

MEETING OF THE PARLIAMENT

Wednesday 19 December 2001
(*Afternoon*)

Session 1

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Scottish Parliament

Wednesday 19 December 2001

(Afternoon)

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

Time for Reflection

The Presiding Officer (Sir David Steel): To lead our time for reflection, I welcome Father Tom Mullen, the priest of Our Lady of Lourdes Church in Dunfermline.

Father Tom Mullen (Priest of Our Lady of Lourdes Church, Dunfermline): One of the characters from our scripture readings of and from whom we will hear a lot as we prepare to celebrate Christmas is the prophet Isaiah. He reminds us that the Messiah, Jesus Christ, came into the world because

“Night still covered the earth and darkness its people”.

The coming of Christ into our lives is to shed light, not just on who we are, but on what we have the capacity to become. He comes to take us out of darkness, to cut at the roots of our deepest insecurities and to empower us with security, integrity and a sense of vision.

The news of the fulfilment of that prophecy comes to us in a rather clumsy and bewildering way—it is brought to shepherds. Shepherds in Bethlehem—at that time, at least—were not considered to be the most trustworthy of people. They were undesirables and were marginalised, and yet it is they who go down in history as being the bearers of the news of this astounding event for all generations.

Christmas also means that we are dealing with a God who is biased, not just towards the marginalised, but towards the vulnerable and the defenceless, in the person of an infant, someone who is totally dependant on loving and caring human beings.

Here we have a God who has thought of everything possible in order to identify with us. He identifies with the helpless, the innocent and the vulnerable; those who live at the mercy of others and who cannot fend for themselves. All those things apply to God’s children, whether they are infants or elderly because they are all God’s “little ones”.

That was an indication on God’s part that, from now on, the new covenant would no longer begin from on high—it would start from bottom up.

Let our prayer be that this Christmas will be different to any other Christmas in our lives. Let us see it as an invitation from God, calling us to enter into his plan of things so that people will not live in darkness, but will see the great light foretold by Isaiah.

Sir David, I thank you for the kind invitation to share time for reflection with you and the Scottish Parliament. I wish you and this gathered assembly peace for the Christmas season and also for the coming new year. May our prayer and hope be that this Parliament, all Parliaments and all leaders of countries and Governments may always consider what is good for mankind and endeavour to act on behalf of those who cannot fend for themselves or achieve those things for themselves.

Business Motion

14:33

The Presiding Officer (Sir David Steel): The first item of business is consideration of business motion S1M-2562, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau.

Motion moved,

That the Parliament agrees—

(a) as a revision to the Business Programme agreed on 13 December 2001

Wednesday 19 December 2001

after Debate on the Finance Committee's Report on Stage 2 of the Budget Process, insert

followed by Motion on Membership of the Committee of the Regions

Thursday 20 December 2001

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

3.30 pm Election of a Member of the Parliamentary Corporation

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business - debate on the subject of S1M-2529 Karen Gillon: New Lanark

(b) the following programme of business

Wednesday 9 January 2002

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Executive Debate on its Priorities

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business – debate on the subject of S1M-2447 Mr Kenny MacAskill: Congestion and Pollution caused by Edinburgh "Bus Wars"

Thursday 10 January 2002

9.30 am Debate on the Health and Community Care Committee's Report into Hepatitis 'C'

followed by Ministerial Statement

followed by Business Motion

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Scottish Conservative and Unionist Party Business

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by

Members' Business – debate on the subject of S1M-2404 Iain Smith: Strategic Planning in Fife

Wednesday 16 January 2002

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Stage 1 Debate on the Freedom of Information (Scotland) Bill

followed by Financial Resolution in respect of the Freedom of Information (Scotland) Bill

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 17 January 2002

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 Stage 1 Debate on the Marriage (Scotland) Bill

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

and (c) that the Justice 2 Committee reports to the Justice 1 Committee by 21 January 2002 on the Advice and Assistance (Assistance by Way of Representation) (Scotland) Amendment Regulations 2002 (Draft).—[*Patricia Ferguson.*]

The Presiding Officer: Des McNulty has pressed his request-to-speak button.

Des McNulty (Clydebank and Milngavie) (Lab): I am sorry, Presiding Officer. I do not wish to speak.

The Presiding Officer: You do not wish to speak against the motion. That is a relief.

Motion agreed to.

