllion: Does the minister agree that the current sense of national crisis over fuel would be better directed towards trying to alleviate the plight of the fuel poor? As the Scottish Executive is doing everything that it can to tackle fuel poverty, will the minister stress to the Westminster ministers on the joint committee the absolute necessity that they act to bring the cost of fuel down to within the price range of the fuel poor? Will he stress that they must outlaw—and I mean outlaw—the obscene practice whereby profit-bloated, privatised power companies force power cards on to some of the poorest people in our country, forcing them to pay more for their fuel than anyone else and ultimately forcing them to disconnect themselves from the fuel supply? That is unacceptable in the 21st century.

Mr McAveety: We will identify ways in which we can continue to address fuel poverty. The issue that Mr McAllion has raised should be addressed. We will discuss with our colleagues at Westminster the winter fuel allowance, which is now at its highest ever level in Scotland. We want to ensure that we still have the resources to continue the warm deal programme. By working in partnership, we can address the issues that John McAllion has raised. Fuel poverty will be addressed.

Mr Lloyd Quinan (West of Scotland) (SNP): Does the minister agree that it would be possible—using the powers of the Parliament and the Executive—to develop a voluntary code for the

power generating and delivering companies, which would call upon them to exempt all our pensioners from standing charges?

Mr McAveety: If Mr Quinan writes to me, I will be happy to take that issue forward.

Alex Johnstone (North-East Scotland) (Con): In these days when a car is a necessity in many rural areas in Scotland, does the minister acknowledge that the definition of fuel poverty needs to be extended to cover those who are unable to afford the fuel to run their cars?

The Presiding Officer: That is a little wide of the question. We will move on.

Student Funding

2. Mr Kenneth Gibson (Glasgow) (SNP): To ask the Scottish Executive whether it will review the funding arrangements for students of dance, drama or stage management to facilitate them studying at Scottish institutions. (S1O-2259)

The Deputy Minister for Culture and Sport (Rhona Brankin): Funding through discretionary bursaries is a matter for local authorities and the Executive has no plans to change the current system.

Mr Gibson: I thank the minister for her rather disappointing response. Is the minister aware that Ballet West, based at Taynult, attracts more than 100 applications a year, from all over the United Kingdom and abroad, for its three-year diploma in dancing and teaching studies, and that it injects significant resources into the local community? Is she also aware that Ballet West has outperformed all other ballet companies in competition, including the Royal Ballet, yet cannot gain access to tuition fee grants, as can its more expensive, less talented competitors from south of the border?

Does the minister agree that failure to ensure equality for Scottish centres of excellence in the arts not only compromises the viability of innovative, world-class companies such as Ballet West—which may have to move outwith Scotland to survive—but makes a mockery of the much-hyped national cultural strategy that was launched only a few short weeks ago?

Rhona Brankin: As Mr Gibson will know, no accredited dance and drama schools in Scotland currently qualify for awards from the Department for Education and Employment. Scottish students can compete on equal terms with students from the rest of the UK and Europe for places at accredited centres of dance and drama. That is the situation, and that will remain the position until we have an accredited centre for dance and drama.

Dr Elaine Murray (Dumfries) (Lab): The minister has mentioned that the maintenance of

students at drama, dance and music colleges is funded by local authorities through the discretionary bursary system. Is she aware that more than half of Scotland's councils have now taken policy decisions to withdraw the funding of discretionary bursaries? Does that cause the Executive concern, in so far as students from some areas are unable to access funding whereas students from other areas are?

Rhona Brankin: In the context of the implementation of the national cultural strategy I am happy to take up that issue in discussions with local authorities.

Organ Removal (Guidance)

3. Lord James Douglas-Hamilton (Lothians) (Con): To ask the Scottish Executive what guidance will be given to hospitals in relation to consent being obtained before the removal of human organs for research purposes. (S1O-2248)

The Minister for Health and Community Care (Susan Deacon): Hospitals are already aware that they need informed consent from the next of kin before removing organs for research or any other purpose. Revised guidelines on this matter were issued to the national health service in Scotland in April this year. I am considering what further action is needed in relation to the practice of the retention of organs post mortem.

Lord James Douglas-Hamilton: Can the minister give a clear assurance to relatives that such distress to them will not arise in future?

Susan Deacon: I certainly want to take whatever action is necessary to ensure that, in future, the highest possible standards of practice are adhered to throughout the NHS in Scotland. That must include a practice of informed consent for parents. To that end, I have had a series of meetings with a range of parents' groups and I will make a statement on the matter shortly. I am pleased to give an assurance that I will do all in my power to ensure that distress for relatives is avoided in future—as it must be.

Nicola Sturgeon (Glasgow) (SNP): I am aware that the minister has met parents whose children's organs were removed without consent. Can she tell the chamber whether she will accede to the overwhelming request from those parents for a public inquiry to determine the details of the practice and to give them the assurance that they seek: that that will never happen again?

Susan Deacon: I intend to make a full statement on this difficult and sensitive issue. I have listened carefully to a range of views from a variety of parents' organisations. The national committee for organ retention holds a very strong view, as Nicola Sturgeon has indicated, that a full, official public inquiry ought to be held into the

matter.

I have received a wide range of representations from other parents and parents' organisations who do not want a full, official public inquiry, not least because it will involve going back many years into the past, over very painful experiences that many parents do not want to be forced to relive.

That said, I respect the views of all parents on the issue, and I want to ensure that we implement sensitive, effective arrangements for dealing with the past that will enable parents to exercise choice to best meet their needs. Those arrangements must also allow the most effective, appropriate arrangements to be put in place to guarantee that such practices will never occur again in Scotland.

Tommy Sheridan (Glasgow) (SSP): I must press the minister. We have shared much correspondence on the matter, and she knows that a number of the parents who have been pressing for a public inquiry have asked her to reveal the range of other organisations that are opposed to a public inquiry. She has not yet done that. I think that the case for a public inquiry is overwhelming, so I ask the minister: will she please accede to a public inquiry?

Susan Deacon: I addressed some of Tommy Sheridan's points in my previous answer. I repeat that my absolute, primary concern is to do what is in the best possible interest of all the parents concerned. The national committee for organ retention has involved about 40 parents. I have also spoken to the Stillbirth and Neonatal Death Society, the Association for Children with Heart Disorders and the Scottish Cot Death Trust. I have also spoken informally to people involved in providing counselling to bereaved parents at Yorkhill and other hospitals.

Those groups, between them, represent the interests of many hundreds, possibly thousands, of bereaved parents in Scotland. When I make a statement on the matter, it will be based on and sensitive to the needs of all those parents. We should be concerning ourselves with the outcome of our work on the issue, not the specific mechanism employed.

National Health Service (Zyban)

4. Bristow Muldoon (Livingston) (Lab): To ask the Scottish Executive whether additional resources will be made available to the NHS for the prescription of Zyban. (S1O-2278)

The Deputy Minister for Community Care (Iain Gray): No, there are sufficient funds in the unified budgets of health boards.

Bristow Muldoon: Does the minister expect extra provision to be made for smoking cessation clinics? I am sure that he is aware that the

effectiveness of Zyban also depends on the availability of a comprehensive package of smoking cessation clinics and counselling for smokers.

Iain Gray: A number of health boards' drug evaluation panels have agreed that Zyban's effectiveness depends very much on additional support such as counselling. I understand that Lothian Health is currently developing a programme of cessation counselling that will take account of this new weapon in the armoury against smoking.

Mary Scanlon (Highlands and Islands) (Con): Is the minister satisfied that adequate screening is being done to identify those committed to quitting smoking before they are given Zyban and is he satisfied that adequate counselling and support are given to those who are now taking Zyban?

Iain Gray: Zyban is a new drug and information about and experience of its use are growing slowly. I agree with Mary Scanlon that doctors must make a clinical judgment before prescribing the drug, and must be convinced that there is a genuine desire to give up smoking and to attend support counselling.

National Health Service

5. Malcolm Chisholm (Edinburgh North and Leith) (Lab): To ask the Scottish Executive what preparations the NHS is making for the forthcoming winter. (S10-2269)

The Minister for Health and Community Care (Susan Deacon): A range of preparations is in place at local and national levels, backed by record investment in the NHS in general and by targeted investment in winter plans in particular. A winter planning group comprising a wide range of experts and staff and patient interests has produced a detailed report, which is now being implemented throughout Scotland.

Malcolm Chisholm: I welcome all the actions that have been taken, which have been helped by the abolition of the internal market and which the British Medical Association has described as the best ever preparations for the winter. However, there are continuing concerns because of the seemingly relentless rise in the number of emergency admissions and the need to develop community capacity. Can the minister explain the continuing rise in the number of emergency admissions, particularly in relation to respiratory diseases? Without pre-empting the Minister for Finance's statement, can she hold out any hope that priority will be given to the development of community services?

Susan Deacon: I echo Malcolm Chisholm's view that the fact that we now have a national health service based on collaboration rather than

on competition greatly enhances the service's capacity not only to prepare for winter but to provide effective services throughout the year. I endorse the BMA's comments and thank it and other professional groups and staff interests for the contribution that they have made to formulating our policies and plans for the coming winter.

One of the outcomes of the planning process has been to put in place better research and data-gathering processes than ever before, so that we can see how the trends of illnesses change through the winter and during the rest of the year and deal with them accordingly. The flu immunisation programme, launched this week and backed by more than £10 million, is a tangible example of the preventive measures that are being put in place. We continue to oversee health and community care expenditure and policy to ensure that effective measures are in place for winter and throughout the year across Scotland.

Mrs Margaret Smith (Edinburgh West) (LD): Does the minister believe that we will have adequate supplies of flu vaccine to vaccinate the extended groups who are to be immunised, including front-line NHS and social work staff?

Susan Deacon: Margaret Smith is correct in saying that a far larger number of people than ever before will be offered flu immunisation this year. In fact, the decision to reduce the lower age limit of at-risk groups to 65, as opposed to 75, will result in more than a quarter of a million more elderly people in Scotland being offered flu immunisation this year than last. As was indicated in the question, staff in key services will also be offered the vaccination. I can give an assurance that, as part of our planning process, large stocks of the vaccine have been arranged through the chief pharmaceutical officer and the NHS in Scotland to ensure that all those needs can be met.

Bruce Crawford (Mid Scotland and Fife) (SNP): I listened carefully to what the minister had to say. Will she please explain the information supplied by Fife Health Board at the briefing it held for MSPs in Fife last Friday? The board said that even given its early buying strategy for flu vaccine, if all of the Government's target group requested a flu jab, it would have enough supply to cover only 25 per cent of that group. How does the minister explain that?

Susan Deacon: I am glad to hear that Bruce Crawford listened carefully to my answer. It is a courtesy that is not always afforded to ministers by members of the SNP.

I do not know the details of any meeting held in Fife or elsewhere. However, all the arrangements for the flu immunisation programme were made in full co-operation with health boards across the

country and with staff bodies and professional representative bodies. For example, the uptake target, which has been set at 60 per cent, was agreed directly with the British Medical Association. That discussion is reflected in the incentive scheme that we have put in place for the immunisation programme. The arrangements made to put in place stocks of the vaccine also reflect all the discussions that have been held. That is as direct an answer as I can give about the national position.

Cumbernauld Housing Stock Transfer

6. Andrew Wilson (Central Scotland) (SNP): To ask the Scottish Executive what plans it has to offer financial support to owner-occupiers affected by the proposed stock transfer in Cumbernauld. (S1O-2258)

The Minister for Communities (Ms Wendy Alexander): We have provided £0.5 million to support an examination of the options. There are on-going discussions between North Lanarkshire Council, Scottish Homes, the Cumbernauld housing partnership and the owner-occupiers, whom I have had the opportunity of meeting through the good offices of Mrs Cathie Craigie, the local member. Their input is influencing the redesign of the improvement grant scheme through the forthcoming housing bill, which we are due to introduce later this winter.

Andrew Wilson: The minister will understand that the home owners must have concerns, as they have approached me to address them. Will she provide assurances that she will assist with central funding of support to home owners and that that funding will not be limited to the 40 per cent suggested for the improvement grant in her white paper? Does she recognise the special circumstances of joint tenure occupation and the large number of senior citizens who are affected, who are very worried indeed about the grave financial implications of the transfer should it not be accompanied by substantial funding support—up to 100 per cent—for owner-occupiers?

Ms Alexander: I have indicated that, thanks to the earlier intervention of the constituency member, we have moved to redesign the improvement grant scheme along the lines that the member requested. It is important to recognise that the issue in Cumbernauld has not been the willingness of the public sector to put up money, but the fact that for the first time, we had a situation where there were a large number of owner occupiers and lenders were not prepared to lend. I am therefore pleased to report that the transfer is likely to conclude at the end of this month, because the credit committees of Nationwide and Abbey National have agreed to lend and to approve the new landlord's funding

package.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I thank the minister for the recognition that she has given to the owners and tenants working in Cumbernauld to address the unique position there regarding the former development corporation housing. Tenants and residents are working together in partnership to deal with the problems. I welcome the housing bill and the proposals therein for home improvement grants, but can she assure me that the proposals will be implemented as soon as possible?

Ms Alexander: I have tried to give an assurance that we expect the transfer to be concluded at the end of the month and the reform of improvement grants to be through as part of the housing bill later this year. The work that has been done in Cumbernauld has been an exemplary demonstration of good partnership between the council and Scottish Homes. That will create a model for the rest of Scotland, where we will be encouraging private lenders to support situations where there is a large number of owner occupiers.

Scottish Qualifications Authority

7. Linda Fabiani (Central Scotland) (SNP): To ask the Scottish Executive whether the Scottish Qualifications Authority has been able to complete its full programme of moderation of the internal assessment of all educational units for which it has responsibility. (S1O-2276)

The Minister for Children and Education (Mr Sam Galbraith): The independent inquiry will cover whether normal quality assurance procedures were applied to qualifications leading to exams in 2000. The inquiry report will of course be published.

Linda Fabiani: When are the moderation procedures likely to be completed and how many candidates are affected? To what extent have students who have completed the higher national certificate and higher national diploma courses not been given their final qualifications because the SQA has not validated their courses?

Mr Galbraith: A number of questions have been posed. Once again I stress that the answers will come from the public inquiry that we have set up and we should await its results before jumping to any conclusions.

National Health Service

8. Mr Duncan Hamilton (Highlands and Islands) (SNP): To ask the Scottish Executive how it intends to measure success in its programme of modernisation of the NHS. (S1O-2286)

The Minister for Health and Community Care (Susan Deacon): Our aims in modernising the health service are to ensure that the NHS is patient-centred, so that patients have a positive experience in all their contacts with the NHS; that the NHS is able to demonstrate that it is efficient, effective and responsive; and that the NHS satisfies the demands of public accountability.

Progress towards those aims will be measured in a number of ways to ensure that the NHS is meeting the needs of the people of Scotland in the 21st century.

Mr Hamilton: The minister has told us that the process will be patient-centred. How does she square that with the membership of the NHS modernisation board? Is she aware that of the 15 members, 11 are either professionals or managers, two are academics, one is a trade unionist and only one is in any way a patient representative? Does she really think that that is putting patients at the heart of modernisation and what will she do about it?

