

MEETING OF THE PARLIAMENT

Thursday 5 April 2001

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Scottish Parliament

Thursday 5 April 2001

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

Structural Funds

The Deputy Presiding Officer (Mr George Reid): The first item of business is a debate on motion S1M-1825, in the name of Angus MacKay, on structural funds, and one amendment to that motion.

09:30

The Minister for Finance and Local Government (Angus MacKay): The most recent parliamentary debate on structural funds took place in October 1999, when we were near the beginning of the process of preparing the programmes for submission to Brussels. The structural funds programmes for the Highlands and Islands, the three objective 2 regions in west, east and south Scotland and the objective 3 training and skills programme for lowland Scotland have now been approved by the European Commission.

Preparing those programmes has demonstrated successfully the important changes that devolution has brought to the way in which we do European business in Scotland. In particular, I pay tribute to the European Committee's close attention and substantial input to our work as each programme was prepared. We are confident that the committee's involvement in the process of democratic scrutiny has made our programmes more robust, in that they now clearly reflect the interests of the regions and Scotland as a whole, rather than just sectoral concerns. That gives us a firm basis on which to use the programmes to maximum strategic effect in future.

The distinctive Scottish approach to structural funds is notable for its partnership approach and for its commitment to community-level involvement. The involvement of the Scottish partnerships in strategic policy making—through the Scottish co-ordination team and its sub-groups, and the sustainable development and equal opportunities forums—is highly valued by the Scottish Executive.

I draw attention to the important steps that we have taken to improve the administration of the structural funds programmes to underpin our objective to make them more strategic and to leave a legacy from this round. The new monitoring committees for all five programmes are

more strategic than they were before. For the first time, local authority elected members are serving on them, as well as representatives from the private sector and trade unions. The new monitoring committees have already demonstrated their ability to take a strategic approach to European programmes. I am certain that they will continue to develop that approach in the coming years, particularly through the new annual review process, which is demonstrating its value in concentrating minds on finding ways of continually improving the delivery and impact of the structural funds.

The bottom line is that the use of structural funds in Scotland should be about tackling poverty, through promoting social justice and a lifelong learning culture, and establishing equal opportunities for all. For example, in the field of social justice, the Scottish Executive set out its overall policy priorities for the current legislative period in its programme for government. We have developed our social justice agenda, first through the social inclusion strategy that was launched in March 2000, then through the report "Social Justice. . . a Scotland where everyone matters" in June 2000.

That report established priorities, such as empowering communities to make decisions and influence others, building skills and confidence, providing the right services and products and preventing any possibility of a digital divide. It emphasised also the role of social inclusion partnerships in regenerating Scotland's most deprived neighbourhoods, in tackling child poverty in partnership with the UK Government, in working to regenerate the most disadvantaged communities to ensure that decent affordable housing is available to everyone, and in promoting equality of opportunity and community development.

Mrs Margaret Ewing (Moray) (SNP): I am listening with great care to the minister's concept of funds being used to tackle poverty and influence social inclusion. Is he satisfied that within the voluntary sector, where European social funding is so vital, the elements of bureaucracy are not such as to deny the sector access to funds?

Angus MacKay: Yes, I am. As we move into the new round of awards, we are actively working with the voluntary sector on transitional arrangements, to ensure that the voluntary sector is equipped to cope with the changes and demands that are being made. I am satisfied that we are addressing the issue head on.

The issues that I have outlined coincide with the aims of the European structural funds, which are designed to improve the economic and social cohesion of the targeted regions. For example, the

west of Scotland objective 2 programme will use all the available funding for community economic development to fund projects in social inclusion partnership strategies. Equally, European structural funds do, and should, help to underpin our enterprise strategy. The funds in Scotland reinforce and add value to the Executive's support package for small and medium enterprises through the many schemes that they part-fund, which are run by, among others, local authorities and enterprise companies, to support and develop small and medium enterprises. All programmes include priorities that address the establishment, support and growth of SMEs as fundamental elements in increasing the economic cohesion of the regions. Those are just two examples of how we can best deploy structural funds to help to create the Executive's vision of a fairer, more prosperous Scotland.

We are active also at local level. In particular, we now participate in the advisory groups, which are key bodies in preparing recommendations for project approval. That is an important development, because more direct involvement by the Executive helps us to engage more fully and at an earlier stage with the partnerships that put so much work into making a success of structural fund interventions. That active engagement will ensure consistency between what is proposed at local level and our aims at national level. It is an excellent example of partnership working between the Executive and local bodies.

We have taken further significant steps to ensure that the new programmes are implemented in a way that promotes best value. All applications for European funding must now demonstrate how the proposed project represents good value. That is a critical consideration in the appraisal process. We are also working closely with partners and the programme executives to develop a more strategic approach to project development and implementation, to avoid duplication and ensure that a focus is placed on performance and outputs. Increasingly, we will focus on area-based strategies. All those measures—binding together local economic forums, community planning and social inclusion partnerships—are critical to developing maximum value for money. We will need time to make that work in practice, but we are heading in the right direction.

We have also taken steps to streamline the process of administration of structural funds, as recommended by the review of project management executives that was carried out on the Executive's behalf by a team led by Lex Gold of the Scottish Chambers of Commerce in early 2000. The team's report considered that we should retain the best aspects of the Scottish model of implementing structural funds. In particular, we should continue to manage the

programmes in an open and transparent way with strong input from local and regional bodies, rather than use them as an adjunct to central Government programmes, as is the case in some other parts of the European Union.

Those who are involved in implementing the structural funds programmes have done much work over the past year to implement the recommendations of the review. Changing how things work can be a difficult process in any circumstances, but it was particularly difficult for the many bodies throughout Scotland that have become dependent on structural funds for their operation. We are being as sympathetic as we can be during the transitional period. I mentioned that we are actively engaged with the voluntary sector, but we need to move to a system for the future whereby each project application can demonstrate that it reinforces and adds value to existing activities.

The attempt to leave a lasting effect is as important for the European Union as it is for us in Scotland. We are fortunate that the EU's priorities and ours chime extremely well together. We have been asked, as have all managing authorities, to embed the so-called horizontal themes of equal opportunities and sustainable development in the delivery of structural funds. We take that seriously. If we achieve our ambitions, the structural funds should produce a lasting impact for Scotland and Europe beyond the current generation.

The programmes are now being implemented and awards are being made. Over the past four months, important awards supporting projects in business development, infrastructure and training support have been made in the Highlands and Islands and objective 3 areas. I am particularly glad to be able to announce today a series of awards for the south of Scotland amounting to nearly £6.5 million—supporting nearly £16 million-worth of projects—which I hope will help to support the current process of recovery in the rural economy.

Christine Grahame (South of Scotland) (SNP): The Executive has announced an objective 2 support package of £6.5 million for the south of Scotland—I take it that that is what the minister has just announced and led on. Is that money a slice of the total European funding of £45 million for the south of Scotland?

Angus MacKay: That is correct. I could say more, but that answer is succinct.

We look forward to announcing further approved projects for the west and east of Scotland objective 2 programmes in the early summer. Objective 2 projects will be on business and social development and will support the economies of many parts of the country.

For most of us, structural funds are the most visible presence of the European Union in Europe's regions and countries. Structural funds are the key element of the EU's regional policy to support well-planned economic development where it is most needed. Awards of structural funds are therefore an important display of European commitment to supporting Scotland's regeneration.

However, we are not involved in European funding simply because of the resources that it brings to Scotland. We have a much wider agenda, which will ultimately act to Scotland's benefit. European funding programmes are designed to meet European objectives as well as UK, Scottish and local objectives. That is part of their strength. When the EU expands to include countries from central and eastern Europe, the relative balance of European support will flow to the new member states. It is essential that we work now to ensure that Scotland plays an effective role in helping to shape the new programmes. We must also work now to ensure that, when resources diminish, our involvement in the European Union pays practical dividends in other ways, through funding support in Scotland.

That is why we were delighted to welcome to Scotland last week the president of the European Investment Bank, Monsieur Philippe Maystadt. The European Investment Bank was established by the Treaty of Rome to provide loan support, guarantees and finance for regional development. It has invested in Scotland for many years, in projects such as the development of our oil and gas industry, transport infrastructure and, more recently, the development of the public-private partnerships that have been successfully implemented for schools in Falkirk and Glasgow.

I am especially glad that our discussions with Monsieur Maystadt helped to develop some important possible joint projects with the bank. Subjects that were covered included possible investment in the steps that our universities and enterprise bodies are taking to promote the commercialisation of research and work to develop the regeneration of Glasgow, public transport infrastructure and information and communications technology networks. Those are all important policy priorities for the Executive and I am delighted that the EIB is keen to work with us on them.

Another key strand in the development of our approach to the effect of enlargement on European finance is to try to work closely with the accession states to develop their institutional capacity to implement structural funds programmes. Those links are important for several reasons. They show important countries in central Europe and future EU partners the expertise that

we have gained in the past 20 years in core elements of EU business. The links are a valuable opportunity for developing contacts on wider issues. We are receiving regular inquiries from other regions of Europe about the possibility of opening regional offices in Scotland House in Brussels. The links show that Scotland is willing to grasp fully the substantial commercial opportunities that enlargement will bring. They also provide a means of helping to shape the future debate on the development of European funding.

That point is particularly important to the Executive and should be important to all members. Structural funds are only part of Scotland's overall relationship with Europe, but they have helped to underpin a strong level of commitment to the EU from all parts of the country.

Scotland is becoming one of the Community's richer regions. That will be inevitable after 2006. We cannot expect to receive as much from structural funds as we do at present. Nevertheless, we retain a strong interest in ensuring that Scottish needs and concerns are properly factored into the process.

Alex Neil (Central Scotland) (SNP) *rose—*

Angus MacKay: Against my better judgment, I will give way to Alex Neil.

Alex Neil: I would like to get the picture straight. Scotland is not becoming relatively more prosperous; other areas are becoming relatively poorer, especially as the EU expands and brings in other Mediterranean and eastern European countries. The minister has not mentioned what will happen when the EU expands and the funding for all the programmes reduces dramatically in four, five or six years' time.

Angus MacKay: Alex Neil is wrong. Scotland is prospering and becoming a wealthier nation. That challenges us to find new ways forward. The accession states' economies have deep structural problems and those countries have lower gross domestic products than those of the UK and Scotland, so Alex Neil is right to say that when those countries join the EU, we will have to compete for funds in different ways. I do not like to contradict Mr Neil completely, but I just used at least two pages of my speech to outline the steps that we are taking, through contacts with the European Investment Bank, to ensure that future flow funds are available to us after the current round of structural funds ends in 2006 and before then as well. I hope that he accepts that I tried to address that point.

Mr David Davidson (North-East Scotland) (Con): The minister has not mentioned the financial instrument for fisheries guidance. Last year, the relevant documents were sent out late,

no applications were received and no money was paid out. This year, £4.1 million is available. The papers must be in by 20 April. Is the minister on course to ensure that the funds are delivered to Scotland's fishing communities?

Angus MacKay: I take seriously the point that Mr Davidson makes and I will pursue it to try to ensure that the funds are administered timeously. If Mr Davidson had intervened on a subject that was closer to the topic for debate, I had intended to deal with the Conservative party's record and policy position on Europe.

Mr Davidson: Our record is very good.

Angus MacKay: As Mr Davidson, from a sedentary position, has given me the opportunity, I will deal with that interesting policy position. Would Mr Davidson care to acknowledge that William Hague has some individuals with fairly extreme views in his shadow Cabinet? Those individuals' views would seriously and directly threaten Scotland's capacity to benefit not only from structural funds, but from Europe as a whole. Six members of the shadow Cabinet are vice-presidents of Conservatives Against a Federal Europe, or CAFE. That group's explicit aim is withdrawal from the EU.

Mr Davidson rose—

Angus MacKay: I will give Mr Davidson the opportunity to intervene when I have finished covering Conservative policy. CAFE says that it wants Britain's relationship with Europe to be fundamentally renegotiated. Its adherents, including John Redwood, believe that we should leave Europe and join the North American Free Trade Agreement.

CAFE's website states:

"we must withdraw from the European Union and negotiate a series of trade treaties that allow us to do business competitively, not only in Europe but throughout the world."

Six shadow Cabinet members are vice-presidents of that group. I am not talking about a group of tinpot Conservative councillors in an English shire backwater. Perhaps Mr Davidson would care to comment.

Mr Davidson: I did not realise that the minister read the cultural pages about café society in London. He spoke earlier about federal Europe. The Conservatives have made it clear that we wish to be in Europe, but not run by it. A federal Europe takes away the country's sovereignty. That does not necessarily mean that we wish to leave the European Union. We just do not want it to take over how we run our lives.

The Deputy Presiding Officer: That is an interesting byway, but we are beginning to stray somewhat from the motion.

Angus MacKay: Before the debate, several members told me of their concerns about my capacity to talk about structural funds for 20 minutes and their capacity to sustain the debate, so I am more than happy to explore that leafy and interesting byway of Conservative party policy.

I referred not to a federal Europe, but to the growth of Europe through the inclusion of the accession states. I will leave Conservative policy on the EU with this thought—a quotation from the venerable, extremely Euro-sympathetic and balanced Teresa Gorman:

"The Conservative Party under William Hague's leadership has come a very long way towards the position that I have always adopted"—

whatever that is. She continued:

"I'm pleased by the way things are going."

I leave that quotation sticking to the wall.

Mr Davidson rose—

Angus MacKay: I will not yield to the temptation to give way further on the Conservatives' European policy.

I do not have much time left, so I will say that I think that it is important to debate structural funds. I welcome today's debate. Structural funding has been extremely important to Scotland in the past 20 years. It has given lasting benefits to the development of our economy and society.

The importance of structural funds is recognised not only by us but by the Scottish nationalist party, which in its 1997 manifesto devoted an entire sentence to structural funds. It stated:

"We will ensure that rural and urban areas of Scotland receive maximum help from the appropriate EU funds."

What a radical and far-reaching strategy. By 1999, that policy had evolved down to 12 words—obviously as part of the new process of modernisation that is taking place within the Scottish National Party—with a new, improved and more robust line:

"We will also manage and evaluate European funds to Scotland's best advantage."

That had become the new position. I want to record the Scottish National Party's radical view on structural funds.

I will not intrude on the private grief of the Ewing dynasty with respect to objective 1. An outstanding deal was secured for the Highlands and Islands by the Labour Prime Minister in 1999, but it seemed that different husbands, wives, mothers, daughters, cousins and friends of the Ewing dynasty had different views on how objective 1 status for the Highlands and Islands should be evaluated and whether Inverness should be in, out or shaking it all about.

To conclude, we recognise that, after 2006 and following European Union enlargement, Scotland will receive reduced levels of investment from the structural funds. We should recognise that that reflects the economic progress that Scotland has made—which has been helped partly by structural funds—as well as the future accession of poorer states.

To build on the programmes' concrete achievements, we are already working actively to increase the synergy between structural funds programmes and wider Scottish Executive policies, so that the expertise that has been gained through the implementation of the funds can continue to be used in Scotland.

I move,

That the Parliament welcomes the progress made to develop Structural Funds Programmes in Scotland which will have a lasting effect and supports the steps being taken by the Scottish Executive to develop a broader strategy in relation to European funding issues in preparation for the enlargement of the European Union.

09:52

Mr Kenneth Gibson (Glasgow) (SNP): Perhaps, in response to CAFE, Mr Davidson could form TEA—Tories encouraging assimilation.

The SNP is pleased to state that we support the Scottish Executive's broad objectives on Europe: promoting new technology; the concept of working in partnership; mainstreaming equal opportunities and sustainable development; making social inclusion a critical element of economic development; promoting inclusiveness and sustainability.

Throughout the countries and regions of the European Union, there are disparities in the levels of wealth, economic development and social cohesion. To address those anomalies, the EU implements a major set of initiatives—commonly referred to as European structural funds—that support national policies in the least prosperous regions and in national and regional labour markets. Structural funds are the second-largest item of EU expenditure and consist of four main financial instruments: the European regional development fund, the European social fund, the European agricultural guidance and guarantee fund, and the financial instrument for fisheries guidance—which Mr Davidson touched on.

Funds are allocated on the basis of three objectives. Under agenda 2000, the number of objectives was reduced from six to three. Objective 1 includes NUTS level 2 regions—NUTS is the nomenclature of statistical territorial units—that have a per capita gross domestic product of less than 75 per cent of the Community average. Objective 1 also includes areas with high

population sparsity as well as the most remote regions, which are included because of their peripherality. Objective 1 accounts for some 70 per cent of structural funding. The criteria for objective 1 remain unchanged except that the former objective 6 areas have now been included under objective 1. However, the proportion of the UK's population that is covered by objective 1 funding has fallen from a quarter to a fifth since 1999, because of the removal from eligibility of the Highlands and Islands.

Objective 2 includes regions that have major economic and social restructuring needs, rural decline, areas that are experiencing the decline of industrial fisheries, and urban areas in difficulty. Objective 2 funding accounts for approximately 11.5 per cent of structural fund allocations.

Objective 3 funding is for the development of human resources, the modernisation of educational training and employment systems, and combating social exclusion. Objective 3 funding accounts for about 12.5 per cent of structural funds.

The Highlands and Islands lost its objective 1 status in the final round of allocations. That could have been avoided if regional maps had been redrawn to exclude Inverness. Labour members may believe that to be fanciful, but Manfred Beschel, who is head of the unit for structural funds, explained to Mike Watson and me—when we met him a couple of weeks ago in Brussels—how the Republic of Ireland redrew its regional maps.

At the time of negotiation, the Republic of Ireland's gross domestic product stood at 97 per cent of the EU average. To secure objective 1 status, Ireland created a new, artificial region to the west of Dublin and its environs. That region had neither budget nor powers. The so-called border, midland and western region was drawn up to exclude areas of prosperity that could jeopardise access to objective 1 funding. As a result, Ireland will receive £360 million for that region in objective 1 funding and £67 million in transitional relief for the more prosperous southern and eastern region up to 2006.

In contrast, Scotland—a more populous, less prosperous country—will receive only £194 million in objective 1 moneys for transitional relief in the Highlands and Islands. Although that money is welcome, the opportunity to retain objective 1 in the Highlands and Islands and to create a region that would have centred on Glasgow and the Clyde valley was missed. I will develop that point, but the minister is desperate to intervene, so I will let him do so.

Angus MacKay: I am more than happy to provide an intervention for Mr Gibson.

I have in front of me an excerpt from the *West Highland Free Press* of, I think, 8 April 1999. I simply wish to quote from it the clearly expressed views of three SNP members of the Scottish Parliament. On tearing Inverness out of the Highlands and Islands—we know that the SNP likes to tear up maps and take things out of one place or another—does Mr Gibson agree with Dr Winnie Ewing, who described the objective 1 status as “a defeat” and a “terrible situation”, or with Margaret Ewing, who rejected the idea of tearing Inverness out of the map, saying:

“It’s difficult to take the capital of the Highlands and Islands out of the picture and I think they would be very angry about that. You can’t talk about the Highlands and Islands without Inverness”

or with Fergus Ewing, who was an SNP candidate at the time and simply

“could not be contacted for comment”?

Mr Gibson: I felt as if I was dying of old age listening to that intervention. I make the point that half a loaf is better than no bread.

Why did the Highlands and Islands lose objective 1 status? It lost it because a complacent Scottish Office took its eyes off the ball. Millions that could have gone towards meeting the Executive’s laudable new structural fund programme objectives have been lost. Did the Irish just pull a flanker? Hardly. Sweden and Finland, both more prosperous than Scotland, used the same tactic to obtain objective 1 status, creating new regions that could secure funding by way of sparsity. My nationalist colleagues and perhaps even one or two members of the north British parties will conclude that that is because those independent nations of small population were able to use their seat at the top table to achieve success.

Even in our unitary state of the United Kingdom, the tactic was used successfully. The Welsh Office realised early in the restructuring process that Wales, if divided on a north-south basis, would not qualify for objective 1 funding under the new criteria. Such a division did not distinguish between the poor west and the prosperous east of the country. The Welsh Office worked to redraw the EU regional map of Wales and redivided the country on an east-west basis. The new western region, which had a GDP of 72 per cent of the EU average, qualified for objective 1.

If only the new Labour colleagues in the Scottish Office had been as switched on. Overall, Scotland will benefit to the tune of £1.094 billion in structural funds across all three objectives up to 2006. What is the beef? In the corresponding period up to 1999, we received £2.17 billion. The ineptitude of new Labour on structural funds has cost Scotland more than £1 billion.

Mr Davidson: Would Mr Gibson like to repeat those figures so that Labour and Liberal members understand what a good job we did for Scotland?

Mr Gibson: Perhaps the Conservatives did not do as good a job as they could have done, but they certainly did a better job than new Labour. New Labour has cost the country £1 billion.

On 13 November, Mr MacKay told the Convention of Scottish Local Authorities that structural funds programmes would bring 65,000 new jobs to Scotland. That is fantastic. However, the number of jobs could have been double that if we had received that extra £1 billion. Even our percentage share of UK structural funds has fallen by a third. At the meeting that I had with Mr Beschel, we discussed EU enlargement. The accession of mainly former Soviet bloc countries will provide many opportunities for Scottish industry and commerce—I am glad that Mr MacKay addressed that in his opening speech—but the low standard of living in those countries will inevitably shift almost all structural funds resources from the west to the east of the EU unless the structural funds criteria are altered.

The Scottish Executive must ensure that its voice, which has been something of a whisper to date, is heard in the discussions if Scotland is not to lose out completely. It would also help if an eye was kept on what other nations, including nations of the United Kingdom, are doing.

How are EU structural funds delivered? That question seemed to perplex Mr MacKay’s predecessor as finance minister, and the rival for the succession, last year. According to Mr McConnell, the mechanism for EU structural fund allocation has changed since the devolution settlement. Pre-devolution, ESF moneys were transferred via the Treasury and other departments to the Scottish Office and then to local programmes.

In his evidence to the Finance Committee on 13 June 2000, Mr McConnell said that ESF money now comes from the European Commission directly to the Scottish Administration. He also said that ESF is part of the assigned Scottish budget that was agreed during the devolution settlement and can be identified as a separate budget heading in the Scottish budget. He then stated unequivocally that the Barnett formula plays no direct or indirect part in the allocation of ESF. At the same time, he said that allocations to Scotland are part of the comparable expenditure included in the calculation of the Barnett formula.

Mr McConnell further stated that the amount of ESF in the Scottish assigned budget over the next seven years will be greater than the amount that we are allowed to spend. Thus, not only have structural funds halved, but we may be prevented

from spending even those moneys that have been allocated. It is hard to imagine how more money can be allocated to the ESF budget line if the money comes direct from the EU to the Scottish Executive. Mr McConnell acknowledged that the process is "complex", but aside from negotiations with the Commission, the transfer of funds would seem to be straightforward if there is, as the former finance minister said, a direct transfer from Brussels to Scotland.

On 13 June 2000, Mr McConnell said:

"The only thing in that which I want to correct is that when the European Commission pays the cheque"—

that is, the structural funds—

"it does so directly to us, as the managing authority. It does not get paid to the Treasury to be passed on to us."

The illustrious David Davidson asked:

"So the Treasury has no place in this?"

Mr McConnell replied:

"The money from the European Commission goes directly to the Scottish Executive, and we pass it on to local projects."

He went on to say that

"the funds go directly to the devolved administration in the UK. We get the funds directly from the EC."—[*Official Report, Finance Committee*, 13 June 2000; c 654-63.]

Previously, on 30 May 2000, Mr McConnell had told the European Committee:

"The money is transferred via the UK Treasury to Scotland for spending on the structural funds. That money is allowed for in our budget clearly and identifiably and has been for many years, despite the initial difficulties with additionality."

He repeated that later in the meeting, when he said:

"The money is passed from the European Commission to the UK Treasury and then to the Scottish Executive".—[*Official Report, European Committee*, 30 May 2000; c 700-05.]

We need clarification on the process of transfer between Brussels and the Scottish Parliament and what role, if any, the Treasury plays.

Hugh Henry (Paisley South) (Lab): Will the member take an intervention?

Mr Gibson: I would like to, but I am only two thirds of the way through my speech and I am down to my last four minutes. I am sorry, but Mr MacKay's rambling intervention cost me about one minute.

The then Secretary of State for Scotland, John Reid MP, was less than helpful when questioned on the matter by the Westminster Scottish Affairs Committee on 7 September. He refused an invitation to attend the European Committee of the Scottish Parliament, saying:

"I have no intention of speaking to committees or otherwise in the Scottish Parliament because I am accountable to this Parliament."

How humble of him. He recommended that there should be

"greater transparency in the publication of information on how the Barnett formula works in practice with respect to Structural Fund expenditure planning."

I hope that Mr Peacock can clarify the situation in his summing-up.

On 13 June last year, Professor David Bell told the European Committee:

"Additionality is the notion that European funds should be additional to whatever level of spending would have occurred in the relevant country. I am sure that the committee is aware that additionality is currently determined at UK level, which means, for example, that if all of Europe's funds were spent in Lesmahagow, the additionality criteria could still be satisfied for the whole of the UK."—[*Official Report, European Committee*, 13 June 2000; c 727.]

The European Committee was unable to establish additionality at regional level, thanks to the lack of co-operation from UK departments.

Angus MacKay himself said:

"The requirements and procedures for demonstrating additionality at the European level for the Member State are not compatible, and would not produce consistent outcomes, with programmes at a Scottish level. I therefore do not intend to publish this information in such a way as to 'verify' additionality at a Scottish level."

Yet surely the allocation of structural funds that Scotland receives must be able to be demonstrated as additional. We should be told whether, for example, UK structural funds have been traded off against the UK-EU rebate, as Mr Beschel suspects. Why would the Treasury do that? Because money rebated can be spent as the Treasury wishes. Structural funds cannot.

Funding must also be allocated to match structural fund receipts. For programmes undertaken by the Scottish Office, matching funds must also be found from within the departmental expenditure limit. For programmes undertaken by other bodies, matching funds must be provided from their own budgets. However, those may be largely provided by grants or grants in aid from the Scottish budget.

The European Committee seemed largely satisfied that match funding was being provided, but recommended that

"the Scottish Executive should: (a) investigate the likely availability of match-funding over the coming programming period; (b) monitor the flow of projects and co-funding from the various types of partners involved in the programmes; and (c) provide regular, transparent reports on programme performance with respect to match-funding."

However, it does not appear that any additional allocation within the Scottish departmental

expenditure limit has been made for match funding.

On 6 June last year, the Scottish Parliament's Finance Committee and European Committee asked Gordon Brown to give evidence as part of their inquiry into European funds.

In a letter to the Finance Committee, the chancellor declined the invitation and stated that he would not even be sending a civil servant. The European Committee received a similar refusal. In the letter, Gordon Brown said that John Reid would be giving evidence at Westminster. He stated:

"I understand he"—

John Reid—

"has been asked to cover structural funds, among other issues. While I appreciate your wish to hear from Treasury ministers or officials, I feel that on this occasion this is the best way forward."

Mike Watson, convener of the Finance Committee, was not happy with the Chancellor of the Exchequer's response. In the Finance Committee, he said:

"I find the response from the Chancellor of the Exchequer disappointing, but not entirely surprising, particularly given his reluctance to give evidence to the European Committee on the same subject.

However, I do not regard being referred to a meeting that will take place between John Reid and the Scottish Affairs Select Committee at the House of Commons on 21 June as an adequate substitute for hearing the chancellor's evidence. I am open to members' views about how we should proceed. Given that a senior civil servant from the Treasury has already given evidence to the committee, I believe that we are entitled to at least that level of evidence for the inquiry. Otherwise, I fear that suggestions will be made that it is never appropriate for officials or ministers from the House of Commons to give evidence to Scottish Parliament committees. That should not be accepted.

That is my personal view of the matter. Before we decide how to proceed, I invite the views of members of the committee."

Needless to say, other members, such as Mr Davidson, Mr Raffan and Andrew Wilson agreed. Mike Watson added:

"We have asked for the benefit of the Chancellor of the Exchequer's knowledge of the system and our request has been declined."

Richard Simpson said:

"We cannot let the matter rest here because of the precedent that that will set—the Executive should take it up. We should ask the relevant joint ministerial committee to review the process and to ensure that appropriate officials or ministers will make every effort to assist Scottish Parliament committee inquiries. Gordon Brown's letter is unacceptable."—[*Official Report, Finance Committee*, 6 June 2000; c 628-30.]

I hope that the minister will pursue that matter, as the issues surrounding structural funds are too

important for it not to be pursued.

I move amendment S1M-1825.1, to leave out from "the steps" to end and insert:

"steps being taken by the Scottish Executive to develop a broader strategy in relation to European funding issues in preparation for enlargement of the European Union, but notes the failure of the Scottish Office to secure the retention of Objective One status for any area of Scotland by re-drawing the regional map as was successfully done for their own regions by the Welsh Office, Ireland, Sweden and Finland, thus depriving the Executive of vital resources needed to develop its Structural Funds Programmes and reducing the scope, impact and likely success of the outcomes sought by both it and the Parliament."

10:07

Mr David Davidson (North-East Scotland) (Con): We are obviously into panel games. To the SNP I offer NUTS: nationalists under threat in Scotland.

The minister will not be surprised that I cannot agree with the wording of his motion. I was disappointed that after "lasting effect" he did not put "on the Scottish economy", but we will come back to that. I take the opportunity once again to remind the chamber that we Conservatives managed to obtain a 20 per cent share of UK structural fund allocation in Scotland between 1979 and 1998. Members will agree that that is a fairly good record.

Hugh Henry: Does David Davidson recognise that, as Angus MacKay and Kenneth Gibson said, the allocation of structural funds is largely to areas that are underperforming and which suffer high levels of poverty and that the success that the Conservatives managed was directly related to their management of the economy?

Mr Davidson: I take Hugh Henry's point, but there were other factors, outside the UK economy, which he knows of only too well. Unfortunately, we appear to be approaching a recession—perhaps he would like to address those comments to the Minister for Finance and Local Government.

Unlike the SNP, we do not believe that Scotland should be run on an old-style, collective basis, dependent only on public funding and subsidy. That is why we seek skilful use of partnership funding—we share that view with the minister—especially in co-operation with the private sector.

It is just not good enough for the separatists to moan and groan about bad deals and to blame Westminster for everything. It would be refreshing and interesting to hear from them exactly what they would do if they dragged Scotland out of the UK, which has a voice in Europe, into a new existence of peripherality at the back end of a queue of emerging entrants. Independence in Europe is a joke—I believe some members on the

benches opposite are beginning to think similarly about that.

Mr Gibson: Will Mr Davidson name the members of the SNP group who no longer believe in independence?

Mr Davidson: I did not actually say that. It is obvious that Mr Gibson was not listening.

Mr Gibson: Mr Davidson referred to "members opposite". Unless he has a very severe squint, he will have noticed that the SNP group sits directly opposite him.

Mr Davidson: I am sorry. Mr Gibson missed what I actually said, but he will be all right when he reads my speech tomorrow.

The UK has collective clout and partnership is the way forward. When Mr Peacock winds up the debate, I would like him to explain the strategy for future partnership with the private sector and not just the strategy for partnership with small and medium enterprises that was mentioned, although it is welcome. I happily agree with the minister on and acknowledge the hard work done by the various local authorities and agencies in preparing the submissions, but I remind him that he himself has a hand in the decisions about what programmes go ahead. If he seriously wants to review the application process, I hope that he will come back to the chamber so that we can discuss it further. I agree that there will be disappointment in some areas that will no longer get the support that they had in the past but, to respond to Mr Henry's question, I suggest that that is perhaps because those areas are now in a better state in comparison to Europe.

The funds must be focused on the areas of greatest need and there must be a definition of greatest need. There will always be winners and losers in that process, but we must target moneys at disadvantaged areas. Angus MacKay referred to certain disadvantaged areas, but the current rules miss certain pockets of disadvantaged housing in Aberdeen, because Aberdeen as a whole is perceived as being reasonably affluent. We must be more focused in our targeting of specific projects. Perhaps that could be dealt with when changes are considered in future.

The Conservatives are committed to enlargement. We may have our differences about involvement in Europe and how much Europe influences our affairs, but we have got a good deal for Scotland over the years and we look to the Government to continue with that. It would be helpful, of course, if the Commission could become more productive and cost-effective in its working, which would release more funds for dispersal.

As some SNP members have said, this

Parliament must take responsibility for preparing for the day in five or six years' time when there will be tremendous stresses on our ability to get good resources from Europe. When we get those resources, we must focus them on the best areas for payback—areas that improve employment ability, lifelong learning and infrastructure—not just in the central belt, but in other parts of Scotland. We need the economic drivers to be delivered through those funds; they should not be used only for social projects. If we spend money only on social projects, the social costs of not taking action in the economy now will outweigh any benefit that we have received in the past when the long-term downturn in the economy happens. I would like to hear Peter Peacock's response to that point.

Parts of our economy are in deep trouble at the moment. The problems that face the fishing communities in the north-east are not new. It is just fishing that seems to be under pressure now, but in the past there were huge job losses in some of the driver industries and tool making. The problems must be dealt with as quickly as possible. I beg Angus MacKay to ensure that the objective moneys are used to get in early, to turn round the economy in the areas that are now badly damaged by the downturn in fishing, fish processing and associated industries.

Angus MacKay mentioned moneys for Dumfries and Galloway. I welcome the fact that that money is available and I am sure that my colleagues from that area will do exactly the same, but I also welcome the SNP's question that revealed that it is not in fact new money, but pre-announced money. I wish that the minister and the Executive would stop doing that. They should be specific and say, "This is what we will do with the money, which has already been announced," rather than make out that it is something new. The minister was caught out on that this morning.

I would like Mr Peacock to tell us about the Executive's long-term commitment to changing the rules on matched funding and about what leeway it has in Europe to do so. We are net contributors to Europe and our percentage return will diminish, as everybody has said. We must ensure that we do what we can within the rules to be creative and productive with the moneys that we receive. I said before that the cost of social support can wipe out any gain: I want Mr Peacock to tell us specifically about the points that Scottish ministers are currently considering in conjunction with their colleagues at Westminster for improving the process.