Points of Order

14:34

The Presiding Officer (Sir David Steel): I will take Mr Swinney's point of order.

Mr John Swinney (North Tayside) (SNP): I ask, Presiding Officer, whether you have received a request under rule 13.2.2 of standing orders for an urgent ministerial statement on the national health service. Today we learned from an Executive press release that the First Minister has authorised a review of the composition of waiting lists in our hospitals. Furthermore, the Minister for Health and Community Care has disclosed that, contrary to information that was given to Parliament—not once by the Minister for Health and Community Care, but twice by the First Minister—there are a number of closed waiting lists in hospitals in Scotland. That directly contradicts the answers that I was given over two successive weeks at First Minister's question time.

As a result of that disclosure of substantial new information, which involves the misleading of Parliament over the past two weeks at First Minister's question time, can I ask whether you have received a request for a ministerial statement on the issue and whether provision can be made for that later this afternoon?

The Presiding Officer: The answer is that you can certainly ask, and that I have not received any request to make a statement. The member, no doubt, will wish to pursue the matter at question time tomorrow.

Alex Fergusson (South of Scotland) (Con): On a point of order, Presiding Officer. I regret to say that I have two short points of order. First, I wonder whether you can offer me guidance on whether you have received any intimation of which member of the Parliament will be speaking for the Protection of Wild Mammals (Scotland) Bill at stage 3.

Secondly—and this is slightly connected—will you confirm the view of *The Scotsman* newspaper yesterday, which stated that it would be highly unusual for an amendment that had been rejected at stage 2 to be resubmitted and accepted for debate at stage 3?

The Presiding Officer: I am grateful that you, like Mr Swinney, gave me notice of those points of order.

On the second point, the answer is that the report in yesterday's edition of *The Scotsman* was incorrect. I draw members' attention to "Guidance on Public Bills", paragraph 4.58 of which sets out in detail how amendments are selected. I will not bore members by repeating it now. If an

amendment in a committee is defeated narrowly or approved narrowly, that is always in the mind of the Presiding Officer when deciding whether to reselect an amendment for debate at stage 3.

On the first part of your point of order, on the handling of the bill, I would like to take more advice this afternoon and come back to that matter before decision time at 5 o'clock.

I believe that Andrew Wilson also has a point of order. I ask him to raise it now, as I would like to deal with all the points of order now, given that he gave me notice of it.

Andrew Wilson (Central Scotland) (SNP): Thank you, Sir David; I was instructed otherwise.

I have two points of order to make on the same subject. The first is that on Monday of this week, the Executive held a press conference at 9.30 am to launch its highly controversial document, "Government Expenditure and Revenue in Scotland 1999-2000". I noticed that the Executive's website claimed that the document had been laid before the Parliament by lunchtime.

I understand that there is an understanding between the Presiding Officer's office and the Executive that when such documents are launched, they will be laid before the Parliament before or at least no later than the time by which they are given to the media. I understand that that document was not in the hands of the parliamentary clerk and therefore not laid before Parliament before 4 pm that day. That made it impossible for us to do our job as a Parliament—to scrutinise the work of the Executive in adequate detail—before the media had completed its own scheduling. I ask for your views on that and on the gross discourtesy to Parliament and the democratic process.

A second, but directly related point is that I understand that your agreements can be between only this Parliament and the Executive. How could that be revised to cover the issue of information by the Executive to London ministers?

On Sunday of this week, a briefing was given by the Secretary of State for Scotland to *The Herald* newspaper, which gave a crude party-political spin on the contents of the document that was not laid before the Parliament until 24 hours later. That is despite the fact that the document was funded out of the Scottish budget and produced by the Executive, which is responsible to the Parliament.

I believe that a serious constitutional issue is at stake. Is it really the case that London ministers can ride roughshod over the agreements of the Parliament for their own narrow party-political ends as they seek to carve out a role for themselves?

Will the Presiding Officer protect the Parliament?

One possible route is to extend the same agreement so that London ministers cannot be briefed by the Executive until the same time as, or after, the Parliament has been briefed on an issue.

I would like to hear your views, Presiding Officer.

The Presiding Officer: I am grateful to all three members for giving me advance notice of their points of order.

I have inquired into the point that Mr Wilson raised. It is not strictly a point of order, but I have some sympathy with the complaint because, as the member said, there is an agreement between Parliament officials and the Executive that all documents that are to be laid before Parliament should be laid prior to, and certainly no later than, any announcement or press launch by the Executive. I have previously ruled, as members know, on the general issue of Parliament being properly informed at the right time. I deprecate the sequence of events in this particular case.