Susan Deacon: I am glad that Duncan Hamilton shares my commitment to putting patients at the heart of the NHS and I hope that in his contributions to debate, in this chamber and in the Health and Community Care Committee, he will join me in taking that forward. I am pleased to see his research into the composition of the NHS modernisation board; it shows the very wide range of perspectives that is reflected on that board, just as a wide range of perspectives is represented on the NHS modernisation forum that met for the first time last week.

We are employing a number of mechanisms to get patient input into the process, including getting structured feedback from patients throughout Scotland and working with local health councils, which I am pleased to say are now engaged in a considerable debate on the issue of modernisation. We will continue to ensure that patients are listened to, not just in forming national policy, but in forming decisions at a local level.

John Scott (Ayr) (Con): Does the minister agree that the length of hospital waiting lists is a measure of the success of the modernisation programme? Is she aware that waiting lists in Ayrshire are still very long, following the previous winter's debacle? Will she ensure that they will not get even longer as this winter approaches?

Susan Deacon: Waiting lists must be a top priority in NHS modernisation. I am very disappointed by the length of waiting lists in some parts of the country—indeed, in the most recently published figures, 67 per cent of the increase in waiting lists was attributed to four NHS trusts and action is being taken in those areas. I am pleased that more people than ever before are being

treated on the NHS, that they are being treated more quickly and that progress and performance on waiting times in Scotland is the best in the UK. I am by no means complacent, however, and will ensure that by investment and reform we continue to make improvements.

Dr Richard Simpson (Ochil) (Lab): I thank the minister for her comments on the NHS modernisation board. I understand that the people mentioned are on it not as representatives but as individuals, and that they are all potential patients. Is the NHS modernisation forum now working well and is she satisfied with it? Is the voluntary sector adequately represented on it? Will she publish the full structure, remits and membership of the sub-committees of the board?

Susan Deacon: A great deal of the information that Richard Simpson asks for is already in the public domain; I am happy to put any further information on the matter into the public domain. I will shortly be writing to a range of additional organisations and to the Health and Community Care Committee to ensure that over the next couple of months, as we work on the development of the health plan for Scotland, a wide range of inputs is drawn in. As I said in response to an earlier question, what matters is not the process but the outcome. We must ensure that, in our priorities, in our investment and in our policy, we deliver results for patients. That is my primary concern.

Fuel

10. Dennis Canavan (Falkirk West): To ask the Scottish Executive what assessment it has made of the effects of high road fuel prices on the Scottish economy. (S10-2256)

The Minister for Enterprise and Lifelong Learning (Henry McLeish): The Scottish Executive is concerned about the impact of high fuel prices on the Scottish economy and routinely monitors fuel prices. It has consequently introduced a series of measures especially to mitigate their impact in rural areas.

Dennis Canavan: Does the minister accept that the negative economic effects of high fuel taxes led to last week's protest, which even Jack Straw described as a genuine protest requiring a serious response? Was it not therefore foolish of Donald Dewar to dismiss the protesters as an ill-defined, unrepresentative network, as opinion polls revealed that the vast majority of the people of this country feel that ministers are not listening to legitimate demands for a reduction in road fuel tax? Is it any wonder that new Labour is now even more unpopular than the Tory party?

Henry McLeish: Donald Dewar, among many senior politicians in the country, is listening. It ill

behoves Dennis Canavan to take a piece of news coverage and distort it to attack the First Minister.

We need a bit of perspective on this issue. It is right to say that an important protest was made, and the Government is listening. However, the Chancellor of the Exchequer, the Prime Minister and the First Minister are saying, quite rightly, that it is about the budget process. We must move from blockades to a budgetary perspective.

We will receive a pre-budget report in November and a budget early next year, and the Government will want to listen. Let us stake out—I know that this is a reserved matter, but the issue has been raised—what the last two Labour budgets have done: £400 million of car tax and, despite the fact that, between 1993 and 1996 it was increased by £45 by the Conservatives, the fuel escalator has been abolished. That is an important factor, as the rise that could have been possible, if we had continued with the Tory legacy, would have been much higher. *[Interruption.]* The Conservatives might not like it, but sometimes facts must be injected, to have a sensible debate.

Vehicle excise duty for five-axle 40-tonners was cut by £1,800, and it was cut by £500 for 30-tonne and 36-tonne lorries. Let us get this debate into perspective. Yes, a protest has been made, but we must now have a measured debate, considering all the issues in the round, including comparisons with what is happening in Europe. Hauliers and farmers must join that constructive debate.

The Presiding Officer: A whole lot of members now want to ask questions, but I am not going to allow a rerun of last week's debate. The question is about the impact of the high road fuel prices on the Scottish economy.

Allan Wilson (Cunninghame North) (Lab): Considering that world crude oil prices are at a 10-year high and are causing the high road fuel prices that have been referred to, has there been an assessment of the likely inflationary impact of that on the Scottish economy?

Henry McLeish: The Government's inflation targets at a UK level—and I ask members to forgive me for talking about reserved matters—are being met. Key issues such as oil prices are factored into that equation.

People appreciate that the rise in the price of oil from \$10 a barrel to \$34 a barrel will have a sizeable impact not only on fuel costs, but on the haulage industry and other parts of the economy. Allan Wilson is right to say that all the issues must be considered in the round. One tax cannot be taken out of the equation, and a case built on it, without recognition of the fact that it must be considered in the wider perspective.

Ben Wallace (North-East Scotland) (Con): Will the minister condemn the orchestrated use of trade union members to spy on the ordinary, individual, hard-working protesters, to inform the Government—*[Interruption.]*

The Presiding Officer: Order. I said that I would not allow questions that go beyond the subject of the main question, which in this case is about the effect of road fuel prices on the Scottish economy. We are not having a rerun of last week's arguments.

Education (Higher Still)

11. Christine Grahame (South of Scotland) (SNP): To ask the Scottish Executive whether ministers were advised by Her Majesty's inspectorate of schools of any difficulties concerning the implementation of higher still within the required time scale. (S10-2263)

The Minister for Children and Education (Mr Sam Galbraith): In the light of the advice available to them, ministers introduced a one-year rephasing of new highers in 1998. In the light of concerns expressed by teachers, I announced in June a further rephasing of the new English and communication higher.

Christine Grahame: I find that reply extraordinary. Given that HMI led the development unit to brief schools on higher still and that 85 per cent of the Educational Institute of Scotland—the teachers whom the minister has complimented—voted against implementation, why did he press on with it in any event?

Mr Galbraith: The question is not about pressing on with higher still. It was introduced in 1994 and it took six years for it to be implemented. The question is not why was it pushed forward; it is how come it took so long to introduce it.

Nicola Sturgeon (Glasgow) (SNP): The minister will recall that it took 11 years to introduce standard grade, so there is an argument that higher still was rushed.

Can the minister give a guarantee to the chamber that he will make available to the Education, Culture and Sport Committee all advice issued to him by his officials, including the inspectorate, on the implementation of higher still? Will he disassociate himself from the suggestion at the Enterprise and Lifelong Learning Committee this morning that the ministerial code of conduct would ensure that such advice was kept secret and away from the committees?

Mr Galbraith: As I have said before, we will do everything to co-operate with committees. What we will not release is internal advice given to ministers, as that would not be appropriate.

I did not quite understand Nicola Sturgeon's

question. She suggests that the fact that it took 11 years to introduce standard grade seems to prove that we rushed higher still. I do not follow the logic of that, but then I have never followed the logic of any of her questions.

Family Planning and Sexual Health Services

12. Dr Sylvia Jackson (Stirling) (Lab): To ask the Scottish Executive what steps are being taken to support family planning and sexual health services for young people. (S1O-2268)

The Minister for Health and Community Care (Susan Deacon): The development of a sexual health strategy for Scotland, the health demonstration project healthy respect and investment by the Executive directly, and through the Health Education Board for Scotland, to improve and expand information on services have the shared goal of improving the sexual health of young people in Scotland.

Dr Jackson: I thank the minister for her reply and also for her announcement in April that the Scottish Executive would fund four new Brook advisory centres in Glasgow, Aberdeen, Tayside and Forth Valley. Will she indicate the progress of those four centres?

Susan Deacon: My understanding is that a range of discussions and work has taken place at a local level between the Brook and local health boards to ensure that the investment made available by the Executive is put to good use and that services are provided across the country.

Many other centres and services of this kind have been developed across Scotland. I was pleased to open the Sandyford initiative in Glasgow last week. It is important that our young people have access to the support and services that they need.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Is the minister aware of yesterday's report in the *Edinburgh Evening News*, which outlined the commercial sale by family planning agencies of sexual aids? Is that commercial activity a core activity? Does it suggest that there might be privatisation of the family planning agency in the future?

Susan Deacon: I am ashamed to admit, as an MSP who represents an Edinburgh constituency, that—unusually—I did not read last night's *Edinburgh Evening News*. I therefore cannot comment on the report in question.

This is a sensitive and important area. In formulating policy both at a national and at a local level, we will ensure that developments that take place are taken forward sensitively and for the right reasons.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I welcome the healthy respect demonstration project, which will benefit both Susan Deacon's constituency and mine. I also welcome the superb Sandyford initiative, which Glasgow colleagues and I visited during the summer recess.

Will the minister tell us how the Executive will ensure that those examples of best practice are developed throughout Scotland?

Susan Deacon: We should note the importance of ensuring that best practice is developed across Scotland. I remind members of the scale of the task that we face: there were something in the region of 9,000 teenage pregnancies in Scotland last year, almost half of which resulted in termination, and there is a rising incidence of sexually transmitted infection. The measures to which I referred in my initial answer are key examples of how we intend to spread out best practice across the country.

Retired People

13. Helen Eadie (Dunfermline East) (Lab): To ask the Scottish Executive what steps it intends to take to assist retired people. (S1O-2270)

The Deputy Minister for Community Care (Iain Gray): Scotland's older people will benefit from a package over the next three years that will include an extensive programme of measures to provide better care services and concessionary fares. Also, as the Minister for Communities has announced, 70,000 pensioners will receive free central heating and insulation. Those are three of the most important issues for retired people.

Helen Eadie: Does the minister share the view that was expressed by Age Concern in a news release today that transport has risen to the top of the political agenda, and that for some of the most vulnerable people in our constituencies—our elderly, disabled and young people—the policies and funding that we shape in the Parliament are vital? Does the minister agree that community transport of the sort that is based in Lochore in the constituency of Dunfermline East has an increasing role to play in supporting folks who are affected by transport issues? Will he visit Trans-Fife community transport? Furthermore, does he foresee fare concessions playing an important part in addressing those issues?

Iain Gray: I agree that in the many meetings that I and colleagues such as Jackie Baillie and Sarah Boyack have had with older people over the past 18 months, transport is one of the first issues that they raise with us. That is why we intend to respond on that issue.

Community transport has a great role to play, as do concessionary fares and some of the measures

in the Transport (Scotland) Bill.

Bill Aitken (Glasgow) (Con): Does the minister agree that the best service that he and the Executive could do for retired people is to implement the terms of the Sutherland report? At the moment, the Executive party is the only party in the chamber that does not approve the implementation of that report.

Iain Gray: As recently as last week I pointed out that the timetable for our response to the Sutherland report had been set out in December. I have held rigorously to the position that we would respond in the context of the spending review and in the days following that. Bill Aitken's question is a last-ditch attempt to get me to break that timetable, but I am not willing to do so.

Safer Routes to School

14. Irene McGugan (North-East Scotland) (SNP): To ask the Scottish Executive what progress has been made in implementing the safer routes to school scheme. (S1O-2253)

The Minister for Transport and the Environment (Sarah Boyack): In December last year, the Scottish Executive issued guidance on how to run a safer routes to school scheme. In May, I announced additional resources of £5.2 million for local authorities to enable them to implement schemes and, a fortnight ago, I addressed the safer routes to school conference in Glasgow, where practical ideas for implementation were presented and discussed.

Irene McGugan: I thank the minister for that very positive response. However, does she not agree that more and longer-term investment is needed for this excellent initiative, as it seems that local authorities such as Aberdeenshire Council are experiencing great difficulty in providing safer routes to school? In fact, unless their parents are able to pay the recently imposed bus fares, some of the children attending Banff Academy have to walk three miles to school, either along busy roads, which are often used by heavy agricultural vehicles and have almost no pavements or street-lighting, or on a coastal path, which is unlit and prone to erosion, and in the dreadful weather conditions that sometimes afflict the north-east. Is that a good example of safer routes to school?

Sarah Boyack: I agree that we need a long-term approach to this matter. That is why we have a 10-year target of reducing child fatalities on our roads by 50 per cent.

In announcing our allocation of £5.2 million to local authorities, we asked them to submit detailed proposals on how they would implement the scheme in their area. I understand that Aberdeenshire Council proposes the creation of five school safety zones at Banff, Westhill, Alford,

Aboyne and Stonehaven.

Those zones are designed to include variable 20 mph speed limits, traffic calming features and additional zebra crossings. The council also proposes to add an additional £50,000 to its safer routes to school allocation of £205,000. Work is continuing, and I suggest that Irene McGugan contacts Aberdeenshire Council about the details of implementation, which is the responsibility of the local council.

Irene Oldfather (Cunninghame South) (Lab): The minister will be aware that in many parts of the United States there is a blanket 15 mph speed limit around schools. Would she lend her support to such a measure being put in place in Scotland?

Sarah Boyack: Having 20 mph speed zones around our schools would be seen by many communities as a major step forward. I want to ensure that we establish that priority. It is about safer driving, responsible driving, and giving children alternatives that are safer, but crucially it is also about working with parents, local schools and the police to make sure that any local response is properly worked out and meets local circumstances.

That is the critical issue, and it is not for me to prescribe to schools what they do, but we have given them a range of options and I hope that the best practice guidance that we have given to schools will lead to them delivering best practice throughout the country.

First Minister's Question Time

The Presiding Officer (Sir David Steel): Question 3 has been withdrawn.

SCOTTISH EXECUTIVE

Secretary of State for Scotland (Meetings)

1. Mr Alex Salmond (Banff and Buchan) (SNP): To ask the First Minister when he last met the Secretary of State for Scotland and what issues were discussed. (S1F-544)

The First Minister (Donald Dewar): I speak regularly to the Secretary of State for Scotland on the telephone, and no doubt will meet him next week at the Labour party conference.

As this is the last First Minister's question time for Alex Salmond, and as we may be caught up soon in the staccato of debate, I wish him a happy retirement. Given the starting point, it is likely to be long. I hope that it is quiet and peaceful. *[Applause.]*

Mr Salmond: I thank the First Minister for his good wishes. Who knows? He might break the habit of a lifetime and follow my example.

In the meantime, the First Minister will not be surprised to know that I have been reading the Black report. I am sure that he has been as well. We read that: the project team on the Holyrood project did not have the right people; it did nothing to prevent the spiralling cost of fees, which has now reached £26 million; Treasury rules were not followed; there was not, and still is not, a proper cost plan; the construction management team was not the lowest but the second highest tender; and the Scottish Office had an incomplete procurement strategy for the Parliament. Given that the First Minister appointed all those people, will he take responsibility now for the cost escalations that have bedevilled this project?

The First Minister: Of course, I would never duck my responsibility for the actions that fell within my terms of operation, but I say to Alex Salmond that there is a genuine difficulty regarding selective quoting. What he said is not entirely representative.

I will take one example that has had a lot of publicity—fees. It is worth noting that there is no real criticism of the first attempt to set the fee structure. There is a suggestion that it would have been possible to try to renegotiate it, but I draw Alex Salmond's attention to paragraph 3.36:

"Different fee arrangements may not necessarily have been more economic in this case."