Money can be spent only once. That is a fact of life and something that we have to live with. We must not put off making decisions, as happened last year with the FIG. It is important that we do not lose moneys at an early stage and it is vital

that whatever allocations are made—to the Dumfries and Galloway area, for example—are based on current need. Some of the announcement that was made on Monday was obviously based on the conditions prior to the foot-and-mouth outbreak. I would like the minister to tell us how those figures have altered since the outbreak began and how the Executive perceives the required change. We have heard details of problems in the textile industry and in agriculture in that part of the country, and I know that the people down there will be very anxious to hear clearly from the minister today how he intends to deal fully with the situation.

I know that the Enterprise and Lifelong Learning Committee is looking at changes in the economy as a result of the new technologies, but we must realise that it is not just the old industries that are going down. Job losses have been announced this week in the semiconductor industry and in the manufacturing of personal computers. If those newer industries are also going down, the Executive must take a much more proactive position on the economic drivers that are needed to correct the situation. We must investigate ways of using the structural fund moneys in a sensible manner and we must do so early, rather than put it off. It would be interesting if the minister could tell us whether, because of the needs of the economy at this time, it is possible to draw down future funds. I am not sure of the rules about that, but can a special case be made? Perhaps the minister can enlighten us.

I welcome back Tavish Scott to the land of the living and I look forward to his speech. It would be nice to hear what the Liberals would do about structural funds. As with most policy areas, we have not had a clear statement from them as to what they would do in Europe. We would also like to know whether they still believe in a high-tax economy, because high-tax economies do not encourage economic and social development. The money that goes to Europe comes out of taxation—we agree about that—but the Liberals must explain their policies to us a little more clearly. Doing so this morning would be a good start.

We have done a good job in Europe. The SNP agreed with me about that—we all have our moments.

The Deputy Minister for Parliament (Euan Robson): Mr Davidson has just praised the investment in Dumfries and Galloway. If the Conservatives have done such a good job in Europe, can he explain why, in 1982, as the map I have with me shows, assisted area status was removed from the very part of the world that he now says should benefit from the money? Can he explain why it took 17 years to recover that status?

Does he welcome the fact that it has been recovered?

Mr Davidson: If one looks at the fine print behind that map and at the changes that have taken place in the economy of the area—

Euan Robson: It is all on the map.

Mr Davidson: I am sorry, but I cannot read the fine print from here. Yes, help was given to the economy of that area and it partially recovered and, yes, it has new sets of problems, not least foot-and-mouth. I admire the fact that Euan Robson was obviously a geography teacher; he has such wonderful maps to bring to the chamber.

The Conservatives are prepared to work with Europe. There is no doubt about that. What we would like Europe to do is to work with us. We need a Europe of sovereign states. They will work best together and will be able to maintain their identity, but we need to co-operate. We have no problems with that, despite the humour that comes from the SNP benches. We have proved that we can work in Europe. We can be strong for the UK in Europe and we will continue to be so after the next election.

10:20

Tavish Scott (Shetland) (LD): And, after the next election, the Conservatives will continue to be so from the Opposition benches, where they are now and will be for many years.

Mr Davidson said it all: the Conservatives are prepared to work with Europe—pause—on their terms. Little more needs to be said on the European policy of the Conservative party.

On fishing, Mr Davidson and many of his MSP colleagues in Scotland take a reasonable line on the reform of fishing policy, in the European context, which is diametrically opposite to the position taken by their colleagues at Westminster. The Conservatives have two positions on reform of the common fisheries policy; if Struan Stevenson is added, arguably they have three positions. The Conservative position on Europe is clear: it is not clear.

Mr Davidson also did that classic Tory thing of running out a few hoary old myths about Europe. The one about bureaucracy is one that William Hague's Tories like to trot out now and again. It might interest Mr Davidson to observe that the staff directly employed by the European Commission number around 15,000, which is roughly equivalent to the average number of staff employed by a large local authority in the UK. Those old myths somewhat defeat the argument. When Mr Davidson challenges all the other parties to say what their policy is, the least that the Tories could do is admit that they have no policy on

Europe, other than to seek to withdraw from it.

Ben Wallace (North-East Scotland) (Con): Mr Scott talks about the Tories down south having a different policy on fishing. Does he agree with his Liberal Democrat colleagues, who yesterday called for the abolition of the ministry of agriculture, fisheries and farming?

Tavish Scott: It is the Ministry of Agriculture, Fisheries and Food.

I know that Mr Wallace was in Westminster last night; I watched him having an interesting debate on "Newsnight" about the Army, which is a subject that he seems to speak on regularly. Perhaps he should try to find the seat that he seeks and he will eventually get down to Westminster to talk about it.

Ben Wallace: You have not answered the question.

The Deputy Presiding Officer: Order.

On you go, Mr Scott.

Tavish Scott: I am sorry—you took me aback, Presiding Officer. I thought that it was Ben Wallace, not you, who was shouting at me.

The Deputy Presiding Officer: He was shouting at you.

Tavish Scott: You shout better than he does.

My party argues for fundamental reform of MAFF at Westminster, but that is an issue in England and Wales, not in Scotland.

I thought that it would be good that Kenny Gibson was moving the SNP amendment today. I thought that it would raise the temperature of the debate, if not the tone. However, Kenny's heart was not in it today. He usually brings lots of passion to a debate, but I did not think that there was much passion in his speech. Many of his arguments were undermined.

Kenny Gibson did not give way to Hugh Henry. I was thinking, when Hugh was seeking to intervene, that if Kenny had considered the recommendations in the 6th report 2000 by the European Committee, on European structural funds, that would have answered many of the questions that he asked in his speech.

The SNP cannot quite decide whether we are a prosperous nation or a poor nation. When we have a debate on Scotland generally, SNP members state that potentially we can be a great, prosperous nation, but when we discuss structural funds, we must be a poor nation as we are not getting enough funds.

It would be very important if the SNP could sort out its position.

Christine Grahame: I am delighted to take Tavish Scott out of the pain of his confusion. An independent Scotland would be prosperous, but under the union we are diminishing.

The two MSPs who are sitting behind Tavish Scott—Ian Jenkins and Euan Robson—represent, as constituency MSPs, the Scottish Borders, which is the poorest region in Scotland.

Tavish Scott: That is what the SNP likes to do, and Christine Grahame is probably the worst protagonist of that argument. She talks down an area of Scotland that she should try to talk up.

In fairness to Mr Gibson, at least he showed much more class than his colleague, Christine Grahame, and made a much more positive contribution. As usual, the SNP cannot decide what it believes on these matters.

Structural funds have been of significant benefit to Scotland in boosting economic development projects in areas of lower economic performance, especially in areas making the transition from traditional heavy industries, along with peripheral and rural areas such as the Highlands and Islands.

Over the coming six years, Scotland has been allocated more than £1 billion by the European Union. As other members have mentioned, that represents a major investment in economic regeneration, the labour market, education, training and development.

The latest programme will run until 2006 and, as the minister stated, it is unlikely to be repeated as regional development funds will focus on the new member states from eastern Europe. It is perhaps worth considering that the emerging democracies and economies of the former eastern bloc are in need of that investment. They pose huge challenges to Scotland in specific industrial sectors such as agriculture and in the new economy, with their propensity to offer cheaper wages in competition with Scottish companies.

Structural funds are vital in ensuring that the whole of the European Union benefits from closer economic integration. It is also important to recognise the European Commission's cohesion report, which was published in January. It considers the regional imbalances and the future of structural funds as enlargement looms large.

Those issues of how the wider Europe develops are important in a debate about how best to maximise the advantages of the funds that will come into Scotland before 2006.

Mr Gibson: I am sorry that I was not as passionate as usual, but I try not to be too predictable.

Can Tavish Scott advise the chamber whether

the Liberal Democrats still believe in a united states of Europe?

Tavish Scott: The Liberal Democrats never believed in a united states of Europe.

The important development in constitutional politics, not only in the United Kingdom, but throughout Europe, is that the principle of subsidiarity must apply. That means that decision making is devolved to the lowest applicable level. That is the guiding principle that the Liberal Democrats take into the debate about Europe, as well as the debate about constitutional reform generally. That concept, and how it will work in Scotland and across Europe, is much more important than fragile and superfluous arguments about phrases such as a united states of Europe.

It is essential that the value of funding is maximised to close the economic gaps between the different regions of the European Union. Liberal Democrats support the concept of regional development programmes and see them as a major benefit of the European Union, which has recognised the need to manage and address economic imbalances. The programmes are in place to deliver the funds, but the Scottish Executive must work with and support local authorities to ensure that appropriate match funding is in place to deliver key projects.

Given the ghastly and profound difficulties facing the south of Scotland, especially Dumfries and Galloway, it is appropriate to consider what can be done to help in the short and long term. The Scottish Executive has rightly announced a package of funding for tourism and business development in the south of Scotland. I briefly attended the Scottish travel fair in Glasgow yesterday. There is a profound sense, among tourist boards in that area and across Scotland, that there is a need for aid. The Executive is taking that forward positively.

Mr Adam Ingram (South of Scotland) (SNP): Is Tavish Scott aware of the LEADER programme, which has been operating in Dumfries and Galloway for some years? It has contributed about £20 million to a variety of projects in the area, including tourism development and farm diversification projects. We still await an announcement from the Executive on its future in Dumfries and Galloway.

Tavish Scott: I am not a minister in the Executive; I am sure that Mr Peacock will pick up that issue in his speech. Mr Ingram might want to intervene during Mr Peacock's speech at the end of the morning's proceedings.

Both the Borders and Dumfries and Galloway will benefit from structural funds. As Mr MacKay mentioned, some projects have already begun, with, I understand, a total value of some £16

million.

Christine Grahame: The minister referred to only £6.5 million.

Tavish Scott: No. It is £16 million in total. Perhaps Christine Grahame should check her figures.

The first tranche is a result of the Borders economic forum, a model that I understand the Minister for Enterprise and Lifelong Learning has taken forward in other parts of Scotland.

Unlike those who constantly whinge from the sidelines, I congratulate all the partners that have played a positive role in making progress, including Scottish Enterprise Borders, Scottish Borders Council, the tourist board and many others. I am sure that my colleague, Ian Jenkins, will elaborate on that if he catches your eye, Presiding Officer, later on. He and Euan Robson, along with local MPs, Mike Moore and Archy Kirkwood, have played a constructive role in making progress on those issues.

Funds need to be refocused towards rural areas that are affected by the foot-and-mouth crisis, taking into account the longer-term effect that the crisis will have on employment and specific business sectors. The important point for both the Borders and Dumfries and Galloway is that they can least afford the loss of economic activity and must not fall further behind.

I shall make a couple of brief comments on the Highlands and Islands transitional programme. Telecommunications have been greatly improved in the area with the help of structural fund support, as part of a £5 million investment. The original target was between 500 and 600 jobs, but several times more than that have been created.

Telephone networks are being upgraded from analogue to digital, and Scottish Telecom has introduced an element of competition against British Telecom. As a result, the region could soon be on a level playing field with the rest of Europe in its telecommunications infrastructure.

Christine Grahame: Will the member give way?

Tavish Scott: No; I shall carry on. I have given way to the member already.

It is worth recognising that much of that investment is the result of work by the former Highlands and Islands Development Board and Highlands and Islands Enterprise, both of which had the vision to put public money into information technology. I congratulate those who had such vision at that time. The modern telecommunications network has been a strong factor in attracting new teleservices and IT-based companies to the area. However, as Mr Peacock is aware, there is continuing concern that further

upgrading of the network is required to prevent the loss of such advantages. In my constituency, I am involved in discussions that I hope might lead to a fibre-optic cable that will link Shetland to the mainland, with a spur to Orkney. Those areas have the positive attitude and approach that might lead to benefits for business and domestic customers.

Funding from the European regional development fund is available to assist the development of renewable energy potential. Although that includes assistance for improvements to network connections in remote areas, developing such energy resources on Scotland's west coast is dependent on exporting that power source to the national grid, and work must continue on that matter.

On other programmes, I note that, in the European Committee's report on the application and project appraisal process for European structural funds, it has commented on the need to co-ordinate activities between various programmes and objective 2 and 3 areas. I am sure that the minister will assure committee members and the Parliament about any progress on that issue. Indeed, I recollect that Lex Gold gave evidence on monitoring and other issues to the European Committee in Glasgow some months ago. This morning, the minister mentioned the implementation of the recommendations of Lex Gold's review.

I want to mention one constituency example in relation to the FIGG, about which David Davidson raised an important point. That funding mechanism has gained some notoriety of late. According to some representations that I received late last night, there is some confusion over the deadline for the first round, which was 28 February. I understand that some applicants were advised that they could submit applications after that date, which is at best unfair, as a number of Shetland businesses were told that they were too late. Although I do not expect the minister to respond to that point today, my letter is in the post and I hope that he will address the issue.

Structural funds must leave a lasting legacy of investment in Scotland. It is the role of the Scottish Executive, working—as in the Borders—with all relevant parties, to ensure that the investments made between now and 2006 stand the test of time for the communities that they serve.

10:33

Hugh Henry (Paisley South) (Lab): I do not know whether the minister, fresh from the adrenaline buzz and emotional rollercoaster of watching Hibs, needed some balance in his life, but I am sure that the debate is providing an

alternative to that kind of excitement.

I congratulate Kenny Gibson on his speech. Although he read it very well, I am not sure that he quite understood it, and there were several points on which he could have done with advice and counsel. In passing, I want to mention that, on the question of additionality, the European Committee's 6th report—which was supported by SNP members—states that

"the Committee considers that Scotland is receiving an appropriate share of the Structural Funds allocated to the UK by the EU."

However, I should emphasise that a debate on structural funds sometimes brings out the worst aspects of the debate on Europe, because people start to judge Europe's contribution to Scotland merely in financial terms. Europe is much more important to us than that, and I hope that we will not judge success or failure by our ability to attract structural funds, important though they are.

That said, structural funds have been a success story. We started off with many impoverished and deprived areas, and although there is still much evidence that such areas exist, structural funds have made an important contribution to tackling some of their most pernicious problems. Although we should congratulate the Government and local government on their work over many years, we should also congratulate the European Union and the Commission on the structural funds initiative and the attempt to disburse money to areas of greatest need. Furthermore, the Commission has often shown imagination and flair in the management and application of structural funds, and many layers of government throughout Europe could copy its approach with some success.

There is evidence in Scotland that structural funds have been used well, and the country is cited as a good example of an area that can successfully apply for and manage such funds. From various comments to the European Committee, it is evident that other areas consider Scotland's management of structural funds as a role model.

I also want to congratulate the Executive. Much of the European Committee's first year was spent on structural funds issues, and we always found the Executive to be responsive and, through the previous minister, ready to give evidence to us. Furthermore, the Executive has been willing to respond to some of our concerns, particularly in relation to the problem of the application of funds to the voluntary sector.

However, the Executive still needs to address a number of issues. For example, I have received some representations from voluntary organisations on payments to the voluntary sector. In particular,

the organisation One Plus has contacted me about the Scottish Executive payment schedule. Although the guidance note from the Executive states:

"Every effort will be made to ensure that correct claims are processed within a four-week time scale",

a number of voluntary organisations have found that that is not being applied. In the case of One Plus, the first advance of 37 per cent requested from the Scottish Executive took seven weeks to arrive; and to date, the organisation has not received the remaining 63 per cent. If that process is not speeded up, it will have a serious effect on voluntary organisations throughout Scotland. I hope that the Executive will quickly address that issue.

Yesterday in Paisley, I spoke at a conference organised by the Scottish Council for Voluntary Organisations for many west of Scotland areas on the local social capital project, which is largely financed by the European social fund. We heard example after example of imagination in local communities, which were directly benefiting from the application of structural funds.

There is practical evidence that structural funds have been used to good effect. However, much more needs to be done, particularly on the LEADER programme and why the committee was not given sufficient opportunity to comment on it. Although we cannot rest on our laurels, we can build on some of the good examples that have been developed over many years.

10:38

Colin Campbell (West of Scotland) (SNP): As other members have dealt with the broad sweep of structural funds, I will be marginally parochial about the issue and talk about the Clyde urban waterfront regeneration zone, which I suspect will be unfamiliar to most members but which has been included in the URBAN II programme. That programme will focus on two areas—Port Glasgow and Clydebank south—and involves £8 million of ERDF investment that will run to the end of 2006. I am absolutely delighted that those areas have been chosen. The funding will be matched from domestic sources, which will give an overall total of £16 million.

However, I have stumbled across a little difficulty. According the EC guidelines of 28 April 2000, the minimum number of people for an URBAN II project is 20,000, although exceptions can be made for populations of 10,000. Clydebank south fits neatly into that special 10,000 limit category. However, the application is a joint submission for both Clydebank south and Port Glasgow, and we must add the populations of the two areas together to get a total for the project.

The guidelines make it clear that the EC lays down no upper limit on the size of the population in a single project to be funded by URBAN II; however, I understand that the United Kingdom Government arranges everything with the Commission. The Scottish Parliament information centre's note states:

"It is DTI that negotiates with the Commission over the amount of funding and the concomitant conditions for the UK."

I believe—although I am almost praying to be corrected by the minister—that the Department of Trade and Industry has set an upper population limit for an URBAN II project at 24,000 people. That is a serious proposition. Adding Port Glasgow's 18,000 people to Clydebank south's 10,000 people produces a total of 28,000 people. As the Clyde urban waterfront regeneration zone URBAN II project has been approved in principle as a single project and as detailed submissions are being completed for a deadline of the end of April, which I gather has already slipped from an original deadline in November, I sincerely hope that that limit of 24,000 people is not set in stone.

The EC indicates nine URBAN II areas in the UK. I cannot believe that all those areas will reach the UK's arbitrary maximum population total of 24,000; there should be some flexibility within the gross UK population total and the gross funding allowed by the Commission.

I pose the minister the following questions. Will he confirm or deny that the UK Government has imposed a 24,000 population maximum for each URBAN II project in the UK, and that that limit will apply in the west of Scotland? If that maximum figure is less than the joint population totals for Port Glasgow and Clydebank south, will he acknowledge that there is no upper limit in the Commission's URBAN II guidelines? Will he negotiate with the UK Government and the Commission to ensure flexibility in the application for Port Glasgow and Clydebank south?

Does the minister agree that, whatever happens, the promise of URBAN II for all the people of Port Glasgow and Clydebank south—which has already been given—must not founder, even in part, on the rock of administrative rigidity or because we are £1 billion short of previous funding in the UK? Each of those places has an identifiable community and should be treated as such: no ward or streets should be pulled from them to meet criteria that have been laid down by the UK Government, although the Commission has set no upper population limit.

10:42

Irene Oldfather (Cunninghame South) (Lab): I shall concentrate on the forward strategy, but I

begin by looking back and acknowledging the role of partnership organisations throughout Scotland in maximising the benefits and opportunities of European funding. Without good planning and robust proposals, Scotland would not have been able to draw down from Europe the huge amounts of money that we have successfully managed to access and utilise. As Hugh Henry pointed out, the European Commission has described Scotland as a model of good practice. It is especially appropriate to recognise the efforts of voluntary sector organisations—some of which have limited staff resources—and their perseverance over the years in getting to grips with the complexity of applications and the difficulties of funding, to ensure that the most vulnerable in society have benefited.

The motion refers to the

“broader strategy ... in preparation for the enlargement of the European Union.”

It is important to look forward as well as back. We should do so bearing in mind the objectives of structural funding. Structural funds are the European Union's regional policy tool to promote greater social and economic cohesion between the rich and the poor regions of Europe, and it is inevitable that, as Europe enlarges, some of that money will move east. We must consider strategies to maximise those opportunities.

The European Commission estimates that around 30 to 40 per cent of all EU funding expended in the poorest member states returns to the richer countries in the form of purchase of equipment or expertise. A House of Lords inquiry into structural funds also notes:

“There are obvious costs to the wider society of high unemployment and areas of concentrated multiple deprivation”

across Europe. It continues:

“Equally, there are wider benefits from increasing cohesion”.

Therefore, improving the quality of life in poorer regions brings benefits for us all. With the challenges of enlargement, there are opportunities for the sharing of public and private sector expertise and the expansion of markets. It is said that Germany stands to increase its gross domestic product by 0.5 per cent as a result of the enlargement of the EU, and I believe that Scotland can also benefit.

However, I issue a word of warning on two fronts and ask that, in future discussions, the minister make appropriate representations to UK colleagues. First, structural funds must not be used directly or indirectly to displace jobs from one part of the European Union to another. The Committee of the Regions has taken a close interest in that matter and, in a recent opinion on

the impact of the policy, it concluded that it

“is concerned about distortions of the Structural Funds' fundamental aims. The aim of EU regional policy should be to ensure that direct subsidies do not simply lead to a shift in existing jobs from one area of Europe to another one.”

There is a danger that a level playing field will not be in place in the transitional stages of accession, and that the lack of robust conditions of employment and workers' rights might disadvantage member states. National Governments and the Commission must be vigilant on that issue and must look for a way in which to reassure existing member states that social and environmental standards will be maintained throughout Europe.

Secondly, in developing future strategies on structural funds, the minister should give consideration to supporting the idea of a structural fund instrument to deal with the issue of asymmetric regional shocks. When a crisis emerges—whether a natural disaster, such as flooding, or an economic difficulty affecting employment in one European region—instead of people having crisis meetings day and night over three days and arriving at a conclusion at 5 o'clock in the morning, when everyone is worn out, there should be a regional policy instrument, supported by a fund and objective criteria, to allow speedy action to be taken.

The Presiding Officer is indicating that I should finish, so I shall have to leave the other points that I wanted to address. I conclude by saying that Scotland has benefited tremendously from its partnership with Europe and that we must continue to play an active role in determining the future disbursement of regional funds.

The Deputy Presiding Officer: Speeches must be kept to four minutes, so that all members may speak.

10:48

Lord James Douglas-Hamilton (Lothians) (Con): Irene Oldfather is correct to say that structural funding makes a huge difference to the areas involved. I ask the minister to consider ensuring greater transparency in the awarding of funds. The recommendation of the European Committee's 6th report 2000 was that there should be

“greater transparency and detail in the reporting of the relationship between annual Structural Fund expenditure and Departmental domestic spending in Scotland”.

I note also that the sums that are being made available to Scotland through structural funds are now 10.8 per cent of the UK total whereas, between 1979 and 1999, the allocation to Scotland was some 20 per cent of the UK total. There has been a massive drop in the percentage of UK

structural funds that are allocated to Scotland. The minister will argue that that is a result of changed circumstances. However, because of the change of circumstances for Scottish farming communities as a result of the foot-and-mouth outbreak, and for the tourism and fishing industries, I hope that the minister will fight for Scotland's interests. Some areas may once again satisfy the criteria for structural funding, and I hope that, in future discussions, he will fight our corner as hard as possible.

Because of the enlargement of the EU, this must be considered the last time that Scotland and Britain will gain such a substantial proportion of structural funding. In future, structural funding will inevitably be directed to member states that are less affluent than we are. Funds should therefore be targeted at strategies for sustainable economic development. It is also extremely important that we maximise the use of those funds while they are available. That is especially important considering that, in the past few days, redundancies have been announced at Compaq and there is a threat of additional job losses at Motorola. Long-term strategies with a lasting effect on the Scottish economy must be a top priority and the good work by agencies such as the Scottish Enterprise network must be built on.

We must not fail to recognise the essential importance of using EU funding in times of crisis. In that context, I again mention the fishing industry, which needs our support. In recognising the threat of a possible forthcoming recession and the problems that are faced by our electronics industry, it becomes apparent that the lion's share of the funding must be targeted towards employment opportunities and the Scottish infrastructure. In welcoming EU enlargement, we must also recognise the need to make use of the European structural funds for the maximum benefit to Scotland and prepare for the day when funds will be targeted on less-affluent members. I would be glad if the minister could assure Parliament that he will fight our corner as hard as possible in the light of rapidly changing circumstances.

10:51

Christine Grahame (South of Scotland) (SNP): Of course I will focus on the Scottish Borders. I never talk the area down but I am always straightforward and honest about it. The area has the lowest wages in Scotland—£50 a week less than the average—which is the legacy of 30 years of Liberal Democrat representation. No wonder Tavish Scott took a cheap and inaccurate verbal swipe at me. During his speech, I tried to ask him about the £6.5 million slice of the funding, and I say to the minister, who had better start paying attention, that I have before me two press

releases from the Scottish Executive that are relevant in this context.

The second paragraph of the press release that is headlined

"Minister announces measures to assist businesses affected by foot and mouth"

refers to details of a £6.5 million European objective 2 support package for foot-and-mouth disease. But, lo and behold, in the press release that is headlined

"Angus MacKay announces European structural funding for the south of Scotland"

we once again read about the £6.5 million of EU money. That money has absolutely nothing to do with a rescue package for areas affected by foot-and-mouth disease but was structural funding that was going to the south of Scotland anyway. Confusing? Yes. Deliberately so? Yes. I look forward to clarification.

The money that has been earmarked for the south of Scotland—£45.7 million, which, after match funding, goes up to £90 million—is peanuts when one considers that it would cost £200 million to reinstate the Borders railway line to Carlisle, which is not a big task and one that I have been known to talk about on occasion. It is certainly peanuts compared to the £1 billion that has been spent on the millennium dome. Furthermore, one of the conditions that attaches to structural funding that previously did not—that it cannot be used for main capital funding projects—will limit the impact that it will have on the rural economies that are under stress.

The Borders has lost 1,000 textile jobs, and foot-and-mouth disease has put farming into suspended animation—that was an unfortunate slip of the tongue; I meant into suspension—at a time when the market was already economically depressed and tourism has stopped. Even the hope and glory that is the electronics industry is in trouble. The *Southern Reporter* today tells us that the sector is suffering a malaise throughout Scotland. Signum Circuits, a major employer in Selkirk and Galashiels, will put its 300-strong work-force on short time at the end of the week. Ernie Jamieson, the company's managing director, said that

"the situation is so fluid that no guarantees can be given on the ability of the firm to survive a sharp downturn".

Elsewhere on the front page, we read that at Sykes Europe, another electronics firm in Galashiels, 70 to 80 of the 240 workers may be made redundant this week.

Mr Andy Kerr (East Kilbride) (Lab): Those problems are international and do not affect only the Borders.

Christine Grahame: I accept that there are problems to do with the electronics industry throughout Scotland, but the problems in the Borders compound the problems that are faced by an economy that has always been vulnerable.

To regenerate an economy, certain structures need to be put in place. Suitable roads are needed, as are rail connections and telecommunications. I wanted to ask Tavish Scott about ADSL provision, as I understand that capital funding cannot be used to set that up and there is none in the Borders, which means that telecommunications in that part of Scotland is only slightly removed from tin cans with a bit of string. As for roads, the A68, the major artery to the centre of the Borders, has only two crawler lanes and was impassable for four days this winter because of the weather. How can such a road be said to connect the Borders to anything?

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): Christine Grahame is good at talking down the Borders, but let us hear her talking it up.

Christine Grahame: Ian Jenkins should watch what he says. After 30 years of Liberal Democrat representation, the Borders has no railway, no proper roads and a failing economy that is not being invested in. I have never heard any member of his party campaigning on those points in all the years that I have been campaigning in the area. I am not talking down the Borders; I am telling the truth. It is time somebody did. Those are the problems that the area faces. I certainly intend to raise the temperature of this debate as I am fed up talking mince in this chamber.

Mr John Home Robertson (East Lothian) (Lab): Will the SNP ensure that the weather gets better?

Christine Grahame: I am not giving way. I am nearly at the end of my time.

The Deputy Presiding Officer: You are not nearly at the end; you are at the end. Wind up, please.

Christine Grahame: Tarmac, trains and telecommunications. That is what the Scottish Borders needs and the small amount of structural funding that is being given will not deliver anything in the area.

10:56

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): Would it not be nice to hear Christine Grahame welcoming some good news for a change? Of course there is bad news in the Borders and of course the area needs some support, but Christine Grahame is rubbishing the news of support that we are hearing today.

Mr Gibson: Will the member give way?

Ian Jenkins: No.

Members are well aware of the problems that the Borders faces. There is no doubt that all our major economic sectors are facing difficulties. The textile industry is restructuring and faces difficulties in relation to the cashmere export trade. As has been said, the electronics industry is in a volatile state worldwide. Signum Circuits, which was championed by Christine Grahame at one stage, is now in difficulties, not because of a fault with the company but because of world changes. Tourism and farming have been in difficulty and the foot-and-mouth outbreak is making the situation worse. I accept that we need improvements in transport and communications infrastructures.

Let me turn to the good news, however. Following the Viasystems case, all the relevant agencies and the Scottish Executive recognised the urgency of the situation and addressed the problem by creating an economic working party that led to a highly focused economic forum that implemented the new ways recovery strategy. Since then, every agency in the Borders has been working together in an attempt to maximise the access to European funding. My Westminster colleagues Archy Kirkwood and Michael Moore played a prominent role in that attempt.

As our objective 5b funding came to a close, we made strenuous efforts to secure assisted area status, which the Borders lost in the 1980s. The objective 5b funding had allowed various projects to come to fruition, including the preparation of Claridge Mill in Selkirk, which is now to be occupied as a call centre with the promise of up to 200 jobs and the land of creativity project that assisted the tourism industry by placing an emphasis on cultural activity and cultural events. However, it was the achievement of assisted area status that gave us the most recent and valuable boost to the excellent work of the economic forum, which, in spite of some of the criticisms that Christine Grahame has levelled at that body in the past, has been ably led by Scottish Borders Council convener, Drew Tulley, and the Scottish Enterprise Borders chief executive, Jim McFarlane.

Euan Robson and I, together with our Westminster colleagues, have worked with the south of Scotland partnership to prepare bids focusing on the criteria to win as much support as possible. That is why, today, the south of Scotland is benefiting from the first announcements of structural funding. We got our bids in early and were well prepared.

I am delighted that those preparations have come to fruition in the ministerial announcements

that are being made today. We hope to hear more detail of the announcements that will help us across the south of Scotland. I would particularly welcome support for the work of Scottish Enterprise Borders and the local tourist board. We need real boosts at a time of real trouble.

I understand that almost £6.5 million is to be invested in the south of Scotland and I know that Scottish Enterprise Borders has sought funding for a company support programme, new market development and a property funding initiative as well as for projects supporting innovation in technology and e-business. Those would certainly help to modernise the business infrastructure that we clearly need. Marketing and promotion initiatives are being undertaken by the Scottish Borders Tourist Board, which will be extraordinarily valuable under the current circumstances.

We have heard positive announcements for the Borders and good news for Scotland. I look forward to finding out whether funding has been granted for the Eastgate arts centre in Peebles, close to my home place. That would do great things for the community and for tourism.

On a general note, it is unfortunate, as Christine Grahame said, that the criteria for funding do not allow investment in physical infrastructure, as they did before. There is a problem with the soft infrastructure, with communications. I hope that, in its future plans for regional development, the Scottish Executive will recognise that as an important element for the regeneration of the whole of the south of Scotland, and for the Borders in particular.

11:00

Mrs Margaret Ewing (Moray) (SNP): I wish to concentrate on the important issue of the European social fund, which can be accessed through structural funds. In response to an intervention, the minister said that he was satisfied that the bureaucracy involved was not disadvantageous to the voluntary sector. It will not surprise him—he is not in the chamber anyway—to realise that I disagree with him on that issue. I found his response extremely complacent, particularly as the Executive, in its various guises, goes round the whole of Scotland talking about social justice, social inclusion and everything that is being done to ensure that no section of our society is losing out.

Voluntary organisations are a vibrant, vital part of our communities. They provide support to the most vulnerable people and provide work for carers. Accessing European social funds is a complex procedure, however. I am sure that Mr Peacock will be aware that Moray Council, through

its European unit, has helped more than 200 voluntary organisations access roughly £250,000 of ESF, which has been greatly appreciated by the organisations involved. Now, however, the situation is becoming even more difficult, and Moray Council is facing complexities. Onerous administrative burdens are being placed on committed, caring people.

For the benefit of fellow MSPs who perhaps do not understand the realities of this, I will highlight what has happened with regard to the new ESF regulations that the Executive has brought in. In the past, voluntary organisations that applied for social funding had to complete two two-page interim claim forms and, at the end of the financial year, one 13-page final claim form. Under the new programme that was introduced this month, every project has to produce four pages with 22 statistics. That has to be updated on a quarterly basis. Thereafter, organisations have only 20 working days—after that quarterly due date—to submit a 10-page progress report and a 19-page claim form. Otherwise, they will lose everything and have to repay any of the moneys that may already have been paid out.

I point out to Mr Peacock that those new procedures were introduced to this vital section of our community without consultation with voluntary organisations, and with no impact assessment.

I want to be constructive in this debate, and have two small recommendations that I hope the Executive will consider. Many of the small—they are small, but very important in small rural communities—organisations that I am talking about faithfully submitted their applications at the end of 1999 or early in 2000. They had no prior knowledge of the new regulations that were to be introduced. As a result, the statistics that they had were kept only as summaries. The Scottish Executive has imposed a deadline of April 2001—this month—for the individual beneficiary statistics to be provided. Otherwise, the organisations face decommitment, which, I think, would be wrong.

Could that deadline be reviewed by the Executive, so that a lifeline could be given to voluntary organisations? That would enable them to backtrack on their records in order to access structural funding.

We all accept the need to monitor carefully the disbursement of funds from the European Union, and the need for a level playing field among all EU member states. However, the detail now being required is out of proportion to the moneys that are received. Either the Executive could propose detailed annual monitoring, which would, as previously, suffice, or it could impose a de minimis rule. A level of about £50,000 could be set, over which annual returns would be required.

I hope that those are constructive suggestions for the voluntary sector, and that the minister will respond positively.

11:05

Rhoda Grant (Highlands and Islands) (Lab): Many of the issues already raised in this debate have been technical. Rather than concentrate on the big picture, I want to examine the lasting effects that the funds are having on the ground. We should bear in mind the fact that the funds are given to provide sustainable development and to promote equal opportunities.