On the member's second point about whether the Scotland Office should have been briefed, it is not for me to get involved in discussions between the Scotland Office and the Executive. In fact, I regard the Scotland Office as part of the public domain, which should not receive information before Parliament receives it.—[MEMBERS: "Oh!"]

Have we disposed of all points of order?

Mr Swinney: Further to that final point of order and your ruling on the matter, Presiding Officer, would it not be a courtesy to Parliament if we perhaps heard from the Minister for Parliamentary Business? She is in the chamber and has an opportunity to deal with the issues while they are on the boil.

The Presiding Officer: With great respect, it is nothing to do with the Minister for Parliamentary Business; the point has been raised with me. Clearly, there has been an error in this case, and I have expressed my view on it. It does not matter to whom the information is sent; the fact is that documents have to be laid before the Parliament first. That is the principle that I want to uphold.

Budget Process 2002-03: Stage 2

The Presiding Officer (Sir David Steel): We now proceed to the Finance Committee debate. Des McNulty, the convener, is introducing the committee's report on stage 2 of the budget process.

14:40

Des McNulty (Clydebank and Milngavie) (Lab): I thank the Parliament for this opportunity to open the debate on the Finance Committee's stage 2 report on the 2002-03 budget process. Since the commencement of stage 2 of the process, my predecessor as convener of the Finance Committee, Mike Watson, has been appointed Minister for Tourism, Culture and Sport, and I congratulate him on that. I also thank him for the energy and effort that he put in as convener of the Finance Committee and for working to establish in it a robust culture of examination and analysis.

My colleague, Andy Kerr, was recently appointed as Minister for Finance and Public Services, and I look forward to working closely with him as the committee finalises the budget process, together with the other work to be undertaken by the committee as we move into the new year.

It is fair to say that we are engaged in an experiment in the evolution of our procedures here in the Parliament. No elected representatives in the UK have ever before had the chance to participate in a process of budget development as pioneering as that which we are undertaking. This is the second full year in which the three-stage framework for setting out the Executive's expenditure plans has been followed. I have no doubt that there is room to improve the mechanics of the process, and I will highlight one or two points about that.

The result of the process will be a budget (Scotland) bill that will have been subject to considerable parliamentary scrutiny before its introduction. The eventual act will authorise expenditure from the Scottish consolidated fund for the forthcoming year. The process is in stark contrast to the situation that pertains in Westminster, where very little pre-legislative scrutiny is undertaken.

I intend to concentrate my remarks on the process concerning the 2002-03 budget, but it is worth bearing in mind the fact that the content of the Executive's budget proposals continues to build on the achievements of previous budgets. The numbers are striking. In 2002-03, there is again an increase in the total budget for Scotland, of around 3.5 per cent in real terms. I see that as

further evidence of the Executive's continued commitment to the improved delivery of public services in bread-and-butter areas such as health, transport and education. As such, it is to be commended.

Detailed scrutiny of the Executive's spending plan is now an established part of the parliamentary calendar, and there has been a substantial improvement in transparency and accountability as a result of the mechanisms that we now have. The draft budget this year was a considerable improvement over last year's in its layout and its tabular display of relevant information made the document much superior in terms of readability and clarity.

That improvement was acknowledged by a number of the subject committees. However, it is fair to highlight the fact that they also pointed out that further clarification and improvement is required. I want to work with committee members to consider how such improvements might be made. One thing that we might consider in the course of the next year is the development of a set of rules of the road for subject committees, so that they can better carry out their function of scrutinising budgets.

As emerged from the debate at stage 1 of the process, we need to consider how better to link budget allocations to policy priorities and, more importantly, to performance targets. The Finance Committee has recommended that information about the past performance of departments be included in the draft budget so as to allow an assessment of their performance by committees. I commend that suggestion.

We must move towards greater transparency, so that members can carry out their scrutineering role more effectively. I note that, in its response to the committee's stage 1 report, the Executive has also stated its commitment

"to improve the Annual Expenditure Report in terms of its content and presentation and in shifting the emphasis more towards what we achieve with expenditure rather than the amount that we spend."

I am grateful to the Executive for the commitment that it has made and look forward to working with the Minister for Finance and Public Services to deliver that important improvement.