I put that to him because there is a great deal of

subtlety in this report. It is not the kind of document that has been described in the headlines.

On project management, I ask Alex Salmond to look at paragraph 19 of the summary:

"The creation of the project management team reflected good practice. There was a clear chain of command. The Scottish Office appointed a team with a mix of relevant skills and there was clear communication with other officials planning for the new Parliament."

While I am prepared to argue the toss with him, I want to do it in a proper and balanced way.

Mr Salmond: The First Minister would be on shaky ground. When paragraph 3.12 says that the project team did not have the right people in it, and when the project costs have escalated at least two-fold—and perhaps fourfold, depending where you start from—the First Minister is not on strong ground in arguing for what he has just told this chamber.

The spin is that it is all the fault of the Presiding Officer and the Scottish Parliamentary Corporate Body, and that things just started to go wrong when they took over. That is what was being briefed to the BBC yesterday morning. I see the First Minister is looking surprised. Given that the Auditor General said explicitly at the Audit Committee that in June 1999 the project was not handed across in good shape to the SPCB, will the First Minister accept responsibility for the cost escalations that have bedevilled this project?

The First Minister: I have no intention of going in for some kind of blame culture or of trying to shift responsibility on to anyone else.

Dennis Canavan (Falkirk West): That is not what the First Minister said to Councillor McGuigan. What about North Lanarkshire direct labour organisation?

The First Minister: I do not see the immediate parallel between North Lanarkshire Council and the Holyrood project and I do not think I will bother discussing the matter with Dennis Canavan in order to find out.

I say to Alex Salmond that there is a multiplicity of reasons. For example, as he will know, the most obvious reason was that the building was increased in size very considerably in the second half of 1999. I well understand why that happened and make no complaint about it.

We all have responsibility for that increase, as it is without doubt that the corporate body moved in response to pressure from this chamber. A substantial reason for the escalation in cost was that between June and mid-September 1999, there was a long and time-consuming attempt—which was, in a sense, obstructive to other work—to redesign the chamber. In fairness, I ought to

say that that attempt was made in response to heavy pressure, particularly from the SNP benches and from Michael Russell. We all have a certain degree of responsibility for what has happened.

I remind Mr Salmond that the Auditor General's report ends on a positive note in relation to the independent elements in the progress group and to the way in which the progress group is setting about its business.

In the Auditor General's preface, his first and overwhelming judgment is:

"If the new building can be completed within the approved project budget, the Scottish Parliament will have a distinctive high-quality building of historic significance at a cost which seems to bear comparison with other major public buildings."

It may be that Alex Salmond does not believe that, but if he asks me to take seriously the Auditor General's judgment—which I do take seriously—he should take it seriously as well.

Mr Salmond: Perhaps the people of Scotland should have been told the true costs when we started out on the project. Perhaps the difference between the First Minister and North Lanarkshire Council is that someone carried the can for the faults in North Lanarkshire, while the First Minister does not appear to be prepared to do that as far as the Holyrood project is concerned.

Let me take the First Minister back to June 1999, when the Parliament gave the go-ahead to the Holyrood project, approving that decision by three votes. The project was hanging by a threat—we might have gone to that nationalist shibboleth up on Calton hill, which is where everyone in the public wanted to go.

We know from the report that the Parliament was not informed about £27 million-worth of estimated cost during that debate. The First Minister said that he was not informed about that estimated cost, but he also said that the officials were right not to tell him.

In paragraph 3.49, Robert Black says that it was the duty of the project team to inform the First Minister about cost estimates, following which, I presume, the First Minister would then have informed Parliament. Does the First Minister regret that Parliament was not given the true figures in June 1999, when we decided to go ahead with this ill-fated project?

The First Minister: I am not sure that this is the best forum in which to debate the detail of these matters. [MEMBERS: "Oh."] In June 1999 and to the best of my ability I announced a total cost of £109 million and, from memory, £62 million-worth of construction costs. I do not think that anyone has suggested—and I hope that no one will suggest—

that I acted dishonestly or improperly on that occasion. I gave the best evidence available to me.

Mr Salmond implies that the risk estimates that were discussed by the experts in the construction team but that were not included in those figures were the cause of future difficulty. If he looks at paragraph 3.58, he will see the following statement:

"While the particular risk items in question did not subsequently materialise or were overtaken by subsequent changes in the project, there remained"

other significant risk elements.

My point is that it is clear from what the Auditor General said that the risk elements that were not included in the June 1999 figures were not risk elements that crystallised, and therefore they cannot be blamed for the subsequent difficulties over cost estimates.

Mr Salmond: All that I ask the First Minister to accept is the fact that the Auditor General for Scotland says that it was the duty of the project team to inform the First Minister of the cost escalation, so that he could have informed us and so that we could have taken an informed decision.

I must tell the First Minister what disturbs me about the matter. When the Minister for Children and Education refuses responsibility for the Scottish Qualifications Authority, he will be held accountable at the polls. When the fuel tax is blamed on everyone else, the Labour party will be held accountable at the polls. Even Tony Blair will be held accountable for the dome in London. The difficulty with the Holyrood project is that the responsibility starts to impinge on the whole Parliament and brings it into disrepute.

The First Minister would improve the situation if he apologised to the people of Scotland for the cost escalations of the project. Will the First Minister say that he is sorry for the sorry tale of Holyrood?

The First Minister: Every elected member takes their chances with the electorate. We will have to wait and see what weight the electorate gives to the issue of the new building. I will stand on our record as a whole, including the lowest unemployment for 24 years, more schoolteachers, more classroom assistants and the impressive warm deal package to assist older citizens that we launched recently. As Alex Salmond knows, at the end of the day, there are many issues on which we will be judged.

At the end of the day, we want to produce a building that is worthy of our Parliament and that will do the job that all of us who work in it would want. There is plenty of evidence in the Auditor General's report that that is possible. Many people

are working very hard to achieve that. I wish them well. If Mr Salmond is genuinely worried about damaging the Parliament by making too much of this problem, perhaps he should consider his tactics and those of his colleagues.

Cabinet (Meetings)

David McLetchie (Lothians) (Con): The First Minister has paid tribute to Mr Salmond. On behalf of the Conservatives, I would like to say that we recognise the significant contribution that Mr Salmond has made to Scottish politics in the past 10 years. Although we do not want him to return as president of the people's republic of Scotland, we wish him fulfilment in many other aspects of his life, not least at the races and at Tynecastle. I look forward to crossing swords with his successor. Having been the nice guy for all of one second, I will put my question to the First Minister.

2. To ask the First Minister what issues were discussed at the most recent meeting of the Scottish Executive's Cabinet. (S1F-543)

The First Minister (Donald Dewar): I do not need to look in my book to discover the answer to that. The Cabinet discussed several matters of significance to the Executive and to the people of Scotland.

David McLetchie: Like Mr Salmond, I have been reading the Black report. Mr Salmond asked about some of the technical aspects of the report and the detailed costings. I would like to take the First Minister back to where we started—the white paper. Mr Black does not discuss that paper at all in his report, because his starting point is June 1998.

In his previous role, Mr Dewar and his colleagues signed off a white paper that said, for the purposes of the referendum campaign, that the building would cost between £10 million and £40 million. As everyone knows, the cost has risen to £50 million plus extras, to £109 million plus extras and to £195 million plus extras, which are now costed at some £14 million. On the radio this morning, a leading architect said that the eventual costs could reach £300 million.

Does the First Minister not think it reasonable to acknowledge that people were misled about the true costs of the Parliament right from the start? The estimate that misled them and the foundation for much dissent is the estimate that was made in the white paper, for which the First Minister is politically responsible. Will the First Minister accept that responsibility so that we can move on?

The First Minister: I accept it in the sense that I was responsible for the project at that stage. I am happy to recognise that fact. The £40 million estimate that appeared before we came into office was based on the advice that was available before

any site selection had taken place and when no designs were available.

As Mr McLetchie knows, we then moved very quickly to the figure of £50 million. That figure is always compared to the figure of £195 million; however, as a fair man, he will know that the £50 million figure was a construction cost alone and so the comparison is not between like and like.

Furthermore, I draw Mr McLetchie's attention to paragraph 2.4 of the Auditor General's report, which says:

"The £50 million construction estimate underlying the selection of Holyrood in January 1998 is a suitable benchmark against which to assess the subsequent increase in forecast costs . . . It was based partly on careful desk assessment by civil servants of the expected space requirements of the new Parliament."

The paragraph goes on to say that there was

"a detailed schedule of areas required . . . totalling some 21000m²",

which was subsequently increased for reasons that I well understand to 31,000 sq m. That explains a great deal of what has happened. The report then says that there was a thorough and professional investigation of the various sites available, on which basis a decision on the site was made. If Mr McLetchie considers that series of points by the Auditor General, he cannot really sustain the argument that the project was the result of someone having a fling without proper preparation or advice or without a serious concern and interest in getting a building worthy of the cause.

David McLetchie: Someone might not have been having a fling to start with a benchmark of £50 million in January 1998; however, someone was having a fling—and making a deception—to put figures between £10 million and £40 million in a white paper in July 1997. I would love to know what expert advice indicated that any Parliament anywhere in the world could have been built within that price range. That was the con at the root of this problem.

There are concerns about the mounting cost, which now stands at £209 million—£195 million plus, as I am sure Mr McConnell will confirm, and £14 million from Historic Scotland. There will be more costs, due to the work on the road network on the other side of the site. In view of those facts and in light of the opinions of many experts that the costs could reach £300 million, will the First Minister reconsider appointing an Executive minister to work with the Holyrood progress group to ensure that the Parliament is delivered on time and on budget and that the costs are contained?

The First Minister: A great deal of work is going on to contain costs under the general supervision of the Scottish Parliamentary Corporate Body and

the progress group. As he has majored on this subject today, Mr McLetchie will know that the Auditor General has commented favourably on the establishment of the progress group, which he felt would

"help to strengthen independent scrutiny of the Holyrood project".

Furthermore, in paragraph 3.68, he makes a particular point that the group's

"membership includes an architect and a quantity surveyor, both of whom are independent of project management".

In June 1999, the whole project was handed over to the Parliament out of the care of the Executive because it was a Parliament not an Executive project. That was the right decision and it is right that the progress group has been set up as it is.

I say to Mr McLetchie—I hope that he does not find my comments offensive—that I find it quite extraordinary that he should attack the progress group, implying that it is allowing things to slip hopelessly out of control and calling for all sorts of other people to be included on it, when he has neither the courage nor the interest to allow any member of the Conservative group to join it. I understand that the nationalist member is working extremely well on the progress group, which includes my colleague Lewis Macdonald and Tavish Scott. However, it contains no Tory member, and I put it bluntly that I do not understand why that is, unless it is for the dishonourable reason that Mr McLetchie just wants to get out from under. He has refused to let any member of the Conservative group serve on the progress group.

David McLetchie: The First Minister knows perfectly well that there is no Tory member on the group because he, charged with the responsibility of the Scottish block in his Executive, refused to appoint a member of the Executive to take direct ministerial responsibility for the biggest public works project in Scotland. He must show some responsibility as the First Minister of this country, and I can assure him that, the day he appoints a minister to the group, a Tory will also make a contribution. The ball is in the First Minister's court, not mine.

The First Minister: That is a unique point of view, as the membership of the progress group illustrates. I say to David McLetchie—and I am certain that I am right about this—that if we had appointed a minister to the progress committee, we would have been attacked immediately on the grounds that that was not proper and that it was a breach, at least in spirit, of the arrangements that had been made when the project was handed over to the SPCB. I suspect that Mr McLetchie would also have raised the considerable technical or

procedural difficulties entailed by such an appointment. Instead we appointed someone who is now chairing the group and who is working extremely well with other parties to ensure that we have what the Auditor General clearly believes is possible—

"a distinctive high-quality building of historic significance at a cost which seems to bear comparison with other major public buildings."

That is an aim and objective that we can achieve, but it is not helped by the kind of attitude that has been displayed in recent times by the Conservative group in this Parliament.

Inward Investment

4. Elaine Thomson (Aberdeen North) (Lab):

To ask the First Minister whether the Scottish Executive is taking action to ensure that Scotland's science and research base is good enough to attract inward investment to Scotland. (S1F-549)

The First Minister (Donald Dewar): I thank Elaine Thomson for her question. I believe and am confident that Scotland's science and research base is good enough to attract inward investment. The Executive is taking wide-ranging actions and initiatives to support and enhance Scotland's science and research base. That is evidenced by Ernst & Young's "European Investment Monitor", which recorded Scotland as attracting the largest number of mobile research and development projects of any UK region in 1999-2000. We want to maintain and build on that, but the evidence is that we are making progress and succeeding.

Elaine Thomson: I welcome the First Minister's response and fully agree that our commitment to the science and research base must ensure more job creation across Scotland. Does the First Minister agree that Scotland's oil industry is dependent on high-quality research and development work? Scotland is also the focus of groundbreaking work on technology for renewable energies. Will the First Minister give an indication of the Executive's commitment to this area? How is the Executive preparing the groundwork for us to make the switch to renewable energies?

The First Minister: I agree entirely with Elaine Thomson about the importance of the oil industry and the technology that is built on it. Sometimes we have been criticised for not making the most of that and exporting our expertise to other parts of the world. However, some firms have been outstandingly successful in that respect.

I have no doubt that over the next year or two there will be heavy investment in the North sea. The dramatic change in the oil price will encourage that. There are difficulties, largely because the techniques of extraction are

changing. Many of the old rigs and jackets are not likely to be used to the same extent as they were in the past. That does not mean that we do not have an important duty to work with the industry to increase investment and to build the technological skills that will be not only enormously important to the oil and gas and energy industries, but very relevant to other industries that we are trying to grow in Scotland.

The Presiding Officer: I call Mr Gallie.

Phil Gallie (South of Scotland) (Con): Thank you for calling me, Presiding Officer—persistence pays off.

Does the First Minister believe that Scotland's ability to attract inward investment is enhanced by the appointment to the impartial position of part-time chairman of employment tribunals of a full-time trade union official? [*Interruption.*] The First Minister should know about such things.

The First Minister: I probably know as much about this as Mr Gallie does, as I read about it in the newspapers. However, I did not immediately take it up as a campaigning tool, as I suspect Mr Gallie did. That is one of the reasons that his politics do not always command the respect that he would like them to.

The appointment of chairmen to employment tribunals is not a devolved area of policy, so I would not comment on it except to say that it is extremely important that, because of the job that they will do, the chairs of such tribunals are appointed on merit and on the basis of their impartiality. It is very unfortunate if Mr Gallie is insinuating that someone does not have those characteristics because they have worked for a trade union. It would be just as stupid if I were to say that someone could not chair tribunals because he had once employed labour. Mr Gallie would be the first to protest against that.

Dennis Canavan (Falkirk West): On a point of order, Presiding Officer. Could you tell us what opportunities exist for us to question the Scottish Parliamentary Corporate Body about the contents of the Black report? Will you or another member of the SPCB make a response to the report so that we can question the corporate body on its responsibilities and on what it intends to do about the findings of the report?

The Presiding Officer: The convener of the Procedures Committee and I are in the midst of correspondence on the wider issue of whether there should be oral questions to the SPCB in some form. That has not yet been resolved.