Last year, I visited North Highland College. Its staff showed me their jobs-for-all project, which preceded European funding. The project was set up to help people with disabilities and learning difficulties get back to work. The college brings in work from local companies to its on-site factory. The clients then become workers. They are paid a wage and work in a very sheltered environment. When they have built up their skills and confidence, they move to the employer's premises. They have a buddy with them, who ensures that they are not overwhelmed by the experience. When their confidence builds and they are happy with their working environment, their buddy leaves, and, employed by the company, they are left to get on with the job.

Bearing in mind the fact that many of those people have never had jobs before, the difference that is made is enormous. Not only do they gain employment; they gain confidence and new skills, and make friendships. The challenges that are set to the people in that situation mean that their self-development is enhanced. Some people have said that they are hardly recognisable as the folk who joined the project initially.

Structural funds also encourage equal opportunities in other ways, particularly with regard to the contribution of women in the workplace. In rural areas, it is important to consider that, given the male domination of traditional industries. Structural funds are being used to get women back to work after career breaks, when they are looking after young children or elderly relatives. The funding is used to give women choices, to introduce them to new skills, to give them assertiveness training and to make them aware of the fields that they can enter, showing them that they do not necessarily have to follow careers that are traditional for women, as most such jobs are low paid in the Highlands.

Work is also undertaken to make employers consider their working practices, not just in making them aware of the equal opportunities legislation, but in making them aware that they can change practices in order to allow women to continue

working when they have dependants. That can lead to employers examining the question of working hours. Are the present working patterns necessary?

Employers are also encouraged to consider crèche provision for their employees, and ways in which they can allow women to progress their careers and meet their caring commitments. Child care training is given a priority. It is all very well to provide jobs for women, but if there are no facilities for child care, the women are pushed out of the working environment. Society has moved far enough to understand that women want to be able to look after children and relatives, but also want a satisfying career. We know that their contribution is not only necessary, but desirable.

This debate has given us a chance to highlight such issues: to show how the money makes a real difference to individuals in the Highlands and Islands. The funding there would be greatly reduced if we followed the SNP's calls for Inverness to be excluded. I am very happy that the Government fought for the additional funding, which has made a huge difference to people in the Highlands and Islands.

11:09

Ben Wallace (North-East Scotland) (Con): I will start by picking up some points made by Hugh Henry. European structural funds have been a positive contribution from the EU Commission—not just from the member states or regional Governments—towards developing and improving certain areas of Scotland. It is important that ESF is not used by the nationalists to make all sorts of spurious arguments by way of putting forward nationalism and trying to cause friction. That detracts from the good things that structural funds have brought to Scotland and the United Kingdom over their history. We should therefore deal first with the points that Kenny Gibson made.

On objective 1, it is perfectly fair to say that Scotland is very lucky to have some transitional objective 1 areas. Our gross domestic product is well above the level at which we would qualify for objective 1 funding. Credit is due to the Government that secured the transitional period. Winnie Ewing will say that we had a right to transitional funding. That is true, as when an area loses objective status, it gets a transitional period by right. However, it is also true that there have been tremendous pressures on our EU budget because it is fixed until 2006. Given the new demands that enlargement brings—

Dr Winnie Ewing (Highlands and Islands) (SNP): It was set in tablets of stone that objective 1 areas that lost that status would receive a fixed amount of transitional funding. It was claimed that

the securing of transitional funding was a great result of Mr Blair's negotiation, but that is utter nonsense.

Ben Wallace: I said that there was a right to transitional funding. However, funding was given in excess of the original objective 1 level.

Kenny Gibson suggested that we should gerrymander the borders of the Highlands and Islands so that the rules change and we qualify for structural funds. I do not think that we want to go down that route, or we will start telling people in Inverness that they live in Kent.

Mr Gibson: Would Ben Wallace rather that objective 1 money comes to Scotland or that it goes to other parts of the European Union?

Ben Wallace: I would like that money to go where it is fair that it should go. I do not want to deprive people of money in other parts of Europe just because I am Scottish. If Scotland does not deserve it, it should not get it.

Colin Campbell: Will the member give way?

Ben Wallace: No.

I will move on to additionality. Kenny Gibson obviously failed to read the committee's report. As Hugh Henry said, Scotland is receiving an appropriate share of the structural funds that are allocated to the UK by the EU.

Mr Gibson: What does Ben Wallace understand by the term additionality?

Ben Wallace: I put that question to the director general of regional policy. He said that he was quite happy that Scotland follows the spirit of additionality to the full. It is for the EU, which is the referee on this matter, to decide, and it is perfectly happy. The Welsh academics who were wheeled out by the SNP forgot to ask the EU what its interpretation of additionality was. They pulled out a 1986 upgraded black-and-white rule on additionality. Obviously, when it was investigated, the argument fell apart as if it was made out of balsa wood.

It is a matter of regret that the Secretary of State for Scotland could not come before the committee. I do not take the view that it has to be the Chancellor of the Exchequer who gives evidence. If the secretary of state does not play a liaison role with the UK Government, future relations are not helped. It is important that Britain is a team, that we work together and that we get information. I press the ministers to ensure that that happens in future. The European Committee clerks and I went down to the House of Commons to see the Scottish Affairs Committee in action. It was important that we did that. There were not too many SNP members on the committee—they try to have the best of both worlds.

The civil servants have been very co-operative with us. Heather Koronka, who is now the chief executive of the Scottish ESF objective 3 programme management executive, has always been helpful to members who have asked for details on behalf of constituents. Jack McConnell was helpful and I thank him for his help. I am agreeing a bit much with the Executive—I feel a bit like a Liberal Democrat, but I will have a sit-down afterwards. However, I am agreeing on a point of principle, so I suppose that I will be all right.

The LEADER + programme is very important. The LEADER programme is important to many rural areas, such as Aberdeenshire. The lack of time and the consultation that the committee had on that should have been addressed. I urge the minister to give us a clear directive for the future.

In summing up, I will deal with what Christine Grahame said. The EU sets the rules. The Borders has problems and assisted areas schemes will help to solve them. However, will an independent Scotland not have foot-and-mouth disease or difficult weather? EU money will not solve the electronics glut in the world. The idea that, if we give a bit more EU money, everything will be all right is mistaken.

We support the motion and welcome the use of structural funds.

11:14

Alex Neil (Central Scotland) (SNP): Ben Wallace has missed the point. The point is that the economic record of an independent Scotland would be such that we would not rely on subsidies from anywhere. Since 1963, when figures were first kept, the long-term growth of the Scottish economy has averaged 2.1 per cent, which is 50 per cent below the UK average. That is an indication of the economic mismanagement under successive unionist Governments, whether they were Tory unionist or Labour unionist.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): What about Liberal unionist?

Alex Neil: I will leave the kindergarten stuff to the Liberal Democrats.

I will deal with some specific issues such as bureaucracy. Margaret Ewing articulately outlined the problems that are faced by the voluntary sector because of the bureaucracy of the programmes. This morning, I met the economic development committee of the Convention of Scottish Local Authorities and was told that the level of bureaucracy is far higher in the new programmes than it was in the old ones. Although it is now April 2001, we are talking about a programme that runs from 2000 to 2006. Fifteen months after the start of the programme, no

cheques have been written because of the bureaucracy—not at the European Union level, but at the Scottish Executive and UK Government levels.

An example of the problems that are caused by bureaucracy is the LEADER + programme in Dumfries and Galloway. The LEADER programme is one of the best ever European Community programmes and it has done an enormous amount. I know from my experience that it has been of enormous benefit to local authority and local enterprise company activity in Dumfries and Galloway in particular. However, although LEADER + was supposed to have completed applications by the end of last month, the action groups are not even up and running, and although the deadline for submitting applications and receiving approvals is supposed to be the end of this month, no applications have been made. I would like the minister to say why not, particularly given that Dumfries and Galloway is the epicentre of the rural crisis in Scotland.

I will widen the issues. The problems that we will face in 2006 and beyond as a result of the planned expansion of the European Union have been mentioned. I hope that the minister will listen to the points that I make and do something about them.

We do not need to wait until 2006 to feel the effects of the planned expansion of the European Union. Politically, I am wholly in favour of the eastern European countries' entry to the EU. The bigger political questions demand that that takes place. However, we are starting to lose some of our industrial base to eastern European countries. The Vesuvius-Premier Refractories brickworks in Falkirk, Volvo in Irvine and Compaq in Erskine are going to Poland and the Czech Republic. Those moves are perfectly understandable from the companies' point of view, as they will get bigger grants, cheaper labour and access to the European market, but it is the Executive's responsibility to look at what is happening as a political issue that needs to be addressed. It is a challenge to the whole of Scotland.

Hugh Aitken, the chairman of Electronics Scotland, has said that Compaq is the tip of the iceberg and that we could quickly lose another 4 per cent or 5 per cent of our electronics sector. I ask the minister, in summing up, to address that issue, tell us about LEADER + and say what he plans to do after 2006. At the current rate, it will take him until then to realise what is happening and write those plans.

11:19

George Lyon (Argyll and Bute) (LD): I will deal specifically with the Highlands and Islands, but first I will address the criticism in Kenny Gibson's

amendment that the Scottish Office failed to redraw the regional map to secure objective 1 status. We all know that that meant removing Inverness from the map in the Highlands and Islands. I do not remember a huge campaign to have Inverness removed from that map. This is an example of the SNP wanting to have it both ways. During the debate on the redrawing of the regional selective assistance map, I distinctly remember the SNP campaigning vigorously to ensure that Inverness was included in that map. The SNP cannot have it both ways.

Dr Winnie Ewing: I was somewhat involved in that issue, and I thought it important to take account of the views of all the local authorities in the Highlands and Islands. They may have wanted to take Inverness out of the map, but when it came to the bitter end, they were not prepared to say so publicly. After the event, the Western Isles Council expressed the view that it was sorry that it had not campaigned otherwise, but I took account of the views of all local authorities.

George Lyon: If Dr Ewing is arguing that the map should have been redrawn, and the obvious choice was the removal of Inverness—given its GDP—surely she should have stood up and argued that point forcibly, particularly if she wanted objective 1 status for the Highlands and Islands to continue. The important point is that the SNP cannot have it both ways.

Christine Grahame substantiated the point that was made by my colleague, Tavish Scott, as she devoted her whole speech to talking down the Borders. Indeed, she portrayed that area as a war zone where there are no roads, no railways and no jobs.

Christine Grahame: Rubbish.

George Lyon: Speeches must contain some balance, for goodness' sake.

Christine Grahame: I was talking about the reality.

George Lyon: Allegedly, Christine Grahame represents a particular area, but if she wishes to do so properly, she should take a balanced approach to how she represents that area to the wider world. That is only—

Christine Grahame: Will the member give way?

George Lyon: Okay.

Christine Grahame: Does George Lyon deny that the Scottish Borders has the lowest wages in Scotland, at £50 less than the Scottish average? Does he deny what I read in the *Southern Reporter* about the imminent redundancies, the downturn in farming and the general exodus of young people from the Scottish Borders? That is the reality test, which some Liberal Democrats

should take.

George Lyon: Christine Grahame has just demonstrated that she is addicted to talking the area down—she cannot do anything but talk it down. Every time she opens her mouth, out it comes.

Ben Wallace gave a good speech that was very pro-Executive. In fact, I wonder whether his speech might endanger the good alliance between our colleagues on the Tory and SNP benches.

My good friend Alex Neil, who is the convener of the Enterprise and Lifelong Learning Committee, gave a constructive speech, as usual. He highlighted bureaucracy and made an important point when he alluded to the benefits of the LEADER programme. Many members who have worked with the enterprise companies and with the LEADER programme know how good that programme is.

Hugh Henry reminded Kenny Gibson—who had not read the European Committee's report in any great detail, if at all—about the facts in relation to additionality.

Mr Gibson: What evidence does George Lyon have that I did not read that report?

George Lyon: I am afraid that my evidence is the contents of Kenny Gibson's speech.

It is important to recognise that the objective 1 programme in the Highlands and Islands delivered many benefits to that part of the country. It delivered on a range of big infrastructure projects and on community projects, such as the five community halls in my constituency, which were funded out of the ERDF. Without that European help, those community halls would never have been built.

The European objective 1 money made a huge and significant difference to the Highlands and Islands, but a great deal more must still be done. Statistics for Argyll and Bute show that the area's GDP level is about 72 per cent of the Scottish average, and the same applies to the Western Isles and to Skye and Kyle of Lochalsh. The big challenge is to lift those areas out of the economic recession that they face. The £200 million of transitional relief money will aid that process in the Highlands, and that money must be used over the next six years to build on the achievements of the objective 1 funding programme.

A number of members made the point that the most important issue to which ministers must turn their minds is that of what we should do after 2006. It is clear that many parts of the Highlands and Islands will benefit over the next six years from the investment that will be made. However, I do not foresee that, in the next six years, there will be such a dramatic improvement in areas that

have a GDP level of, for example, 72 per cent of the national average that they will not need further assistance. I ask ministers to concentrate on where we will go after 2006—that is the big challenge that will face the Scottish Executive over the next year or two.

11:24

Mr Davidson: We have had an interesting debate and, despite the early banter, a number of common themes came across. The question is whether everybody will buy into those themes.

Members on the Conservative benches are particularly concerned about the focus on sustainable economic opportunity and development, for which structural funds should be used wherever possible. We all agree that mass unemployment in particular areas is corrosive to society and damaging to the individual. It also lowers our skills base, and it is important that our skills base is such that people want to come here and invest. The skills base should also give individuals the opportunity to go further.

During the early part of the debate, the minister was caught out by Christine Grahame's question, which was about transparency. We all accept that the Executive and the UK Government must be totally honest about where money is coming from and how it is labelled. When I worked in England, I recall that I received money from Europe for an economic development scheme. We had to put a big sign on the wall that stated clearly where our funding had come from. The Government should take that health warning; if the source of funding is stated clearly, people might understand what that funding is meant to be for.

As usual, Kenny Gibson mentioned additionality, which was dealt with rather well by my colleague, Ben Wallace, and by Hugh Henry. Kenny Gibson also made a good point about the Scottish Executive's problems with handling ESF moneys. Members of all parties have made the point well that too much bureaucracy is involved, particularly in relation to the gold-plating of regulations and detail at the Scottish end. The important point is that people should be able to access the funds and to commit them speedily to the areas where they can do most good.

Irene Oldfather began her speech with a worrying comment about redistribution, but I realised thereafter where her speech was going. I agree with her about the displacement of jobs. We must address that matter now.

My colleague Lord James Douglas-Hamilton was absolutely right to highlight transparency, but the major point in his speech was that the economic circumstances in Scotland are changing now. There are problems with foot-and-mouth

disease, with the fisheries and with the changing pattern of industry. There might also be a problem with our competitive position, which I am sure will not be assisted if taxes are raised. Where are we going? That is the crux of the issue. George Lyon and other members—including me—talked about the need to review where we are going. After the summer recess, will the minister lodge a motion for debate in the chamber on the Executive's thinking on the future? That will give the Executive two or three months to work up its plans and conduct its investigations, but we must have a picture of the Executive's plans for the future. That is the clear message from members.

Christine Grahame made an impassioned plea, to which Ian Jenkins responded defensively, to say the least. The Liberals complained about the fact that the changes that were made in the past disadvantaged certain areas, but we still do not know what they want to change in future. Despite members challenging the Liberals about that today, we heard nothing from them.

Other members spoke about the role of transitional funding, which is important. While successive Governments have done reasonably well, we always want more. It is true to say that those funds are meant to balance needs throughout the EU. On that basis, it is important that the Administration produces policies at home that are focused not only on depending on those funds, but on ensuring that additional support is keyed in from our budget, rather than relying on the European budget.

Mr Gibson: Mr Davidson's colleague, Ben Wallace, said that Scotland was lucky to receive structural funds.

Ben Wallace: I referred to objective 1 funds.

Mr Gibson: However, both Mr Davidson and Lord James indicated that Scotland received more structural funds under the Conservatives. Who is right? Should we receive nothing, as Ben Wallace seemed to suggest, or should we receive more, as Mr Davidson and Lord James seem to think?

Mr Davidson: Ben Wallace suggested merely that a sense of fairness must come into play if we become better off, in European terms, and if the cake that is being divided is European. Today, the Conservatives are highlighting the negative developments in the Scottish economy and in Scotland's employment prospects, which mean that we must now look to the future.

Other countries, including Spain, are seeking to have the rules drawn up well in advance of 2006. Indeed, they are doing so after the next budget. We need to conduct that exercise in the Scottish Parliament. That is why I called for a debate soon after the summer recess.

We also need, when it comes to dealing with Europe and at a time when the country is under such great pressure, to seek areas of common approach. That would allow our representatives to negotiate sensibly on our behalf. If that common sense of bond and purpose exists, Scotland will be well represented when it comes to the next negotiations.

11:30

Mr Adam Ingram (South of Scotland) (SNP): Given the unionist alliance that we see before us today, I find myself summing up for the only official Opposition. Debates on the subject of European structural funds should be useful, not least by holding the Executive to account in its role as the managing authority of the structural funds. They are worth around £1 billion over the next six years, so their application should have a significant and positive economic impact. However, notwithstanding this morning's announcement on the programme for the south of Scotland, I am puzzled as to the timing of the debate, because we have not yet heard the Executive's announcement of approved objective 2 projects.

To some extent, the debate has been informed by European Committee reports. I hope that the Executive has taken the conclusions of that committee's report on the application and project appraisal process for European structural funds on board, and that the Executive will implement the committee's recommendations. It should not be too much to ask the Executive—which is committed to a modernising government agenda—to streamline bureaucracy and iron out the wrinkles in IT systems. Margaret Ewing and Alex Neil underlined the importance of that issue.

The European Committee also made pertinent recommendations on improvements to the project appraisal and selection processes, which would ensure that there is a proper balance between programme priorities and geographical areas. It is unacceptable that some organisations continue to be in the position where, because decisions on their project applications are still pending, they may have to issue 90-day redundancy notices to staff. Hugh Henry and Margaret Ewing highlighted continuing problems for the voluntary sector and made constructive suggestions for change.

I hope that the Deputy Minister for Finance and Local Government will include an assurance in his summing-up speech that he will have an administrative system in place for the next round of applications that is, in his own words,

"robust, transparent and has the support of participants in the process".

We have no great quarrel with the Executive over its interpretation of community priorities, as

set out in its priorities for development strategy. The key to economic and social cohesion in Scotland is the development of indigenous small and medium enterprises in order to regenerate local economies that are in decline. In particular, SMEs can reverse the decline in the traditional industries, both urban and rural.

We can all agree that sustainable development is our objective. Promoting equal opportunities and social justice will also unlock human and economic potential which, in the past, has all too often not been realised. In a similar vein, we support an operational strategy that emphasises continuity and durability for programme and project initiatives. That will mean that when enlargement comes—with the reduction in funds—most projects can be sustained well beyond 2006 without recourse to external support. That has been a theme of the debate. I look forward to the minister's comments on the situation post-2006.

Where the SNP departs from the Executive's viewpoint is in the Executive's craven dependence on the UK Government to look after Scotland's interests. There is strong evidence to suggest that the UK Treasury filched European funds, which should have come to Scotland in the past.

Ben Wallace: Will the member give way?

Mr Ingram: No, I will finish the point that I am making. Following devolution, the arrival of an assigned budget, with a European funding line that was greater than the amount of cash that we received from Europe, appears to be the result of accident rather than design. That accident could, of course, be the loss of objective 1 status for the Highlands and Islands. On reflection, that was not so much an accident as incompetence. My colleague, Kenny Gibson, said that and our amendment highlights it.

Incompetence or negligence might also be a charge to lay at the Executive's door on consideration of its failure to develop other programmes. David Davidson raised the issue of FIFG. We have still to hear a response from the Executive on that.

I want to highlight the community initiative for rural development, also known as LEADER +. Community initiatives form a relatively small proportion of structural funds, but LEADER + is worth £17 million to £18 million over the next six years. My understanding is that Scotland is well behind the rest of the UK and that local action groups that are responsible for the design and implementation of development strategies for their areas have not yet been formed. The Scottish programme should have been with the European Commission in November 2000 and project proposals for the local action groups should have been lodged last month. Parliament is entitled to

an explanation today from the minister for the unconscionable delays in applying for LEADER + funding.

Rural communities such as Dumfries and Galloway have benefited greatly from predecessor programmes. I should not need to remind the minister of how valuable LEADER + projects would be in dealing with the economic crisis in rural Scotland, and in Dumfries and Galloway in particular. The previous LEADER programme in Dumfries and Galloway led to new investment of £11.6 million in the local economy. Several hundred new jobs in tourism were created and farm diversification projects featured heavily.

I ask the deputy minister to give prominence to the issue in his closing remarks. I urge him to come clean on the matter and to resist the temptation to treat Parliament in the dismissive manner of the UK's Chancellor of the Exchequer.

11:37

The Deputy Minister for Finance and Local Government (Peter Peacock): The debate is on an important matter that benefits Scotland greatly. I am sorry that the SNP, in its normal way, sought to reduce the subject with a display of unrelenting mediocrity. However, many good points were made by other members and I will seek to answer them.

Scotland has, in the Executive, a Government that is committed to playing its full part in Europe with our UK colleagues. As Hugh Henry, Irene Oldfather and others mentioned, the development of the European Union since the second world war has been hugely significant. Some would argue that that union has been largely responsible for maintaining peace throughout Europe. As Hugh Henry said, we should always remember that Europe is about more than Scotland receiving structural funds. Europe is about a much bigger movement; it is about securing peace and new markets for our products and living in harmony together, for example. We should always keep that in the forefront of our minds.

With the development of the EU, a single market has developed across Europe. That has widened the marketplace within which we, as a nation within Europe, can trade goods. The maintenance of fair competition in Europe is an integral part of that marketplace. That development has contributed to the provision of more job opportunities for Scotland than it would otherwise have had.

As I said, we have also been significant beneficiaries of European structural funds. Those funds have offered—and they will continue to offer—real benefits to Scotland. They develop our physical infrastructure and they develop our

people, by improving their skills and ensuring that they are more employable. Those funds help people back into the jobs market, add to their personal wealth and to the wealth and well-being of their communities. Irene Oldfather referred to the fact that structural funds are—above all—about European cohesion and tackling disparities within and between the regions of Europe.

I come from the Highlands and Islands and therefore I fully appreciate the impact that structural funds can have on an area. Part of the reason that the Highlands is in the midst of a renaissance in its fortunes is the investment of European structural funds. The evidence is all around in, for example, better roads, better bridges, better piers and jetties, and better airports and airstrips. People have more skills, there are more employable people, there is industrial development and land is being exploited for the first time. There are also better tourism facilities.

Mr Gibson: Will the member take an intervention?

Peter Peacock: In a moment.

As a result, population drift from the Highlands and Islands has halted and people have greater confidence. The prospects are better and GDP continues to grow.

That is an excellent illustration of what structural funds can do for an area of Scotland that was once plagued by difficulties and which is still facing challenges, but is now more capable than ever of holding its own in Europe. Such benefits, as Hugh Henry indicated, extend throughout Scotland through objective 2 and 3 programmes, and through various community initiatives.

Mr Gibson: Will Mr Peacock accept some responsibility for the loss of objective 1 status in the Highlands and Islands, given that he was the leader of Highland Council at the time?

Peter Peacock: I am delighted that Mr Gibson raised that point. I was about to come to a most extraordinary accusation by the SNP that the Highlands were let down—or betrayed—by the results of the last round of negotiations. The plain fact of the matter is that the Highlands and Islands have become too prosperous to fall into the category of the poorest parts of Europe. That is not something to complain about, but to celebrate. An area of Scotland that for generations was in decline is now in the midst of a renaissance in its fortunes—partly because of structural funds.

The SNP detests success stories in Scotland. SNP members require to talk down Scotland in order to talk up their own prospects. That is the only basis for their survival. Good news for Scotland is, of course, bad news for the SNP and now its members want to talk down the Highlands

and Islands. We heard an extraordinary display from Christine Grahame, who talked down the Borders. We announced more resources for the Borders and money is going into the future of the rail industry there, but we still hear totally negative approaches.

Dr Winnie Ewing: Will the minister think back to the negotiations for the Highlands and Islands to retain objective 1 status? We were acknowledged, by a sympathetic Scottish Office, to be the only case in Europe that was on the borderline for the qualifying figure. Is not it the case that we had no competitors? The Scottish Office was optimistic and we had no competitors because the Scandinavians did a deal on entry. Why then was it hailed as a great victory when the Government could not deliver objective 1 status for us?

Peter Peacock: The plain fact of the matter is that the Highlands and Islands did not qualify for objective 1 status because the area's GDP was above the threshold. That is a matter not for regret, but for celebration. Despite the fact that we did not qualify for objective 1 status, the Prime Minister—Ben Wallace graciously acknowledged this—was able to negotiate a special transitional arrangement for the Highlands and Islands, which was worth £210 million. That is almost as much as we would have got had objective 1 status been secured.

Dr Ewing made the point that there was a right to transitional funding. In fact, when negotiations opened there was no such right and it was due largely to the Convention of Scottish Local Authorities—and people such as Hugh Henry and others who worked for COSLA at that time—and the representations that it made to the European Union about transition, that that right was won by the UK. As a consequence, the Highlands and Islands benefited. It is also the case that Scotland's being part of the UK gave it strength in the negotiations and secured that deal. Had we not been a part of the UK, it would have been almost impossible to secure that deal. That is something that the SNP wants—conveniently—to forget.

Over time, transitional funding is a good deal for the Highlands and Islands and for Scotland. The SNP's answer was to say, "Fiddle the maps." Every avenue was explored. The plain fact of the matter is that the NUTS level 2 territorial unit referred to the whole Highlands and Islands. Any area of Europe could take out its most prosperous city and try to claim that the rest of it fell below the threshold. The European Union simply would not wear that approach.

Mr Gibson: Why was that accepted for Ireland and for Wales?

Peter Peacock: Mr Gibson misunderstands.

Ireland has lost objective 1 status relative to its position prior to the previous round of negotiations. The Welsh position is a result of mandatory statistical reviews, in which the European Union accepted its case, but not Scotland's. As to Finland and Sweden, they have objective 1 status as a result of their terms of accession to the union. All those matters are fully catalogued and understood and, as usual, instead of welcoming the news the SNP is whingeing and moaning and girning and greeting about the fact that the Highlands is getting that extra aid.

Ben Wallace: An independent Scotland would have seven votes on the ministerial council. The largest recipients of objective 1 funding—the UK, Spain and Italy—have 29 votes. Does the minister agree that they simply would not listen to Scotland in any negotiations?

Peter Peacock: It is perfectly evident that, in the circumstances that I described, Scotland alone would simply not have had the clout that it did when the Prime Minister was able to secure the welcome deal for the Highlands and Islands.

There are several other points that I want to address in the time that is left to me. A number of members have mentioned the voluntary sector and have drawn attention to the role that that sector plays in spending the funds in ways that other parts of our society cannot, by tackling issues of social inclusion and so on. I recognise the real burden on a small organisation of applying for funds—to which Margaret Ewing referred—and that is why, in past European funding rounds, technical assistance has been available through the Scottish Council for Voluntary Organisations and other parts of the voluntary sector to help with the applications process. I am more than happy to look at the questions of bureaucracy that were raised. If the members who mentioned that matter will write to me, I will look at it in some detail. I am acutely conscious of the problems that are caused by delays in payments because of voluntary organisations' cash-flow problems. We are genuine in our desire to support the voluntary sector, and we will do anything that we reasonably can within the rules. I would be grateful for evidence from colleagues on that.

A significant issue of principle, raised by a number of speakers including Irene Oldfather, Lord James Douglas-Hamilton and Alex Neil, is the question of enlargement. It is a matter of principle and we support it, as members indicated. With enlargement, however, come challenges, such as the possibility of the displacement of jobs, which was mentioned by Irene Oldfather and Alex Neil. That is why it is important that, when we talk about future funds and structures in Europe, we do not talk only about structural funds. We must also talk about competition policy. That is why state

aids rules—burdensome and troublesome though they can be at times—help to maintain a level playing field throughout the European Union on which we can all compete equally. It is important that we look at that, at employment law and at social policy in relation to both the future enlargement of Europe and those other matters.

Members also mentioned additionality. The European Committee, of which Hugh Henry is convener, has looked at that and has indicated that it is not seeking fundamental alteration to additionality. The European Union is entirely satisfied that what we do in Scotland meets the requirements of additionality. Scotland is held up by Europe as an exemplar of what ought to happen in relation to the deployment of those funds. In that context, it is simply wrong to suggest that Scotland loses out.

On future funds, members can be absolutely assured that the Executive will play a full part in the cohesion report discussions from now on. We must look more closely at how we target resources in future and at what happens when areas of Scotland are still facing difficulties and may decline in GDP terms. The LEADER programme is awaiting approval from Brussels. It is currently with the Commission and has been there for a number of weeks. We expect it to be cleared in a number of weeks' time so that we can make progress on it.

Within the wider context, members can depend on the Executive, with our UK partners, to fight Scotland's corner to ensure that we obtain whatever we can by way of structural funds. That will require us to think hard about the strategies that we deploy and to make some tough choices and decisions. Nonetheless, the Executive will continue to argue its corner: a strong Scotland, within a strong UK, within a strong Europe.

Foot-and-mouth Disease

The Presiding Officer (Sir David Steel): The next item of business is a statement by Ross Finnie that will provide an update on the foot-and-mouth disease outbreak. Questions will be taken at the end of the statement, which will—I warn members—of necessity be quite long. We may well overrun our 12.30pm deadline for the close of this morning's business. I will make a judgment on that as we go. It would be helpful if, during the minister's statement, members who want to ask questions indicated that wish.

11:49

The Minister for Environment and Rural Development (Ross Finnie): I am grateful for this opportunity to bring the Parliament up to date on where we currently stand on foot-and-mouth disease. We are dealing with an evolving situation, with many challenges and complexities. For that reason, we have been filing bi-weekly reports on the situation with the Scottish Parliament information centre.

By the end of Wednesday, we had 126 confirmed cases of foot-and-mouth disease in Scotland. Cases are still concentrated in the Dumfries, Canonbie and Lockerbie area. Regrettably, there has been a spread to the west of the River Nith and to the east, up towards Newcastleton. Members are already aware, of course, of the pockets at Castle Douglas and Twynholm.

Before I turn to the action that we are taking to deal with the problem, I think it right that we should all acknowledge the human dimension to this outbreak. It is important that we are mindful of the anguish of those who are directly affected. We must be mindful of what many have been through and of what many, regrettably, may yet have to face.

This has been, and continues to be, a time of great distress for the farming community and all those affected in south-west Scotland. I am sure that we would all wish those communities to know that we want to do everything that we can to stamp out this disease as quickly as possible and to assist them in the weeks and months ahead.

No one should be in any doubt about the sheer scale of the task that faces us in seeking to control and eradicate this disease. It is a huge undertaking. For every new infected farm, the farms next to it need to be identified. Mapping work is essential to establish accurate farm-to-farm relationships. Farmers have to be contacted, valuers brought in and slaughter teams put at the ready. When slaughtering begins, it must be done

as quickly and humanely as possible—a point that I will return to later. Then there is the huge task of removing and disposing of the carcasses, often in very difficult circumstances. I pay tribute to those who are involved in the slaughter teams—including, of course, the Army, which has been given that unpleasant duty. Finally, the clean-up and the disinfection process have to be carried out expeditiously. That has to be done on every occasion that we embark on a cull.

Of course, with an operation of this magnitude, we have not got everything right and glitches have occurred. My officials and I are the first to admit that and we apologise for any distress that has been caused. However, I hope that members will understand that any such mistakes must be seen in the overall context of this huge and complex task. Our clear objective is to get the job done as quickly and efficiently as possible, with minimum distress to the farmers, their families and, indeed, the animals themselves.

Our disease control strategy in Scotland is driven by the science, by the epidemiology and by the day-to-day advice of our chief veterinary officer in Scotland. The strategy takes account of the particular situation in Scotland, our farming practices, the scale and pace of the disease, the resources available and the combined control structure that we have put in place. Our overall aim is to control, then eradicate the disease. Our strategy is to eliminate known pockets by slaughtering all susceptible species on confirmed infected farms. Our target is to do that within 24 hours of the confirmation of infection on the farm. I am pleased to report that, in most cases, we have been achieving that target. By doing so, we have been rapidly removing the source of infection and reducing the possibility of spread.

The second element of our strategy is to isolate pockets of infection by culling all susceptible species on farms next to infected farms. Our target for that is 48 hours from the original report. I regret that that target is not yet being achieved, because of logistical and other problems. However, it is vital that we do our utmost to achieve it. Failure could simply condemn farms further out from the original infected source. I understand the distress that being deemed to have an infected farm causes to individual farmers, but I urge them to co-operate fully with the policy to help us stop the spread of the disease.

The third strand of our strategy involves prioritising our effort. Priority is being given to halting the spread out from the heart of the infected area. We are concentrating on farms that are next to new cases of infection in outlying areas and on cases on the edge of the main concentrations of disease. Evidence to date suggests that that approach is making a

considerable contribution. It is clear that disease spreads between such farms—through contact between animals, through the movement of people or vehicles, or through aerosol spread.

Once the perimeter of the outbreak has been secured, our intention will be to deal with the core of the infection, especially by removing sheep that are at the highest risk. With the resources that are now at our disposal, and with the Army playing a key role alongside the state veterinary service, we hope to speed up the whole exercise to try to get ahead of the disease and then defeat it.

A major constraint on the speed of our entire culling operation until very recently was the lack of disposal options for carcasses. Initially, burial was not an option, in part because of the particular topography of Dumfries and Galloway and in part because of the imperative of ensuring that any burial was undertaken in a way that reduced environmental and health risks to an absolute minimum. We have therefore involved the Scottish Environment Protection Agency to ensure that the sites that have been chosen—including the Birkshaw site—fully meet the requirements. As regards the burial of cattle, let me assure members that any possible danger from BSE has been assessed by the Spongiform Encephalopathy Advisory Committee, by the Executive's chief medical officer and by SEPA. As a consequence, only cattle born after 1 August 1996 will be buried, in keeping with the advice that the Executive has received.

In recent days, there has been much comment on the role that vaccination might play in tackling the disease in Scotland. Opinion on the subject is divided. Some suggest that vaccination could speed up the process of bringing the disease under control; others suggest that the effectiveness of vaccination is questionable in certain circumstances. Vaccination may offer some advantages in the short term, but it could give rise to serious disadvantages in the longer run, especially for a country such as Scotland, which has a reputation for quality meat and depends hugely on exports for business.

Everything is being done to beat foot-and-mouth disease without recourse to vaccination. The Executive will not go down that route without very careful assessment of the facts and of the advice from Scottish veterinary experts. Let me assure the Parliament that any decision to go down the vaccination route in Scotland will be taken by Scottish ministers.

Although my priority is to do everything possible, using all the available resources at my disposal, to eradicate the disease, I also have a responsibility towards farming businesses outwith the infected areas. I am deeply conscious of the fact that movement restrictions—which are necessary to

help with my overall strategy of preventing the spread of this insidious disease—are causing practical as well as welfare problems for those concerned. I am grateful to everyone for having abided by the movement rules and regulations since they were first introduced, despite the obvious difficulties and distress that that has caused.

Having reassessed the position and taken careful account of the views of my veterinary advisers, I have concluded that some relaxation on the movement restrictions is justified. The relaxation that I propose will be phased. First, movement restrictions on all the islands, and directly between the islands, in the provisionally free area will be relaxed from midnight on Friday. Remaining controls, with the exception of licensed movements to slaughter, will be via a general licence as opposed to individual licences as at present. That will allow much more freedom of movement on the islands, taking account of their virtually assured foot-and-mouth-free status. The special situation of movements to and from common grazings will also be catered for in the general licence.

From 16 April—provided that no difficulties emerge—we will consider giving more freedom of movement to animals that have been away-wintered on the mainland. We hope to allow them to return to the islands. That date—16 April—is important, because it is 21 days from the date on which we culled the last animals in the provisionally free area that had had contact. If we meet our conditions, the Crofters Commission supply bulls will be able to move to the islands from that date. I am sure that those arrangements will be welcomed by island communities.

For the remainder of the provisionally free area of Scotland—the area north of the Forth-Clyde line—I intend, from 16 April and subject to my conditions being met, to implement a general licence that will apply throughout the mainland provisionally free area. That will allow the movement of livestock for most purposes within the provisionally free area; it will not allow movements for welfare, slaughter or other purposes into the provisionally free area. The movement of livestock for slaughter outwith the provisionally free area will still have to be licensed, as at present.

The situation in the at-risk area in Scotland—the southern half of Scotland with the exclusion of the infected area—looks more hopeful than it did when I last addressed the Parliament. Nevertheless, caution is still advisable. From 16 April, I will review the situation and a regime allowing longer-distance movements will be introduced, providing that no disease emerges. That will free up movements considerably and, for

example, allow animals to be moved to grass lets and hoggs to return to their breeding farms, provided that the breeding farms are in the at-risk area.

At this juncture, I do not propose to change the dividing line between the provisionally free area and the at-risk area, but I will keep that position under review. I will also keep under review the position of livestock markets and collection centres. Those matters have to be dealt with with some urgency, but livestock markets and collection centres are banned at the present time and I do not have sufficient evidence to change that position.

It is also my intention, in due course, to review the present policy that prohibits any animal movements from the at-risk area to the provisionally free area, even for slaughter. I am conscious that the ban is having an adverse effect on the slaughtering sector, but at this juncture it is vital to ensure that the provisionally free area has absolute protection.

Finally, on relaxation, I have decided to relax the ban on stalking for deer in the provisionally free areas. That will be welcomed by interests that are concerned by the damage that is caused by marauding deer. I will review the position in the at-risk area over the next fortnight.

I recognise that there are those who advocate the removal of all restrictions outwith the infected area. I do not believe that that is warranted at this stage, even in the provisionally free area. However, my policy is to remove restrictions as quickly as can be justified and I hope that I have demonstrated that the moves that I have announced today have been made in fulfilment of that policy.

I will now address the issue of access to the countryside. It is abundantly clear that a great range of economic activity in the Scottish countryside depends upon responsible access to the countryside. Given the pattern of disease, we know that if certain clear rules are followed by those who seek access to the countryside, outwith the infected areas most activities in most areas pose no risk of spreading the disease. We have, therefore, taken the lead in drawing up guidelines and ground rules, both for the assessment of risk on the ground and for the behaviour of those in the countryside. Where there is real risk of infection, let those seeking access stay clear. Where there is not, let those following "The Comeback Code" enjoy access to the countryside.

The Executive will continue to play its part. Tomorrow, we will meet all Scotland's local authorities to clarify any remaining issues and to help them move the process forward quickly, yet consistently, throughout Scotland. In addition to

reviewing the local authorities' access decisions, we will ask them to convene local access forums representing all key interests, to ensure that they are all involved in examining the issues locally. In that way, all public and private land managers will have the opportunity to equip themselves fully to tackle access issues according to the same principles.

I can announce today that during the weeks before and after Easter, there will be a television advertising campaign to raise awareness of "The Comeback Code" and to encourage visitors back to the countryside. That campaign will be complemented by another range of press adverts focusing on what is open and publicising a visitscotland helpline number that has been set up to provide information to those who are visiting Scotland's countryside.

As well as the effort to control and eradicate the disease, I am acutely conscious of the need to recognise the wider effects on farming and rural communities. The Executive is examining how it can assist farmers in Dumfries and Galloway and throughout Scotland to survive this difficult time. Compensation for the loss of animals is available and we are working with the enterprise networks to ensure that farm businesses have access to their advice.

To assist that process, I am pleased to report that all common agricultural policy outstanding balance payments under the main livestock schemes, together with those under the new less favoured area support scheme, have been met. By tomorrow, £100 million will have been paid to Scottish livestock producers under those schemes. I am well aware that the producers were due those payments, but we have accelerated them and I hope that advancing the payments will be a substantial boost to income flows at this difficult time.

We have also begun to identify what needs to be done in the medium to longer term to help those who have been most affected to recover from the outbreak of the disease. Careful thought will be given to the changes that might be required in the farming industry as it emerges from the crisis to ensure that it is stronger than it was. We formed an impact assessment group to help us to plan for that recovery and we are well into the task. The group is receiving information from around the country. The assessments that emerge from that work will feed into the ministerial committee on rural development that is overseeing and co-ordinating the Executive's response.

Until the disease eradication effort takes effect, it is difficult to begin to introduce longer-term recovery measures. However, through the steps that we are taking to get payments to farmers and the package of measures that was announced last

week to provide immediate relief, we have signalled our commitment to helping those who have been most affected. I am also pleased to announce that the Executive will match-fund public donations to voluntary organisations that are alleviating distress caused by the current outbreak. Further details about that scheme will be announced shortly.

I am sorry that the statement was rather long. Parliament is about to go into recess and I thought it right to bring members up to date on all aspects of the issue as it affects Scotland.

The Presiding Officer: As I said, the statement was, of necessity, long. I will allow a slight overrun at 12.30pm, but two other important statements are due this afternoon. Many members wish to ask questions, so I appeal to them. After the three party spokespersons have spoken, I will try to let in everyone who has a question, so I will not allow a long string of questions from each member. If anyone finds that their question has been answered, I ask them not to feel obliged to ask a question but instead to take their name off the list of those who have asked to speak. One member has done that; I have noted that, and it is to the member's credit.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I welcome the minister's statement. All members who have spoken to farmers in Dumfries and Galloway in the past days and weeks will echo what the minister said about the human dimension and the anguish that those who have been affected have suffered. It is therefore particularly apposite that the minister should make the statement before the recess. All parties recognise that the stamping-out policy is correct. I am pleased that there has been no wobbling—in this Parliament at least—with consideration of vaccination as an alternative. There appears to be an all-party consensus that vaccination would not work in the circumstances. The idea has not been considered or used in a party political or other sense.

I will ask the minister about three issues, the first of which is the cause of infection in recent cases. In the first weeks of the crisis, the minister frequently said that one small crumb of encouragement was the fact that each new outbreak could be traced unequivocally to contacts with Longtown market or Hexham market. I have not heard that recently in the minister's statements. Today, he suggested that infection could have been passed by contact between animals, the movement of people or vehicles, or aerosol spread. Does that mean that the minister and the department think that more recent outbreaks have been caused by aerosol spread? If so, what steps are being taken on that? Could the aerosol spread have been a result of the pursuit of

the policy of burning rather than burial? I mention that, but I appreciate the difficulties of using burial in the area, for many reasons.

My second point is about regaining export markets for Scotland. The markets cannot be regained for Scotland as a whole until evidence exists that the disease has been stamped out. However, Northern Ireland has restored its export market—I believe that it had one case. Could not the export ban be partially lifted in the provisionally free area, for example, where there have been no cases? Will that option be considered? Will the groundwork for that be laid, including the necessary approaches, communication and negotiation with the European Commission?

My third point is about access, which has important effects on the tourism industry. Given the minister's justification for choosing 16 April as the date from which the restrictions on the movement of animals will be lifted, would not that date also be a suitable one on which to draw a distinction and introduce access guidelines that are based on the new situation? If there is no risk that the virus will be obtained in the northern zone—because, from 16 April, we can rule out the possibility that animals will be infected—the only risk in allowing public access to the provisionally free area is that the virus might be brought in. Does not that merit a rather stronger line and a firmer direction from the Executive? Otherwise, we run the risk that private landowners will deny access for reasons that may not be directly related to the current crisis.

It is my personal view that the people's hopes that the Scottish Parliament could pursue an issue of this nature in a bipartisan way—different from that of the Westminster Parliament—may, at least to some extent, have been realised.

Ross Finnie: I am grateful for Fergus Ewing's continuation of that bipartisan approach.

On the cause of infection, there is no doubt that the overwhelming number of cases continue to have a direct connection with the Longtown mart. There are one or two cases in confined areas in which it was believed that the virus may have been inadvertently spread by persons who were feeding animals within the confined area. The chief veterinary officer believes that there is no real evidence of any aerosol spread. He cannot rule it out, because one cannot be absolutely certain about such things. The fact that there is no evidence of aerosol spread has been one of the tiny comforts in our experience of the disease.

On exports, the clear issue is that Scotland has to be disease free. It is the opinion of the chief veterinary officer of Scotland that Scotland is not disease free. That is why even the Highlands and Islands and the area north of the Forth and Clyde

are described as provisionally free. We will constantly review whether any change may give rise to sensible market movement. I can assure Mr Ewing that we keep that matter under review.

On access, clearly there has been a great problem. Mr Ewing alluded in his closing remarks to private landowners who seem to be going over the top, even in their interpretation of the advice that has been given. We will meet landowners. We will even explain to those in the provisionally free areas that, because we are relaxing quite a number of the movement restrictions, they should give serious thought to balancing the proportionate risk that is involved in a relaxation of animal movement and their continuing unwillingness to relax access restrictions. When we come to 16 April—I will have to make some announcements in the recess—we will assess the position in the light of the veterinary advice. That date could be critical to the further lifting of access restrictions.

Alex Johnstone (North-East Scotland) (Con):

I thank the minister for providing a copy of his statement in advance, as is traditional. I can reassure him that the Conservatives continue to support the policy and methodology that have been applied to the foot-and-mouth crisis in the south of Scotland.

Perhaps we should remember that there have been criticisms about the resources and the speed with which the foot-and-mouth outbreak has been dealt with. Such criticisms only highlight the differences between the way the crisis has developed north and south of the border. It is therefore appropriate to introduce the idea that we in Scotland, given the different circumstances, should have a separate inquiry into the circumstances that surround the outbreak when we eventually get to the stage of conducting a post mortem on it.

To facilitate that inquiry, I request information on exactly what testing is being carried out on animals that are not confirmed foot-and-mouth cases, but part of the contiguous cull that is being carried out in the south of Scotland. I believe that it will be important, in the aftermath of this event, to know exactly how far the disease had spread. Such information will not be available unless that is addressed at this point.

I welcome the minister's announcement on the relaxation of movement controls, especially in the north and island areas. I have had many phone calls and much correspondence from people who have been affected by those restrictions and who will welcome the change.

However, something that has been highlighted by those approaches is the slowness of the decision-making process in Scottish Executive rural affairs department offices throughout

Scotland. A degree of caution is being applied to certain applications for licences that has resulted in moves not being carried out which, in the opinion of many, would be appropriate. Simple failures in the decision-making process are, perhaps, the cause. I ask the minister whether he intends to issue guidance to offices on how those decisions will be made in future to ensure that his intentions are fully and properly carried out.

I welcome the minister's statement on livestock markets and the problems that are associated with them. I urge him to indicate what he hopes to do to return the livestock markets to something like normality, given that the shortage of the opportunity to exchange cattle is coming to crisis point in large parts of rural Scotland.

Finally, I add my support to the remarks made by Fergus Ewing on our long-term return to the export market. In Scotland, especially in the sheep-producing areas, access to the export market is vital to our continued prosperity. I urge the minister, as Fergus Ewing did, to approach the European Commission at the earliest possible opportunity so that while, as the minister said, we remain unaware of when we will be able to return to the export markets, we will know in advance exactly how we go about returning to them.

Ross Finnie: I thank Mr Johnstone for continuing the bipartisan approach. I take it therefore that Mr McLetchie's small aberration at question time last week was indeed just an aberration.

David McLetchie (Lothians) (Con): On a point of order—

Ross Finnie: Mr McLetchie was very critical of how the operation was being handled, but I am happy to accept Mr Johnstone's remark and that what Mr McLetchie said was merely a minor aberration.

David McLetchie: I want to make a point of order.

Members: Sit down.

The Presiding Officer: It is not really a point of order, but a point of argument.

Ross Finnie: I will now respond to Mr Johnstone's substantive point. The seriousness and rapidly moving nature of the disease is such that the veterinary officer has no alternative but to rely on section 31 of the Animal Health Act 1981 and schedule 3 to that act. They provide powers to slaughter animals infected by, suspected of being infected by or exposed to infection from foot-and-mouth disease. We are not taking those powers, which are widely drawn, loosely; we do so on the advice of the veterinary officers. We are therefore proceeding with the slaughters largely without any testing. There is no alternative in view of the

speed and scale of the disease. We cannot wait 24 or 48 hours. Waiting is simply not practical if we are to achieve the 24-hour slaughter target and the 48-hour contiguous premises target.

I am sorry that Mr Johnstone believes that licences are being granted too slowly. That matter is not easy, because we have to be assured, especially in the direct movements, that all the conditions are in place or can be put in place. To control the infection it is important that vehicles make a single journey. If there are steps we can take, we will take them. I am aware of glitches in the animal welfare scheme. They were due to unfortunate problems at the intervention board, which I understand are being resolved.

I am unable to answer the member's question on marts precisely. I am conscious that marts and collection areas are vital in getting things moving, but I cannot tell the member what I intend to do. However, I will be reviewing the matter on 16 April.

Scotland produces three times as much sheepmeat as it consumes. I am therefore well aware that exports are vital. Obviously, once we get foot-and-mouth-free status, we will be keen to restore our export markets, but I think that we are quite a long way away from that at the moment.

George Lyon (Argyll and Bute) (LD): On behalf of the Liberal Democrats, I welcome the minister's statement, which has laid out clearly the strategy the Executive is pursuing, not only for the livestock sector and for farming communities, but for the wider interests of tourism and the countryside in general. Most important, his statement signals that there is hope, that there is a way forward—the route map was clearly outlined—and, above all, that there is a potential end to this nightmare for all the farming communities that are caught up in the outbreak.

I shall ask only three brief questions because I am aware that a lot of members want to speak. First, I welcome what the minister has said about the status of the islands. Does that mean that the islands are being designated as free from foot-and-mouth disease? Secondly, he mentioned remaining controls. Will he explain what the remaining controls are? The indication seemed to be that, with the general licence, most of the controls will come out, but he obviously believes that some controls will still be in place. Finally, what is the position as regards livestock moving out of the islands? He mentioned livestock moving within and between the islands, but a number of islands have livestock on them that need to be moved off.

Ross Finnie: We are not entirely declaring the islands foot-and-mouth free. We take the view that, for there to be some consistency and so that we can build our case for future negotiations with

the European Union, there must be a clear, logical process. We must not make exceptions that are not easy to explain later in the day.

The restrictions relating to licensed movements and slaughter will continue, certainly until 16 April. We will also have to retain the 21-day rule for that brief period. I hope that it will be only for that brief period. We have discussed the matter extensively. I have had many representations from the islands and I had further discussions with our veterinary advisers again this morning, but restrictions will have to remain in place for a further fortnight. I know that that decision is a disappointment to many. I can say only that it has been taken on the very best of veterinary advice. I hope that movement out of the islands can be freed up when we review all movements, other than the current licensed movements, again on 16 April.

The Presiding Officer: I do not think that there is any chance of my calling all the members who want to speak, but I shall start with the two whose constituencies are most affected: Dr Elaine Murray and Alasdair Morgan.

Dr Elaine Murray (Dumfries) (Lab): Will the minister advise members when he expects the 48-hour target for a cull for contiguous farms to be achieved? There are still some problems with the notification of contiguous farms. I am aware of one constituent who heard on the 6 o'clock news that his farm was contiguous. Will the minister look into the problems that people continue to have with help and advice? I am told that it is still the case that some people are being passed between Ayr and Dumfries although the council has put in its own helpline.

Ross Finnie: I wish that I could give a precise date for the 48-hour cull. We are experiencing difficulties with logistics. As Dr Murray will be aware, as the crisis has gone on and as we try to accelerate towards that time scale, there have, regrettably, been some errors in transmitting information. That has produced understandable resentment in certain individuals. I understand that, Dr Murray will understand it and every member of the chamber would understand it, but we are meeting some resistance in overcoming that. We are deploying considerable resources so that people can improve lines of communication to deal with that problem. The 48-hour time scale is our clear target but I cannot, in the circumstances, give a precise date for when it will be met. We understand the importance of meeting that target and hope to do so, but we are some way away from doing so and the circumstances that I have outlined make it difficult for me to be more precise about that.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I will ask about one group outside farming that is affected by the crisis:

forestry and farming contractors. Many of them are not susceptible to rates relief because they do not have rated properties. What provision, other than business advice, is being given to those people? What compensation can they expect for the quarantining of very expensive equipment that is either in a forest or in fields and which they cannot remove for at least up to 10 days because it is surrounded by an infected area? That is clearly not their fault.

Secondly, I will ask about the intervention board welfare scheme, which I heard Nick Brown refer to in the House of Commons I think some six weeks ago. It does not seem to be working. Can Ross Finnie say how many animals have been slaughtered to date in Scotland as a result of that scheme?

Ross Finnie: I will deal with Alasdair Morgan's first point first. There are clearly two specific problems. Equipment was caught throughout Scotland at the point at which the Forestry Commission closed every forest. I am glad to say that about 200 forests have now reopened. That does not deal with the specific problem of forestry contractors in the infected area, which is what I think Alasdair Morgan is referring to in the context of his constituency. There are currently no specific measures. Through the impact assessment, we are aware of the burgeoning number of businesses that are affected.

I do not think that Alasdair Morgan is right about the date, although I do not have it to hand. I explained in an earlier answer that there was a serious problem with the way the intervention board was processing applications. I regret to say that that was more to do with a problem that occurred down south. I do not wish to apportion blame, but it was unfortunate that when the scheme was put in place down south, there were insufficient disposal facilities to deal with it. Regrettably, we then discovered that applications were being dealt with on a first-come-first-served basis. As I indicated in an earlier answer, I understand that that is being addressed. I do not have a precise figure for the number that have been slaughtered under that scheme, but it is swiftly coming into operation.

Alex Fergusson (South of Scotland) (Con): I will start by making plain the position of the Scottish Conservative and Unionist Party. We totally support the overall policy that has been implemented by—

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Is that a question?

Alex Fergusson: Perhaps Mr Rumbles will allow me to continue, please.

We support the policy as carried out by the Executive, which was mentioned by my colleague,

Alex Johnstone. We have considerable and legitimate concerns about the implementation of that policy, as referred to by another colleague, David McLetchie, in the chamber last week. *[Interruption.]*

The Presiding Officer: Order.

Alex Fergusson: Is the minister aware of the considerable confusion that still exists in Dumfries and Galloway? It has been caused largely by the poor and mixed quality of the information that has emanated from his department. Does he agree with the convener of Dumfries and Galloway Council that the Executive originally offered insufficient support and displayed a lack of leadership, and that the spread of the virus has been exacerbated by the considerable time lapse between suspicion and carcass disposal? Does the minister accept that the five weeks that it has taken to get the cull into full operation has led to an unnecessary spread of disease into the west, which could and should have been contained much sooner? Were those the mistakes to which he referred in his statement?

Ross Finnie: No, they were not. The mistakes that I referred to were mistakes in communication with individuals and in the timing of certain procedures in approaching farmers. I put those in the context of this enormous undertaking.

It is remarkable for anyone to apply the benefit of hindsight and talk about the way in which the cull could have taken place. I remind members that, within three, in fact four, days of my announcing to the chamber that it would be necessary to embark on a cull, the number of confirmed cases had doubled. I do not believe that Mr Fergusson, the convener of Dumfries and Galloway Council or I could have anticipated that. The amount of resource that has become necessary to deal with the matter moved at an almost exponential rate in that week to 10 days. There was no way in which we could have anticipated that.

I have to say that when I announced the cull, extensive discussions were held with all parties. Discussions were also opened with the Army as to when and how it could provide resource, and what resource it could provide. At the time that I made the announcement, we were satisfied that we could conduct the cull. However, we did not hesitate to admit that the level of increase in confirmed cases made it impossible to do so without calling upon additional resource, which is what we did. In light of what we were required to do in order to deal with such a number of confirmed cases, I cannot accept the member's criticism.

However, I accept that, with such a huge undertaking, there are problems in certain areas

such as communication, the handling of certain individual farms and, as Elaine Murray and Mr Fergusson have pointed out, notification to farms in contiguous areas. Although I apologise for those problems, I should say that we are doing our very best, particularly to accelerate the speed of the cull. Every time we accelerate such a huge exercise, we regrettably run into more problems. As I have said, although I make no apology for the continuation of this policy or for the way in which it has been put together, I accept that we have made mistakes, which we deeply regret.

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): Will the minister tell us whether the firebreak is now fully in place around the outbreaks in the Scottish Borders? Secondly, will he undertake to make representations to Nick Brown and his advisers to emphasise the importance of establishing a clear firebreak in Northumbria, to forestall any northward spread of the disease?

Ross Finnie: I can confirm that the firebreak around the Borders area has been completed. Furthermore, we have constantly made representations to the Minister of Agriculture, Fisheries and Food at Westminster about the imperative need to control any firebreak in Cumbria and Northumbria to protect the Scottish border.

Rhoda Grant (Highlands and Islands) (Lab): I also welcome the statement; I seek clarification on a couple of points. The minister said that movements to and from common grazings would be relaxed. Does that relaxation apply to common grazings only on islands, or does it include crofting communities, which would help welfare problems?

Furthermore, will the minister confirm whether Skye is being considered as an island or as part of the mainland? Will he join me in asking east coast farmers to be patient with crofters and farmers with overwintered stock on their property, as that stock will now be moved on 16 April?

Ross Finnie: Although I am not sure whether I am qualified to define when an island is not an island, I will take a risk—I think that Skye is an island.

I appreciate that Rhoda Grant—and all of us—would like the relaxation of movements to be extended to the crofting communities. However, the measures that I have announced today and which will come into force at midnight on Friday will apply only to all the islands. That said, the matter that she has raised will form part of my review on 16 April. Furthermore, I share her view about the need for patience in those who need to move stock.

David Mundell (South of Scotland) (Con): I hope that the minister will include in his thanks the

more than 300 Dumfries and Galloway Council workers who are still involved daily in the cull. Although that is far more personnel than the Army has provided, those workers have been somewhat overlooked in recent media reports.

There have been too many glitches, and I want the minister to tell us directly how he will deal with the glitches in the public relations part of the exercise. When unacceptable conduct has taken place, too often we hear people saying, “We’re just vets”, “We’re just the military” and so on. Who is in charge of the public relations aspect of the exercise—particularly in relation to the farmers—and what are they doing to ensure that farmers are treated properly and that there is proper public information? Furthermore, how will they ensure that action is taken where unacceptable practices have been carried out?

Ross Finnie: As I have frequently said during this statement, we regret those glitches and are employing a great deal of resources to address the issue that the member has raised. The situation changes day and daily; and even if I knew where cases might arise on any given day, it would still be hugely difficult to plan for that day. However, I recognise Mr Mundell’s point, and the only assurance that I can give is that we are devoting considerable resources to trying to improve the situation. We are conscious of the growing number of cases in that area, and we are devoting more resources to dealing with the situation.

Richard Lochhead (North-East Scotland) (SNP): I welcome the minister’s statement and commend him and his officials on their efforts. My first question concerns the partial lifting of the export ban. Can the minister confirm whether there is any legal barrier to that ban being lifted, and has he had any discussions on that with the European Union? Some areas in the north and north-east of Scotland are further away from the outbreak than other European countries.

Secondly, further to Alex Johnstone’s question about testing animals that are being culled, is not it possible to take samples to be tested retrospectively to ascertain the success of the policy?

Ross Finnie: Richard Lochhead asks two different questions, in relation to exports. First, it is clear from Commissioner Burns’s ruling this week that the concept of regionalisation is not disputed. Secondly, although some areas in the north and north-east of Scotland might be further away from the outbreak, the cases that had direct contact were in Inverness-shire and Aberdeenshire, and it is in those two areas that a cull had to be carried out, to ensure that those areas could be declared free of the disease. We had to do that, and the cases were connected. Only one case has been

confirmed in Ireland, and there has been no other movement or contact there. The contact in Aberdeenshire and Inverness-shire was the same contact that has caused the mayhem in Dumfries and Galloway. The issue must be seen from that perspective.

When we have brought the situation under control, we will seek to have the export ban lifted. We must be careful to ensure that we have a policy for dealing with the immediate question of relaxing regulations in the whole of Scotland, which also relates to the way in which our beef trade transports animals to final slaughter. There are many factors to consider, and drawing unnatural lines could have serious consequences for the entire meat sector in Scotland. We must be careful not to do that. However, as I said earlier, I understand the need for us to deal with the export situation.

If we were to allocate time and resources to taking samples for retrospective testing, we would not even be able to keep records of the animals that have been slaughtered. I am not making excuses, but we must get on top of the disease as quickly as we can. I hear what Richard Lochhead says but, under the circumstances, I do not believe that it would be possible to mount such an exercise.

Tavish Scott (Shetland) (LD): Will the minister clarify the application of the 21-day restriction to the islands? He said that that restriction would be retained. Does he understand the practical difficulties that that is causing, for example, where an individual crofter may have two code numbers? Does the 21-day restriction apply to the animal or the holding, and will that be clarified before midnight tomorrow?

Does the minister also understand that the local SERAD office in Lerwick will be deluged with requests from farmers and crofters? Lambing is about to begin in Shetland, but it is not clear from today's statement what restrictions have been removed in the islands.

Ross Finnie: I am conscious of the problems resulting from lambing and the restriction of the movement of animals to collection areas or other areas. That is why, even at a late stage in the drafting of my statement, we were discussing with the veterinary officers whether we could alleviate the situation further.

Rather than talk about the farm numbers that I am aware of, I will find out the answer to Tavish Scott's question and will get it to him later today. That would be safer than trying to anticipate numbers and how the restrictions would apply.

John Scott (Ayr) (Con): It appears that little or nothing has been learned by MAFF and—by the minister's admission, this morning—perhaps

SERAD, following the 1967 outbreak. Will the minister please tell me whether a public inquiry will be held in Scotland into the causal factors, the management and, ultimately, the eradication of the outbreak?

Ross Finnie: I am not entirely sure that nothing has been learned from 1967. Let us reflect on the start of the outbreak. The original source of infection was in Heddon-on-the-Wall, and the first time that it was recognised was in pigs that had been transported to Essex. When that infection was traced back to Heddon-on-the-Wall, lesions were found that indicated that the disease had been out and about for four weeks. It is a bit much to suggest that we had not learned any lessons. When a disease as virulent as this has been out and about for four weeks, the situation is made very difficult indeed. We introduced movement restrictions as soon as we heard that the disease was out and about. With all due respect, I would say that lessons had been learned and that the process that is in place has drawn on those lessons.

There is clearly a need for an inquiry, but we should be careful about what we are trying to address. The source of the disease is clearly an issue, as is the question of the distribution mechanism of the disease, as that has ramifications for the way in which we operate marts such as Longtown, although that is not the only relevant mart. We must also ask questions about how we can control animals in a way that is consistent with the control of public disease. There will need to be an inquiry to address those issues, but they are quite narrow. We will have to think about the best way of getting to those answers quickly.

The Presiding Officer: I was going to stop at this point, but Mr Adam looks as if he is going to burst a blood vessel, so I will call him.

Brian Adam (North-East Scotland) (SNP): Will the minister elaborate on the burial process for the carcasses? In light of the fact that, south of the border, some carcasses have had to be dug up, would the minister care to give us his view and the view of SEPA as to whether the pits ought to be limed as part of a belt-and-braces approach to ensure that there is no leaching?

Ross Finnie: I can assure Mr Adam that the selection of the sites, the overseeing of the way in which those sites operate and the conditions that have been placed on the sites have been worked out in close collaboration with SEPA, the chief veterinary officer and the chief medical officer. I can only say to Mr Adam that we are carrying out those procedures in accordance with the instructions that we have been given. It is up to the veterinary officer to decide whether he believes that lime makes a material difference in the

process. SEPA, the chief veterinary officer and the chief medical officer have set the regulations, and I assure Mr Adam that they are making absolutely sure of every step. We recognise that the concern that Mr Adam raises is a major one.

The Presiding Officer: We are well past time. I have taken careful note of the four members whom I have not called. I will try to make a mention of them this afternoon.

Business Motion

The Presiding Officer (Sir David Steel): The next item of business is consideration of business motion S1M-1823, in the name of Mr Tom McCabe, on behalf of the Parliamentary Bureau, setting out the business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 25 April 2001

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Executive Debate on Scotland's Skills for Tomorrow

5.00 pm Decision Time

followed by Members' Business

Thursday 26 April 2001

9.30 am Scottish National Party Business

followed by Business Motion

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Executive Debate on Rural Transport

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business—[Euan Robson.]

The Presiding Officer: No members have asked to speak against the motion. The question is, that motion S1M-1823, in the name of Mr Tom McCabe, be agreed to.

Motion agreed to.

12:43

Meeting suspended until 14:30.

14:30

On resuming—

Question Time

SCOTTISH EXECUTIVE

The Presiding Officer (Sir David Steel): The first item of business this afternoon is question time. We will begin straight away.

Health Spending

1. Mr Kenneth Gibson (Glasgow) (SNP): To ask the Scottish Executive, further to the answer to question S1W-12446 by Susan Deacon on 6 March 2001, why expenditure in real terms per head of population by the Greater Glasgow Health Board at 31 March 2000 was less than at 31 March 1992. (S1O-3231)

The Minister for Health and Community Care (Susan Deacon): The basis for calculating and reporting expenditure by health boards changed substantially in 1992-93. The figures are therefore not comparable—indeed, that was explained fully in the answer that I gave to question S1W-12446.

Mr Gibson: I thank the minister for that information, even if she did try to duck and dive a wee bit in her reply. However, the reality on the ground is somewhat different to the one that is touted by the minister.

What does the minister have to say to nursing staff in Glasgow southern general hospital's medicine for the elderly directorate? They recently received a letter from their senior nursing manager that said:

"I am writing to inform you that prior to our entry to the new build at the end of March 2001 the Trust is required to make savings equivalent to the staffing of a 15 bedded ward.

I have to date been able to make most of the savings, however I am unable to find vacancies within DME for the equivalent of 3 WTE"—

The Presiding Officer: Brevity, please.

Mr Gibson: That is three whole-time equivalent nurse posts.

The letter continues by saying that

"it has been agreed that in the first instance we should ask staff whether they wish to volunteer to take up a post"—

The Presiding Officer: Brevity please, Mr Gibson.

Mr Gibson: To take up a post elsewhere.

Given that the minister continues to talk about additional resources for the national health

service, why are cuts in nursing staff being implemented?

Susan Deacon: I spent two days this week in a whole range of NHS in Scotland facilities. Time and time again, staff and patients asked me why they do not hear more about the good things that are going on in the NHS. They also asked me why they do not hear more balanced debates about the NHS.

People want to hear a realistic assessment of the problems that are faced but, equally, they want to hear recognition of the solid foundations that exist for us to build on. I come to the chamber direct from a conference that was attended by all the leaders of the NHS in Scotland, who were saying exactly the same thing. The Executive is taking forward a programme of investment and reform. We are looking at the big picture. Once again, the SNP is found sniping from the sidelines, spinning the numbers and offering no policies.

Workplace Standards

2. Bill Butler (Glasgow Anniesland) (Lab): To ask the Scottish Executive what measures will come into effect at the beginning of the new financial year which will contribute to fairness and equality at work. (S1O-3277)

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic (Mr Alasdair Morrison): The Scottish Executive is responsible for the implementation in Scotland of the European social fund community initiative—EQUAL—under which £20 million will be available over the next five years to promote new ways of combating discrimination and inequalities in the labour market.

Bill Butler: I thank the minister for that reply. Will he outline the effect of the uprating on the national minimum wage in Scotland? What is being done to address the pay gap where such a gap is due to non-compliance by employers?

Mr Morrison: In Scotland, 110,000 people have directly benefited from the national minimum wage. On legislation on non-compliance, the Equal Pay Act 1970 is already in place and has made real headway. Under that act, women in particular have been able to claim their rights in many landmark cases.

Dorothy-Grace Elder (Glasgow) (SNP): In the name of equality, will the minister consider workplace bullying, which also concerns the European Union? Will the minister help to issue guidelines to workplaces? He will agree that workplace bullying causes endless stress and sometimes suicide. Bullies are always cowards and inadequates who make the lives of other workers a misery.