I understand that, next week, the Audit Committee will interview Mr Black and the two accountable officers. It will be up to that committee to decide whom else it wants to see.

I recognise that that is not an entirely satisfactory answer to your question, but we will have to wait and see what the Parliament wants. I am ready to do whatever the Parliament wishes.

Spending Strategy

The Presiding Officer (Sir David Steel): We move now to Mr McConnell's statement on the Scottish Executive's spending strategy. There will be no interventions during the statement but there will be an opportunity for members to raise points in the debate that will follow.

15:41

The Minister for Finance (Mr Jack McConnell): I have the pleasure of presenting the draft budget of our Labour-Liberal Democrat partnership for the next financial year and our spending plans for the following two years. A copy is being sent to every member.

The first year of this Parliament laid the foundations for a better Scotland. We have in place a strategic framework for economic prosperity, for social justice and for our cultural and environmental heritage. In the next three years, we will focus on better services and essential investment. We intend to make a difference for Scotland.

Last week, Donald Dewar outlined our key priorities: to end the injustice of the Tory years and enable individuals and communities to fulfil their potential; to ensure that the economy is competitive and creative; and to provide better services and infrastructure. Those aims underpin the draft budget. Our plans promote social justice and they will make a difference for Scotland.

The extra investment that I propose today has come as a result of the Labour Government's sound economic management. There will be no more boom and bust and descent into debt. The Tory years were marked by two things: the Tories' recklessness and incompetence damaged the economy and their dogmatic policy agenda created deep and lasting social divisions.

We reject in every way the Tories' approach. Clearing up their mess has involved meeting tough spending targets, frustrating so many of our early aspirations. The now strong UK economy will increase UK Government spending by a combined total of £43 billion in three years—a real increase in total spending, after inflation, of 3.25 per cent each year.

Devolution guarantees Scotland a fair share of that spending. Joel Barnett's formula delivers for each person in Scotland, pound for pound, the same increase as in England. That comes as a right. A pound in Dover is matched by a pound in Dundee. If ministers had to negotiate spending on each portfolio with the UK Government, there would be little point in having a Scottish budget; it

would be decided in Westminster, not by the Scottish people and by this Scottish Parliament.

UK prosperity makes a difference for Scotland. The spending plans that we consulted on in the spring will increase by £800 million next year, by more than £1.9 billion the following year and by £3 billion in 2003-04. With the big increase that we had already planned, that means an additional £1 billion, £2 billion and £3 billion compared to this year—an average real-terms increase each year of 4.4 per cent, or almost 14 per cent over the three-year period.

I want to make something very clear. In a Scotland divorced from the rest of the UK, we would not be deliberating over the finer details of an expansionary budget; we would be untangling the chaos and havoc caused by separation. The rewards that we reap are from a fruitful union that delivers as much for Motherwell as for Manchester and as much for Greenock as for Grimsby.

Tricia Marwick (Mid Scotland and Fife) (SNP): On a point of order, Presiding Officer. It is a convention that interventions are not permitted during ministerial statements, because those statements are generally of a factual nature. It will not have escaped your notice that the minister's statement is starting to be of a party political nature—

The Deputy Presiding Officer (Patricia Ferguson): That is not a point of order. Please sit down.

Tricia Marwick: Will you consider advising ministers—

The Deputy Presiding Officer: That is not a point of order.

Tricia Marwick: This is not a ministerial statement.

The Deputy Presiding Officer: It is a ministerial statement. Please sit down.

Tricia Marwick: On a point of information. Will you advise me what is a ministerial statement? Is it a statement that is truly factual in nature and ministerial in tone, or is it a party political rant? If it is a party political rant, why are we not allowed to make interventions?

The Deputy Presiding Officer: That was not a point of information or a point of order. Please continue, Mr McConnell.

Mr McConnell: Sometimes the truth can hurt.

We are announcing a long-term sustained rise in spending. That is reality, not nationalist spin or Tory boom and bust. Our partnership will spend more in Scotland than any Government in history has, but to make an enduring difference we must now move beyond prudent restraint with a purpose

to prudent investment with a purpose. Devolution gives us the right to decide our own budget, which brings with it the obligation to spend wisely; I will outline the efficiency and budgeting measures that will make a difference.

Parliament is asked to consider this first three-year budget. However, I want to engage the Scottish public in that exercise. The document published today asks again for their views on our proposals. In an earlier consultation, I heard the public's views from around the country and in letters and e-mails. Four public meetings were held earlier in the year. At those meetings, transport, community care and local services generally dominated discussion. Those views have influenced my announcements today.

The Finance Committee, in its 11th report, also made recommendations. Ministers will take account of those recommendations. I look forward to working with the committee to improve presentation for the future.

This budget is the first to be published in resource rather than cash terms. The new system will more closely resemble a commercial system of accounting, but applying it will mean better budgets and better value for money. I wrote to all MSPs in advance of this statement to explain that significant change.

Devolution means that we are free to decide our own spending. There is no Scottish Executive service agreement with the Treasury. Instead, managing performance is part of the budgeting process on which the Parliament has agreed. Firm targets for expenditure will be included in the budget bill, and I remain committed to concentrating increases on front-line services. Today's plans reduce the proportion of our budget that is spent on administration. That trend will continue.

However, I want to take the search for value further. I can announce today that ministers have agreed to a series of best value reviews of significant spending programmes over the next few years. To assist that process, I will appoint a best value board, with experience of management and change, to ensure that we are rigorous in those reviews. I will make a more specific announcement on that process next month.

We will practise what we preach, delivering greater value for money as well as targeting the spend towards our key priorities of social justice and improving our infrastructure for the future.

Best value is for all. There is good experience in other countries on equality in resource allocation. We need to learn and apply those lessons. Jackie Baillie and I have made a start. Equality proofing will be embedded in the detailed processes of departmental spending and the secondment of

research help. The advisory group that we will announce soon will take that forward.

Budget presentations lay out overall spending totals and the resources for departments. Those totals are available in the document published today. They are a clear signal of our economic success and social justice agenda. They are good news for Scotland.

In health, for example, I can confirm increases of £268 million, £687 million and £1.14 billion over previous plans as announced in April. That is record investment—a clear demonstration of our commitment to deliver better health and a better health service for the people of Scotland. Susan Deacon will say more about the distribution of extra money tomorrow.

Over the next few weeks, other ministers will present the detailed plans for their departments. Today I wish to highlight their impact—not to crow over how much, but to emphasise what and whom they are for.

The Government has a responsibility to future as well as present generations. We should not postpone to the next generation the cost of fixing and modernising decaying roads, homes and schools. In developing the economic framework, employers, unions and experts all emphasised that change has to be focused on improving our infrastructure and our skills for the knowledge economy.

A key element of making the difference for the Scottish economy will come from the UK's capital modernisation fund. The figures that I have announced today do not yet include resources from that fund, but the Scottish Cabinet has decided that the CMF will be invested in placing Scotland closer to the leading edge of digital technology. I will make a statement to Parliament on that at another time.

In my spending statement last year, I announced new money for education and roads; ministers recognised the need for urgent investment in both. Today I can go further, with a step change now to raise our future prospects.

The budget that I have set out today makes new provision to improve our skills and learning infrastructure, with increases in budgets for schools, universities and colleges reflecting our commitment to lifelong learning. For education, education, there will be more, more and more again. In 2003-04, for the first time in the history of our world-famous system, overall spending on education and children will pass £5 billion. That will deliver modern approaches to teaching, better classrooms, equipment and learning materials, and a sharp increase in the spread and intensity of computer use in schools. I can confirm today that, over the next three years,

we shall be renovating or building more than 100 of Scotland's schools. We are making a massive investment in modernising our education system, for the future of our children and for the economic future of Scotland.

Rising transport spending will also make a contribution. The overall transport budget is set to rise by a record 45 per cent in real terms over those three years, with a major boost to public transport and roads investment. By year 3, spending will be £170 million higher. Sarah Boyack will announce our plans soon.

On top of that investment, our spending plans are to invest in further education, community health centres, hospitals and medical equipment, waste management and the basic infrastructure of local services. It is not just the money that central Government spends that is important. I am also providing local authorities with the means to improve infrastructure in the important services that are often taken for granted: mending roads and street lights; providing books and equipment for libraries; and providing decent cleansing services and recreational facilities. Those are the services that are most vulnerable when budgets are tight.

We are intent on improving rather than ignoring local government. The figures announced today give real increases, above inflation, of 10.5 per cent in resources to local authorities. I have introduced an element of support for authorities to meet inflationary pressures, including pay. This will be the best real-terms increase in the settlement for local services for a decade. It reinforces a partnership between this Parliament and Scotland's local councils and puts service delivery first. By year 3, there will be an extra £1.2 billion for local communities and a better quality of life for all. Our investment with local authorities will support public-private partnerships. It includes an increase of 57 per cent in direct support for capital investment by councils. For that, I expect investment in our school buildings and other vital local facilities to be significantly improved.

Those are all investments for the long term, making a difference for the future, but Labour and Liberal Democrat MSPs want action now to change Scotland for the better. Our plans will do that.

The Labour Government and this Labour-Liberal Democrat partnership are defined by our commitment to close the opportunity gap between rich and poor, but we know that it is harder to close that gap than it was for the Tories to open it. There is no single policy or action that can be taken to eliminate poverty. It is the right combination of hundreds of initiatives that will create equality of opportunity and make a difference for the elderly, for young adults and for

families and communities.

In tackling inequality, we understand the importance of UK-wide action, because for some issues there are no geographic boundaries. However, we recognise what we can do here in Scotland. We have put social justice at the forefront of our policies and spending plans. We promise to bend the spend to deliver our social justice promises, with ministers working across departments to make better policy that can help individuals and families through the transitions of their life course—as infants, as school-age children, as young adults, as workers and as retired people in older households. We recognise that poorer areas require resources and change to overcome multiple disadvantage.

I can announce today new resources that are directed towards reducing the great divides in Scotland—between people and between places. I will highlight three examples from our drive for a better Scotland for all. Our first year has seen major contributions to improving Scotland's poorest places. The communities budget will increase by 20 per cent in real terms over the next three years. A total of 80 per cent of that budget will be spent within the poorest fifth of Scottish neighbourhoods. This budget, built around putting people first and putting communities at the heart of Scotland's regeneration, will make a real difference to Scotland's poorest urban and rural communities.

Two further measures will close gaps between rich and poor. The additional spending on health, which comes to more than £400 million of new money each year, will enable us to implement the Arbutnott recommendations on distributing health resources more fairly, in line with the needs of poorer areas.

I am also announcing a better neighbourhoods fund, targeted on the communities that are suffering the most deprivation. The fund will total £90 million over three years and will be spent by local authorities in order to lever up services and opportunities in those areas that were left behind during the Tory years.

I am proud to announce a package of support for elderly households. It will include a promise to tackle delayed discharge in the national health service in order to free beds for critical cases; a warm deal for all pensioners in Scotland, with a promise of central heating and insulation within five years from next April; the introduction of a national concessionary travel scheme; and a package of support for those older people who require care both at home and in residential settings. That will allow us to make a step change in arrangements for the care of older people.

The overall cost of that package of four

measures will be more than £300 million over three years, rising to £140 million per year by the third year. On top of that, we intend a significant part of the extra NHS resources to be used to deliver better health and health services for older people.

I can also announce that I have agreed with Susan Deacon to put in place measures for the better integration of health and social care. That will improve front-line services and release resources for their development over the next three years.

As a result of those plans, ministers will, in the weeks to come, announce measures to expand and integrate spending programmes for children through a range of services and departments. There will be new resources to mainstream special educational needs and a change fund to improve service delivery.

We have given a priority to young adults across a range of programmes. We are providing additional investment for a new national network of challenging programmes for persistent young offenders. That should lead to safer communities, fewer victims and fewer wasted lives.

In higher and further education, new bursaries and more educational maintenance allowances will create new opportunities for young Scots from poorer families.

In all those age groups and areas of activity, we encourage people to prosper, we try to prevent problems before they occur and we support action when they do occur. In no area of the Executive's work is that more apparent than in how we deal with the prevention, treatment and consequences of drug abuse. In 1999, we set up the Scottish Drug Enforcement Agency and created a strategy and action plan to deal with the scourge that is drugs—that cause and effect of social injustice. These budget plans contain new funds to implement that action plan; the ministers involved will announce details next week.

There will be debate today and in the months ahead on these plans. I look forward to our Tory opponents spelling out which funds they would cut and I hope that the nationalists will contribute helpfully and not concentrate on whipping up division.

I believe that most, if not all, of us were elected to serve in this first Scottish Parliament because we wanted to change Scotland for the better and to make a difference. These spending plans, which I commend to members today, will do just that. By the end of the first year of the next session, these plans will have helped to transform lives.

More than £1,000 will be spent on the NHS for

every citizen of Scotland each year; more than £1 billion will be invested in transport over the three years, making journeys to work easier and life outside work more flexible for all; tens of thousands of older Scots will be better cared for in return for their contribution to society, with fewer worries for their families as a result; investment will be made in our young people through the renovation or building of more than 100 schools; £6.5 billion next year, rising to £7.3 billion, will be spent on local services to improve community life across our land in a new partnership with Scotland's local councils; and priority investment will be allocated to tackling the social evils of our time—youth crime and drug addiction—with action to clean up our streets, to bring families back together and to create new hope for the thousands of Scots who are caught up in a life of despair.

This is a three-year budget for Scots and for Scotland. It is a plan for urban and rural communities; it is a plan for young and old. It will make a difference from Arran to Aberdeen; it will make a difference for someone who is 80 and is struggling to cope; and it will make a difference for someone who is 18 and is starting their adult life. It is a budget for all of Scotland, made possible by a strong economy and a Labour Government and made reality by this Scottish Parliament and the partnership between those parties who want the new system to work for the people of our land. It is a fitting start to a new century and for all of Scotland. I urge all MSPs to make a difference and to give it their support. [*Applause.*]

Andrew Wilson (Central Scotland) (SNP)
rose—

The Deputy Presiding Officer: I see that Mr Wilson is getting support before he has even begun.

16:00

Andrew Wilson (Central Scotland) (SNP): I thank Labour members for their charming applause to welcome my entrance and introduce my speech. I hope, Presiding Officer, that you will give due attention to the point of order that was made during Mr McConnell's speech. The minister is given the protection of an uninterrupted ministerial statement, and that protection should be treated in the manner in which it is given. It should not be used for party political speechmaking or, indeed, for putative leadership bids. A ministerial statement should be used to give information to Parliament, on the basis of which a debate can then unfold.

Each year we have a budget and occasionally we have comprehensive spending reviews. Each year we have hysteria and headlines and each year ministers in Scotland divide by 10 and

reannounce what Gordon Brown has said. Let me read out some familiar headlines from popular Scottish tabloids. "Gordon's Giveaway" is the headline from the *Daily Record*, whose subtitle is "Scotland's Champion". *The Sun*, which describes itself as "Dedicated to the people of Scotland", has the headline "The Hand of Gord—Spending spree on NHS and schools". That is the type of hysterical headline that appears at this time of year, but those headlines appeared two years ago, at the time of the first comprehensive spending review in 1998.

It was two years ago when the "Hand of Gord" rested lightly on our shoulders, his giveaway budget invested in the future of the NHS. Since then, we have had two NHS crises, schools have been closed across the country and council taxes have risen to their highest level ever. There have been local authority strikes—[*Interruption.*]

The Deputy Presiding Officer: Order.