Mr Morrison: The Government and the Scottish Executive want to promote fairness and decency in the workplace. Legislation already exists to deal with the most extreme cases of harassment, health and safety issues and discrimination on grounds of sex or disability.

Mr David Davidson (North-East Scotland) (Con): After all the talk about further regulation of business, I assume that the minister will agree that there are already 3,500 extra business regulations in the UK. Will he ensure and guarantee today that no additional burdens will be placed on Scottish business to disadvantage it against the rest of the UK and decrease the opportunity of creating employment?

Mr Morrison: I am happy to assure Mr Davidson that we will reduce red tape and increase protection for workers.

Urban Regeneration (Dundee)

3. Mr John McAllion (Dundee East) (Lab): To ask the Scottish Executive what discussions it has had recently with Dundee City Council relating to urban regeneration. (S10-3241)

The Presiding Officer: Which minister is to answer the question? Malcolm Chisholm? I am told that Margaret Curran will answer. I was wrongly informed.

The Deputy Minister for Social Justice (Ms Margaret Curran): That is quite all right.

The Presiding Officer: I am not confusing the two of you.

Ms Curran: Ministers and officials meet regularly with representatives of the council to discuss urban regeneration and other matters.

Mr McAllion: Is the minister aware that, in debates held in Executive and in Opposition time, the Parliament has debated fisheries or rural Scotland on eight different occasions? I have no complaint about that, but the Parliament has yet to have a single debate on the regeneration of Scottish cities, and I complain about that. Does the minister not recognise that that is a very poor return for the voters of urban Scotland, who overwhelmingly voted for the establishment of the Parliament? Will she use her influence in the Executive to ensure that when we return from the recess, the Parliament debates the future of Scotland's cities and of the people who live in them?

Ms Curran: I am more than happy to give John McAllion the assurance for which he asks. I will use whatever influence I have in the Executive to pursue the issues of urban regeneration and the future of cities. The Executive's commitment to those matters is strong. The cities review is under way and the Minister for Social Justice intends to

release a statement on urban regeneration in the autumn. I assure John McAllion that I take the issue of poverty and cities very seriously. I will pursue those matters with great energy in the Parliament.

Shona Robison (North-East Scotland) (SNP): I will ask a question about urban regeneration in Dundee. An integrated transport system is an important element of regeneration. Does the minister agree that the proposals for a new train hall at Dundee airport, with bus links to commerce and industry in the city centre, is the way forward for Dundee's transport system and is worthy of support by the Scottish Executive? I hope that the minister will give her support to the scheme when the feasibility study is brought forward.

Ms Curran: I am sure that Shona Robison is well aware that I am not the Minister for Transport and Planning and I suggest that she refers that question to that minister.

Fireworks

4. John Young (West of Scotland) (Con): To ask the Scottish Executive how much it has cost police forces, the ambulance and fire services, the NHS and local authorities to deal with incidents arising from the use or misuse of fireworks over the last five years. (S10-3247)

The Deputy Minister for Justice (Iain Gray): Information of the kind the member has asked for is not recorded, but the careless use of fireworks still causes too many injuries. The message to be driven home is that fireworks are explosives and must be handled accordingly.

John Young: I thank the minister for his reply. I mentioned various bodies that can be involved in fireworks incidents. Those include Scottish ambulance services, the Scottish NHS, Scottish fire departments, the Scottish police, Scottish local authorities and, indeed, the Scottish taxpayer.

Is the minister aware that in communications that I have had with Tony Blair's office, and with Kim Howells, the appropriate minister, the response that I have received is that the matter must remain reserved under the Explosives Act 1876? In view of that, would the Scottish Executive be prepared to make an approach to its counterparts in Westminster to have the matter cease to be reserved and brought under the control of the Scottish Parliament?

The Presiding Officer: Order. Order all round. There are to be no conversations, please, when a question is being asked. The question is, in any case, too long, so let us have the answer.

John Young: My final point, if I may, Presiding Officer, is that Guy Fawkes is part of English history. Why is he celebrated here in Scotland?

Iain Gray: That was a lengthy and erudite question, although I think that Mr Young will find that the Explosives Act was passed in 1875, not 1876.

The important thing is that we do the work that is required to drive down the incidence of accidents related to fireworks. It is disappointing to note that in 1999 there was an increase in firework accidents, although that may have been related to the extended celebrations in the lead-up to the millennium. If Mr Young has a particular instance of why he thinks that fireworks regulation is not serving its purpose and how it could be improved, I would be happy to look at that and to make appropriate representations to the Department of Trade and Industry.

Homelessness

5. Karen Whitefield (Airdrie and Shotts) (Lab): To ask the Scottish Executive what progress is being made in tackling homelessness. (S10-3276)

The Minister for Social Justice (Jackie Baillie): Last week I welcomed the 7 per cent drop in homelessness applications for the quarter ended September 2000. That is the fourth quarter in a row that homelessness applications have fallen, when compared to the previous year. That is a clear indication that the actions which we have taken since coming into office, and the funding we have made available, are beginning to have a positive effect.

Karen Whitefield: I hope that the minister will join me in welcoming the announcement that, in North Lanarkshire, homeless applications fell by 8 per cent in the period ending September 2000. However, does she agree that statistics are often open to interpretation and misinterpretation and that, for that reason, they are often not a good measure of homelessness?

Jackie Baillie: Like Karen Whitefield, I welcome the news that North Lanarkshire's homelessness figures have dropped. It is one of 16 local authorities that have reported a decrease in the number of applications. The greatest decreases have been in Glasgow, Fife and Aberdeen.

I agree with the valid point that Karen Whitefield made. We need a better understanding of the different groups that are applying as homeless. That is why the Executive is introducing an electronic data capture system that measures people rather than paper.

Linda Fabiani (Central Scotland) (SNP): Will the minister comment on the fact that, although the Executive insists on using quarterly comparators in an attempt to prove that homelessness is falling, its own statistical bulletin clearly shows that the number of homeless

applications annually is rising? Will she answer the concern of Shelter Scotland, among others, that repeat applications, which make up 25 per cent of the homeless applications received, are not shown in the statistics, even though it is clear that the system is failing 25 per cent of people who apply as homeless?

Jackie Baillie: The SNP never fails to disappoint. I would have hoped that it would welcome a drop in homelessness statistics in Scotland. If Linda Fabiani considers the four quarters taken together as a yearly accounting period, she will find that there has been a drop of some 2000 applications across Scotland. That is welcome, and it shows that the Executive is tackling the scourge of homelessness in Scotland and succeeding.

Mr Keith Harding (Mid Scotland and Fife) (Con): I will not disappoint the minister. We all welcome the reduction in homeless applications. However, will the minister acknowledge that the number of applications is still higher now than it was when Labour came to power?

Jackie Baillie: I think that Keith Harding will recognise that the most dramatic increase in homelessness was under the Tories in the early 1990s. Undoubtedly, it has continued to increase. However, what Mr Harding has to realise is that this is not just about bricks and mortar, but about tackling poverty and disadvantage and the complex problems that people have. That takes time. We are putting measures in place and we can see indications that those measures are succeeding. Unfortunately, under the previous Tory Administration, there was never a drop.

Dennis Canavan (Falkirk West): Does the minister agree that one of the reasons for homelessness is that there is not enough rented accommodation available at a reasonable level of rent? Why is the Executive hell-bent on making a bad situation worse by forcing housing associations to sell off their housing stock? That may seem a good idea to sitting tenants, but it offers a very raw deal indeed for homeless people.

Jackie Baillie: That is just nonsense. If Dennis Canavan looks around Scotland, he will see that the number of empty properties available is fairly significant. If he looks at the number of lets of property, he will see that it more than adequately covers the number of people reporting as homeless. The issue is not the availability of rented accommodation. It is widely accepted that the real issue is the complex underlying needs that lead people to become homeless in the first place. For example, they may suffer from alcohol addiction, drug addiction, family breakdown or mortgage repossession. The list is endless. I am disappointed that Mr Canavan did not appreciate that.

Further Education

6. Des McNulty (Clydebank and Milngavie) (Lab): To ask the Scottish Executive what plans it has to encourage more people to take up places in further education colleges. (S1O-3274)

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic (Mr Alasdair Morrison): On 19 March, Wendy Alexander announced a £19.5 million package of new support measures for further education students. The new measures will improve levels of support for thousands of further education students from autumn 2001, especially those from low-income families. The measures will, for the first time, create a level playing field for students on further education and higher education courses.

Des McNulty: What steps is the Executive taking to help colleges to recruit and retain students in areas such as West Dunbartonshire, where the proportion of people with post-school qualifications is very low? Will the minister ask his colleague Wendy Alexander to do all that she can—along with the Scottish Further Education Funding Council—to secure the future development of Clydebank College, which plays a key role in extending access and meeting the learning needs of people in my constituency and the adjacent areas?

Mr Morrison: As far as the first part of Mr McNulty's question is concerned, £4 million per annum is now available within mainstream funding. The Scottish Further Education Funding Council recognises the extra costs that colleges bear in encouraging people from socially excluded groups to participate in lifelong learning. As for Clydebank College, I will be more than happy to convey the member's concerns to Wendy Alexander.

Alex Neil (Central Scotland) (SNP): Will additional resources be made available to increase the number of places in further education as a result of the FE estates review, which is now completed? When does the minister hope to publish the results of that review, and details of its relationship to the number of places?

Mr Morrison: The issue is under consideration. I know that Mr Neil's Enterprise and Lifelong Learning Committee will discuss it. The answer will be determined by the outcome of the review, the date of publication of which will be determined by my colleague Wendy Alexander. I will play my full part in the discussions. Unfortunately, I cannot give Mr Neil the date of publication.

Phil Gallie (South of Scotland) (Con): What increase has there been in the take-up of further education places since 1997? What effect has that had on unemployment figures?

Mr Morrison: Some years ago we set a target of an additional 40,000 further education places, which was to be achieved over a three-year period. I am happy to advise Mr Gallie that over the three-year period, student numbers rose by 3 per cent from the previous years, indicating that the FE sector is on course to achieve the Government's target.

Community Care

7. Mary Scanlon (Highlands and Islands) (Con): To ask the Scottish Executive whether there are any proposals to amend the referral system for care in the community placements. (S1O-3234)

The Deputy Minister for Health and Community Care (Malcolm Chisholm): Audit Scotland, on behalf of the Accounts Commission, prepared and published "Commissioning Community Care Services for Older People: Applying a Best Value Framework" in October 2000. That provides local authorities with a framework for commissioning services for older people based on the Accounts Commission's best-value performance management and planning audit. Audit Scotland has undertaken to follow up councils' progress in adopting the framework.

Mary Scanlon: I am pleased to hear that progress is being followed up. I would like to see progress.

Does the minister share my concern that the current council referral system prioritises council homes, which are more expensive than those in the private and voluntary sectors? Councils rarely offer choice to patients and families, which results in fewer people receiving care and exacerbates bedblocking problems for the mentally ill and the elderly.

Malcolm Chisholm: This is a complex issue, but clearly, best value, as I indicated in my answer, is the key to progress. There will be further developments with regard to best value, which the Minister for Finance and Local Government will announce in due course.

People forget that best value is not just about cost; it is also about quality. That is why this is a complex area. We cannot simply look at what is cheapest; we have to look at quality. That is at the heart of our agenda and the Regulation of Care (Scotland) Bill.

Mr Adam Ingram (South of Scotland) (SNP): Why can patients who have been referred to supported accommodation and assured a place be detained in hospitals due to a lack of money in care management budgets? Can the minister confirm that such detentions are in breach of the right to liberty, as defined in article 5 of the European convention on human rights?

Malcolm Chisholm: The drive to address the problem of delayed discharge is at the heart of our priorities. The increases for community care this year and the next two years are way beyond the rate of inflation, and are beyond anything that we have seen in the past two decades. We accept that there are still problems, but the last census of delayed discharges indicated an improvement, even though it was during the winter months. We look forward to further improvements as the new money feeds through in the course of this financial year.

Social Workers

8. Irene McGugan (North-East Scotland) (SNP): To ask the Scottish Executive what action it will take to address any problems in social work caused by difficulties in recruiting and retaining staff due to stress levels within the profession, the profession's public image or any lack of resources within the profession. (S1O-3249)

The Deputy Minister for Education, Europe and External Affairs (Nicol Stephen): The professionalism of social workers and their public image will be enhanced by provisions in the Regulation of Care (Scotland) Bill, which is at stage 2 in this Parliament.

Irene McGugan: I thank the minister for that limited answer. Does he accept that the result of there not being enough social workers is that cases are unallocated, and that children in need, for example, can wait for anything from several months to one year for appropriate supervision and support? We are failing many of the most vulnerable children when they most need some help. What investment will the minister make in social work to allow statutory responsibilities to be adequately met?

Nicol Stephen: That issue is a significant concern of the Executive. We discussed it in detail in the chamber yesterday. Additional resources have been invested in social work. Further resources will be invested in the coming years, over the period of the spending review. Recruitment problems are not consistent throughout Scotland. In the first instance, the issue is a matter for employers, local authorities and voluntary organisations, but the Executive will consider ways of supporting those organisations to try to overcome the problems, which are serious in some areas.

Scott Barrie (Dunfermline West) (Lab): Does the minister agree that social work's poor public image has much to do with the fact that social work figures in the popular media only when a tragedy has occurred or high sickness levels are recorded in some social work departments? Does he join me in urging the Executive to emphasise the daily successes that social work achieves?

Nicol Stephen: I agree with everything that Scott Barrie said. When problems arise and the system fails, the amount of pressure on the system, day in, day out, is underscored. Behind every negative headline lie hundreds, if not thousands, of examples of the social work profession preventing a tragedy. Day in, day out, social workers are threatened with physical violence. They are also subject to significant emotional strains.

The profession is undervalued in Scotland. Much of the work that we are doing with the Regulation of Care (Scotland) Bill and on the issues that we discussed during yesterday afternoon's debate on looked-after children will tackle those issues and enhance the professionalism, profile and status of the social work profession.

Ferry Services

9. Tavish Scott (Shetland) (LD): To ask the Scottish Executive when it last met representatives of NorthLink Orkney and Shetland Ferries and whether the issue of the transfer of staff to NorthLink from P&O Scottish Ferries was discussed. (S1O-3252)

The Minister for Transport and Planning (Sarah Boyack): The Executive is working closely with NorthLink and P&O Scottish Ferries to ensure the smooth handover of the 2002 to 2007 subsidy contract for the northern isles passenger ferry services. That work includes regular meetings with both companies to discuss a range of issues. The Executive has no formal role as employer and it is for the two companies to consider staff transfer. We expect the Transfer of Undertakings (Protection of Employment) Regulations to apply.

Tavish Scott: Does the minister join me in welcoming yesterday's announcement at Glasgow travel fair that NorthLink and Shetland Islands Tourism are forming a joint marketing partnership to market Shetland and Orkney? Does she accept the undoubted need for a seamless transfer from P&O to NorthLink, especially for existing staff? Will she give assurances about staff conditions? Will she ensure that new harbour facilities will be available, backed by Scottish Executive finance, as the ports must use reasonable endeavours to meet the challenging time scale?

Sarah Boyack: I agree that yesterday's groundbreaking initiative between the new ferry company and the tourist boards in the island areas is important. The new ferry services that will begin in 2002 will bring major service improvements. The Executive is keen to ensure that those services are marketed effectively and that islanders and the tourism industry benefit. That is why we have been keen to invest £12 million in Scrabster harbour, as part of a £16 million

package. We have also invested in Lerwick, for improved harbour facilities. We are considering improvements in Orkney and are discussing them with Orkney Islands Council. We have made a huge investment. We are keen to ensure a smooth handover, which is in the interests of ferry passengers and staff.

Health Boards (Capital Projects)

10. Paul Martin (Glasgow Springburn) (Lab): To ask the Scottish Executive what measures are in place to ensure that full business cases for capital projects submitted by health boards demonstrate value for money. (S1O-3233)

The Minister for Health and Community Care (Susan Deacon): Value for money is shown by conducting an economic appraisal of the costs and benefits that are associated with a range of options for delivering improvements in services.

Paul Martin: Does the minister share my concern that the Greater Glasgow Primary Care NHS Trust's wish to proceed with the full business case for the proposed secure unit at Stobhill hospital, despite the fact that that site is zoned for residential use—which is confirmed by correspondence that I have received—is a scandalous waste of public funds?

Susan Deacon: I recognise that Paul Martin has taken a keen interest in this issue and has corresponded in detail on it. I must reinforce the point that has been made in correspondence: that the Executive would for its part require any full business case to reflect all relevant considerations including, if appropriate, the position on planning consents. However, it is not for the Executive to comment on the details of an individual project at this stage of development. It is important that debate and dialogue continues at a local level on how best those changes can move forward.

Ms Sandra White (Glasgow) (SNP): On value for money, capital projects and capital receipts, will the minister confirm whether income that is generated from the sale of former hospital sites is fully incorporated in the health budget? If it is, how much of the money is incorporated; if not, where does the money go?

Susan Deacon: The income that is generated from such receipts is retained within the national health service. Individual cases differ in scale and substance. Full guidance is in place for the service and proposals are put to the Scottish Executive accordingly. In the Scottish health plan, we have identified that financial planning is an area where we must continually seek to improve and develop procedures so that decisions can be taken quickly and, as far as is possible, money can be returned to patient care at a national and local level.

Ms Margo MacDonald (Lothians) (SNP): Is the

minister satisfied that in the disposal of hospital grounds, particularly in Edinburgh, the same meticulous attention has been paid to the need for value for money and a properly considered business plan for the dispersal of facilities and resources as there is for the development of new facilities?

Susan Deacon: As I said in my previous response, issues such as the management of assets and the disposal of property here in Edinburgh or in any other part of the country are of great concern to me. Such issues are considered carefully in local and national audit processes. As I said, robust systems and guidance are already in place for each part of the system across Scotland. We will continually consider how to improve them.

I am pleased that one of the reasons such changes are taking place in Edinburgh is the major development of the new royal infirmary. I look forward to the services that will be available on that site when it opens.

Tommy Sheridan (Glasgow) (SSP): Does the minister share my concern that the Home Office is not willing to provide additional support to the NHS in Scotland, particularly in Glasgow, to assist asylum seekers who require health services?

The Presiding Officer: I am sorry, Mr Sheridan. That is well wide of the question.

Tommy Sheridan: Will the minister tell me whether she agrees with that and, if not, whether she will make—

The Presiding Officer: No, no, no. I am sorry. That is wide of the question; it is out of order.

Tenant Participation

11. Donald Gorrie (Central Scotland) (LD): To ask the Scottish Executive whether it has any plans to introduce a statutory right to tenant participation. (S1O-3262)

The Presiding Officer: I call Malcolm Chisholm to answer.

The Deputy Minister for Social Justice (Ms Margaret Curran) rose—

The Presiding Officer: This is not mistaken identity, it is mistaken information.

Ms Curran: I will not take it personally, Presiding Officer.

Mr Gorrie is looking particularly well today after his entanglement yesterday evening with certain Labour women. I congratulate him on that.

On a more serious note, the Housing (Scotland) Bill, which is currently before Parliament, will for the first time place statutory duties on local authorities and registered social landlords to

prepare tenant participation strategies; to maintain a list of registered tenants organisations; and to consult those tenants organisations and individual tenants on key decisions that affect tenants. Those new duties, with the duty to provide relevant information to tenants, will ensure a comprehensive set of rights for tenants in that respect.

Donald Gorrie: I thank the minister for her initial remarks. I am sure that they were kindly meant. *[Laughter.]*

What the minister said is encouraging. Will she consider, at this or some future stage, setting out clearly in statute that tenants, whatever their form of tenancy, should have a statutory right to consultation, so that all the good things that are suggested in the bill can be brought together and apply to absolutely everyone?

Ms Curran: Yes. As Mr Gorrie will know, the Housing (Scotland) Bill is making its way through Parliament. We intend to consider the comments that have been made. Our proposals have been strongly welcomed by tenants organisations, but we will work closely with the Social Justice Committee to take up the points that Mr Gorrie has raised.

Mr Murray Tosh (South of Scotland) (Con): Is the minister aware of widely varying approaches among local authorities to resourcing and supporting tenant participation? Can she clarify whether the bill will be accompanied by ministerial guidance to ensure that the strategies set out by local authorities and other management agencies under the new legislation will allow people to pursue those rights and that those strategies are delivered?

Ms Curran: There is variation at the moment. In fact, many local authorities are good practitioners on tenants rights and participation. We have an opportunity in the bill to maximise that. We will issue guidance to ensure that there is a minimum standard to which everyone should adhere. The relevant sections in the bill mean that the future is bright for tenant participation, as it will be a requirement.

Post Offices

12. Mr Adam Ingram (South of Scotland) (SNP): To ask the Scottish Executive what contribution it is making to the maintenance of the post office network in Scotland. (S10-3271)

The Minister for Environment and Rural Development (Ross Finnie): The Post Office and postal services are reserved matters. However, the Scottish Executive recognises the importance of the availability of postal services, especially in rural and outlying urban areas. The Executive is engaged on a range of issues that may impact on

postal services, including the 21st century government agenda and service provision in rural areas.

Mr Ingram: Is the minister aware that the post office network in Scotland has suffered a net loss of 60 post offices in the past 12 months—a 50 per cent increase on the figure for the previous year? Will the minister explain why the funding consequential of £3.5 million that was received by the Executive from the UK Treasury for post office pilot schemes has not been allocated for support of the post office network, with the exception of the £200,000 that was allocated to the post office element of the digital Highland project?

Ross Finnie: The digital Highland project is an element of the Government general practitioner pilot scheme that is being conducted in Scotland. The results of that and the other general practitioner schemes will be available to the whole post office network. The thrust of where the Scottish Executive is placing its resources relates to the undertaking that has been given by the post office network that all post offices will be linked to electronic information technology. We are trying to persuade the Post Office that that should take place everywhere in Scotland—in remote rural areas and in outlying urban areas. It would enable the Post Office to offer a much wider range of services and thus attract a much larger number of people to use its services.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I welcome the minister's commitment to ensuring that rural post offices remain open. Will the minister outline some of the assistance that is proposed, especially to rural areas, given that many rural post offices run in conjunction with small local businesses?

Ross Finnie: That is one of the issues that are included in our report on the provision of rural services, which indicated that that linkage with other services was not being considered to a sufficient extent. We are currently engaged in delivering the recommendations of that report and are in discussion with the Post Office to that effect.

David Mundell (South of Scotland) (Con): We have repeatedly heard that the future of post offices will be secured partly through the delivery of Government services—be they local government, UK Government or Scottish Executive services—at post offices, especially in rural areas. Will the minister say which, if any, services he has in mind for delivery through those post offices?

Ross Finnie: That will ultimately be a matter for the Post Office. We are trying to persuade it that any access to information—whether in local government or social security services—that would make using post offices more attractive to

citizens in remote communities is an essential part of increasing the footprint usage and therefore the viability of remote rural post offices.

The Presiding Officer: Question 13 has been withdrawn.

Railways

14. Scott Barrie (Dunfermline West) (Lab): To ask the Scottish Executive what progress is being made on the Stirling-Alloa-Dunfermline rail link. (S10-3264)

The Minister for Transport and Planning (Sarah Boyack): My department is in close contact with Clackmannanshire Council and Railtrack about progress with the project. I have called for an urgent report from the council on potential cost increases.

Scott Barrie: The minister will be well aware of the importance of that project to relieve the freight pressure on the Forth bridge, the east coast main line and the Fife circle. Can she confirm what the current gap in the financing of the project is? Can she cast any light on whether the increased gap is caused by Railtrack's tightening of the line and signal specifications or by deficiencies in the original report prepared by Clackmannanshire Council?

Sarah Boyack: Until I have the urgent report that I have asked for, I will not be able to answer those questions in detail. That is why we need that urgent report. Members will recall that, in 1999, I deferred Clackmannanshire Council's application for further work, although we gave it clearance last year. I am very concerned about the potential cost increase in the project, but more background work is required to find out from all the parties involved exactly what the nature of those increases is before we can make statements about the future of the project. The gap is significant and we will need to consider the issue very carefully.

Dr Richard Simpson (Ochil) (Lab): When she is reviewing the situation with her officials, will the minister ensure that she examines the figures that I have received, which show that the passenger element of the bid was wrong by a factor differing from £2.2 million to £9.9 million? Will she investigate what the official submission was and how on earth the bid could ever have been approved in the first place if those figures are indeed correct? Furthermore, will she agree to hold an urgent meeting involving Scott Barrie, Sylvia Jackson and me, and Clackmannanshire Council, Stirling Council and Railtrack, to review what appears to be a disastrous bid so that we can endeavour to resolve the problem in the interests of all our constituents?

Sarah Boyack: It is fair to say that there has already been a meeting with some of the key

players who would be involved in delivering the project. I take the matter very seriously and, in issuing the next public transport fund circular for information, I am certainly minded to ensure that the authorities provide us with more information than they have hitherto been required to provide. It is up to local authorities that are submitting bids to the Executive to ensure that the whole package is in place and has been properly and robustly evaluated. That is why I need an urgent report and why we cannot take the matter any further forward in the chamber today. Nevertheless, I am happy to talk to Richard Simpson and Scott Barrie about the matter.

Bruce Crawford (Mid Scotland and Fife) (SNP): Does the minister agree that that rail line has regional significance and that Clackmannanshire Council has put a tremendous amount of effort into trying to secure it? How much has this matter really got to do with Railtrack holding the Government to ransom over the £1.5 billion that will be allocated over the next few years to bail Railtrack out of the problems arising from the Hatfield derailment? Is not that the real reason for the costs escalating?

Sarah Boyack: Just as I was not prepared to speculate to Labour back benchers, I am certainly not prepared to speculate to an SNP back bencher. I am just being consistent to all members in the chamber. We need to get the facts on this matter. It disturbs me greatly that there has been such a huge increase in costs and I am not prepared to lay blame without having the full facts in front of me and without being able to analyse the problems. We need to get more information. These issues have come to light very recently. Before members make speculations, we need to have the evidence in front of us.

Tourism

15. Michael Russell (South of Scotland) (SNP): To ask the Scottish Executive what immediate assistance it plans to give museums, heritage centres and historic attractions whose visitor numbers have been affected by the drop in tourist numbers resulting from the foot-and-mouth disease outbreak. (S10-3251)

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic (Mr Alasdair Morrison): The package of measures announced by the Executive last week to support the tourism industry will recognise the importance of museums and other visitor attractions to the local economy.

Michael Russell: I presume that that was an answer. I asked about immediate assistance. Many attractions open for the first time at Easter. This Easter, it will not be a normal opening for them, as there will be virtually no trade. Some attractions that try to remain open throughout the

year, such as Kilmartin House in Argyll, have seen their visitor numbers decimated. I hope that Mr Morrison and his friend the Minister for Sport, the Arts and Culture will put their heads together to find some way of filling the hole in museum budgets that is about to be created. Those attractions are fragile and do not generate much cash. They may find themselves unable to continue.

Mr Morrison: As Mr Russell should know, many museums already benefit from rates relief because of the charitable status they enjoy. We have announced a package of £13 million, much of which is directed towards attracting visitors and restoring confidence in the Scottish tourism market. We will be targeting money within the United Kingdom and making a concerted effort in important overseas markets.

First Minister's Question Time

SCOTTISH EXECUTIVE

Cabinet (Meetings)

1. Roseanna Cunningham (Perth) (SNP): To ask the Deputy First Minister when the Scottish Executive's Cabinet last met and what issues were discussed. (S1F-995)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): I welcome Ms Cunningham to this ordeal. The Scottish Executive's Cabinet last met on 3 April when it discussed issues of importance to the people of Scotland.

Roseanna Cunningham: I thank the Deputy First Minister. As he will know, over the past four or five weeks the SNP has consistently put on record its support for the Executive's measures to eradicate—*[Interruption.]*

The Presiding Officer (Sir David Steel): Order. Please clear the people from the gallery.

Ms Cunningham, would you proceed.
[Interruption.]

I suspend the meeting for five minutes.

15:10

Meeting suspended.

15:23

On resuming—

The Presiding Officer: I propose to add the 13 minutes that have been lost to the afternoon schedule. That means that we will finish late. I intend to review all aspects of what just happened and I shall report back to the Parliament after the recess.

Roseanna Cunningham: As I was saying, the SNP is on record, over the past few weeks, as having supported the Executive's measures to eradicate foot-and-mouth disease, and we continue that support. We have, however, expressed concern over the fact that the support that is being announced for the tourism industry, and for industry as it is affected at large, has not been sufficient, given the extent of the crisis. The Executive has—rightly, in my view—asked organisations such as the Inland Revenue and HM Customs and Excise to take a sympathetic approach if businesses need to defer payments during the crisis.

Why, therefore, was a letter from the Scottish Executive about meat hygiene inspection charges

sent to a business in my constituency, telling it that there will be no suspension of any recovery action as a result of foot-and-mouth disease? The letter was sent on the same day as the support package was being announced in the chamber last week. Why is the Scottish Executive demanding that

“continued regular payments must be maintained”

despite knowing that that must mean that firms will have to lay people off?

Mr Wallace: I acknowledge what you said, Sir David, about looking into that case. Although there is a place for protest in any democratic society, that protest should not disrupt the proceedings of a democratically elected Parliament. I hope that the leaders of the other parliamentary parties will join me in deploring what happened in the gallery today.

I welcome the support that Roseanna Cunningham and her party have given for the approach that the Executive has adopted in tackling the foot-and-mouth outbreak and I acknowledge the constructive response that Fergus Ewing gave this morning, following Ross Finnie’s statement.

We will hear a statement on tourism later today and I am sure that Roseanna Cunningham is aware that there has been a substantial boost to the funding of visitScotland and the Scottish Tourist Board to help deal with the present crisis. Those bodies have also added some of their own resources to that effort. The funding is being directed to particular parts of the tourism industry to help with cash flow. It is also being used to pursue international marketing and to help area tourist boards to promote tourism in their areas, because they know best how to do that. The best package that can be given to the Scottish tourism industry is to have people coming back through the door.

I appreciate what Roseanna Cunningham said about the letter to which she referred. Obviously, I was not aware of that letter, but if Roseanna Cunningham makes it available to me, I will ensure that proper inquiries are made.

Roseanna Cunningham: I thank the Deputy First Minister for that. However, I will give him just a little more information. The small business that is affected by the letter is a meat and game dealer, which has done no trading since the crisis began. The staff have been laid off—five people, or six, if one counts the owner. Two weeks ago, the First Minister said in the chamber that

“There is real immediacy and urgency.”—[*Official Report*, 22 March 2001; Vol 11, c 879.]

If the situation was immediate and urgent two weeks ago, it is no less so now. I ask the Deputy First Minister not simply to investigate or look into

the matter but to give a clear commitment that the Executive will no longer send out such threatening letters and that it will do in practice what it says that it is asking everyone else to do and stop making such demands on struggling firms.

Mr Wallace: I indicated that I will look into the matter and I think that that is only proper. I understand from Ross Finnie that 70 per cent of processing is taking place. It may well be that there is an exception in the area that Roseanna Cunningham is talking about. I can do nothing more than say to Roseanna Cunningham that, if there is a problem, we will look into it seriously. The record of the Executive is good: it has faced up to the consequences of the foot-and-mouth outbreak; it has helped the tourism industry; and it has put in place rates relief for small businesses.

Roseanna Cunningham talked about tax and VAT. Clearly, those are matters for the Westminster Government and, although I am not a member of that Government, I recognise that it has worked to address issues such as tax and VAT.

Roseanna Cunningham: I hope that the Deputy First Minister will look into the matter as he claims that he will. I am sorry that he is unable to make the commitment that I have asked for today. [Interruption.]

The Presiding Officer: Order. Let us hear the question.

Roseanna Cunningham: While he is looking into the matter, will the minister also consider the advice that is being sent out by Scottish Enterprise? The document that Scottish Enterprise is sending out, presumably as part of the package of measures to deal with the crisis, says that businesses employing staff should consider

“reducing staffing to appropriate levels for continuing business activity.”

They are also told to

“advise staff who may be laid off to contact their local Jobcentre”.

There is a question about whether such advice is worth the £5 million that is being spent on it. Advice and letters such as that come as cold comfort to those who were expecting concrete, solid support in this crisis. Does not the Deputy First Minister understand the concern that what has been happening in the past few weeks has been nothing other than hyped press releases and that, on the ground, the reality tells a different story?

Mr Wallace: Speaking of press releases, I would be interested to know how long Ms Cunningham has had that letter, and why she has not passed it on before now.

As for practical measures, I have already mentioned rates support, the £5 million that is being given to the enterprise networks to ensure that advice and support is being made available to businesses and to individuals who have been laid off as a result of the outbreak. In Dumfries and Galloway—Ms Cunningham mentioned people who have been made redundant there—a benefits helpline is being run through the Dumfries jobcentre. It offers advice on benefits for employers and employees. Individuals who have been made redundant through the direct or indirect effects of foot-and-mouth disease will, through the Employment Service, immediately be made eligible to undertake training for work. The normal eligibility criteria have been waived.

Scottish Enterprise Dumfries and Galloway, the Dumfries and Galloway Tourist Board and the Federation of Small Businesses have organised business advisory workshops. Such support is not just specific to Dumfries and Galloway. The funding that we have made available to the enterprise networks is there in order for advice and advisory services to be channelled to businesses that are in difficulty. By any token, I think that that is a series of very practical measures.

No one can understate or underestimate our commitment to addressing the issue—not only the actual outbreak and containment of foot-and-mouth—and to helping businesses that are affected by it.

Secretary of State for Scotland (Meetings)

2. David McLetchie (Lothians) (Con): Given that the Minister for Justice is standing in for the First Minister today, I was tempted to ask him, “Who shot Phil?” That is Phil Mitchell, not Phil Gallie. [*Laughter.*] However, given the cuts in police numbers in Scotland, if that crime had been committed here, there would be precious little chance of detection. Therefore, I will instead ask my question.

To ask the First Minister when he will next meet the Secretary of State for Scotland and what issues he plans to raise. (S1F-984)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): Mr McLetchie ought to have appreciated that Phil was shot in the east end of London. Therefore, the matter would fall under the Home Secretary’s jurisdiction, not mine. I should also point out that, in April 1999, the number of police officers in Scotland was 14,784; the latest figure is 14,948. For me, and by any standard, that is an increase. Perhaps arithmetic is not Mr McLetchie’s strong point.

The First Minister last met the Secretary of State for Scotland on Monday 2 April. I understand that

they have no immediate plans to meet. Perhaps that is because, at this very moment, my advice is that the First Minister is meeting the President of the United States.

David McLetchie: We all hope that that meeting does not cause the First Minister any more little problems—we have heard quite enough about those this week.

I wonder if the timing of elections might be high on the agenda of the next meeting between the First Minister and the Secretary of State for Scotland. On Monday, the Prime Minister said that the local elections in England and Wales would be delayed for a month. However, he made it clear that

“we cannot, should not and will not indefinitely suspend the democratic process. A short postponement ... is one thing. An indefinite delay is quite another.”

Bearing those remarks about postponements in mind, can the Deputy First Minister tell us why the 2002 local elections in Scotland are being postponed for a full year, never mind a month?

Mr Wallace: I am glad that Mr McLetchie got on to a matter for which I have some degree of responsibility. After he got it wrong on “Who shot Phil?” I thought that he was going to make me responsible for the date of the general election.

As Mr McLetchie is aware, the view was taken that, on balance—and it was a balanced judgment—there were advantages to holding the 1999 local elections on the same day as the elections to the Scottish Parliament. I accept the fact that there are conflicting views on that, but we probably had the best turnout for local elections in Scotland for a very long time, which I think helped add democratic legitimacy to the councils that were elected.

David McLetchie: The problem with the Scottish Executive’s decision for postponement, bearing in mind its fondness for consultation, is that it was in complete contradiction of the McIntosh committee recommendation that local elections in Scotland should be held at the mid-term point of Scottish parliamentary sessions. The only reason why the Scottish Executive rejected that was that it did not suit the interests of the Labour party, which wants to bury its failures in local government underneath the national campaign. Can the Deputy First Minister tell us why he and his Liberal Democrat colleagues do not oppose that denial of local democracy in Scotland, or is this another example of a professed principle being traded for the trappings of office?

Mr Wallace: The McIntosh committee recommended that we move to four-year cycles and clearly the decision had to be taken whether local elections should take place between, or at

the same time as, Scottish Parliament elections. As I said, that decision was a finely balanced judgment. The point is that there was a large turnout at the local elections. If one analyses the results, one will see that there was clearly differential voting by voters in the votes for Scottish Parliament constituencies, regional lists and local government. Mr McLetchie grossly underestimates the electorate's ability to be discriminating. Perhaps that is because, certainly in the local election results and the first-past-the-post results, his party trailed far behind my party and did not do particularly well.

Christine Grahame (South of Scotland) (SNP): I return to foot-and-mouth disease and refer the Deputy First Minister to the welfare slaughter scheme that is run by the Intervention Board. Will he confirm that additional helplines will be installed at the Intervention Board, as I understand from the National Farmers Union that farmers who are trying to get through to access the scheme cannot do so?

Mr Wallace: I hear what Christine Grahame is saying. I am aware that there have been difficulties and I assure her that they are being addressed.

Rhoda Grant (Highlands and Islands) (Lab): I ask for clarification on foot-and-mouth disease and the island of Skye. Under the licensed movement regulations, Skye is considered an island and no one can get a licence to move animals on to it. I understand that, under the relaxation of movements on islands that was outlined today, Skye is considered to be part of the mainland and will not have movements relaxed. Will the Deputy First Minister confirm whether Skye will be given island status under foot-and-mouth regulations and whether that status will be applied consistently for all those regulations?

Mr Wallace: The last time I looked at a map, I saw that, notwithstanding the bridge, Skye is an island. I understand that clarification on that point is currently being worked out.

National Health Service

3. Mr Andy Kerr (East Kilbride) (Lab): To ask the First Minister what new action the Scottish Executive is taking to improve the performance of the NHS in Scotland. (S1F-993)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): On 14 December, the Executive launched the Scottish health plan, "Our National Health: A plan for action, a plan for change", which clearly sets out our aims for a patient-centred national health service and is backed by substantial investment—6.5 per cent more money this year than last, and a total of £1.2 billion over the next three years. The plan signals

the end of the internal market and places patients at the forefront of an NHS that is designed to meet the expectations of us all for the 21st century.

As Mr Kerr will be aware, in the past two weeks a superb new hospital has been completed at Hairmyres in his constituency and there has been the announcement of an extra 375 junior doctors for the service throughout Scotland. That is concrete evidence, if any were needed, of the Executive's continuing commitment to the national health service.

Mr Kerr: Kenny Gibson talked about the NHS on the ground. Does the Deputy First Minister agree that, on the ground in Lanarkshire, the NHS is witnessing unprecedented investment in and improvements to acute services, for example in the new Hairmyres hospital, the new Wishaw hospital, and the modernisation of Monklands hospital? The First Minister visited Hairmyres on Monday and I extend an invitation to the Deputy First Minister to do so, too. Does he agree that the NHS is not only safe, but prospering in the hands of the partnership?

Mr Wallace: I am grateful to Mr Kerr for his invitation, which I hope that I can take up, sooner rather than later.

Mr Kerr has listed a number of important points with regard to how the national health service is delivering. At the beginning of spring, when the NHS has come through its most difficult time of the year, it is important to put on record that, as a result of the additional funding this winter, the NHS provided 700 additional beds, 600 extra nurses, the capability to increase intensive care capacity by up to 20 per cent, the largest-ever flu immunisation programme, a reduction in waiting lists of more than 1,200 between September and December last year, and a reduction of nearly 6 per cent between September and December in the number of hospital patients ready and waiting for discharge. That is indicative of our commitment to the NHS. I agree that the NHS is working on the ground.

Shona Robison (North-East Scotland) (SNP): On NHS performance, we all know that waiting lists are higher now than when Labour came to power. Will the Deputy First Minister explain why, in the past year, waiting times have also risen sharply? In-patients who waited an average of 30 days for treatment last year now wait 35 days. For outpatients, the median wait has risen from 42 to 45 days. Will he say why that has happened, and whether it is a matter of concern to somebody whose party promised in 1999 to reduce patient waiting times?

Mr Wallace: I make it clear that I attach considerable importance to reducing waiting times, as that is the length of time that a patient who is

suffering continues to suffer until an operation takes place.

However, 100,000 more operations took place last year than in 1997. I said already that the waiting list fell in the last quarter for which figures are available and that it has been on a downward path since June of last year. On waiting times, the number of patients waiting for more than 12 months for in-patient or day-case treatment fell from 433 on 30 September 2000 to 13 on 31 December 2000. Eighty per cent of NHS trusts are on track to deliver their waiting list targets—indeed, 12 targets have been met already. That shows sustained progress and is indicative of sustained commitment.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): How is the Executive planning to address the differences in NHS provision throughout Scotland? I will give just one example. The Minister for Health and Community Care has advised that digital hearing aids are available to those who need them, but Grampian Health Board says that it does not have the resources to provide them. Will the Deputy First Minister give us an example of how the Executive is addressing those differences?

Mr Wallace: I have no doubt that Mr Rumbles is aware that national standards are being established. It is important that those standards are then delivered locally, and I do not think that anybody is suggesting that that can be done overnight. However, the fact that health boards throughout Scotland are being given more resources enables them to be in a far better position to deliver throughout Scotland. There might be specific examples of differences in different health board areas, but that should not detract from the commitment that exists to raising standards and to ensuring that proper delivery of those standards takes place throughout Scotland.

European Police Force

4. Phil Gallie (South of Scotland) (Con): To ask the Deputy First Minister whether the Scottish Executive plans to donate police officers to a potential European police force. (S1F-996)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The European Union has made a commitment to provide up to 5,000 police officers by 2003, for international peace-keeping missions. Contributions by member states will be voluntary. I am pleased to say that Scotland already contributes five officers to United Nations peace-keeping in the Balkans.

Phil Gallie: I thank the Deputy First Minister for that answer, and for the way in which he has attempted to answer all the questions during this First Minister's question time.

Will the Deputy First Minister say whether UK and Scottish Executive ministers will retain a veto over the use of Scottish police officers in any future European police force? Will he advise members how many Scottish police officers are serving overseas? How are those officers paid for? How would Scottish police officers be paid for if they were under European jurisdiction?

Mr Wallace: In case there are some misconceptions, I should explain that we are not talking about a European police force as such. We make a contribution to peace-keeping that takes place outside the EU. I am sure that Mr Gallie recognises the importance of that work, as issues such as drug trafficking often thrive in the disorder that we have seen in the Balkans in recent years. It is well worth while if we, along with other EU countries, can make a contribution to stability in a troubled area such as the Balkans.

I reassure Mr Gallie that that contribution is made voluntarily. The agreement that was reached within the EU does not commit the UK or Scotland to a minimum or a maximum number of police officers as part of the overall target. Where best to deploy officers is a matter for chief constables, who are involved in determining when officers will serve overseas. I believe that that work is important and valued, and it is a tribute to the professionalism of the Scottish police force that officers are able to make that contribution.

Examination Diet 2001

The Presiding Officer (Sir David Steel): The next item of business is a statement from Mr Jack McConnell on progress towards the 2001 examination diet. It would be helpful if members who wish to ask the minister questions would indicate that during the statement.

Tricia Marwick (Mid Scotland and Fife) (SNP): On a point of order, Presiding Officer.

Following the partisan remark that the Minister for Transport and Planning made to Bruce Crawford during question time, will you remind the minister—

The Presiding Officer: No.

Tricia Marwick:—that she is equally accountable to SNP members—

The Presiding Officer: No. I am sorry, but the remarks were not partisan.

Tricia Marwick: They were.

The Presiding Officer: Order. I listened carefully and the minister addressed herself first to two Labour members, then to one SNP member. That was the context in which she made the remarks, and I do not think that she was making a political attack on any particular member.

Tricia Marwick: Further to that point of order. I ask the Presiding Officer to study carefully the *Official Report* of today's proceedings.

The Presiding Officer: I will do so. I always do so.

I call Jack McConnell to make his statement on the 2001 examination diet.

15:45

The Minister for Education, Europe and External Affairs (Mr Jack McConnell): To avoid the need for any further points of order to be made, I apologise in advance to both my Opposition colleagues for the fact that they received the statement later than would normally be the case. I am conscious that that was discourteous of me, given their support for our efforts to resolve the difficulties in our examination system.

I am pleased to have an opportunity this afternoon to make a statement about progress towards the 2001 examination diet. The statement is timely: the Easter holidays are approaching and young people across the country are preparing to do some hard revision for this year's exams.

I am sure that everyone in the Parliament can remember the mixture of anticipation and anxiety

that characterised their schooldays. Our discussion this afternoon will range across a number of detailed areas, but it is important that none of us loses sight of what really matters here, which is for us to give young people the exam system that they deserve. At this testing time, we need to build confidence and allow our young people to concentrate on their studies.

Members of Parliament will be relieved to hear that I do not rely only on my own fading memories of the joys of exams. One of the most important parts of my job is to get out and visit schools around Scotland to hear what young people think. Today, in the public gallery, I am delighted to see some familiar faces from St Columba's High School, Gourock. Pupils from that school made me very welcome when I visited them recently. It is good to see them here today and I hope that they will be reassured to hear of the importance that all of us in the Scottish Parliament attach to getting the exams right.

The exam diet comprises many distinct tasks: registering candidates and their subjects; preparing exam papers; and marking assessments and exams. A successful exam diet is achieved by getting all those things right. This afternoon, I want to note the action that ministers have put in place for a successful exam diet. I will describe some of the detailed work that has been done and set out what has been achieved. I will also set out some areas where more work is needed and describe the action that is being taken in those areas. I will be happy to take questions at the end of the statement.

The Scottish Qualifications Authority is at the heart of the exam diet, but I want to acknowledge the essential contribution that other stakeholders—in particular, teachers and local authorities—must make. The SQA cannot deliver a successful diet without professional assistance and co-operation from others. Everyone who is involved in the exams system must realise that it is not only the SQA that has a duty to ensure that this year's exams and results are delivered successfully.

We need to consider the 2001 exams holistically. That requires organisations to look beyond their own boundaries and to see the bigger picture. I welcome the appointment of SQA account managers and SQA co-ordinators in schools. The people in those posts have already made a significant contribution to a co-ordinated understanding of the processes that are involved in the 2001 exams, of individual roles and responsibilities and of how individual tasks contribute to the overall diet. We need to build on that work. My task is to ensure that everyone knows what they have to do and that they are ready and able to contribute and work together

effectively to deliver the exam diet.

We must all continue to work together to ensure that the diet is a success for Scotland's young people. The parliamentary parties have united to rebuild confidence and monitor progress. This is not the time for any organisation or group to chase headlines and pursue personal agendas. Such issues are petty compared to the needs of our young people. It is vital that everyone contributes positively. Scotland has long been proud of its education system, but last year's exams chaos knocked its self-belief. I urge everyone in Scottish education to put the interests of our young people first and to pull together to make Scotland's exam system again one that we can all be proud of.

In the aftermath of last year's difficulties, we commissioned Deloitte & Touche to carry out an independent review of the crisis. A new chief executive, Bill Morton, was brought in and we appointed John Ward as the new chair of the board.

Following the publication of Deloitte & Touche's report in November 2000, we took a further series of measures. We established a ministerial review group, chaired by Nicol Stephen, put in place more effective reporting arrangements between the SQA and the Executive and funded a 50 per cent increase in fees for markers and other appointees.

There is now regular communication between my department and the SQA. The ministerial review group meets monthly. I meet the chair and the chief executive of the SQA regularly and there are weekly meetings—at least—at official level. Through the ministerial review group, for example, the Executive has also worked with the wider education community to identify potential problems for the 2001 exam diet and to generate confidence in that diet among candidates, their families, teachers and other key stakeholders.

We have performed an independent appeals review of the diet 2000 results, which resulted in an important upgrade for over 300 students. However, in more than 90 per cent of cases, the independent teams have confirmed the results of the original appeals. While I know that that is disappointing for individual students, it should give us all confidence in the appeals system.

We have provided the SQA with £3 million to sort out last year's problems and we are investing to build the SQA's capacity to deliver high-calibre exams in 2001 and beyond. Part of that investment has gone to fund the 50 per cent increase in markers' fees. The SQA has also reorganised its staffing; it will, for example, put in place 50 trained people to staff its helpdesk this summer. We are investing in getting the systems right.

Ministers are taking action to establish a clear

basis on which the SQA's performance in diet 2001 will be judged. We will agree with the SQA the performance measures for diet 2001. We expect the SQA to deliver in three core areas: the timeliness of results; the completeness and accuracy of results; and, where problems arise, prompt and efficient action to resolve them. Those measures will provide a clear statement to all stakeholders and, more important, to students and their parents on key performance issues. They will provide a yardstick for the SQA's achievements.

I have described what has been done to put in place the framework for diet 2001. I now want to address the components of the diet.

We have commissioned Deloitte & Touche to provide assistance to the SQA on detailed project planning for diet 2001. The SQA's internal auditors, PricewaterhouseCoopers, will validate and report on progress against those plans. While there is, rightly, a good deal of external interest in the SQA's progress, we should not lose sight of the role and responsibilities of the SQA's board. The board has put in place arrangements to enable it to monitor progress at a detailed level. I welcome that.

The SQA does not operate in isolation; it must share information about key dates with its partners in education and about its progress with those partners and other stakeholders. That is a positive step, which will ensure that all players understand how diet 2001 will be achieved and will provide assurance about progress towards the summer's exams.

Another welcome step that the SQA has taken is to second a deputy head teacher from Glasgow to its senior management team. That will provide the SQA with first-hand experience of the diet from a school's perspective. The individual will continue to spend two and a half days a week in school. The secondment will give an insight into the issues that matter to schools and how they can be addressed proactively. I know that the SQA aims to match that with a similar secondment from the further education sector.

On 14 March, I reported to Parliament on the SQA's progress. As I noted then, progress has been good on the range of issues that contribute to diet 2001. For example, all schools have submitted registration data; 98 per cent of exam papers have been sent to the printers—that is a solid achievement and contrasts well with last year, when less than 80 per cent of exam papers had been sent to the printers at this stage; and centres that have not acquired approval for subjects have been identified and are working with the SQA to reach a resolution. There is now a much clearer picture of what must be done and the SQA has gone a long way to resolving the critical issues. However, there is no room for

complacency. A considerable amount of critical work remains to be completed to ensure the successful delivery of the diet.

This year, the SQA has built in checking procedures, so that any data errors can be identified and corrected early in the process. That is a welcome development. It is also important that everyone, including the young people who face exams this summer, is assured that errors that are identified now will be addressed well before certification.

One important process that is happening now is the entering of details of candidates' subjects into the results database. This year, unlike last year, the SQA is sending back to schools reports that identify errors in the database. There will be a final sign-off of the data in April. Those positive steps are a significant development on last year's procedures. Again though, we are not complacent. For example, I know that the existence of errors in the checking reports has caused some concern to schools. In response, I have asked the SQA to provide clearer information and advice to schools to explain and resolve any errors. The SQA has told me that most of the errors pose no difficulties for the examinations process and that the remainder can be dealt with in good time. I have asked the SQA to give that message equally clearly to its school partners.

The ministerial review group, which we established to act as an early warning system and to monitor progress, has highlighted a particular concern with regard to the recruitment of markers. The SQA has estimated that it will require 8,000 markers. A 10 per cent contingency means that its recruitment target is up to 8,800. By yesterday, the SQA had confirmed 6,632 appointments and had issued a further 1,637 invitations. For the remainder, the SQA is actively reviewing its pool of reserves and recent applications. Those outstanding appointments are not spread evenly across the range of subjects and the SQA has identified subjects for targeted action. They include French, English in particular, and business-related subjects. That is a challenge, but we should all remember that, last year, the SQA was still recruiting markers in June.

The SQA has asked local authorities to help with the recruitment of markers. I especially welcome the constructive response by the Educational Institute of Scotland and, this week, by the Scottish Secondary Teachers Association in publicising the need for markers among their members. That is a good example of the co-operative working that is required to achieve a successful exam diet. The review group will continue to monitor progress and, if necessary, will identify further action to be taken on markers. The group includes representatives from a wide range

of education interests, so it is well placed to analyse issues such as marker recruitment and to help to produce results.

We have listened to concerns about the certificate and the ministerial review group has considered how it might be redesigned. I want to thank, in particular, the student members of that group for their insights and contributions to the work. The proposed changes—a new summary certificate for courses achieved during the exam diet, which will be right at the front of the package, and the placing of the core skills profile in a supplementary information section at the back of the certificate—will make the certificate easier to use.

We have been pressing the SQA to introduce those changes for this summer. The SQA has agreed to the changes in principle and is checking that the new certificate can be delivered without compromising the exam diet 2001. It will announce details of this summer's certificate very shortly. This summer, the SQA will provide new guidance to candidates that will clearly explain the layout of the certificate, no matter what the final design may be.

The ministerial review group is also looking further ahead to the critical days leading up to the delivery of certificates to candidates. We have asked the group to consider that period in detail, taking account of the requirements of the Universities and Colleges Admissions Service, schools, colleges and pupils.

I have described the role that the ministerial review group is playing in monitoring progress and identifying concerns about diet 2001. Last week, we launched an exam 2001 hotline, which will allow teachers, parents and pupils to flag up concerns and will act as an extension of the early warning function of the ministerial review group. I will take a very close interest in the issues that emerge from that hotline.

Today I have set out the progress that has been made towards the exam 2001 diet. I have described the framework that the Executive has put in place; the progress that has been made on components of the diet; the areas that have given rise to concern; and the action that is being taken to resolve those issues.

There are four months to go before the exam results land on doormats and little more than four weeks before the exams get under way. A lot of work on diet 2001 lies ahead. Although the SQA has a central role, its partners throughout Scottish education also have a critical contribution to make. We need to work together on the real objectives to give young people the exam system that they deserve and to build their confidence at this crucial time in their lives to allow them to concentrate on

preparing for their exams.

Since last autumn, the education and political community in Scotland has rallied to put those young people first. The process is not pain free or straightforward, but it is making a difference. We can be confident that preparations are well ahead for this year, but we cannot be complacent. By checking, monitoring, reporting—and, indeed, by correcting errors—week after week, we can succeed in that challenge together.

The Presiding Officer: I appeal for members' co-operation. Even without taking into account the time that we have lost this afternoon, we are very pushed for time. I must leave sufficient time for the second statement, so I cannot allow an extension. Many members want to speak, so brevity will be the order of the day in both questions and answers.

Michael Russell (South of Scotland) (SNP): I welcome today's statement and confirm my party's support for the actions that are being taken to ensure that this year's diet produces results according to the criteria that the minister has listed. It is useful that the statement listed three clear criteria by which we may judge the success of the diet.

I am slightly disappointed by the statement, which contained little that is new. All the announcements have been made before in one form or another. When Bill Morton gave evidence to the Education, Culture and Sport Committee a month ago, he was closely questioned by all members of the committee, from all parties.

I want to ask the minister a specific question about the diet, but there are also one or two details that he must consider. One of those is the commitment that was given by Bill Morton and John Ward, when I met them two weeks ago, to communicate directly with students, by means of either a targeted letter or a newsletter. That was not mentioned in the statement, but it is essential.

The second detail concerns the review of the appeals process, which was promised for the coming year. There is vast dissatisfaction with what happened last year and a feeling that the process may not have been compliant with the European convention on human rights. We need to know how that review is moving ahead. We also need to know how the review of higher still is progressing. It is no great surprise that there has been difficulty in recruiting markers for English, when there has been such resistance to higher still and its concepts within the English teaching sector.

The minister said, rightly, that the exam diet will start in a month's time. Over the coming month, many young people in Scotland will be revising and working hard with some trepidation. A simple

question needs to be answered. Before Christmas, it would have been foolish to give assurances that everything would be fine. It might even have been foolish to do that a month ago, but the young people of Scotland and their parents and families want to know that what went wrong last year has been clearly identified and will not go wrong this year. What is needed is not a bland reassurance about the diet, but an acknowledgement that the things that went wrong last time—many of which were identified by the Education, Culture and Sport Committee's report—will not go wrong this time. With the support of the SNP, will the minister find a way for himself or the SQA to directly reassure the young people who are worried?

Mr McConnell: I am happy to give the same reassurance that I give week in and week out when I visit schools throughout Scotland and discuss such matters with teachers and pupils. I have been guaranteeing for months that we will do nothing in the period running up to this summer's exams that will work against the successful delivery of the exams. That is why some of the decisions that we have all pressed for—for example in relation to certificate design and the recirculation of scripts—have had to be delayed or considered very carefully. We guarantee that everything that can possibly be done will be done to deliver the exam diet and the results accurately and on time this summer.

We cannot account for human error. We have had problems in the past month with individual coding entries in individual schools. There have been more than 400 errors and we have to chase up every one of them, as well as ensure that at the centre, the work that is done by the education department, the SQA and other national bodies is done properly.

I reassure the Parliament and every pupil in Scotland that we will do absolutely everything to correct all the errors and have the systems and performance measurements in place, which will make it clear that we expect the results to be accurate and on time. If there are any problems between now and the diet or afterwards, they will be acted on timeously and effectively, because that was part of the difficulty last year.

There will be communication with individual students. The SQA confirmed that at my meeting with the chairman and the chief executive last week. Rightly, we have delayed detailed consideration of the appeals system for 2001 until we are finished with the appeals system for 2000, and until I am satisfied that we have the arrangements in place for the exams this summer, never mind the appeals afterwards. However, we will look at the appeals system in the weeks ahead.

The review of the new qualifications is taking

place and stakeholders are involved in it. We have promised all along that we will produce an interim report in June, before the end of the academic year. I confirm that that will happen.

Mr Brian Monteith (Mid Scotland and Fife) (Con): I, too, welcome the opportunity to respond to the minister's statement, even though there was not much in it that was new. The focus must be on a successful diet for 2001; that must be the first priority. To that end, I ask the First Minister—

Michael Russell: Not yet.

Mr Monteith: I will ask the Minister for Education, Europe and External Affairs three questions, the first of which the First Minister will be interested in. What will be the performance measures and benchmarks by which the SQA will be judged? The minister touched on that in his statement, but there was no detail—will that detail be made public?

From my quick arithmetic, there is a 20 per cent shortage of markers. Is the minister confident that that shortage can be made up, particularly in the specialist areas that he listed?

I, too, have visited schools. Just last night, I met some pupils who were thoroughly disenchanted with higher still as an exam process. One pupil had received exam papers that were necessary for completing a higher still history exam only six weeks before taking the exam. There was widespread disenchantment, particularly among those students who were in fifth year last year. In sixth year, they feel that they have seen many mistakes repeated when they have taken higher still again. Will the minister give an assurance that the philosophy of higher still will be reviewed once a successful 2001 diet is completed?

Mr McConnell: I do not want to revisit the philosophy of the new national qualifications. We must consider the new national qualifications as a total package; they are not represented only by the higher still exams. As my visits around the country have confirmed, the new qualifications are benefiting people in the 16 to 18 age group with different abilities and levels of achievement. A range of qualifications is available and systems in schools and colleges are integrated. That is all of direct benefit to that generation of teenagers. However, course content, preparation, organisation and assessment of some courses raise questions. That is why we are conducting a review. I am determined that the review should deal with those issues effectively.

I think that the member would agree that it made some sense to wait until now before agreeing the exact performance measurements that might be expected by August, given the number of deadlines that came to a head in March. We intend to agree the performance measurements

with the SQA's board, because it must have some ownership of them. When we have agreed the measurements, we will publicise them.

I put my usual caveat on this, but I am very confident that we will have the right number of markers if the educational community pulls behind us and makes a national effort to ensure that people offer themselves as markers. In my statement, I welcomed the support of the two main teaching unions on that. The EIS has been enthusiastic in its efforts to encourage its members to volunteer. The SSTA was initially reluctant, but following discussions with me on Monday, it confirmed that it too would encourage its members to volunteer. That development is welcome. It is good to have the teaching profession's support.

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): I thank the minister for his statement. He has done a great deal of work, as has the SQA. The minister is right to put the interests of children at the heart of his thoughts and statements.

Like Michael Russell, I am anxious that we should give pupils, teachers and parents assurance that the system will work well this year. Does the minister agree that, after all last year's heartache, parliamentary inquiries, ministerial working groups, genuine hard work of the SQA and others, extra work in schools, extra spending and extra scrutiny, it is disappointing that Bill Morton cannot yet guarantee that this year's diet will have no serious hitches? That reinforces the point that higher still and the assessment system are massively over-complicated and need to be reviewed. We cannot have such doubt year after year because of data overload and different kinds of data.

Perfection can never be promised, but I hope that the minister will assure us that mistakes on last year's scale will not occur, that the SQA will be able to identify mistakes more quickly and that the SQA will be better equipped to remedy mistakes. Surely we can say that if mistakes happen, at least they will be fewer and fixed quickly, and that appeals will be processed more quickly. The drawn-out and damaging chaos of last year cannot and will not be repeated. If mistakes occur, we must act more quickly.

I will make a couple of technical points. I understand that the last unit results from schools are due in on 30 May. I think that the minister mentioned April for registration. The idea is that the SQA will turn round the results in a fortnight and return them to schools for a confirmation response. Is the minister confident that that can be done in time? Schools are not sitting doing nothing, waiting for the results, and the SQA is not doing nothing either. Action must be taken

urgently to complete that operation as quickly as required. Has the SQA built into its timetable the fact that the sheer bulk of the certificates must mean that the physical printing takes a heck of a long time? I wish to make those points because it is urgent that the practical things do not get in the way of what is a good theory.

Mr McConnell: I am confident that the SQA will give enough time for printing. I am also confident that we will hit those other deadlines. Obviously, we need to continue to discuss with the SQA what resources are required to achieve those deadlines and what assistance it requires from others. That is why we produced detailed reports for members to show our progress against those individual deadlines and targets.

On the overall picture, I recognise that Bill Morton showed understandable caution when he gave evidence to the Education, Culture and Sport Committee, and that he has reservations that, in the four months that are still to go, all kinds of things could go wrong that members might not even anticipate. However, we are clear—indeed, all parties in the Parliament have been clear—that what happened last August must not and cannot happen again. Young people's lives are far too important for that. That is the effort that we are involved in and everything that we are doing is designed to achieve that.

I agree with Ian Jenkins that we must at all stages—before and after the exam results—identify individual errors or difficulties. The systems must correct those and correct them quickly. Part of the problem with last year's exam diet was that, at times, it took a ridiculous length of time to resolve what were some fairly simple errors, which occurred at different stages in the process.

Karen Gillon (Clydesdale) (Lab): I thank the minister for his statement. It is important that he keeps the Education, Culture and Sport Committee informed of developments, because the committee is keen to be involved in the partnership in education and to bring the matter to a successful conclusion. We will take evidence from the SQA in May and June of this year and we shall visit the SQA staff in Dalkeith and Glasgow.

I will ask two questions. First, it seems that schools are still being sent the wrong data. In particular, schools are receiving the wrong data about which students are on which courses. We need to continue looking at that and to ensure that the data that are sent to schools are correct.

Unfortunately, there are students in the FE sector who still have not received their certificates from last year. Clearly, that is unacceptable. If that had happened in the schools sector, there would have been uproar. Students in the FE sector are

people who have returned to education—often after a negative experience—and it is important that their experience of education is now positive. Can the minister ensure that steps will be taken in the SQA to ensure that, this year, FE students are not disadvantaged in a way that precludes their further study and, perhaps, future employment possibilities?

Mr McConnell: Karen Gillon made two extremely important points. I agree that the situation with FE students is unacceptable. It is correct that the exam diet for last year's school pupils was completed first, but I am keen that the SQA complete the certificates for FE students and do so by the target date, which I believe is now mid-May. That has taken a ridiculous amount of time, although I know that special arrangements have been put in place by FE colleges to liaise with prospective employers and others who want information about passes and success rates.

Karen Gillon made a point about schools being sent the wrong data. That is one of the difficulties that we face. I will be honest in my answer. The situation with individual entries is complicated by the fact that there are so many people in so many schools throughout Scotland who are using so many codes for so many exams with so many names. One of the difficulties that we have faced—this has been the case in a number of schools that have contacted me directly—is that the individual coding entries have been incorrect at the school end. The information that eventually comes back from the SQA has therefore been incorrect.

That shows the partnership approach that is needed. Everybody has to get their information right. Everybody has to check their data. Everybody has to correct their errors promptly. If that happens in the schools and the SQA, we can make significant progress over April.

Irene McGugan (North-East Scotland) (SNP): It is widely accepted that last year's difficulties were, to some extent, attributable to data processing software, yet the computer system this year is largely the same as it was last year, even though there will be an increase in the data that need to be processed in 2001. There was no mention of those elements in the update statement. Is that because the SQA and the Executive are fully confident in the computer system? I ask that in the light of this week's events, where one of the SQA's information technology workers lost his job.

Mr McConnell: The person who lost his job this week was not an IT worker for the SQA; he was an independent consultant who had been employed by the SQA.

On the computers, I understand that the problem

last year was not with the software, although there was perhaps a problem of compatibility throughout Scotland, but a significant problem with data entry. We all know if that we put wrong information into a computer we get significantly wrong information out the other end. We are involved in reviewing all the computing systems that will be in use this summer. I intend to include a report on that in my next written report to the Parliament.

Robin Harper (Lothians) (Green): The minister intimated that a head teacher would be included on the board. To follow on from what Irene McGugan said, and based on what I have learned from talking to staff in school offices, would it not be sensible to include a member from a school office? They, above everybody, know about the problems last year with feeding in the information.

I spoke to the minister before we came in about some public impressions of how the appeals system worked last year. Will he confirm that the first appeals were marked by teachers or markers who were not involved in the first round and that the subsequent round of appeals were marked by a new group that was not involved in marking the papers in the first round? Will the minister also confirm that at no point did he say that none of the extra markers who were drafted in for the third round of appeals was previously involved in marking the exams? It sounds like a complicated question, but it is the reason for some of the public concern over the matter.

Mr McConnell: We would not expect people who had marked a paper last July to mark it again in the autumn or winter appeals. What is important is that the people who are involved in the appeals are experienced markers and adjudicators. They would have been involved last year, but they would have been considering different scripts to those that they would be asked to consider in the appeals.

On the secondment, one of the reasons that we have gone for an assistant head teacher secondment is that they have a management role throughout the school. Schools deal with the administration of examination details in different ways. Some use teachers, some use school office staff and some use a combination of both. We want to get a whole school picture. The person that the SQA has seconded into the organisation will be in his school for half the week and in the SQA for the other half. That is an essential combination that will bring a lot of experience to bear on the monitoring of the processes over the course of the next three months.

Robin Harper: Can I ask a brief supplementary?

The Presiding Officer: We are in danger of squashing a lot of people out, because the

questions and answers have, inevitably, been long. I am afraid that I will be unable to call everybody.

Dr Sylvia Jackson (Stirling) (Lab): In addition to the pressing issues with the 2001 exam diet, which have to take priority, one of the main concerns of the EIS is the review of the internal assessment of the higher still programme. That will become increasingly urgent as we pass the 2001 diet. What progress has been made with the unions and other organisations?

Mr McConnell: There have been two or three significant surveys of teacher opinion and the way in which the internal assessment has worked. That information and other information from key stakeholders has been fed into the review group on the national qualifications. That review group intends to produce an interim report by June, which will address some of the issues relating to internal assessment. I am keen that the most urgent issues are addressed before the next academic year.

Alex Neil (Central Scotland) (SNP): I welcome much of what the minister has said, but I would like to ask him a couple of important questions. Going back to what the report of the Enterprise and Lifelong Learning Committee said about the importance of performance measurements, the minister said that he would be negotiating the performance targets on time and accuracy with the board of the SQA. When does he hope to announce those performance targets? It is only fair to parents, teachers, pupils and students that everybody knows what those targets are before the exams start, rather than halfway through the summer. When will he announce those targets for turnaround times and for accuracy?