Andrew Wilson: Was that a point of order?

The Deputy Presiding Officer: No, I was calling the chamber to order, Mr Wilson. Please continue.

Andrew Wilson: There have been local authority strikes for the first time in 11 years. Scotland has entered its first recession since Mrs Thatcher came to power—[*Interruption.*]

Labour members seem to find that amusing, but I do not think that they would be laughing if they were looking into the eyes of the 47,000 people whose manufacturing jobs have been lost and whose families have been badly affected since Labour came to power. Those strikes, crises and job losses have all happened since the giveaway "Hand of Gord" budget of two years ago, and exactly the same will apply during the coming months. Headlines will come and go, but budgets will change nothing until we tackle the real questions.

Labour members should observe closely the context in which this budget has been drawn up. At the end of the CSR period, public sector net investment will be lower as a share of gross domestic product than it was in 1992. That statistic comes from Gordon Brown's own CSR document, which Jack has divided by 10 today. Total public spending as a share of the wealth that we create in the country will be less at the end of the CSR period than it was when Labour came to power. At the end of the peak year, which Labour members have welcomed with such gusto today—acting in accordance with the briefs that said "Clap continuously like they used to when Stalin spoke in Gori"—less of the nation's wealth will be invested than was invested when the Tories left office and Labour came to power.

Those simple facts underpin the figures that Jack McConnell and his colleagues have announced today. Those are the facts that mean that no matter how big the numbers sound, the impact on the ground will not be what people hope or demand of their public services. That is a shame, because Scotland is a wealthy country. We are on the verge of a new oil boom. We are wealthier today than at any point in our history. [MEMBERS: "Rubbish!"]

Did people in Norway cry "Rubbish" when that country discovered oil? It has reaped the benefits every year since. Labour members would do themselves and their party credit if they would wake up and realise the opportunities that face Scotland, rather than manage the decline of Scottish public services.

With the greatest respect to Jack McConnell, he is a finance minister with fewer tools at his disposal than any other finance minister in the world bar none. He has to change his budget whenever Gordon Brown changes his. Whatever Gordon Brown announces, Jack McConnell can only wait for a tenth division of it. There is no independent or deliberative thinking on Jack McConnell's part. That is not because of a lack of ability—I am sure we all agree that he has ability in abundance—but because this Parliament has fewer powers than any other legislature in the world.

The devolution of legislative power has not been paralleled by devolution of practical financial power. There is constriction through the Barnett formula, which is squeezing—and squeezing hard—and cannot be sustained.

This week, the London *Times* estimated that the gap between spending now and what it would have been if Scottish spending had kept pace with the rest of the UK is more than £2 billion over the CSR period. Labour members—they are disappearing—with a Westminster brief will recognise the name of Peter Kilfoyle, the Labour MP for Liverpool Walton. He said this week that Scotland's spending advantage was withering on the vine. Are Labour members in this chamber content that Scotland's advantage should wither on the vine, or do they take the view that Scotland's spending position is fair and should be sustained, or indeed enhanced? If they have faith in the reality of devolution, why do they not want to follow it through with practical financial powers instead of the centralisation and restriction that is occurring due to the current position?

Phil Gallie (South of Scotland) (Con): The member has mentioned Labour members and their attitude to the Barnett formula. Is he aware of the dispute breaking out between Jim Wallace and Charles Kennedy over the lifeline of the Barnett formula?

Andrew Wilson: I thank Mr Gallie for that point, which I will come to. However, as in all such matters, Conservatives should ca' canny a wee bit; I am all too aware of the disputes within the Conservative party about the future position of Scotland's financial support.

It is interesting, though, that the Deputy First Minister, his party—the Liberals—many Labour bank benchers and even some ministers believe that the Parliament should have more financial power. I can assure the chamber that the SNP believes that the Parliament should have more financial power and I am sure that if Phil Gallie and his colleagues were honest, even the Conservatives would admit that they believe that the Parliament should have more financial power.

So why should Jack McConnell and his colleagues on the front bench not listen to the views of the consensus of this Parliament—and the consensus of Scotland—that this Parliament and the Minister for Finance should be equipped with the tools that allow him not to announce every year big spending giveaways that do not make a difference, but to start to tackle the real question, which is are we or are we not devoting enough of the wealth that we create in Scotland to the improvement of public services? That question will not be left alone because, at the end of this CSR period, we are committing less of the wealth that we create to public services than we were when the Conservatives left office. It is no wonder that Scottish public services are in their present state.

Pauline McNeill (Glasgow Kelvin) (Lab): Will the member give way?

Andrew Wilson: Out of respect to the Labour party, I will give way to one of its back benchers, but I point out that the minister was entirely protected throughout a party political speech, which was wrong.

Pauline McNeill: Instead of making general statements about Scotland's wealth, will Mr Wilson tell us specifically what his party would do to improve Scotland's services? We have not heard one word about that so far.

Andrew Wilson: With the greatest respect, I have been given a few moments to respond to a ministerial statement, which is the job that I am now doing. If the member had listened—*[Interruption.]* I see that Labour members are now briefed on hand actions as well as shouting, which is terrific. The 15 or so Labour advisers at the back of the chamber are clearly very well paid.

If members had listened to what the SNP has said consistently throughout the first year of the Parliament, they would know that we have brought together not only a manifesto for the Parliament, which did not go through, which had a penny off tax to be invested in public services, but ideas in

every debate about what we would do. As we move towards the next election, we will do the same, because there are serious problems in Scotland that will not go away. The strike today is a case in point. Public sector pay will continue to be a problem as long as investment fails to keep pace with growth in GDP. That is a critical issue that must be addressed.

The key point is that for Scotland and all parties in this chamber, it does not have to be this way. By the Government's own analysis, Scotland is contributing more this year to the London exchequer than we will get back in expenditure—we are in surplus. Will we follow Norway's lead and invest the oil boom for the future, or will we be left like poor Sarah Allan of Lesmahagow who, it is reported in the papers today, has missed out on her own lottery win?

We have the same choice as we had in 1975: to take advantage of the boom off our shores and invest in our future, or to watch it being frittered away by successive London-based Administrations. That is the choice the Parliament faces. We can have the short-term bickering and the unministerial and ungracious statements from the front bench or we can start to open our minds to what this Parliament can do to invest in the future of our country, using the tools that normal countries have. Why do we have such a lack of faith in ourselves that, in this Parliament, we have fewer financial powers than any other Parliament on earth?

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Will the member give way?

Andrew Wilson: I must come to a conclusion. When Mike Rumbles makes his speech he should reflect on those opportunities, as we all should. I look forward to debating in detail in the Finance Committee what the budget has to offer, but let us keep our eyes on the bigger prize. We are investing less than the Tories used to and that is why we are reaping the consequences.

16:10

Mr David Davidson (North-East Scotland) (Con): I thank the minister for giving me a copy of his speech as I came into the chamber.

We have just heard the latest irresponsible and unsustainable spending commitments of new Labour. The priorities are not based on the benevolence of Brown or the abilities of Mighty Mac the Magician but on the swingeing stealth taxes on everything from pensions to petrol that have been taken from our pockets since 1997. That is the basis of what we see today. Today's largesse is financed by hard-pressed motorists, anxious savers and Scottish families struggling to get by. It is nothing more than a naked bid for

short-term votes.

It is a fact of life that Government spending cannot grow faster than national income. Gordon Brown made much of his affair with prudence. Marriage has obviously put an end to that. Let us be open and honest: the additional spending is inflationary. The Minister for Finance said:

"we must now move beyond prudent restraint".

In other words, they are getting so desperate for popularity they will do anything to buy votes. It could lead to increased taxes or higher borrowing. The fuel protests throughout the UK, and particularly in Scotland, have shown that Scotland's taxpayers have had enough. Unlike Labour, we listen and our pledge today to reduce tax at the pumps is evidence of that.

Scott Barrie (Dunfermline West) (Lab): Mr Davidson has partly answered my question but—

Mr Davidson: In that case I will continue.

Scott Barrie: Just wait. Surely the point about naked vote bidding is illustrated by what the Tories are proposing today—knocking 3p off a litre of petrol without showing how it would be funded.

Mr Davidson: I suggest that the member does his homework and pays more attention to what is on the news and on the web about what was actually said.

Mr Rumbles rose—

Mr Davidson: In a moment.

It is interesting that the Minister for Finance called us the Opposition today. At last we have a realisation that our popularity is returning and that people understand that most of what Labour has done during the past three years is based on smoke, mirrors and illusion. The SNP, and even the Liberal Democrats in the early stages, accused Labour of following Tory policy. The minute Labour changes from following those general trends of a sensible approach to spending, everything is out of the window, taxes go up and up, and it is not terribly honest.

Mr Rumbles rose—

Mr Davidson: If Mr Rumbles insists.

Mr Rumbles: On that point of honesty: David Davidson and I were at a meeting on Friday afternoon at which we both called for increased spending for local government in Aberdeenshire. Could he at least welcome the remarkable 10.5 per cent increase over the next three years and the £1.2 billion that will make a real difference to his constituents and mine?

Mr Davidson: Is Mr Rumbles the new spokesman for Labour? That is interesting. I remember a number of things at that meeting that

I will not go into but that made the Liberal Democrats look rather foolish. We did not agree the need for increased spending—other MSPs were present—but we discussed what happened at the local government settlement and the farce of the Liberal revolt.

The minister mentioned resource accounting. We have to have a guarantee of transparency, clarity about spending statements—which should be made in the chamber—and the year-end balances should be dealt with in a clear and honest manner.

I shall try to respond to some of what the minister said. We welcome the renewed spending on health—much of it was flagged up in the past—but we ask again: will the Executive fund Sutherland? We are not asking whether the Executive will put it on a back burner, but whether it will fund it.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): Will David Davidson give way?

Mr Davidson: I have given way enough. I am sorry.

We welcome the concessionary fares, but they are only part of a package and we look forward to taking apart the different strands that the Executive is offering on transport policy. Considering what has been going on with our Scottish motorists, I thought that it was a bit rich of the minister to talk about making the journey to work easier.

It is good that schools are being renovated, but what is in it for rural schools? As for the new bursary scheme, it would have been better to do away with the new graduate tax and invest in education as an open door enterprise. Undoubtedly, some people are beginning to worry about that.

The minister stressed the Government's concern for pensioners. He seemed to want to know what the Conservatives are about, which is useful—our UK-wide priority is to ensure that there is a decent basic pension. We welcome the initiatives that he talked about, but Sutherland will deliver a lot of what the Executive claims to want to do.

Not surprisingly, £1.2 billion is being spent on local government—just what the Convention of Scottish Local Authorities ordered in a press release a few days ago. Will the Executive show that it is thinking on behalf of Scotland and that it is not driven by COSLA? That statement made it look as though the Executive is weakening.

There are many issues that we could pick up from the statement. The minister asked what the Conservative party would do. During the budget process, we are happy to engage with the Executive in the committees. We will plan overall

for increases in public spending above inflation, but on a sustainable basis. In that way, we can put real money into public services that are our priority and still cut tax in normal circumstances. That is the difference between the Conservative party and the Executive: we recognise that the economy has a cycle. Gordon Brown obviously does not recognise that, as he can predict four years ahead.

16:17

Mr Keith Raffan (Mid Scotland and Fife) (LD): I warmly welcome the Minister for Finance's statement. I suppose that that is predictable. However, if he really wants a statement of how well he has done today, he has only to look at the fact that Opposition members are thrashing around aimlessly and have not made one effective point.

Mr Davidson: Will Mr Raffan give way?

Mr Raffan: No—it is time the Conservatives sat down and listened. After 18 years of disaster and starving Scotland's public services, they should listen to the Scottish people. I left them because of what they did to the public services. The last thing I need is to hear David Davidson preaching to me.

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

Mr Raffan: I will certainly not give way to Miss Goldie—she just gabbles on.

The Conservatives must sit and listen. Their record is deplorable. I shall come to it in a minute—in fact, I shall come to it right now. Members should not expect Mr Davidson to reply straightaway, but he will know in what high respect the House of Commons Library's estimates and figures are held. According to those estimates, the Conservative promise to restrain growth in public expenditure to the rate of growth in national income will result in £13.7 billion of cuts in public services over the period of a Parliament. The Conservative party has been consistent only in refusing to say where those cuts would fall.

To be fair to the Conservatives, they have committed themselves to extra public expenditure: they have committed themselves to spending more than £1 billion on a ballistic missile defence system. The Tory TARDIS is stuck in the 1980s and nothing that Dr Who McLetchie can do will crank it up and propel it 20 years ahead.

Miss Goldie: Will Mr Raffan give way?

Mr Raffan: No. I am not wasting time. I am trying to make progress on a number of important points.

The Conservatives must tell us where the cuts should fall. It is all very well for them to ask the

Scottish Executive, "Are these expenditure increases sustainable?" The Conservative party refuses to say what services it would cut, although it is committed to huge cuts over the period of a Parliament, should the absolute nightmare of that party being returned to power occur.

Miss Goldie: I am very grateful to Mr Raffan for giving way.

Mr Raffan: Very briefly.

Miss Goldie: Even allowing for his normally excitable demeanour—

Mr Raffan: Come on.

Miss Goldie: Does Mr Raffan accept the fairly basic economic principle that inflation is created if expenditure is increased beyond the natural income growth of the capacity of the economy? Does he consider that, in that event, inflation is desirable? Is he aware of warnings that have been sounded by institutions such as the Bank of England about the Executive's and the Government's proposed spending plans? Does that worry Mr Raffan, or is that just another irritant to his monologue?

Mr Raffan: I knew that I had made a mistake in giving way—Miss Goldie can make her own speech in her own way at the end.

Of course we realise the importance of keeping inflation low. We were the party that proposed the independence of the Bank of England and the establishment of the monetary policy committee. That policy was opposed by Mrs Thatcher, despite Mr Lawson's putting up extremely good arguments in favour of it. When it comes to controlling inflation, we do not need to take any lessons from the Tories.

I especially warmly welcome the dramatic increase in spending in local government and the moves to a three-year settlement—I understand that there will be an allowance for pay inflation within that. As the minister knows, those moves have met three of the points made by Scottish Liberal Democrat members—I am glad that he has listened to the forceful representations that we have made. He is a politician to his fingertips; it would be churlish and undiplomatic of me to suggest that he would not have made those important moves in the right direction but for fear of losing our votes. Teasing aside, the point is that we really are grateful to him on that score.

The minister will be aware of the three key points that remain. One is the issue of guidelines, which we would like to go or at least to be relaxed. Another is ring fencing and hypothecation. It is absurd that in some council areas special needs teachers are being made redundant while classroom assistants are being taken on. The third point is the inadequacy of the formulae and

deprivation indexes. I know that he is considering those points; we look forward to moves in all those areas.

I must not miss out the SNP. I have decided to try a new tack with it. I will wait until the leadership changes on Saturday, then I will write to Andrew Wilson—I give him notice—to ask how many of its £3 billion spending commitments are real commitments. He said that, as we move to the next election, he would make that clear. I presume that he was talking about the general election. It will have a manifesto for that—which I am sure will be fully costed, as I know the SNP takes great pride in that.