Although our concentration is on the short-term issue of this year's diet, will the minister give a commitment to review the longer-term issues about the governance of the SQA and other related matters immediately after the 2001 diet is completed?

Mr McConnell: I can certainly give the second assurance that Alex Neil seeks. Indeed, the work on the review is already under way and my department has been reorganised to ensure that additional staff are available to cope with that important review and ensure that it reaches a successful conclusion.

In answer to his first point, I intend to publish the performance measurements that we have agreed with the SQA shortly after the Easter recess. It is important that we do that. At the moment, however, the important thing about setting performance measurements for the SQA is that they relate specifically to matters that lie within the control of the SQA and that they are measured on

performance that the SQA has some control over, and that will be the case.

David Mundell (South of Scotland) (Con):

Last year, classroom teachers had to come out of the classroom before the end of term to act as markers. Is that a contingency that Mr McConnell is considering for this year and, if so, who will pick up the tab for the replacement teachers in the classroom?

Mr McConnell: We are obviously trying to avoid that, so the answer at the moment is not yet.

Cathy Peattie (Falkirk East) (Lab): I hope that the minister will give feedback to the Education, Culture and Sport Committee. I am particularly interested in registration. Teachers whom I speak to are concerned that, because registration will take place in spring, there will be a flood in the system and we could find ourselves in a similar situation to the one that we found ourselves in last year.

Mr McConnell: If we hit all the target dates, the information is processed and, if it is wrong, it is corrected. Everyone works together on that. I believe that all the data can be accurately processed on time, and I am confident about that. The whole educational community must put all its efforts into ensuring that we get as many things right first time as possible and that, where things are wrong, they are corrected quickly.

Donald Gorrie (Central Scotland) (LD): Many people involved in the system have argued that some aspects of the exam structure are so complex and bureaucratic that they put a totally unacceptable pressure on the SQA and on schools to cope with that bureaucracy. At what point will the minister review that and try to get things right in future?

I have great and growing confidence in Nicol Stephen. I am very anxious that he will not be a whipping boy if something goes wrong, as he is in charge of the committee. Can I have an assurance on that as well?

Mr McConnell: Well, I do not know about that. I think that Nicol Stephen is doing a fine job and I have every confidence in his ministerial review group and its ability to deliver the 2001 exam diet.

I have absolutely no doubt as to where responsibility for this year's examination diet lies, but I also have no doubt that each and every one of us, in this Parliament and throughout Scotland's educational community, is responsible for participating in ensuring that it is a success. I am happy to take the day-to-day responsibility for achieving that, but I am also keen that we work as a team in the widest possible sense of the word. That is why we consistently try to work in that way.

Measures could have been in place this year

that would have reduced some of the bureaucratic burden on schools. It was difficult to implement them without significant risk to the computer processes that Irene McGugan mentioned earlier. I hope to return to that issue, and several other issues, next year and beyond, to ensure that we reduce the burden on schools. It is not only about the burden of the administration of these examinations on the SQA, but about the burden on schools.

Irene Oldfather (Cunninghame South) (Lab): I welcome the minister's statement and his commitment to resolving the problems of last year. I know that the minister is aware of the difficulties faced by a student of higher religious studies from my area. Within the past week she received an F grade, following an independent review of a C grade. Can the minister undertake to review the root cause of what is, presumably, an error and put in place appropriate procedures to ensure that such an error does not happen in the next diet?

Mr McConnell: If I have the right case in mind, that was a clerical error in our department, the blame for which will no doubt appear at the SQA's door on the front page of some newspaper. The student got a C grade and it should have been recorded as that, but on one piece of paper it was recorded as an F. That is extremely unfortunate. I believe that she received an apology and a correction this week. If it is the student that I have in mind, I think that I met her on a visit to Kilwinning Academy. I wish her all the best for her exams this year and hope that the administration of them goes significantly better for her than it did last year.

Dennis Canavan (Falkirk West): If the Executive believes in freedom of information and in the principle that justice should be done and be seen to be done, will the minister ask the SQA to return marked examination scripts to schools in cases where both the school and the candidate are dissatisfied with the outcome of the appeal? Does the minister agree that to charge £20 per script for such a service would be excessive and discriminatory?

Mr McConnell: As Dennis Canavan knows, the SQA are consulting on that. I am keen that we should have in place the opportunity for scripts to be returned. It must be done at the right time and in the right way. It would have been wrong last year to compromise the mopping-up exercise that was desperately needed in relation to the mistakes made in last year's exam diet. I am keen not to compromise this year's exam diet, but the SQA is consulting on introducing this for the new winter diet in 2001-02.

I am keen that we do not put burdens in the way of individual students, parents or schools who may want to take up that option, if it is agreed at the

end of the consultation that it should exist. I hope that if the consultation shows that there is concern about that fee, the proposal will be reconsidered.

Tourism

The Presiding Officer (Sir David Steel): We now come to the next statement, by Alasdair Morrison, providing an update on tourism support measures. There will again be questions at the end of the statement. I appeal to members who would like to ask questions to indicate that now, or during the statement.

16:27

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic (Mr Alasdair Morrison): Last Wednesday, Wendy Alexander and Angus MacKay announced a package of measures to address the serious problems that are faced by Scotland's rural businesses as a result of foot-and-mouth disease.

In the seven days since that announcement, the support agencies, working with the Executive, have moved quickly to translate words into action. That action will help hard-placed businesses throughout Scotland, and especially in the affected areas, to tackle the immediate difficulties that they face. I should like to outline some of the measures that are being taken.

Yesterday, along with the Deputy First Minister, Jim Wallace, I attended Scotland's travel fair at the Scottish Exhibition and Conference Centre in Glasgow. Despite the difficulties that some businesses have faced, there was a feeling of optimism and hope for the future.

The number of Scottish businesses exhibiting was slightly down on last year, from 250 to 211. However, the number of travel agents and tour operators at the event was expected to be up on last year, from 937 to 1,352; that is highly encouraging.

Yesterday, visitscotland announced how it would spend the £5 million that we have provided for an immediate marketing and information programme. In order to provide maximum benefit, the new chairman, Peter Lederer, has decided to spend an additional £1.3 million from the organisation's existing budget, which will enable it to provide cash flow relief for individual businesses and to mount a marketing and awareness campaign.

That relief will comprise two elements. First, area tourist boards will be allocated £1.5 million to enable them to discount membership subscriptions this year by at least 50 per cent. Almost 15,000 tourism-related businesses will benefit. Secondly, the 10,000 businesses that are members of the visitscotland quality assurance scheme will be eligible for a 50 per cent discount on this year's membership fees. The QA relief is

estimated to be worth £0.7 million.

VisitScotland will use the remainder of its spend to undertake a marketing and reassurance campaign. The greater part of that spend will be in the UK. A total of £2.3 million will be spent. The aim is to get accurate information about Scotland into the marketplace and to build customer confidence quickly.

In addition to spend promoting Scotland, a marketing fund worth £1.4 million has been allocated to the ATBs. It will enable them to work with local businesses to undertake marketing and information initiatives that are appropriate to local needs.

When I visited Dumfries and Galloway on 16 March, I promised that there would be special assistance for the tourist board in that area. Dumfries and Galloway will need to undertake immediate customer relationship work to counter the long-term damage that might be caused to the perceptions of Dumfries and Galloway. Jim Wallace and I were happy to repeat that pledge yesterday afternoon. I subsequently asked VisitScotland to ensure that some of the £5 million that we have provided was used for that purpose.

Last week, we learned that the area affected by foot-and-mouth had spread into the area covered by the Scottish Borders Tourist Board. As a result, £100,000 of the funding that VisitScotland has allocated to the affected area will go to that board, and £300,000 will go to Dumfries and Galloway.

I believe that that action by VisitScotland is a sensible first step. It will help to regain confidence in our tourism industry and will provide immediate relief to hard-pressed tourism businesses. However, it is of course only a first step. VisitScotland is also reviewing its proposed marketing activities for the rest of the year, including the content and focus of the major spring campaign, which VisitScotland hopes to launch later this month.

In his statement earlier today, Ross Finnie made it clear that, if the simple guidance that we have provided is followed, most activities outwith the affected areas pose no risk of spreading foot-and-mouth. It is vitally important for our tourism industry that, where there is no risk, those who wish to take advantage of countryside activities should be permitted to do so. However, they must, of course, follow "The Comeback Code".

Ross Finnie announced the action that the Executive is taking to assist councils to move the process forward as quickly as possible, and I hope that councils will do so. I have written today to the Scottish Landowners Foundation urging it to ask its members to open up ground in Scotland to access where it is safe to do so. In doing so, I have drawn the foundation's attention to our latest

advice about the risks of spreading foot-and-mouth posed by visitors to the countryside.

I can assure the chamber that we are very aware of the economic importance of informal access in rural Scotland, and I want to move rapidly towards the situation where only areas at genuine risk will remain closed to the public, and then ideally only with official signs that have been sanctioned by councils. I am convinced that that would help greatly to rationalise the situation and restore confidence in Scotland as a tourist destination.

The second main element of our interim relief package is additional support for the enterprise networks to enable them to provide advice and assistance for individual businesses. When she visited Dumfries on Monday, Wendy Alexander announced how the local enterprise companies across Scotland would target that support. Again, specific help is being given to Dumfries and Galloway to help the local enterprise company there to respond to the crisis. We have made £500,000 available immediately, and there will be further funding over the coming weeks to implement a local action plan.

As Wendy Alexander said on Monday, it is essential that companies have direct access to high-quality business advice and assistance if they are to survive this crisis. The enterprise networks have taken action to ensure that such assistance is readily available.

A Scotland-wide helpline for businesses has been set up, which is available for companies across all sectors through the small business gateway, and local enterprise companies are bringing in additional staff to deal with the expected increase in the number of inquiries.

Business advice and support workshops are being held in Dumfries and Galloway from the end of this week. Those workshops will then be rolled out in other areas of the country where there is a demand. The advisers will provide information and guidance on a variety of matters that are of immediate concern to hard-hit businesses, including cash-flow management, tax issues and employee legislation. The advisers will also be able to direct businesses to other sources of advice, which will include bodies such as the Inland Revenue and HM Customs and Excise, which are administering the UK schemes of support that were announced by Michael Meacher on 20 March.

Although we are ensuring that additional, targeted support is provided to businesses in Dumfries and Galloway, we recognise that tourism throughout Scotland, especially in rural Scotland, is affected. That is why Highlands and Islands Enterprise has prepared, in addition to the

measures that I have just outlined, a survival aid package for businesses in its area. That includes supporting individual businesses with discretionary grants of up to £2,000 towards the costs of business survival experts specifically recruited by those businesses to deal with issues arising from the foot-and-mouth disease crisis.

A range of measures is now available to help affected businesses with their rates. The Executive is funding 95 per cent of the cost of hardship relief for the most affected businesses. The threshold of £12,000 brings in 80 per cent of businesses in all areas that are affected by foot-and-mouth disease and all rural areas that depend heavily on tourism, transport and subsidiary agricultural industries. We are funding 75 per cent of the costs of providing hardship relief to other businesses.

We are also encouraging councils to consider deferring rates payments for affected businesses, and councils can grant relief for premises that are not in use because of the foot-and-mouth disease outbreak. Businesses can also apply for a reduction in their rateable value. We are issuing guidance to councils on all those measures, copies of which will be available in the Scottish Parliament information centre.

There is no doubt that the tourism industry is being hampered by inaccurate and sensationalist reports about foot-and-mouth disease in some of our international markets. Earlier this week, I visited the United States in connection with tartan day. I used the opportunity—as have Wendy Alexander and Henry McLeish during their engagements there—to dispel those myths and tell Americans the facts. My visit to New York followed up the visit a couple of weeks ago by Janet Anderson, the minister with responsibility for tourism at the Department for Culture, Media and Sport. As I have said many times, foot-and-mouth disease is a UK problem that requires UK solutions. I shall meet Janet Anderson again in a couple of weeks' time, along with Michael German, the minister with responsibility for tourism at the Welsh Assembly, to review progress.

During my visit, I met representatives of the American media, the American travel trade and travel tour operators. At all those meetings, I hammered home the messages that the great majority of businesses in Scotland are open for business, that Scotland is a wonderful holiday destination and that there is no threat to visitors from the US or elsewhere.

I have said many times that what the tourism industry needs most of all is the sound of phones ringing and bookings coming in. Together with the support agencies, we are implementing a raft of measures, at both UK and Scotland level, to ensure that that is exactly what happens. I have

been able to describe only some of the action that is being taken. Much more is being done—such as action to ensure that the access restrictions are eased and that the information is provided to businesses and customers through dedicated phone lines and websites. I assure members that we will keep the position constantly under review and that, if further action is needed, we will ensure that it is taken.

The Presiding Officer: I appeal to members for brevity, as there is a long list of those who would like to speak.

Mr Kenny MacAskill (Lothians) (SNP): Belated action is better than inaction, but two points require clarification. First, £2.3 million is to be spent on a marketing and reassurance campaign, with regard to access. Will that include an intensive television and local radio campaign, both here and south of the border?

Secondly, although increased marketing is important for businesses, they require to stay afloat. Eighty-one per cent of businesses in Scotland have a rateable value in excess of £12,000, and areas such as the City of Edinburgh are currently excluded from the relief. Given that the British Hospitality Association and the Scottish Tourism Forum, among other organisations, are arguing that that threshold is too low, will the minister consider increasing the threshold to at least £50,000, as suggested by those organisations? Does he accept that all of Scotland is affected, not simply parts of it, and will he look to extending hardship relief to areas such as the City of Edinburgh, Midlothian and Lanarkshire?

Mr Morrison: The millions that are being spent on marketing will form an important pillar of the campaign to resuscitate tourism in Scotland. Quite rightly, visitScotland has determined that the English market is important. It is our biggest market, which is why visitScotland will do anything it can to gain access to it. VisitScotland is, of course, best placed to determine how the money that is being directed to it will be spent.

Along with the British Tourist Authority, visitScotland will undertake initiatives to target another important national market, the United States. I have to say that I was depressed by the level of ignorance of the issue among the American public that I realised existed when I was at the office of the BTA in New York on Monday. Listening to the questions that people were phoning in with, I became aware that they genuinely believe that foot-and-mouth disease is a public health issue. I commend the workers of visitScotland and the BTA for the excellent work that they are doing in exceptionally difficult circumstances. They are assuring visitors and callers that the outbreak is not a public health issue. That message is being followed up by the

First Minister and Wendy Alexander this week.

On the issue of the cities being affected, I appreciate that the problem affects all of Scotland. However, we have put measures in place that will specifically target the places most affected. Rural Scotland is, of course, gravely affected and that is why, only last week, Angus MacKay and Wendy Alexander announced a package worth £13 million.

Mr David Davidson (North-East Scotland) (Con): I thank the minister for giving me an advance copy of his speech.

I welcome the appointment of Peter Lederer as the chair of visitscotland and I also welcome the extension of short-term support for the membership of the visitscotland quality assurance scheme.

The minister will be aware that we have stated our wish that much of the public relations spin be directed at the important home market. I welcome his comments on that.

Yesterday, I had the pleasure of attending the Scottish travel fair in Glasgow. There, the full implications of the foot-and-mouth outbreak for Scottish tourism were detailed to me by many exhibitors from across Scotland, not simply from those in the contiguous areas. Those concerns are shared by all businesses that supply tourism businesses, particularly people who supply food, run taxi services and provide outdoor recreation facilities. Their concern is focused on the access issues that the minister raised this afternoon.

What plans does the Scottish Executive have to encourage landowners as a matter of urgency to use the risk assessment model and, where favourable, withdraw the access restrictions that are currently endangering the future of Scotland's largest industry?

What plans does the Scottish Executive have to allay the fears of landowners who have not yet used the risk assessment model in provisionally risk-free areas and who continue to restrict access to their land? Would reassurance by veterinary staff at a local level help matters to proceed more quickly?

How soon will the Executive's plans be implemented?

Mr Morrison: I thank David Davidson for his comments about Peter Lederer, who has been officially on the job for only four days. He has come at a critical time and, as David Davidson points out, he will be an excellent leader of visitscotland. He is, of course, ably assisted by his vice-chairman Mike Cantlay.

Yesterday's event at the SECC was important. It was heartening that the number of buyers of

holiday packages had risen by some 300. That rise would be welcome in any context, but I and other politicians who attended the event felt that it was particularly so in today's context.

On the issue of access and the question of landowners, I have today written to the Scottish Landowners Federation to outline exactly where landowners can access the necessary guidance and assurance. At the end of the day, one landowner can ultimately determine access to other activities, whether it is walking or another outdoor pursuit. It is absolutely vital that all landowners take a global view and consider things in the round. There is no room for selfishness. Having said that, landowners can of course access the guidance that is published in Ross Finnie's name; Ross Finnie's statement today should also have assured a number of those landowners.

As for getting expert help in determining the risk posed by visitors or by movement across land, the person best placed to determine that is not a desk-bound official here in Edinburgh, or anywhere else, but the local expert—the divisional veterinary manager, who can ably assist and can determine whether any risk is posed.

David Davidson's point about access to land is very important. We know the importance of informal access to landowners, and the message to them is quite straightforward: please conduct risk assessments and use the expertise on your doorstep.

Tavish Scott (Shetland) (LD): I thank the minister for his statement and also welcome Peter Lederer to his new post. I had the opportunity to meet him yesterday at the travel fair in the SECC in Glasgow—indeed, at the Shetland stand.

On the point that Mr Davidson raised about access, I would ask the minister for clarification on whether the actions of the rural affairs department and the enterprise and lifelong learning department will be completely joined up, to ensure that land managers have consistent advice across all activities that the Executive is carrying out at this difficult time.

I welcome the subscription and quality assurance relief for area tourist board members and the particular assistance for Dumfries and Galloway and the Borders.

On the £2.3 million of marketing spend, will the minister encourage visitscotland—and will he offer encouragement through his own offices—to use some of that money towards encouraging Scots to holiday in Scotland? Surely that is an opportunity that we should not miss at this time. Does he accept that, as constructive and practical proposals for assisting the tourism industry in Scotland come forward, the Executive should

consider those as quickly as it can?

Mr Morrison: On Tavish Scott's point about a co-ordinated approach across the Executive, a joint ministerial group has been in place for some weeks now, and has been chaired, quite logically and sensibly, by Ross Finnie. It is joined by ministers across the relevant portfolios. Tavish Scott's point about the Executive working in a joined-up, focused way is very relevant—I am happy to inform him that that is indeed the case.

Mr Scott's point about giving direct help to area tourist boards is eminently sensible. I think that giving help to ATBs to do their own marketing will reap benefits. With regard to Scots holidaying in Scotland, I informed my friends in Dumfries and Galloway some two weeks ago—I was able to repeat this when I met them at their stall at the SECC yesterday—that I will be dividing my time this summer between the Isle of Skye, which I fully understand and know is definitely an island, at least from where I sit, and some exquisite corner of Dumfries and Galloway.

Dr Elaine Murray (Dumfries) (Lab): I will offer Alasdair Morrison a drink if he comes to the Dumfries constituency for his holidays.

I am pleased to hear about the minister's action to encourage residents of the UK to holiday in Scotland. I was going to ask him how we are to promote Dumfries and Galloway and get over the idea that it is closed. There is still plenty that can be done there. I hope that the minister will take all possible action to encourage people to go there.

What action is the Scottish Executive taking to encourage public bodies to hold events there? That suggestion was made by the interim chief executive of visitScotland. Is the Scottish Executive acting on that advice?

Mr Morrison: We cannot underestimate the damage done to the tourism industry in Dumfries and Galloway. I take on board what Elaine Murray says about the area. It is not closed; many parts of it should be and are open for business. I know that visitScotland will do everything in its power to work with the powers that be in Dumfries and Galloway to get that message across.

VisitScotland has taken direct action to break down people's perceptions, and its members are themselves to convene board meetings and other meetings in Dumfries and Galloway over the next few weeks. The Executive has made a plea to public bodies to consider having their conferences, seminars, awaydays and so on in rural Scotland, and in Dumfries and Galloway in particular.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Is the minister aware of the importance to the economy not only of Lochaber in particular but of the Highlands generally of the

west highland way? A value of £10 million has been mentioned. I have met a number of people whose livelihood came to a halt five weeks ago and who have had no income since then because of the closure of the west highland way. Is the minister aware that there is no immediate prospect of its being reopened? If the last word, the responsibility and decision-making power rest with landowners, what happens if landowners refuse to carry out a risk assessment? If they do carry out a risk assessment, what happens if they refuse to act on a risk assessment that indicates that there is no risk? In short, what will the Executive do, given that it has passed all power to landowners, if a small minority of irresponsible landowners shows no enthusiasm to decipher "The Comeback Code"?

Mr Morrison: I am at a loss to recall the day on which the Executive handed over powers to private landowners, but I may have missed something in the past two years.

I agree with Fergus Ewing on the importance of the west highland way. Scottish Natural Heritage and local authorities are aware of the importance of reopening that very important part of Scotland. The key role of the shadow national park authority for Loch Lomond and the Trossachs demonstrates how right we were to pass the National Parks (Scotland) Act 2000. The authority has been able to co-ordinate work on the matter as a key priority.

As I have said in response to several members, I make a plea to private landowners to carry out a risk assessment. There is no reason in the world why, if a risk assessment determines that there is no risk, they would want to keep the keep-out signs up and the gates closed. I reaffirm what I have said in the chamber, in other forums and in the letter that I sent today to the SLF.

Mr Ewing said that there was no prospect of the west highland way reopening immediately. For obvious reasons, I cannot and will not give guarantees, but I sincerely hope that the west highland way will be open in time for the Easter holiday.

Maureen Macmillan (Highlands and Islands) (Lab): I welcome the minister's statement, particularly his commitment to effective marketing. I also welcome Peter Lederer's appointment as chairman of visitScotland. I met Mr Lederer recently in Inverness, where we addressed a fringe meeting on tourism at the Labour party conference. Is the minister aware that tourism operators in the Highlands and Islands are anxious to ensure that the Highlands and Islands tourist brochure is efficiently distributed to potential visitors throughout the UK, where our main market lies? Before the foot-and-mouth outbreak, Wendy Alexander initiated special plans to market that brochure. Will the minister assure me that it will be

sent out to all those who respond to the visitScotland advertising campaign that the minister has just announced?

Mr Morrison: I think that members of all parties recognise Peter Lederer's international standing and I welcome the cross-party support for his appointment. He runs a little bed-and-breakfast up the road and has done very well over the past 18 years.

Maureen Macmillan asked about a brochure that has been produced. As I am not au fait with its contents, I can say only that I would guess that it would make eminent sense to use it as part of any initiative to attract visitors from within the United Kingdom. I am happy to discuss the matter further with Maureen Macmillan and those who are involved in tourism in the Highlands. The brochure is one of the many tools that we should use to promote the Highlands and Islands as a tourism destination.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I am a little concerned that some of the measures that are proposed may simply increase the number of consultants who are telling businesses what they already know.

Could some of the money not be targeted at interest rate reductions? The minister will know that the small firms loan guarantee scheme, which is run by the Department of Trade and Industry, charges a premium of interest on bank loans on which banks already tend to charge higher than normal interest rates. It would be of great assistance to firms if higher interest rates could be reduced or waived.

At least one firm in my constituency, which has employees whom it may be forced to pay off, wanted to retain those employees and put them on the skillseekers modern apprenticeship scheme but was told that they are not eligible because they are over 25. I understand that the minister's department was already thinking about changing that age limit. Could not that change be brought forward and made effective now?

Mr Morrison: Both Ross Finnie and I met the banks on separate occasions. They sensibly and responsibly intimated that they will treat tourism businesses sympathetically and that they are well aware of the difficulties and challenges that many people are facing.

I know that the companies that are worst affected by the disease and that have small business loans will be treated sympathetically. For example, recipients of the Scottish Enterprise network's rural business loan programme will be offered flexible terms, including a six-month repayment holiday.

I genuinely cannot give a detailed response to

Mr Morgan's specific question about skillseekers and modern apprenticeships, but I am more than happy to obtain more details from him immediately after this item of business and to follow the matter up with officials.

Mary Scanlon (Highlands and Islands) (Con): We all want to support responsible measures to keep foot-and-mouth disease out of the Highlands and Islands and understand the difficulties of and want to provide support for tourism. I want to outline some of my concerns.

There is still no access to the Black and Red Cuillins on Skye. There are keep-out notices on every gate. I also understand that Forest Enterprise has a stricter code of access than other landlords. I was told today that the Scottish Crofters Union has still not signed up to "The Comeback Code" because of open grazing in the Highlands and other concerns. As Fergus Ewing said, the flagship walk in Scotland—the west highland way—is mainly open, apart from the Tyndrum to Kinlochleven section.

I ask the minister to do all in his power to ensure that the Scottish Executive rural affairs department guidelines are consistently interpreted and applied in order to send out clear signals to tourists.

The Minister for Environment and Rural Development announced this morning the convening of local access forums by local authorities. Will the same principle of consistency in the interpretation of the guidelines apply to those forums?

Mr Morrison: Mary Scanlon has raised several important points. I cannot for the life of me understand why the Black and Red Cuillins are closed and why people cannot readily gain access to them. That question comes back to—I use inverted commas—the private landowner.

I must declare an interest: I am a member of the SCU. It would be appropriate for me to speak to my colleagues and fellow SCU members about the matter Mary Scanlon has raised.

Mary Scanlon asked about the consistency of the message. The message is quite straightforward and clear. It was redefined today in Ross Finnie's announcement this morning and I know that all islands, including the wonderful island of Skye, will welcome Mr Finnie's announcement on animal movements. It will allow many crofters and people who are involved in agriculture to say, quite rightly, to people who are considering not implementing their holiday plans that they can come to the islands and to the Highlands.

Mary Scanlon's point about access to the Red Cuillins genuinely and deeply concerns me. It comes back to the private landowner, who must

take a wider view. There is no room for selfishness in relation to this crisis. We are all aware of the importance of the tourism industry to the economy of the Isle of Skye.

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): Does the minister agree that there have been some positive factors in this crisis? The recognition of the importance of tourism to Scotland's economy has been underlined, despite the fact that many of the jobs associated with that industry are dismissed as not being real jobs. The success of tartan day—despite the crisis—and the historical and economic importance of links with America have all been highlighted.

Does the minister agree that we must look beyond the crisis and that we must build on those links with America? Is not it time that Scotland had its own immigration centre? Given that Greenock was the departure point for thousands of Scots, Germans, Poles and Russians, the town would be the ideal location for such a centre. Will the minister visit my constituency to discuss that idea and to view the site that has been earmarked for an immigration centre?

Mr Morrison: Duncan McNeil is absolutely right to say that the awful crisis that is facing tourism has reinforced the importance of the tourism industry. Over the past two years, the Executive has demonstrated its commitment to that industry by taking tourism from the fringes and putting it centre stage in its economic thinking. The Executive views tourism as an important component of the Scottish economy.

Tartan day and the events leading up to it have come at an ideal time. Through the American media, we were able constantly to make the point that foot-and-mouth disease is not a public health issue and that Scotland and the UK are open for business. I wholeheartedly agree with Duncan McNeil's assertion that we should build links with the United States. During my visit, I was impressed by the warmth with which many Americans meet us. Given that there are some 14 million Scots-Americans in the United States, it makes eminent sense to look at ways of developing genealogical tourism. The Executive is committed to so doing. We are sitting on arguably the best genealogical records in the world. They go back to the 1530s and are now in digital format. There is no reason for us not to build further links with our colleagues in the United States.

Greenock is important to the history of the clearances. During awful periods in our history, many tens of thousands of people left our shores from Greenock. That link with the past should be reinstated. I would be happy to visit Mr McNeil's constituency to examine what role Greenock could play as a centrepiece of genealogical tourism.

The Presiding Officer: There are still several members who would like to be called. I remind members that decision time will take place at about 5.13 pm. The additional time that has been given to the debate allows for the disruption that occurred earlier this afternoon.

Ms Margo MacDonald (Lothians) (SNP): I welcome the minister's statement that the Executive sees the tranche of measures that he has announced as a first step. I also welcome the implicit, underlying theme of a concentrated strategy: the survival of small and medium tourism businesses. We may have to look beyond the current tourism season to regain markets.

We must also ensure that the people who we have trained do not depart the industry, taking with them their tourism skills. With that in mind, I draw the minister's attention to a survey that is currently being undertaken by Edinburgh and Lothians Tourist Board. The survey shows that 90 per cent of its members questioned so far say that their business has suffered as a result of foot-and-mouth disease, although only 30 per cent of its members so far questioned have laid off staff. We can see where that equation will lead us. Bearing that in mind, I will return to the point made by my colleague Kenny MacAskill. He asked whether many of the measures that have been directed towards very badly hit rural areas should be directed towards Edinburgh and Glasgow, for example. More than 50 per cent of people who visit rural areas in Scotland and tourist areas, if you like, start from Edinburgh. If we lose the key to Scotland, I am not sure how we can keep the door open.

Mr Morrison: I am happy to repeat the Executive's commitment to tourism in cities. Margo MacDonald is absolutely right when she says that Glasgow and Edinburgh are keys to our country. Many thousands of visitors come through those hubs.

Edinburgh and Glasgow will feature prominently in marketing within the UK and abroad. Both cities have done exceptionally well and have been a great tourism success story. They have done exceptionally well in attracting conventions and conferences. That is the result of the excellent facilities that have been built up over the years in both cities. It is important to ensure that conventions continue to be attracted. People have long lead-in times for conventions and conferences. Every step will be taken to reassure people who come to conventions and conferences in Glasgow and Edinburgh that they will not be affected by foot-and-mouth disease and that for the cities, the disease is not an issue in that sense.

George Lyon (Argyll and Bute) (LD): The minister comes from a small rural community and

will be aware of the concerns in such communities. Recently, I have made visits to Islay and last week I had discussions with the Dunoon and Cowal Marketing Group. There is real concern and fear about visitors coming into areas from infected foot-and-mouth areas. Much of that is based on complete misconceptions of the risk.

Will the Scottish Executive issue guidance to tourism businesses on how to deal with this extremely sensitive issue? The issue is sensitive because tourism businesses and farming exist side by side in much of my constituency and throughout the Highlands and Islands. Guidance needs to be issued on what the risk is. It is clear to me that there is no risk at all.

The minister has recently returned from America. He has painted a fairly black picture. Does he think that the American market will recover, or does he think that it is written off for this year and that we should concentrate on the home market—to ensure that we persuade Scots to holiday in Scotland and that we market heavily in England—to fill the gap?

Mr Morrison: The simple advice is that everyone should observe the guidance in “The Comeback Code”. Mr Lyon appreciates that there is no risk. Every elected representative has a duty to transmit that message. If I recall correctly, arrangements are still in place in places such as Islay—Caledonian MacBrayne and Highlands and Islands Enterprise are disinfecting people and there are disinfectant mats on the way into the islands.

I sincerely hope that the American market is not written off, but we have to be realistic and appreciate that colossal damage has been visited on tourism businesses in the United Kingdom. The level of misconception that can be seen in some of the statements that have been attributed to Americans, and to the American media in particular, is quite breathtaking. They genuinely still believe that this is a public health issue and not just an issue that affects some animals.

Mr Kenneth Macintosh (Eastwood) (Lab): I welcome the minister’s statement and his comments this afternoon. A range of measures are being taken to address the problem in Scotland. However, foot and mouth does not recognise the border with England. Will the minister talk about what is being done to co-ordinate action with the UK Government to promote tourism at UK level?

Mr Morrison: Ken Macintosh is absolutely right to say that the virus does not recognise borders. As I said at the outset, this is a UK problem that requires UK solutions. At the Scotland level, a ministerial group is co-ordinated under Ross Finnie’s chairmanship. There is a UK task group,

chaired by Michael Meacher, on which Ross Finnie and I represent the Scottish Executive. We are working closely and sensibly with our colleagues at Whitehall. I believe I have a date for a conference at which I will meet Jenny Randerson and Michael German from the Welsh Assembly. If I recall correctly, we are due to convene on 25 April to take forward a number of the issues that Ken Macintosh and other colleagues have raised.

John Scott (Ayr) (Con): Does the minister recognise that Ayrshire—South Ayrshire in particular—is still classified as an at-risk area and still suffers a huge drop-off in bookings? Will he make available to Ayrshire funds similar to those that are being made available to the Borders, which is a similarly affected adjoining area? Would the minister care to visit South Ayrshire for himself to see the problems that we, as an adjoining area, face?

Mr Morrison: I am happy to accept invitations whenever possible. In the past few weeks I have, rightly, been engaging directly with the industry the length and breadth of Scotland. I will give due consideration to the invitation, time permitting.

We have announced additional support for visitScotland, which has outlined that places such as South Ayrshire will be given their own budgets to market their areas. It is important that visitScotland does that and markets large swathes of the south of Scotland that are not affected but, as Mr Scott says, are, by association, implicated.

Dr Sylvia Jackson (Stirling) (Lab): I welcome the minister’s letter to the Scottish Landowners Federation about the west highland way. I want to go further than Fergus Ewing did earlier and ask the minister to give an assurance that if we do not get quick progress on opening up the west highland way, he will intervene further. I gather that one of the issues is the three landowners north of Tyndrum.

There are other important walkways, particularly those around Callander and on east Loch Lomondside. I hope that the minister will consider them as well.

Mr Morrison: Many members have raised the importance of the west highland way. I have taken direct action today—as direct as it can be—by sending a letter exhorting the Scottish Landowners Federation to use its good offices to encourage its members to open the relevant tracks. I again refer landowners to the guidance that has been issued—and repeated time after time—by Ross Finnie and his department.

There are other walks of similar significance. Sylvia Jackson mentioned Callander and east Loch Lomondside. If the private landowners there have not conducted a risk assessment, I urge

them to do so immediately. If there is no discernible risk, they should, of course, open their gates.

Alex Neil (Central Scotland) (SNP): I want to ask about the minister's statement that certain businesses in certain areas will get £2,000 of consultancy support, that workshops will be run by business advisers, and all the rest of it. Does he recognise that organisations such as the Convention of Scottish Local Authorities and the Federation of Small Businesses have made it absolutely clear that what businesses need is not consultants but cash? They need an injection of cash help; they do not need people coming in to tell them that they have no business, because they already know that. Will he review spend? Will he consider interest-free loan capital with flexible repayment terms for businesses? It is cash that they need, not consultants.

Mr Morrison: Alex Neil is absolutely right: it is cash that the businesses need. They need it in the form of tourists coming through their doors, booking into their establishments, eating in their restaurants, visiting their attractions and, of course, taking up residence in their bed-and-breakfasts and hotels. I agree with Alex Neil whole-heartedly that it is cash that businesses need. Everyone I have spoken to in the tourism industry says the same thing. We have to tackle the misconceptions that exist abroad and, in some instances, at home about the safety of travelling the length and breadth of the United Kingdom. That is why, last week, we announced a package of £13.5 million, a lot of which will be spent on marketing Scotland to get tourists back and on reassuring people that this is a safe country to visit.

Michael Russell (South of Scotland) (SNP): There is a basic fact that the minister has to get hold of. His response to Alex Neil showed that he has not yet grasped it.

The Presiding Officer: A question, please, Mr Russell.

Michael Russell: Everybody believes in promotion, everybody believes in marketing, and everybody believes in overcoming the misconceptions, but that will take time. In the short term, people require help to get them through.

This afternoon, I asked about the cultural sector. Many of us are worried about that sector—the heritage and museums sector—because it is very fragile. Wanlockhead museum almost went bust last year. It was saved—not by the Executive but by a donation. That museum cannot open at the moment. It will have no visitors. The culture sector and every other sector need money to get them through. I am putting this as simply as I can. Will the minister understand and respond?

Mr Morrison: Michael Russell is right when he says that we have to tackle misconceptions. That is exactly what we are doing and we have allocated significant sums of money to visitScotland and the British Tourist Authority for that purpose.

The industry has been telling us to reduce its liabilities. That is exactly what we are doing at both a UK level and at a Scottish Executive level in the shape of the rates relief package that was announced by Angus MacKay only six days ago.

I know that is difficult for many of the nationalists to inhabit the real world. The Executive does inhabit the real world. Our solutions are co-ordinated, crystal clear and straightforward. We do not live in the world of thinking of a figure, adding £100 million, multiplying by two and magicking money out of the air. Mr Russell should appreciate that the Executive is doing what it can to help the tourism industry. That is recognised across the country.

The Presiding Officer: That concludes the statement and questions this afternoon. There are no Parliamentary Bureau motions.

We begin the Easter recess tomorrow. I will be making full inquiries into what happened earlier this afternoon. I do not want to provoke any discussion just now, but one aspect that I shall consider is the behaviour of some members in the chamber who encouraged what was happening. We meet in this chamber to discuss our differences and resolve them. What members do outside by way of direct action is entirely up to them; but in this chamber we listen to debate. Encouraging disruption of the elected Parliament is a serious matter. I take what happened seriously and during the recess I will consider what to do.

Decision Time

17:15

The Presiding Officer (Sir David Steel): The first question is, that amendment S1M-1825.1, in the name of Kenny Gibson, which seeks to amend motion S1M-1825, in the name of Angus MacKay, on structural funds, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. I ask members to check that the light in front of their card is not illuminated.

FOR

Adam, Brian (North-East Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

AGAINST

Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Mr Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)

Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 25, Against 70, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The second question is, that motion S1M-1825, in the name of Angus MacKay, on structural funds, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Mr Bill (Glasgow Anniesland) (Lab)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)

Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
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 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)

Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 72, Against 0, Abstentions 25.

Motion agreed to.

That the Parliament welcomes the progress made to develop Structural Funds Programmes in Scotland which will have a lasting effect and supports the steps being taken by the Scottish Executive to develop a broader strategy in relation to European funding issues in preparation for the enlargement of the European Union.

Railways (Airdrie to Bathgate Line)

The Presiding Officer (Sir David Steel): The final item of business is the members' business debate on motion S1M-1511, in the name of Karen Whitefield. We are running late, so I appeal to members to leave quickly if they are not staying for the debate.

Motion debated,

That the Parliament recognises the continuing need for the rail line between Airdrie and Bathgate to be reopened; agrees that such a project would provide a service to around 200,000 people and as a result would improve labour market access to businesses in the M8 corridor, and welcomes the joint work being undertaken by North Lanarkshire and West Lothian Councils to highlight the benefits and value for money that the reopening of the rail line would offer.

17:18

Karen Whitefield (Airdrie and Shotts) (Lab): I begin by thanking all the members who signed my motion, which enabled this debate to take place. In particular, I thank my colleagues Mary Mulligan and Bristow Muldoon, with whom I have worked in partnership on the on-going campaign to reopen the Airdrie to Bathgate rail line. I also thank the staff and elected members of North Lanarkshire Council and West Lothian Council, in particular David Jarman, the head of strategic planning and transportation for West Lothian Council. Before this speech starts to sound too much like a speech at the Oscars, I will move to the substance of the motion.

The Airdrie to Bathgate rail line closed to passengers in 1956. A lot has changed since then. Most of Lanarkshire's heavy industry has been wiped out, West Lothian is now a major centre for the electronics industry and Edinburgh is now the home of the Scottish Parliament. Despite the fact that more and more employment opportunities are emerging in west and central Lothian, public transport facilities from Airdrie and Coatbridge to Edinburgh have never been worse.

If people want to travel by train from Airdrie to Edinburgh, they have to head in the opposite direction for 30 minutes to catch the Edinburgh train from Glasgow Queen Street, which means a total journey time of approximately 90 minutes. I have been contacted by many constituents who are frustrated that they are unable to take public transport that goes directly between Airdrie and Edinburgh. At present, the best they can do is drive to Harthill and join an express coach service to Edinburgh. They feel that it is time that Airdrie and Edinburgh were connected once again.

Although the M8 is in severe danger of grinding to a halt, many travellers continue to choose to travel by car rather than public transport, because they have no viable alternative. For the key reasons of economic development and tackling congestion on the M8, I believe that the time has come to examine seriously reopening the Airdrie to Bathgate rail line.

The M8's viability is vital if we are to ensure the continued growth of industry in the central belt. We cannot allow the M8 to seize up. Reopening the Airdrie to Bathgate line would help to alleviate peak traffic on the M8. We need only consider the number of people who each day cram themselves on to the Bathgate to Edinburgh line to find evidence of the attraction of a regular, reliable and convenient train service to the city centre. Each of those people represents a potential car on the M8.

To put it simply, reopening the Airdrie to Bathgate line would complement the Executive's congestion goals and would be in line with the Executive's social justice aims. Despite recent improvements, many of my constituents still struggle to find work. The growth of the electronics industry in West Lothian offers significant potential for employment opportunities for men and women from Airdrie and Coatbridge. Improving access to those jobs would have a significant impact on the Executive's goals for economic development and social justice.

I am sure that the Executive is well aware that use of the Bathgate to Edinburgh line, which was reopened in 1986, has exceeded all expectations; the line has three times the predicted number of users. I have no doubt that my colleague Bristow Muldoon will highlight the need for further development of that line. Similar success on the rail line between Airdrie and Bathgate would create a service that would require relatively little subsidy. West Lothian Council estimates that a subsidy of about 70p per trip would be required. That compares favourably with an average ScotRail subsidy of £4.34 and a Strathclyde Passenger Transport subsidy of £2.50.

The Airdrie to Bathgate line would provide good value by serving a large number of people. For example, the Edinburgh to Galashiels line would serve a population of 60,000 at a cost of £86 million. In contrast, the Airdrie to Bathgate line would serve about 200,000 people at a cost of about £30 million, according to Railtrack. The reopening and running of the Airdrie to Bathgate line compares well with other proposals that the Executive is considering, on financial viability and the number of potential users.

Reopening the Airdrie to Bathgate line would give my constituents easier access to their capital city, which is home to our Scottish Parliament. If devolved democracy is to be meaningful, our

Parliament and the institutions that develop around it must be accessible.

I accept that reopening the Airdrie to Bathgate line is a long-term goal. However, I restate my commitment to the project. I call on Strathclyde Passenger Transport Executive to commit itself to reinstating the service. I ask the Scottish Executive to give serious consideration to methods of funding a feasibility study for the project. Reopening the Airdrie to Bathgate line would be of great benefit to the people of Airdrie, Coatbridge and the adjacent villages and would be a tangible demonstration of the Executive's commitment to giving people an alternative to using their cars. Now is the time for the Airdrie to Bathgate line.

17:25

Fiona Hyslop (Lothians) (SNP): I thank Karen Whitefield for lodging today's motion for debate. I often disagree with her, but I am pleased to support her motion in this case. Indeed, some time last year, we both attended a public meeting in Bathgate on the matter, from which she was lucky to escape unharmed after confessing that she is one of the people from Lanarkshire who bring their car to Bathgate and park it in Bathgate railway station car park.

I point out that there has been a long history of campaigning for the reopening of the line. People such as Councillor Jim Sibbald of Armadale were part of earlier campaigns that took place 20 years ago or more. Although Karen Whitefield refers to the Airdrie to Bathgate line, I would like to point out that the line should be known as the Bathgate to Airdrie/Shotts line. Certainly, the late Jim Walker of Bathgate ensured that I always refer to it in such terms.

The reopening of the line would deliver practical benefits and send out a signal about how we see strategic economic development and regeneration for the Scotland of the future. I am disappointed that the Government has failed to respond positively up until now. I hope that we will hear some positive comments in the minister's response.

From a practical point of view, the M8 is grinding to a halt. Commuters now move across Scotland. For example, I understand that after the opening of Croy station, the busiest part of the line was Croy to Edinburgh, not Croy to Glasgow. A lot of the traffic that goes along the M8—indeed, throughout central Scotland—is not from city to city but between Lanarkshire and West Lothian.

If we want to take the heat out of the Edinburgh property market, let us consider new build in West Lothian, which has one of the fastest-growing populations. We need to think about what has

happened in the past. Bathgate and Airdrie are the towns that have suffered the most in the past 30 years. It is interesting that executive housing is now being built on the old Leyland site in Bathgate.

We need to consider the fact that we are encouraging businesses to locate on the M8 corridor and need to create access for more than just car users.

We should also think strategically. There is an artificial divide at Harthill. It is not just a matter of salt 'n' sauce v salt 'n' vinegar on chips. We need to ensure that we bring Scotland together. We need a focus that allows us to open up the potential of central Scotland in its own right for business and residential development.

We need to regenerate former mining areas such as Blackridge, Armadale, Caldercruix, Plains, Airdrie, Shotts and—dare I say it—surrounding villages. They are, too often, forgotten lands, although we can be sure that the west of West Lothian and the east of Lanarkshire are remembered when it comes to deciding where to site opencasting and where to have landfill sites.

We need imagination and vision. There are businesses that are prepared to invest and build in the area. People want to live there because they can see the practical solutions that it can provide to accessing other parts of Scotland. If the Executive is seriously considering ideas, I suggest that a practical solution would be to consider setting up a Scottish trust for public investment. Councils may want to bypass the Executive to do that. As Karen Whitefield pointed out, the reopening of the Bathgate to Edinburgh line showed that the line was highly profitable. There is great potential in the reopening of the Airdrie to Bathgate line, but we need leadership, imagination and vision.

We need a practical demonstration that the central belt can be not just an intercity commuting corridor but the heart of Scotland, in which Harthill is considered not just a border gateway, but the centre spot of a vibrant region that reaches east and west. Reopening the Bathgate to Airdrie/Shotts line would do just that.

17:28

Mrs Mary Mulligan (Linlithgow) (Lab): I congratulate Karen Whitefield on securing the debate. She has worked tirelessly for the project and I am happy to work alongside her and Bristow Muldoon to achieve the reopening of the Airdrie to Bathgate line. I also welcome the councillors and officials from West Lothian Council, who are in the gallery this evening.

Why have so many people put so much time

and effort into the reopening of the line? I will start, as Fiona Hyslop did, by taking members back to 1986, when the Edinburgh to Bathgate line was reopened. At that time, some said that that should not happen and that there was not enough business to reopen that line. Just look at it now—it is a success. We should be prepared to follow on from the foresight that those who reopened the Edinburgh to Bathgate line had and to deliver the extension of the Airdrie to Bathgate line that will make life better for people in West Lothian and North Lanarkshire.

How feasible is the project? There are only 14 miles of track to re-lay. The whole route is intact and under single ownership. There are no major physical problems. The capital costs could be in the region of £30 million, but even that is modest compared to the motorway projects that could be an alternative. Revenue support might be an issue, but the line has to be compared to other projects.

Karen Whitefield referred to the economic benefits—there is no doubt that the M8 is crucial to economic development in the central belt. West Lothian has an expanding economy, but the west side of the county has seen less growth. I want Armadale and Blackridge to enjoy the benefits that the provision of rail links, both east and west, would assist the people there to access. Employers will site their operations where they have the biggest catchment of workers. We must expect that people will continue to increase the length of their journey to work, often in preference to moving home. However, we must be able to offer them alternative transport to the private car. I would be interested to know what research is available to inform us about home-to-work journeys—perhaps the minister can respond to that.

There are many multi-income households, and the rail link would allow members of the same household to travel in different directions. We see that pattern already on the Edinburgh to Glasgow line—for example, for many people who live in Linlithgow. However, housebuilding there is limited and, as has been said, there are more opportunities for housebuilding in Armadale and Blackridge.

A matter that might be less important, but which should also be considered, is the social benefits. A significant number of my constituents in West Lothian have family in North Lanarkshire. One constituent complained recently about how difficult it was for him to fulfil his caring responsibilities for a relative in Airdrie, especially when the two buses that he has to use do not meet.

I am pleased about the partnership that has brought about the present situation. There is cross-party agreement in the Parliament, and two

local authorities—West Lothian and North Lanarkshire—are working together. Strathclyde Passenger Transport and ScotRail have voiced support for the project. We want such support from the Scottish Executive. We have witnessed the success of the Edinburgh to Bathgate line. People travel to Bathgate from the west—let us give them their own railway stops. We still need to consult widely with local authorities, SPT, local enterprise companies and local communities. The Executive must see this as a viable option and support its further investigation.

I ask the minister to ensure that the ScotRail franchise renewal process paves the way for the Airdrie to Bathgate line by creating sufficient capacity on the existing Edinburgh to Bathgate line. Will he confirm that the two local authorities and the SPT will have an opportunity to bid for a full feasibility study from the public transport fund later this year?

The Presiding Officer: I have been asked to announce that the presentation by the electoral commission, which was due to start at 6, has been deferred to 6.15 to allow those of us who wish to go to it to be there at the beginning. I ask for brief speeches so that we can get everybody in.

17:33

Mr Murray Tosh (South of Scotland) (Con): I congratulate Karen Whitefield on bringing this matter before us today. I confess that I do not know the railway line especially well, but the arguments that she rehearsed sounded sensible, comprehensive and applicable to those campaigns that I know rather better, such as the Campaign for Borders Rail. I have a brief point to make in support of what Karen Whitefield said.

I am not sure whether this is Lewis Macdonald's first speech as a minister. He is nodding his head, so I extend my congratulations to him on his appointment and welcome him to his role this afternoon in the Parliament. I hope that, when he sums up, he will be able to confirm that the multimodal corridor study for the M8 is capable of considering the issues that have been raised today. There is congestion, not only on the M8, but on both the principal railway routes across central Scotland. If we consider the issue in the round, it makes perfectly good sense to do the initial scoping study, and then consider the request that has been made for a proper feasibility study. If the costs and the value merit it, I hope that the Executive will pursue the matter with the vigour that other members have urged that it should.

17:34

Bristow Muldoon (Livingston) (Lab): I congratulate Karen Whitefield on securing today's

debate and I join her in thanking the two local authorities that have been largely developing and promoting the campaign. In addition to Mary Mulligan's welcome to the people from West Lothian Council, I welcome the representative of the *West Lothian Courier*, which has been active in bringing the issue to the attention of people in West Lothian.

I shall concentrate on three areas: the benefits of reopening the line; the need for expanded capacity on the existing Edinburgh to Bathgate line; and the action that I would encourage the Executive to take in progressing those matters. I also ask the Presiding Officer to note that the clock was not reset when I started to speak.

First, on the benefits of reopening the line, I express my support for the arguments that were outlined by Karen Whitefield. Reopening the line meets several of the policy aims of the Executive. First, as Karen said, it accords with the Executive's transport aims of encouraging greater use of rail and trying to reduce reliance on the private car, particularly on the very congested Edinburgh to Glasgow corridor. Secondly, it accords with the Executive's social justice objectives, both by allowing people access to social facilities and by giving them access to employment opportunities. Thirdly, I think that congestion is likely to increase in the near future by the continuing success of Livingston Football Club. There will obviously be a greater need for people from Livingston to make journeys to Ibrox, Parkhead and, I hope, Hampden on many occasions in the coming years. I also hope that, in due course, we will also be joined by Karen's local team, Airdrie, in the premier league.

From my own experience as a regular commuter on the existing Edinburgh to Bathgate line, and from correspondence from constituents, I know that there is a significant problem with overuse of the line. That causes congestion on the trains themselves at peak times, but it also causes congestion in the car parks that serve the various railway stations. In addition to considering an extension of the line, it is equally important for the Executive to hold discussions with ScotRail to ensure that the current line capacity is increased through a series of measures such as platform extensions, increased rolling stock and passing points on the line. Those are issues that I have discussed with ScotRail in the past. I know that ScotRail is keen to make progress and I encourage the Executive to consider those issues further.

I endorse the view that much of the successful regeneration of West Lothian has been due to improvements such as the Bathgate line, which was reopened in 1986 and which I believe has made a contribution to improving the prosperity of

West Lothian.

I ask the minister to respond to three proposals for action. First, I urge him actively to pursue with ScotRail and Railtrack measures that will expand capacity on the existing line, even in advance of a new franchise. Secondly, I ask him to confirm that full and active consideration will be given to a forthcoming bid to the public transport fund for funding for a full feasibility study on the extension to the line. Thirdly, I urge him to give full consideration to the inclusion of a reopened Airdrie to Bathgate line in any guidance that is given to the Strategic Rail Authority on a future franchise for Scotland's passenger railways.

The Presiding Officer: I shall have to ask members to keep their speeches to three minutes from now on. I call Donald Gorrie.

17:38

Donald Gorrie (Central Scotland) (LD): I do not know whether I have to declare an interest in this subject. As a list member who has to get around the 10 constituencies in Central Scotland, I know that it is very much easier to visit places with an effective station and railway line, such as Polmont, Falkirk and Croy, which serves Cumbernauld. One can even get to Motherwell by train if one times it right. It would be very beneficial to me personally if there was a much more sensible railway line serving Coatbridge, Airdrie and the places round about there.

I reinforce the argument that the railway line, if reopened, will do much better than the officials tend to make out. I am reminded of the time when Lothian Regional Council first achieved the opening of the South Gyle station on the Fife line. There was a time when I was the only person in the world who agreed with the proposal, and the railway authorities said that it was rubbish. Now, that route is so crowded that nobody actually pays their fares because the trains are so full that nobody can go round to collect them. I am not advocating that, but it is a mark of the success of that station.

We then got a railway station at Livingston South on the Edinburgh to Glasgow Central line, which was also a success. As other members have said, there was also a great deal of opposition to the Bathgate line from people who thought that they knew about those things. The fact is that they did not, and that line has been a great success. As Karen Whitefield said, there is a big public to serve in Armadale, Coatbridge and Airdrie, coming into and going out of Edinburgh and working in all those places. It should improve the Coatbridge junction with the A8, which I think, in my limited experience—I am not a great traveller—must be one of the silliest junctions in

the world. Anything that makes it less silly is an improvement.

We should support this rail link. The area is covered by two councils, two different transport organisations, ScotRail, Railtrack—and the Executive has an interest. I suggest to the minister that if the Executive got a grip on this and brought everyone together, it would avoid the risk of the matter falling between several stools because on some occasions people have not co-operated. A road in one local authority came to a grinding halt—it looked like a ski jump—because the next council did not have the money to carry it on.

We want to bring people together. The Executive has a role in that. This rail line should have a high priority. I cannot say how high, because my colleagues in the Borders would shoot me if I suggested that it was as high a priority as the Borders rail link. This is an important and good project. I strongly support it.

17:41

Elaine Smith (Coatbridge and Chryston) (Lab): Like other members, I am pleased that Karen Whitefield has secured this debate.

In my short speech, I will reiterate some of the points that I made 18 months ago in my submission to Sarah Boyack's consultation paper, "Tackling Congestion". At that time, I pointed out the benefits for my constituents of reopening the Bathgate to Airdrie line.

If someone has to travel to Edinburgh from the main town of Coatbridge in my constituency by the existing public transport, it is an extremely difficult and time-consuming exercise. It can take between an hour and an hour and a half. As Karen Whitefield said, it is necessary first to travel in the opposite direction, to Glasgow.

If the railway line between Drumgelloch and Bathgate were to be reopened, I am sure that many people would use rail as their favoured mode of transport. It would open up employment opportunities for my constituents and, as Bristow Muldoon mentioned, social opportunities.

Edinburgh and West Lothian have two of the fastest-growing economies in Scotland and an increasing number of people in North Lanarkshire are looking to the east for employment. They may choose to work in the east but, as Mary Mulligan said, because of high house prices, or for personal or family reasons, they may want to continue living in the west.

A preliminary study by the Railway Development Society on the feasibility of reopening the line stated that the proposal was practical. The only apparent problem is the relocation of the cycle route. The RDS estimate of the capital cost is

about £19 million although, as we have heard, Railtrack says that it could possibly cost up to £30 million. Even if the cost were to reach £30 million, that would be a modest amount, as Mary Mulligan said, compared with the cost of many motorway projects. We should remember that motorised transport is the single greatest contributor to air pollution in urban areas.

Traffic growth, and the resulting increase in pollution, cannot continue. Too much traffic damages the environment, people's health and the quality of their lives. Problems of congestion and high levels of pollution are especially bad at certain peak times during the day. Ways of cutting down road traffic should be examined. We should encourage employers to adopt flexitime regimes, staggered hours and working from home via the use of new technology.

In considering the challenge of getting traffic off the roads, we must examine the re-establishment of former rail links and even consider constructing new ones. The reopening of the Bathgate to Airdrie line would provide a cost-effective, speedy and environmentally friendly mode of transport, which would be welcomed and used by many people in my constituency.

17:43

Robin Harper (Lothians) (Green): My well-known support for the Edinburgh to Galashiels, and I hope Carlisle, line does not preclude me from giving my whole-hearted support to the Airdrie to Bathgate line.

I express my congratulations to Lewis Macdonald on his appointment and also the hope that he is allowed the budget, in the fullness of time, to preside over a rejuvenation of the Scottish railway network. I back what Murray Tosh, Bristow Muldoon and Karen Whitefield have said about the economic and environmental benefits of that.

We should link this into a multimodal study, including the M8. A considerable amount of money might be saved by constructing this line, as we might have to do other work to the M8 were we not to build it.

17:44

Mr Michael McMahon (Hamilton North and Bellshill) (Lab): I congratulate Karen Whitefield on securing this debate. This issue is clearly important not only to the communities of Airdrie and Bathgate, but more widely to communities in the Lothians and Lanarkshire. As the economic structure of our communities changes and business evolves, freedom of mobility is of the utmost importance. Plainly we must look towards an efficient integrated transport system that does not threaten our environment and that is

accessible and commercially feasible. Such a system must be geared towards not only local communities but wider society.

I am sure that we all value the importance of the future of railways in such a strategy, because if we are serious about encouraging people to use public transport and the railway network, we must provide a safe, reliable and effective service. A new link between the east and west of Scotland is crucial for the manufacturers, producers and consumers involved in Scotland's industrial diversity. As a result, I commend the work that the local authorities in North Lanarkshire and West Lothian are undertaking, as it highlights the benefits of reopening the Airdrie to Bathgate line and the commercial sense that that would make.

The present stalemate of congested and overburdened roads such as the M8 through Lanarkshire and beyond not only affects Karen Whitefield's Airdrie and Shotts constituency but leads to the disruption of business and means sluggish mobility for commuters from many areas in the central belt. As a result, we must aim to develop a modern, fast and efficient transport infrastructure instead of restricting it.

Furthermore, we must encourage the use of public transport to help reduce congestion in major corridors such as the M8 in my Hamilton North and Bellshill constituency. Not only is that area at a standstill for much of the day, it is also a location of dangerous traffic situations and accidents.

It has been suggested that congestion increases carbon dioxide emissions by 10 per cent on urban roads, which is obviously a matter of great concern to major towns and surrounding areas such as my constituency. As a result, any effort to reduce road traffic growth and congestion, especially in urban areas such as mine, can make an important contribution to the improvement of air quality and the reduction of carbon dioxide emissions.

As colleagues will be aware, projects such as the reopening of this line have considerable benefits for labour market accessibility and potentially advantageous effects on employment levels and economic growth. A more effective transport infrastructure between the east and west of the country would benefit people who wish to find employment further afield or who need such a transport system for employment purposes.

We must show our commitment to a coherent transport strategy for our nation and to reducing the impact of traffic congestion on our roads and its harmful environmental effects while providing attractive affordable alternatives. The reopening of the Airdrie to Bathgate rail link would adhere to the Executive's commitment to a strategy founded on integrated transport and the multimodal ethos. It

would also expand on the existing user network and would help the local authorities, employers and enterprise networks to promote inclusion for the people of Airdrie, Bathgate, Lanarkshire, West Lothian and Scotland in general.

Although this debate has greatly helped to raise the transport problems in the constituencies of Karen Whitefield and Mary Mulligan, their campaign will help to alleviate problems in my area and many others. I wish the campaign well and fully support the initiative. I hope the minister will do so as well.

17:48

Alex Neil (Central Scotland) (SNP): I too congratulate Karen Whitefield on securing this debate. I was getting worried that she might forget the surrounding villages in her speech, but I noticed that she managed to include them towards the end. I want also to pay tribute to my colleague Gil Paterson, who cannot be here tonight but who has been campaigning with Karen Whitefield for the railway line.

As I am the last member to speak before the minister—who I hope is the minister who likes to say yes—I want to summarise the five major benefits of reopening the Airdrie to Bathgate rail link.

First, there is a major benefit for Edinburgh itself. The city faces major developmental pressures in the years ahead; it is estimated that in the next five years something like 25,000 new jobs will be created in the Edinburgh area. That will put enormous pressure both on the labour market, with the prospect of skill shortages, and on the property market in the city. We must address the problem without ending up with an overheated Edinburgh and an underheated rest of the central belt, as far as economic performance is concerned.

Secondly, the reopening of the line will have major economic benefits for West Lothian and Lanarkshire in particular. Lanarkshire faces the problem of continuing high levels of grinding unemployment in various pockets of deprivation. The line will help the unemployed people of Lanarkshire to reach job vacancies in Edinburgh, without the worry of having to find a house in Edinburgh that they cannot afford.

There is a third benefit that has not yet been mentioned. Reopening the line will result in the connectivity—that is the in word these days—of Edinburgh, West Lothian, Lanarkshire and Glasgow, and south to Ayr and Stranraer. If people could travel from West Lothian or Lanarkshire down to Ayr, Bristow Muldoon could go to watch a team that is at the top of the league, at Somerset Park. I am sure that that would be of

benefit to everybody.

The fourth major benefit that has been mentioned is access and the social inclusion aspect. As Mary Mulligan said, there are many family connections between the east and the west. The reinstatement of the line would facilitate such connections, improve social inclusion and provide people with access to jobs and other opportunities.

The fifth and final major benefit is that which Michael McMahon and Robin Harper focused on—the environmental improvements. The line would help to get traffic on the railway that would otherwise be on the roads, which would be good news for everybody.

The sum of £30 million—if it is as much as that—is a modest investment for a very high return in terms of job opportunities, social access, economic improvement and development. I hope that, as this is Lewis Macdonald's first speech as a minister, he will make it memorable, so that we can look back and say, "There he is—that is the man who was responsible for reinstating the Bathgate to Airdrie railway line."

The Presiding Officer: It is not my business to comment on the quality of speeches, but it gives me particular pleasure to welcome Lewis Macdonald to make his maiden ministerial speech.

17:51

The Deputy Minister for Transport and Planning (Lewis Macdonald): Thank you, Presiding Officer. I congratulate Karen Whitefield on securing today's debate and on the clear and constructive way in which she, among other members, has made the case for the line. I am especially pleased to make my maiden speech as a minister in response to a motion on rail, as I—along with many members who are here this evening—have been, for the past two years, a member of the cross-party group on strategic rail services.

Rail is a key part of Scotland's transport infrastructure and we must build on what has been achieved through partnership with industry and the local authorities. The job of the Executive will be to set the priorities to ensure that our most pressing transport challenges are addressed first.

As Karen Whitefield said, the A8/M8 corridor is recognised as being of great importance to the economy of central Scotland and to the country as a whole. Multimodal studies, which have been mentioned, are currently under way to find solutions to the transport challenges in the A8/M8 corridor and in central Scotland around the A80 and M74 northern extension. The consultants were appointed last December and their studies will be completed by April 2002. The significance

of the Glasgow to Edinburgh corridor for transport and economic development was highlighted from the beginning, in the first scoping study.

As Murray Tosh said, rail capacity is recognised as a problem on the main Edinburgh to Glasgow route, as is capacity on the roads. Mary Mulligan suggested that travel to work would be a key consideration and I assure her that that is being taken into account in the multimodal studies that are being carried out.

We must address rail capacity, encourage a switch from road to rail and achieve social justice through the creation of job opportunities. One of the options that the studies will consider is the reopening of the route between Bathgate and Airdrie. However, the assessment that will be carried out as part of the transport corridor studies will inevitably be fairly broad, at least in the first instance. It will contribute to the possibility of further, more detailed work if the scheme can meet the necessary appraisal criteria, either by itself or as part of a package of complementary measures. No doubt all members who are present this evening will await the results of those studies with interest.

Members know that both the Parliament and ministers have new competencies and powers in respect of railways, one of which is to issue directions and guidance to the Strategic Rail Authority on the Scottish passenger rail franchise.

Robin Harper: Will those appraisal criteria be available to members in advance?

Lewis Macdonald: Some of the appraisal criteria are already in the public domain. I imagine that those that are not will be released as the studies are completed. The process that is under way at the moment is to get the central Scotland transport model in place. The other schemes will be based on the results of that process.

Members will know that a consultation paper has been issued on strategic priorities for the Scottish passenger rail franchise. More than 200 responses have been received and the results of the exercise will inform our direction and guidance to the SRA later this year. Those strategic priorities and the direction and guidance that we issue will be the context in which we will set priorities for all proposals for enhancing the passenger rail system.

Bristow Muldoon and Mary Mulligan talked about the Edinburgh to Bathgate line. While it is impossible to prejudge the consideration of the strategic priorities, the points that have been made in relation to the line have been made by others and will be taken into account when we come to make conclusions about what the priorities should be.

I wondered whether Fiona Hyslop was going to lead us into a dispute between a Bathgate to Airdrie line and an Airdrie to Bathgate line. I thought that it would be better to avoid that. The advantages of reinstating the line are obvious. As has been said, it would open up new opportunities for people in West Lothian to access Glasgow and for people in North Lanarkshire to access Edinburgh and Livingston. It would also ease capacity problems on both road and rail in the central belt.

While I was listening to members, particularly when they mentioned the Harthill gap, it struck me that something less tangible has changed. When the line closed 40 years ago—or even when the line was lifted 20 years ago—there was a tendency for people in the west to look west and for people in the east to look east. That attitude has now gone, which is why projects of the kind that we are talking about, and others that are being dealt with in the transport studies, attract a good deal of interest.

It has to be said that ScotRail and Railtrack have examined the commercial viability of the line and have concluded that it would not be able to operate without subsidy. That is not a bar to the project; it is something that is true of most lines of the same size. The councils have approached the Executive to explore the potential for developing more detailed project proposals and have suggested that they might apply to the public transport fund.

The project would not be cheap. A figure of £30 million was mentioned today and a figure of £19 million appeared in the original report that was commissioned by West Lothian Council. Members will accept that both those figures are rough and that even the larger of them might rise substantially. We are talking about a substantial financial commitment and we need to address the possible sources of funding for such projects.

Members will know that the Scottish Executive has committed £150 million to the public transport fund between 2001 and 2004. I can announce that the arrangements for next year's round under the fund will allow authorities to make bids to a preparation pool. That means that they will be able to bid for the sums of money required to carry out the feasibility studies that will allow projects that are not yet fully worked up to be progressed. That will be particularly relevant to projects such as the one that we are discussing.

The Airdrie to Bathgate line will have to compete with other projects and, while I would dearly love to make my first ministerial speech as the minister who likes to say yes, I will instead be the minister who likes to say, "Bring forward proposals, work them up and, in the context that we have set—the growth that we seek to encourage in rail transport

and the recognition of the particular needs of the central corridor—we will await with interest the proposal that is brought forward."

Supporters of the Airdrie to Bathgate line will be in competition with supporters of other projects at the feasibility stage, as well as at the full project stage. However, the creation of that preparation pool within the public transport fund offers real encouragement to everyone with projects at that stage. I remind members that there are other sources of funding, such as the integrated transport fund, the rail modernisation fund and the rail passenger partnership—the last two are, of course, UK funds.

I welcome the constructive and realistic approach of the members who have spoken in this evening's debate. We all recognise that it is not possible to meet every aspiration and expectation in transport. With a project of this kind, we need to be able to demonstrate real benefits and value for money. Projects that can do that will receive support.

The promoters of the Airdrie to Bathgate project have argued clearly for the major benefits that it would generate. It is now up to them to take the opportunity to make a bid for funds that will allow them to carry out the kind of robust appraisal that will demonstrate the potential of the line. I look forward to seeing the results of that.

The Presiding Officer: That concludes the debate. I wish members a productive but enjoyable Easter recess.

Meeting closed at 17:59.

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