My final point is on the Holyrood project. I do not know whether members will remember that the SNP had one as well. The SNP's Holyrood project was 2.5 per cent planned savings in every non-pay budget. Perhaps when I write to Andrew Wilson he will also confirm whether he is still committed to a Holyrood project that seems almost as ill-fated as the other one.

I hope that we will see the SNP adopting a more responsible position on spending pledges when the leadership changes.

16:23

Mike Watson (Glasgow Cathcart) (Lab): I wonder whether SNP and Tory members are capable of spotting good news when it arrives. It may not arise often, but it does not come much better than today's announcement. Mr Davidson and Mr Wilson would fit neatly into today's big news story, which is the £20 million lottery win. Had they been part of that syndicate, they would have been greeting and bleating that they had to share it with other people and that the pot was not big enough. I do not know what one can do to please such people.

The partnership of opposition is in danger of falling apart: Andrew Wilson has told us that it is not enough whereas David Davidson has told us that it is far too much. That coalition looks a bit shaky, but no doubt it will survive as long as the Labour-Liberal Democrat partnership.

Mr Kenneth Gibson (Glasgow) (SNP): Will Mike Watson give way?

Mike Watson: I will eventually, Kenny, but not just now.

I do not know why David Davidson is incapable of coming to terms with the fact that the partnership is in operation and has been effective in delivering government for Scotland. Why is it such a surprise every time Liberal Democrats agree with a Labour member? This is a partnership, as Jack McConnell stressed at every stage of the process.

Mr Davidson: Will Mr Watson give way?

Mike Watson: No. The purpose of this debate is not to say whether there should be a coalition. The people of Scotland decided that on 6 May last year, to all intents and purposes.

The SNP should be capable of welcoming the news that we have heard today. In every debate in the chamber, we are told that we should spend more on the health service, on local government, on transport and on any other area that one cares to mention.

Almost everything for which the SNP has asked is covered in the minister's statement, yet still that is not enough: spending plans are not applied correctly or they are not drawn up in the context of an independent Scotland, with oil at \$10, \$25, \$35 or whatever a barrel.

Mr Gibson: The Minister for Finance said today that the Executive will increase the capital that is available to councils by 50 per cent. Does Mike Watson accept the details in "Strategic Resourcing for Effective Local Services", which was produced by the Convention of Scottish Local Authorities—a Labour-controlled organisation—showing that the amount that is available to local authorities is half of what it was 10 years ago? A 50 per cent increase in capital will take us only to the point at which capital is three quarters of what it was 10 years ago. Does he accept that what we have heard from the minister is spin and that, regardless of what he said in his statement, local government will be worse off in capital terms than it was under the Conservatives a decade ago?

Mike Watson: Kenny Gibson has encapsulated the SNP's problem. Andrew Wilson cited public spending as a percentage of GDP in 1992. There was a recession in 1992, so the comparison he made was meaningless. Now we are talking about local authority spending 10 years ago. The key is to look forwards, not backwards. There is no point in comparing what we had three, five or 10 years ago, as the debate is about what we will have in the next three years. It is like the old story of somebody asking directions and being told, "If I was going there, I wouldnae start from here." We are starting from here, right now—that is the good news.

Andrew Wilson: When Mike Watson was a Westminster MP, he criticised every Conservative budget, but every one of those budgets in the previous Conservative Administration—whether there was a recession or not—invested a greater proportion of the nation's wealth in public services than has been invested at any point during the Labour Administration. Does he like that, or not?

Mike Watson: I like the spending plans that have been outlined today, which everybody should recognise are an improvement on the past. Vastly

greater resources are becoming available. For example, local government will receive 10.5 per cent above inflation over three years. How is it possible to criticise that? Social justice is at the forefront of all policy delivery.

Mr Davidson: Will the member give way?

Mike Watson: No. I have taken two interventions and am running out of time.

I will not repeat the figures that we have heard, because the Finance Committee and the subject committees will go into them in considerable detail over the next two months. The strength of our position is that not only is there transparency, we are now on a three-year cycle.

The spending statement is good news for the people of Scotland. It is good news for the delivery of much of the Arbutnott report and for investment in local authorities. There will be a year-on-year increase in real terms. That will happen in the context of resource accounting and budgeting.

All parties should welcome the spending plans. It is disappointing that we are hearing cheap political point scoring, given that these spending plans are good news for the people of Scotland.

16:28

Mr Duncan Hamilton (Highlands and Islands) (SNP): I am used to greeting Mr McConnell's statements with disbelief, but there were two points in his statement today that I found particularly worthy of note. First, he said that he had not come to the chamber to crow. For a man not attempting to crow, he did a damn good impression of it.

Worse than that was the assertion that this is a partnership budget. We have heard the Liberals say that they played a full role, but no one in their right mind will listen to them. I cannot think of a single thing in the budget that is exclusively a Liberal policy that the Liberals press-ganged Labour into accepting. We all know that the Executive is not a coalition—there was a takeover at the beginning of the Parliament and the situation is the same today.

The Barnett squeeze is an idea that has been knocked around the chamber before. I am aware that some members think that we should not return to it, as it is an old argument. Sometimes the old ones are the classics. I see Malcolm Chisholm smiling—I do not know whether he recognises himself in that description.

We cannot escape the incontrovertible fact that the rate of rise in health spending is lower in Scotland than in England. That is a simple fact. The Government can argue that it is investing

more money, but Mr McConnell cannot argue—although he sought to do so when he compared the positions of people in Motherwell and Manchester—that Scots receive the same rate of rise as people in England. That argument cannot be sustained, so the question becomes, why is Mr McConnell so determined to drive the Scottish percentage of spending down to parity? Why is he so determined to lose money from the Scottish budget in relation to the rest of the United Kingdom?

Robert Brown (Glasgow) (LD): Will the member give way?

Mr Hamilton: No.

Does Mr McConnell simply not recognise the additional costs of providing health care in Scotland? Does not he understand that, with a third of our landmass being rural and island communities, health care costs more? Is not it the Minister for Finance's job to argue the case for Scotland to get a better deal than we get at the moment? Or does he envisage a reduced health budget for Scotland because, during his travels round the country, he sees reduced need? I cannot believe that that is true. Every member in the chamber will tell the Minister for Finance that there is a profound need for more spending on health in this country; his job is to go and argue that case, not simply to surrender meekly.

Dr Richard Simpson (Ochil) (Lab): Does Duncan Hamilton recognise the frustration of Labour and Liberal Democrat members? We are not saying that his song is not important, but it is a single song and it keeps coming. Instead of delivering the same song all the time, will he give us some other indication of how his party would spend the money that is available?

Mr Hamilton: When we get an answer to a basic injustice, we will move on. What is clear is that there was no answer today and no answer in previous statements.

I turn briefly to the elderly. There is a breathless heading in this statement: "Making a difference for older people". That begins one of the key paragraphs. It is an attempt to try to hide the Government's failure to deliver properly. If the minister is so concerned about making a difference for older people, why do he and the Administration fail to see the coalition—apparently we are all in favour of coalitions—that exists in the chamber for the full implementation of the Sutherland report? If the Liberals have so much clout in the partnership, why is the Liberal policy—of full implementation of Sutherland—utterly ignored by the Minister for Finance? If he really wants to make a difference for older people and to do something radical in the health service, he should start with full implementation of the

Sutherland report and introduce a bit of honesty to the process.

16:32

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I will focus my comments on the welcome extra funding for local government services that was announced by Jack McConnell, the listening Minister for Finance. He said that it is the best settlement in a decade, and I am delighted with it.

As members may be aware, several Liberal Democrat colleagues and I not only voiced our great concerns about what we felt was an inadequate local government financial settlement this year, but we voted against it. As the constituency member for West Aberdeenshire and Kincardine, I have been acutely aware that the cuts imposed on Aberdeenshire Council this year have resulted in marked reductions in services with an increase in council tax.

To concentrate on one issue, I felt that it was wrong that—at a time when the Executive was announcing more money for education nationally—in Aberdeenshire the council was forced to cut school budgets by 3 per cent while the proportion of council funding that is spent on education increased from 53 per cent to 55 per cent of the budget. That showed clearly that Aberdeenshire Council maintained its priority for education but with less money from the Executive. There is no doubt about it: local government, and Aberdeenshire in particular, was getting a raw deal.

Mr Davidson: Will the member give way?

Mr Rumbles: In a moment.

Therefore I was pleased—I hope that Duncan Hamilton is listening—when the Liberal Democrat group decided that local government would be its No 1 priority for the additional funds that were announced today by Jack McConnell. I have said several times over the past few months that I felt that Mr McConnell and the Executive were not responding on the important issue of local government finance.

I am delighted to say that it is clear from Jack McConnell's statement that he has listened; more than that, he has acted—that is the important point.

Mr Davidson: The minister made a point about the Joel Barnett formula delivering for each person in Scotland pound for pound. Am I correct in saying that Mr Rumbles—judging by his comments in the debate—disapproves wholeheartedly of what has been going on at the Liberal Democrat conference down south, where it has become quite clear that there will be a Kennedy

crunch on the Barnett formula? Should Mr Rumbles and his party have anything to do with national Government, where will they find the money to give to the Minister for Finance if they reduce the Barnett settlement?

The Deputy Presiding Officer: Mr Rumbles, you have two minutes.

Mr Rumbles: I hope that you will give me time for taking that intervention, Presiding Officer.

The Deputy Presiding Officer: That is why you have two minutes.

Mr Rumbles: Thank you, Presiding Officer.

David Davidson really cannot stand good news, can he? I thought that his intervention would deal with the local government financial settlement, which is the same topic that I referred to when I intervened during his speech.

John Scott (Ayr) (Con): Answer the question.

Mr Rumbles: I will address the subject in my speech.

The Conservatives want to divert attention from the first-class news that is being sent from the chamber to local authorities throughout the country. The figures are here—local authorities will get an increase of 10.5 per cent in real terms.

Mr Gibson *rose*—

Mr Rumbles: The figures show that the spending in real terms of £5.9 billion will rise to £6.645 billion. I have heard nothing—

Mr Gibson: Will the member give way?

Mr Rumbles: I have heard nothing from the Conservatives or from the nationalists—

Mr Gibson: Will the member give way?

The Deputy Presiding Officer: Order. Mr Rumbles, are you taking an intervention from Mr Gibson?

Mr Rumbles: No. I have taken one intervention, and I have only four minutes.

Today's announcement is an important first step. I am enthusiastic about what the Minister for Finance and the Executive have done today, for which they have my full support. However, today is only a step down a long road, and we must recognise the difficult financial situation that faces all our local authorities.

I look forward to a fair local government settlement over the next three years for each individual council, notably my own in Aberdeenshire. I am sure that I will be able to support that financial settlement fully, and I look forward to doing so. I hope that the time will come when I can welcome it in similar terms to the

welcome that I have just given.

I congratulate Jack McConnell on being a listening Minister for Finance.

Members: Aw.

The Deputy Presiding Officer: Order. The debate has been tight for time and we have reached the end of the period for speeches from the floor. We move to wind-up speeches, and I apologise to members who were not called.

I am afraid that I must go straight back to the Liberals, for whom I call Rob Brown to wind up. Mr Brown, you have four minutes.

16:37

Robert Brown (Glasgow) (LD): It is unusual for a debate to be dominated by Liberal Democrats.

This has been a cruel debate: cruel because it exposes vividly the contrast between the policies and actions of the Liberal Democrat and Labour partnership parties—targeting funding, going for the people's priorities, spending money imaginatively for Scotland—and the naked opportunism of the SNP, which adjusts its position to every passing wind, spending fairy gold—

Mr Gibson: Will the member give way on that point?

Robert Brown: Sorry?

Mr Gibson: The member mentioned naked opportunism, but he is a member of the party that, in East Dunbartonshire Council, switched its alliance with the Labour party to one with the Conservatives at the drop of a hat.

What do the Liberals have to say about the information from the Convention of Scottish Local Authorities, which said that local government will need a minimum of £3,024 million new money over the next three years to meet new burdens such as McCrone, school security, the national road safety strategy, and pay awards? Does not that expose the fact that the extra £1.2 billion, which Jack McConnell promised, is buttons in comparison with the amount that will be required to deliver local government services—

The Deputy Presiding Officer: All right, Mr Gibson. You have made your point.

Robert Brown: I am not sure whether Mr Gibson has an overdose of the Kenny MacAskill disease—he has the ability to add up very large figures, make huge problems and solve them, all in one go. The SNP's approach to this debate is opportunistic and unrealistic, and is based on fairy gold: the SNP will promise anything to anyone who will listen.

I know about such matters as, for 30 years, I sat

on opposition benches in one form or another. It is easy to be in opposition, but it is better and more sensible to be in government, to try to make the hard decisions and to make progress.

It is not the case that the minister is to blame for everything. So often, we hear the language of scapegoat, outrage and betrayal from the SNP but, when the chips are down, what counts is how effectively finance is used. Today's spending statement from the Executive was very effective. From my point of view, the centrepiece of the statement was the promise to give central heating to every pensioner and to every tenant in the social rented sector.

Fiona McLeod (West of Scotland) (SNP): Will the member give way?

Robert Brown: No. I am sorry, but when I gave way before, I received a lengthy diatribe from Kenny Gibson.

That promise has been carried out in partnership between the Parliament and the rest of Scotland. It is a major initiative to end the scandal of fuel poverty, an issue that has been raised by many members. Age Concern Scotland has described the initiative as almost too good to be true. I have not always seen eye to eye on policy with the Minister for Communities, but she, Jack McConnell and the Executive ministers deserve the thanks of every elderly person in Scotland for the package that we have been presented with today.

Mike Rumbles has touched on local government and I have only one thing to add, which is my hope that the settlement will recognise the need for long-term, stable funding for the voluntary sector. Much of that sector's funding comes from local government.

As members have said, the Scottish Parliament has a budget that is, in essence, fixed by Westminster. However, Westminster too is constrained. No Government can go forward raising taxes willy-nilly. No Government has a bottomless goody bag. I make that point because hanging over this debate—and every other financial debate in the Parliament—is the fact that we have an SNP Opposition that believes in Santa Claus. We ran out of nothings on our calculator when their pledges reached £3 billion. Those pledges are made by a party that cannot even keep its own finances in order. Furthermore, its pledges are entirely dependent on the price of oil, in a highly volatile market, exceeding a certain level.

Scotland benefits from being part of the UK. It benefits from higher public spending. It is difficult to understand why Duncan Hamilton in particular cannot recognise the fact that every man, woman and child in Scotland receives more input from

public spending than do people in England. That is a result of the ability to target spending in the UK.

It is time for the SNP to accept the home rule settlement, to start being an effective Opposition and to present alternative strategies to those that are set out in the programme that the Liberal Democrat-Labour Administration announced today. We are getting on with the job. When will the SNP play its part?

16:42

Miss Annabel Goldie (West of Scotland) (Con): We must thank the Liberal Democrats for unrivalled entertainment—if nothing else has happened this afternoon, there has been political posturing that, even by the standards of this chamber, stretches incredulity beyond all limits. We have listened to the Liberal Democrats seriously asking us to accept a situation in which they cosy up to Labour in the Scottish Parliament, while their leader wants to dismantle the very formula that lets them have the financial stability on which the spending plans are pledged. While the Liberal Democrats cosy up to Labour in Scotland, they have a leader who is trying to distance himself from Labour down south. The Liberal Democrats' position is untenable, unconvincing and incomprehensible, and shortly they will prove to be unelectable.

Robert Brown: Does Annabel Goldie accept the logic of the home rule settlement, with different Governments, different Parliaments and different parties at different levels of Government? That is what her party does in local government, where they form various alliances in different parts of the country. Does she accept the home rule settlement?

Miss Goldie: It is clear from Mr Brown's remarks that he aligns himself with Mr Kennedy, rather than with his colleagues in the chamber. That is a manifestation of the increasingly incredible position in which the Scottish Liberal Democrats find themselves.

When I first read Mr McConnell's finance statement, I took heart because the first heading was "economic prosperity"—an objective that I applaud. However, when I listened to his remarks, my spirits began to drop. I could not help but notice that the clapping cohorts in the Labour ranks applauded warmly every time that the Minister for Finance mentioned "spend". They cheered him to the skies; such was the fervour that met his concluding remarks, one would have thought that he had just won the Eurovision song contest.

I am therefore surprised that Mr McConnell chose to omit any reference to several factors. He chose to omit any reference to Gordon Brown's

alleged threat to require the Scottish Parliament to use its tax-raising powers, or to what is technically a recession in Scotland—not a situation that I welcome. He chose to omit any reference to our productivity level, which is lower than that of the rest of the United Kingdom. Finally, he chose to omit any mention of the inflation risks that are implicit in a spending programme such as the one that he announced this afternoon and certainly such as Mr Brown's comprehensive spending review.

Those are not just my empty opinions. The Bank of England has warned that Government spending plans will send inflation higher unless consumer spending is reined in. Furthermore, the July monetary policy committee meeting reported that, given the likely increases in public spending over the next two years, private sector spending needs to slow further if inflation targets are to be met. I do not pretend to be an economic genius; however, those frank warnings must be taken on board, since they suggest that there must be a very cautious approach to the sort of financial programme that the Parliament might consider.

Although we welcome sincerely the spend objectives that the Minister for Finance has embraced, we must ask whether, given the rather alarming criteria to which I referred but to which the minister made no reference, those objectives are accompanied by the necessary prudence that Scotland is entitled to expect.

It seems clear that there are some alarming omissions in the areas of expenditure that Mr McConnell has outlined. One of those areas, which have been alluded to in the debate, is the non-implementation of the Sutherland commission's recommendations. Mr McConnell could promise our elderly people everything under the sun, but he would hit the button if he pledged to implement Sutherland.

Furthermore, the current allocation to transport is £18 million. That is not what business needs. We are becoming uncompetitive and are experiencing problems in moving goods and services. Our haulage companies are finding it difficult to operate. The Minister for Finance's statement offers little comfort on that matter.

In short, although this budget statement might be laudable in intent, its implementation is potentially alarming. The Conservatives would pursue a much more prudent approach that would provide services against a responsible backdrop of what national income can sustain.

16:47

Brian Adam (North-East Scotland) (SNP): This has been quite an enjoyable knockabout afternoon, but I do not know whether we have

learned an awful lot. Many questions have not yet been answered—is not that the way of things? In Westminster, we have the leak and then Gordon Brown makes his statement; in Scotland, we have the leak and then Jack McConnell makes his statement. Indeed, I think that the Deputy First Minister was accused of telling his party conference in Bournemouth details of the local government settlement.

Although we have had the minister's statement, we do not know many of the details. In fact, Keith Raffan pointed out that a number of key questions about the local government settlement have not yet been answered. As Jack McConnell keeps a firm grip on local government finance, perhaps he can tell us when he sums up whether he intends to be honest about how much of the 10.5 per cent increase over the three years will pay for new burdens; how much will be ring-fenced; and whether he will allow the word "local" to come back into local government. If we follow the route outlined by the Minister for Communities, local government will no longer have responsibility for housing. Furthermore, given the recent statements on education, what power is left to local government to make its own choices?

Mr Rumbles: On Friday, Brian Adam, along with all the other north-east MSPs, attended a meeting with Aberdeenshire Council and made the same points about the need for an increase in local government spending, particularly for Aberdeenshire Council. However, he has not yet said whether he welcomes the 10.5 per cent increase over the next three years and whether it will be particularly welcome in Aberdeenshire.

Brian Adam: If I knew that there was to be an increase in spending for Aberdeenshire, I would welcome it. We do not know whether the financial settlement will restore any of the cuts that have been imposed throughout local government or whether it will just pay for new burdens. However, I certainly welcome the recognition, at last, that self-financing pay settlements are unsustainable and I hope that we will have movement on some areas for which we have no information as yet.

Furthermore, we have had no commitment on the Sutherland recommendations, full implementation of which would make the biggest contribution to the comfort of our elderly.

Our biggest problem with the statement is that this Parliament does not have any real control over its finances. All that we are doing is arguing about slices of the cake; we do not control the cake. The Barnett squeeze is taking effect. It is taking £2.2 billion out of the Scottish budget as determined by the comprehensive spending review. It is not just the SNP that is saying that—*The Times* has done the analysis and suggests that that is the case. We are also making spending

decisions against the backdrop of a technical recession, and our economy will experience some difficulties.

I am not ashamed to say that I believe that if we had more financial control, or full financial control—indeed, I am not averse to using the word independence—we would not have to wait for Gordon Brown to take his foot off the fuel tax accelerator. We would be able to control that here and we would be able to make investment decisions on a much broader basis than is possible at the moment.

Mr Davidson: Brian Adam referred to the economic future. When does the SNP estimate that the spending that is proposed by Gordon Brown will run out of steam? Can Brian Adam give us a year for that?

Brian Adam: I do not intend to second-guess Gordon Brown. However, if the member is asking what the SNP will do, he should have a little patience. We will publish that in our manifesto in the very near future. Watch this space.

I was most interested to hear the praise that was heaped on Jack McConnell today from the Liberal back benches. I did not hear the same kind of praise being heaped on Gordon Brown by the Liberal back benchers in Westminster. Which set of Liberal policies applies? This is just a 10 per cent formula, and Liberal members are quite happy to accept the cake that it produces.

Bruce Crawford (Mid Scotland and Fife) (SNP): On a point of order. Mr Rumbles is waving a piece of paper that the rest of us are not party to. We were told that we would get that information at the end of the debate—[MEMBERS: "It is in SPICe."]

The Deputy Presiding Officer (Mr George Reid): That concludes that matter, Mr Crawford. Please continue, Mr Adam.

Brian Adam: I am delighted to reassure Mr Watson that we have a different outlook on public spending and different policies from the Conservatives. Perhaps the next time that he wants to suggest that there is some unholy alliance between us and the Conservatives, he will remember the point that he made today. I can assure him that we do not have the same policies.

The Deputy Presiding Officer: Wind up, please.

Brian Adam: After Jack McConnell's statement today, it will be most interesting to hear the spending ministers make their detailed pronouncements. Only then will we start to get to the detail we require. We welcome the opportunity to debate this spending programme in the Finance Committee and the other committees of the Parliament. However, I cannot welcome today's

statement because it does not provide us with the detail that we need. This is another major disappointment.

The Deputy Presiding Officer: I call Jack McConnell to wind up the debate and to respond on behalf of the Executive.

16:53

Mr McConnell: I was very happy to provide all members of the Parliament with the table that Mr Crawford mentioned. Copies are handily placed in envelopes in SPICe. I thought that envelopes might be handy for the Opposition to do some of its calculations on.

The response to today's debate has been very disappointing. We sit in this Parliament with probably the most open and transparent budgeting process of any Parliament in western Europe. Not once in 15 months as Minister for Finance have I heard an alternative spending proposal from the nationalists or the Conservatives, in this chamber or anywhere else.

Miss Goldie: Will the minister give way?

Mr McConnell: No.

Today we have heard from both Opposition parties a disappointing set of statements, which reflect the way in which they try to hide the facts of their policies. When the nationalists talk of wanting more power for this Parliament, they mean wanting more power to raise taxes in this Parliament. They want to raise more tax in Scotland, not less. Their campaigns last week and this week to reduce taxes in Scotland are false. They want to increase Scottish taxes, and they would pay the price for that if they were more honest about it.

For Annabel Goldie to say in the same speech both that we need a more prudent and restrained economic policy and that we need to spend more money on community care, transport and everything else that I mentioned in my speech is dishonest. No one can have their cake and eat it. Either there is more spending or there are the totals that I announced. There cannot be more spending as well as a more prudent budget that reduces spending.

It is important that we address the issues that face Scotland. In the brief time that I have, I want to talk about what this spending statement will achieve. It is not about Scotland's oil—a slogan that was around before Mr Hamilton was born and still seems to be around in the language of the SNP front bench. I say to David Davidson that it is not only about popular spending, although, if today's plans are popular, I will plead guilty every time. It is about making choices for Scotland.

Those choices are important. We have said clearly that we will make a difference. We will make a difference to our economy by concentrating the investment in areas such as transport and education. There are people in the gallery today from the meeting that I held in Gourrock four months ago, who said in that meeting, as was said in Inverness, Fort William and Dumfries, that transport, local services and community care are the most important issues facing communities in Scotland. Transport and education also come up time and again in meetings with business and trade union leaders to discuss ways to revitalise our economy.

The spending statement will make a difference in services with the best local government settlement for a decade. It will help to transform local government services in Scotland and should be welcomed by those who care about our local councils.

The spending statement will make a difference for the elderly, children and young adults and will improve the justice that is available to them. It will increase the opportunities that are available not only to young people to get a proper start in life but to our elderly people to live a more satisfactory life.

On a personal note, I will say two things in conclusion. I spent a lot of time in the 1980s as a Labour councillor in Scotland. With all due respect to our Liberal Democrat colleagues who have pressed us hard to ensure a good local government settlement—I recognise that pressure—I know how much Labour councillors have done in Scotland in the past 20 years to hold together local services at a time when the Conservative party was doing its best to take them apart. At that time, I dreamt about the opportunity to come to a Scottish Parliament and transform local services across Scotland. I am delighted to be doing so today and I know that Labour councillors across Scotland will spend that money wisely.

I hope that I can say this in the chamber with some respect to those about whom I am talking. Four weeks ago, I attended my grandfather's funeral. I was struck by what my grandmother and everyone who had been close to him in the last 18 months of his life said about the care that he had received from the health service and the local council. He lived an independent life in a rural community as a farmer who did not really use public services. However, the last 18 months of his life were made much easier by those who looked after him. That is important.

The community care and elderly package that we announced today was not put there by accident or for a headline. It was put there because travel, social care and heating are

fundamentally important services that will make a difference to the lives of older people across Scotland. That is what this partnership is about: making a difference for the people of Scotland. I am proud to be putting the spending statement forward and will defend it in every committee and in the chamber until the budget bill is passed.

The Presiding Officer (Sir David Steel): That concludes the debate. As there are no Parliamentary Bureau motions before us and no questions to be put at decision time, we move straight to members' business.

St Vigeans Primary School

The Presiding Officer (Sir David Steel): Members' business is a debate on motion S1M-959, in the name of Alex Johnstone. The debate will be concluded, without any question being put, after 30 minutes.

Motion debated,

That the Parliament commends the quality of education provided at St. Vigeans Primary School near Arbroath; notes the concerns currently being expressed by the parents of children attending St. Vigeans about the possible closure of the school by Angus Council, and believes that the local authority should give full consideration to these concerns, given that rural primary schools are an intrinsic part of the rural way of life in Scotland.

17:00

Alex Johnstone (North-East Scotland) (Con): It was only when I became a member of the Parliament that I started to travel regularly by train. On my journeys from Stonehaven to Edinburgh during the first few days of the Parliament, I noticed a building to the north of Arbroath. It was quite an attractive building, sitting on top of a small mound. I was surprised to discover later that it was St Vigeans Primary School. The school was brought to my attention by people in the Arbroath area when it was suggested that the school might be closed.

A report that was published on 25 April goes into detail on the quality of the education provided at St Vigeans. The report is positive about the school: two categories are judged to be very good, 13 are judged to be good, five are judged to be fair and none are judged to be unsatisfactory. The report points out that the school's toilets are a poor feature. However, the parents have been saying that for years, and have been asking the council to upgrade them. There has been no capital expenditure on the school for eight years.

On 25 April, the education committee of the SNP-controlled Angus Council instructed the council's director of education to undertake preliminary consultation with staff and parents on the possibility of closing St Vigeans in June 2001. On 6 June, the education committee received the education director's report, recommending a statutory consultation exercise on closure. The committee accepted that, and the formal consultation process ran to 31 August.

The St Vigeans parents challenged a number of the education director's key points in the report. The report suggested that all gym activities take place in the local hall when, in fact, in suitable weather conditions physical education takes place in the field adjoining the school.

As recently as 1997, parents were quoted £40,000 to £50,000 as the sum estimated as being required for upgrading. The council now suggests that £250,000 would be the minimum amount. The parents refute that figure and have their own fully costed plans, which would cost some £70,000. They also point out that the council's figure of £250,000 includes improvements that are not needed. The replacement of windows and doors, for example, would cost £25,000, yet the existing ones seem perfectly adequate.

The report fails to point out that of the 33 Angus primary schools with fewer than 85 pupils, St Vigeans, with a cost per pupil per annum of £2,261 in 1998-99, is the most efficient.

The report says that there are problems of sound transmission between the classrooms, but that has never been raised by pupils, parents or teachers.

The report goes on to say that it is difficult to argue that St Vigeans Primary School is a focal point for community life in this area. Parents refute that accusation and say that the school is a key feature of local life.

On 14 September, the decision to close St Vigeans was taken. The recommendation will be referred to the First Minister—

Brian Adam (North-East Scotland) (SNP): I believe that there are two Conservative members on the council. The council has considered the matter more than once, and at no point did either of those councillors vote not to shut the school. Does Alex Johnstone think that he knows better than local councillors how to deal with the local situation?

Alex Johnstone: There are indeed two Conservative councillors on Angus Council, but I would not presume to dictate how they should act. They are not local to the area concerned, but come from some way distant.

Brian Adam: Not as distant as Mr Johnstone.

The Presiding Officer: Order. Let us proceed.

Alex Johnstone: Angus Council has consistently suggested that St Vigeans is not a rural school. However, the parents, pupils and teachers all consider it to be a rural school in many ways. St Vigeans is a small village outside Arbroath—close to it, admittedly, but separate from it. The school is in a unique setting with rural characteristics. It takes part in village life, it has links with the village church and it uses the village hall for a gym. Anyone considering the location of the school would see that it is a rural school. Parents feel that Angus Council has decided that it is not a rural school because that will enable the Council to close it more easily.

Angus Council seems to regard it as a sign of weakness that, in the term before summer, of the 42 pupils at the school, 28 came from outwith the delineated area, as a result of parental choice. Parents believe that that is a sign of how good the education provided at St Vigeans is. The parents choose to bring their children to the school because of its quality.

The chairman of the council's education committee, Brian Milne, has consistently suggested that this closure is not motivated by financial considerations. He tells us that it is motivated by the fact that the school is below the quality that is expected. However, the quality of the school building is partly due to the fact that it has received no investment over the past eight years; in that time, the council has failed to upgrade adequately the accommodation. Now Mr Milne argues that the school must close, but suggests that that is not for financial reasons.

The parents are especially concerned that their children will have to move from this small rural school into large primary schools in the Arbroath area. That, above all, is the concern that motivates the views that have been expressed to me. Many people in this room will have experienced the problems of moving from a village school to an important secondary school in a county town. The parents and I are concerned that the pupils of St Vigeans will have to suffer the consequences of that experience at a much younger age than is normally the case.

I have today put the case for one village school. I hope, when he winds up, that the minister will take the opportunity to comment on this one school in the context of a whole range of schools that have been discussed before, and will be discussed in the future.

The Presiding Officer: We have about 15 minutes for the open debate and five members would like to speak. I am sure that you can work out for yourselves that you have three minutes apiece if everyone is to get a chance.

17:08

Mr Andrew Welsh (Angus) (SNP): I have always tried to prevent rural primary school closures, and I have saved Angus rural primary schools from such closure threats. However, I have always made those efforts on the merits of each individual case. I cannot, in all honesty, argue against this particular closure.

St Vigeans is not some idyll of a remote rural primary school that is serving its local community, as this deliberately misleading motion would have us believe. More St Vigeans residents choose to send their children elsewhere than choose to send them to their local school. Two thirds of its pupils

come from outside the area. No community groups make use of the school buildings outwith school hours, except the parent-teachers association. The school is within the Arbroath area 30 mph limit, and children walk to school from the town.

The building, which dates from 1874, is completely inadequate for 21st century education. It cannot simply be patched up; it would require major replacement works. The gym hall is approximately a quarter of a mile away from the school. There is a lack of space for staff, storage or confidential discussions with parents. There is poor heating, poor acoustics, and a lack of a physical barrier between the play area and two main roads. Unaccompanied, children have to go in twos to get to the outside toilets. Post-Dunblane, they have to press a security buzzer to get back in. One of the two classroom teachers must leave her class unattended to open the door. Outside toilets might be acceptable to the Tory party, but they are totally unacceptable for 21st century Angus education.

The Government has ruled out any money or borrowing consent for a new St Vigeans school building. Therefore, resources for upgrading or replacement can only come from greater-priority-need Angus capital projects. Alex Johnstone has always ducked this issue. Let him now tell the parents of Angus which school projects he wants to cut out in order to rebuild St Vigeans. If he succeeds in getting the Government to keep St Vigeans open, which greater-priority-need projects does he demand that Angus Council axe to allow that to happen? I would be very happy to hear from him. He has always ducked the reality of what he is proposing. Kirkriggs Primary School? Maisondieu Primary School? Edzell Primary School? Which should be axed? That would be the consequence of the proposals in Alex Johnstone's motion.

In cases of true rural primary schools with no alternative within reach, pupils would have to be bused out of that area if their funding were lost. We have heard nothing about that in the motion or from Alex Johnstone. Angus Council has a superb record in secondary school and primary school building and investment across the district, from Letham to Glenisla and from Rosemount Primary School in Montrose to Hayshead Primary School in Arbroath. Rural schools have been given priority, from Birkhill and Mattocks to Glamis and Aberlemno.

I will be interested in the Government's response, given that this Government espouses value for money and best value. Where is the value in taking resources from higher-priority-need projects and transferring them to a primary school which does not serve its local community, while existing, underused, high-quality rural and urban

alternative places are available? Arguments about new housing developments in Warddykes are irrelevant, given that Warddykes Primary School has a capacity for 440 pupils and an actual roll of 260 pupils. Places are available in both rural and urban areas.

Alex Johnstone made no submission whatever during the formal public consultation process, and the decision by Angus Council to close St Vigeans Primary School was unanimous—it was backed by two Angus Tory councillors. The views of local Tories have therefore been ignored by regional Tory MSPs, whose educational policy is now all over the place. Tory councillors, with local knowledge and actual responsibility, say "Close it", while regional Tory MSPs, with no responsibility whatever, say "Keep it open and spend money on it", but will not say what they will close elsewhere to pay for that decision.

Alex Johnstone has led St Vigeans parents up the garden path on this issue, by acting without an ounce of responsibility as to the consequences of what would happen if the Government were now to contradict its own policies and act on the basis of this misleading motion. He should be ashamed of himself.

17:13

Mr Brian Monteith (Mid Scotland and Fife) (Con): I will draw my breath, Presiding Officer, after that measured and considered approach by the member for Angus.

I thank Alex Johnstone for raising the matter of the closure of St Vigeans school. We on the Education, Culture and Sport Committee often receive petitions about the closure or threatened closure of rural schools. I wanted to take part in this debate because it strikes me that, having seen much material about St Vigeans from both Angus Council and the parents, and having visited the school in my capacity of Conservative education spokesman, I feel that this is a classic example of a local authority ignoring its customers and pressing on regardless.

Shona Robison (North-East Scotland) (SNP): Will Mr Monteith give way on that point?

Mr Monteith: No, I am just beginning, and I will return the courtesy that Shona Robison's fellow SNP members extended to me.

What are the main reasons for the proposed closure? The first is the cramped staffroom and offices, about which the staff and teachers do not seem to be sufficiently concerned to believe that the school should close; they believe that the school should remain open. The second is the outside toilets for pupils. I find that an interesting argument in the context of the general

accommodation in the school, but particularly in that of the refurbishment of the toilets. For a long time, the parents have argued that the toilets should be upgraded. For those reasons, it is argued, the school should be closed. Yet, if it is to be closed and the pupils relocated, they would end up at Warddykes Primary School. If they were educated in some of the huts at Warddykes, they would have to go outside and across the playground in all sorts of weather to reach the toilets. I therefore argue against the rationale that outside toilets are the problem.

Having considered the evidence, it strikes me that the real problem is—

Mr Welsh: Will Mr Monteith give way?

Mr Monteith: No. Mr Welsh has had his go.

There is a problem throughout the country because local authorities that have not spent adequately on schools now say that, because of that lack of investment, schools must close. Small schools, which are popular and which give good value and good educational results, must be supported and more should be done to help them. I hope that the minister and the Education, Culture and Sport Committee will be able to do more.

Having heard a litany of reasons as to why the school should be closed, I cannot for the life of me understand why parents would want to send their children there, but send their children there they do. The parents do not share the concerns expressed by some members, and by the council, that those reasons are good enough to merit closure.

Alex Johnstone may not be able to say what he would do to change Angus Council's budget. That is because, as he has consistently said and Angus Council has consistently affirmed, the school is not closing for financial reasons. However, Mr Welsh tells us that it must be something to do with the budget. The council says that its decision is not budget driven. If it is not budget driven, we must be told why the school is to close, because it is certainly not for educational reasons and it is certainly not because of the fabric, as the alternatives are no better.

17:17

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Some of us—myself, the minister, John Farquhar Munro and Andrew Welsh—have been here before with this type of debate in our former lives as councillors. That is a point to which I shall return. I can understand why Alex Johnstone has lodged his motion and I congratulate him on securing a debate. Decisions on school closures are always difficult.

Members will recall that the Education, Culture

and Sport Committee asked me to look into the issue of rural schools and rural schools closures, and I produced my report just before the summer recess. One thing that struck me quite forcibly in conducting that exercise is that having detailed debates such as this, although worthy and understandable, is rather dangerous, as it undermines the autonomy and authority of local government.

Mr Welsh indicated agreement.

Mr Stone: I see that Mr Welsh is nodding in agreement.

Before we were elected, there was a scare among the councils, which were worried that there would be nothing to prevent the Scottish Parliament removing education services from the remit of local authorities. We owe it to our hard-working councils to be very careful about such issues and to send out the right messages. Mr Peacock, Mr Munro and I have argued about school closures in another place in the past but, like it or lump it, such decisions properly belong to local authorities. It would send a dangerous message if this Parliament were to attempt to change that situation.

Mr Monteith is on the Education, Culture and Sport Committee so he will know what I mean. We have strayed dangerously near the point where we probably should not go, where our remit and that of local authorities may appear to overlap. We can legislate and change the rules apropos rural schools and we may do that in due course, but that is up to the Executive, the minister and the committee. We may want to tweak the five-mile rule or the numbers and ratios, but that is as far as our role extends.

On a more positive note, I have always felt that the way forward is to have a more joined-up—although I do not like that expression—approach to rural education. I know that the minister agrees with me about that. If there is a separate village hall for leisure facilities, a school, a police station and a social worker, surely it makes sense to consider bringing those services together under one roof. In a small village with a one-man police house, why not have it by the school? That would help school security. This morning the Education, Culture and Sport Committee was asking Rhona Brankin about libraries. Why do we have a public library in one part of the town and a separate school library? Both facilities cost the council tax payer and we could achieve economies and improvements by bringing such facilities together.

The way out of this thorny, difficult issue is for the Executive and the Parliament to consider bringing services together. There have been some moves—Sam Galbraith and Peter Peacock have mentioned community schools and have

undertaken to consider taking the principle down to primary school level. I am sure that that is the way forward.

17:20

Irene McGugan (North-East Scotland) (SNP):

The issues are clear. Children in the 21st century deserve a fit-for-purpose learning environment. It would cost £0.25 million to bring the facilities at St Vigeans Primary School up to standard. The council has a number of competing spending priorities and several schools in the area have spare capacity. Objective analysis of that situation meant that the arguments in favour of closure significantly outweighed the arguments for retention.

The need to provide value for money and to make decisions in the best interests of children was reflected in the fact that last week the council, including Alex Johnstone's Conservative colleagues, voted unanimously for closure. The bottom line was that the building was not up to standard in a number of ways—it is not safe for children and it is disruptive to learning. The shortcomings were acknowledged in principle by the parents.

Alex Johnstone mentioned the HM inspectors of schools report that was published in April. HMI recommended that steps should be taken to make certain property improvements. There must therefore have been concern that the building's shortcomings would have a detrimental impact on the quality of education, no matter how dedicated the staff or how supportive the parents.

Children can now be educated in school buildings—some of which are rural; Warddykes is not the only alternative—that meet a higher standard than the current St Vigeans Primary School building and that offer at least an equally high educational standard, as educational standards are high right across the Angus Council area.

The nearest of the alternatives is only 0.6 miles away; St Vigeans is very close to Arbroath and is not rural in the sense of being isolated. I resent the implication in the motion that Angus Council is in any way threatening rural life, because it has an outstanding record of supporting rural development and of promoting initiatives to support and sustain rural communities.

I remind Alex Johnstone and Brian Monteith that more St Vigeans parents send their children elsewhere than to the local school, reflecting the ease with which other schools can be accessed and perhaps the fact that the school is not an absolutely vital part of the local infrastructure. It may be that, with vastly increased capital resources, the council would never have closed

the school, but that is not a luxury afforded to Angus Council, or indeed any local authority in Scotland, today's announcements notwithstanding. However, that is a matter better addressed by the Scottish Executive.

17:23

The Deputy Minister for Children and Education (Peter Peacock): For the second time recently, I find myself in the unusual position of replying to a debate about a particular school but being unable to address the specific question of the school's future.

I am aware that, as a number of members have said, Angus Council last week agreed unanimously to close the school. As I understand it, because the number of pupils is greater than 80 per cent of the school's capacity, the closure must be referred to ministers for a decision. As members might expect, because the decision was made so recently by Angus Council, I have not yet received papers or any advice from officials. It would therefore be inappropriate for me to comment on the circumstances of St Vigeans. We will have to await the council's application to the Executive, which will enable us to give the issue the consideration that it requires. To do otherwise at this stage would prejudice consideration of the case. Nevertheless, it has been useful to hear the points that have been made; I assure members that all those points will be taken into account when we come to make a decision.

The motion asks the Parliament to commend the quality of education at St Vigeans. Alex Johnstone and others have commented on that quality. The recent HMI report on the school gives an up-to-date and comprehensive summation of the school. I am happy to associate myself with that report, which makes it clear that St Vigeans provides a good quality of education in a number of respects, although, like most school reports, it notes that there is room for improvement. I am confident that the standards in most of Angus Council's schools will meet or exceed the standards set at St Vigeans.

Setting aside the particular case, I understand concerns about school closures and the strong feelings that they can generate. As Jamie Stone said, he and I encountered similar circumstances many times in Highland Council. However, local authorities have a responsibility to keep the provision of schools under review; that applies in all areas and to all types of settlements. When an authority proposes to close a school, there is a statutory consultation process involving parents and school boards to ensure that there is a full opportunity for all issues surrounding a closure proposal to be aired and to be properly debated in the proper place—the local council.

I am concerned that, in his motion and in the debate, Mr Johnstone placed such stress on St Vigean as a rural school, putting the matter in the context of wider rural issues. There is no precise definition of a rural school, but most people use the term to denote a degree of remoteness from other schools and from the facilities available in larger communities. I am not at all sure that it does genuine debate about rural schools any good to draw into that definition a school that, although in a country setting, is on the outskirts of a major town, close to other schools and close to the kinds of facilities that are available in towns but not so readily available in truly rural areas.

No doubt in arriving at the decision, Angus Council was aware of the attendance pattern at St Vigean, which a number of members have mentioned. I understand that the bulk of the pupils come from outwith the catchment area and go home each evening to other communities. I am not sure that that characterises a rural school of the kind I am familiar with in other parts of Scotland. Equally, Angus Council no doubt took account of the fact that more pupils from the St Vigean Primary School catchment area attend other schools than attend it. Again, that does not resemble the rural schools that I am familiar with. I will not be drawn into commenting on rural school issues in a debate about a school that is in close proximity to a town where there is obvious scope for free movement to alternative schools, as Irene McGugan and others have said.

It is often suggested that, if there were only more resources for schools in need of upgrading, the issue of closures would not arise. That is unrealistic. Authorities that are exercising proper stewardship should always be casting a critical eye over their building stock, including schools. That is entirely sensible and wholly in keeping with the principles of best value that, as Jack McConnell announced today, will apply not only to local government but to Executive functions. Faced with the need to upgrade and improve school accommodation, an authority should review the options very carefully. All responsible public bodies must ask themselves what the impact of their decisions will be on local and national taxpayers.

I could take this opportunity to have fun at the expense of the SNP. In Parliament, the SNP gives the impression of being opposed to the closure of small schools. I could make the point that, when people entrust the SNP with power—in very limited circumstances—it behaves differently. However, I will resist that—

Mr Welsh *rose—*

Peter Peacock: I must wrap up, Andrew.

I would be more concerned about an authority

that unquestioningly goes ahead with a programme of expenditure than one that takes proper account of its assets and how they are managed.

Unlike the Conservative party, which presided over 18 years of neglect of our school buildings and consistently reduced the amount of capital that authorities could spend on them, the Executive is demonstrably putting more resources into school buildings. As early as July 1997, we had identified the previous neglect and allocated £115 million over five years under the new deal for schools to help authorities to tackle the backlog of repairs and maintenance. We have guaranteed financial support for school public-private partnership projects with a capital value of over £500 million in 10 authorities. We have also just announced arrangements under which financial support will be made available to authorities to help to prepare further PPP schemes. The announcements that Jack McConnell made today, which we hope to flesh out over coming days, will help us to go further with that. Our recent consultation paper on national priorities also demonstrates our commitment to school buildings. In the case of St Vigean, Angus Council was clearly considering all the expenditure priorities that it faced.

Ministers will look carefully at the Angus Council proposals when they arrive on our desks and at the procedures that have been followed and the representations that have been made. We will consider all that before we reach a decision on the school's individual merits. As I said, the points that have been made in this debate will be taken fully into account in arriving at that decision.

Meeting closed at 17:30.

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