Scrutinising budgets valued at around £20 billion is not a task that should be undertaken lightly. There must be a partnership between the parliamentary committees and the Executive. We require demonstrated and demonstrable commitments by the Executive, the Parliament and the public. We should always be considering how we can involve the public more effectively in the scrutiny and decision-making process.

The previous minister responsible for finance,

Angus MacKay, showed a welcome willingness to consider the Finance Committee's suggestions. Together, he and the committee were able to realise tangible results, as shown by the 2002-03 spending proposals. The committee has now appointed a standing adviser to liaise at a technical level with the Executive on the budget documents, to structure guidance for subject committees and, when required, to assist the subject committees with recommending alternative spending priorities. We hope that the standing adviser's work will enhance significantly, not just the work of the Finance Committee, but also that of the subject committees.

The Finance Committee has also commissioned external research to investigate the feasibility of outcome budgeting for the Scottish budget and thereafter to develop practical proposals to help the committees measure outcomes in the Scottish budget. Both measures will undoubtedly facilitate the task of scrutinising the Executive's spending proposals. They reflect the seriousness that members of the Finance Committee attach to that role.

It is important that we involve Scottish Executive officials in the committee's work. I would like us to take up the suggestion of the financial issues advisory group that the scrutiny system should encourage accountable officers to share good practice, instead of focusing on errors that have been made, as is perhaps the case at Westminster.

Finally, and most important, the public must be involved if we are to make public consultation work. The Scottish Parliament has made a strong commitment to public consultation and made considerable efforts to ensure that its workings are open and accessible to the public of Scotland. Because of that openness and ease of access, the Finance Committee has benefited throughout stage 2 of the budget process from the advice of experts as diverse as Dumfries and Galloway Tourist Board and the National Farmers Union of Scotland, as well as from that of Scottish Executive staff.

The Finance Committee met in Perth at the end of stage 1 of the budget process, and in Kirkcudbright during stage 2, to obtain a local perspective on national spending plans. It is all too easy for us to sit here in the capital and to return to our constituencies at weekends without gaining a broad appreciation of people's feelings about the variety of issues that interest them. It is important that committees meet local organisations to hear their views at first hand. The Finance Committee must involve itself in that work when scrutinising public expenditure.

Although committees can be made accessible to organisations in areas as remote as the Highlands

and Islands, organisations throughout the country need to work co-operatively with the Parliament to ensure that their concerns are raised with decision makers. This is a two-way street: we must make ourselves accessible, but we must also encourage a perception among the public that their views are listened to.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I thought that Des McNulty would appreciate a break in his 20-minute marathon. Does the member agree that one problem with taking evidence around the country is that, although the people who appear before the Finance Committee may feel able to talk about the generality of Government policy, it is very difficult for them to address themselves to the specifics of the budget that is in front of them—or at least, in front of us?

Des McNulty: Alasdair Morgan is absolutely right. We must improve members' awareness of the budget to help them to perform their role more effectively. That can be done by training and by improving the layout of information, for example. We must also find more effective ways of making the budget accessible to members of the general public. Local councils have taken some interesting initiatives in that regard, providing information about budget options and where the money goes. Perhaps the Finance Committee could consider that in relation to increasing our public accessibility and accountability.

It was helpful that the Minister for Finance and Local Government participated in public meetings throughout Scotland and took the opportunity to hear the voices of local communities from outside the central belt. It is important that not only committees are involved in that work but that ministers get out and about to explain what they are up to.

The report contains 14 recommendations and encompasses the recommendations of other committees, which were considered by the Finance Committee. The committee recommends that proposals are drawn up for mechanisms to ensure that spending by non-departmental public bodies, such as health boards, local government and other NDPBs, is in line with Executive priorities and programmes. Although that is easy to say, it is hard to do—we should aspire to that.

The committee heard evidence about the lack of transparency in expenditure on health and local government. There is no doubt that we must examine that, particularly given the fact that health and local government are the two largest areas of expenditure in the budget. Lack of transparency is detrimental to ensuring high levels of accountability to the taxpayers of Scotland. Measures such as those recommended by the committee will enhance the accountability of

Scottish agencies to the Scottish Parliament and I hope that they will reassure the public that they are getting value for money.

The committee also recommended that the electronic provision of information should be expedited in order to allow interested parties to drill down from the top level funding figures that are shown in the budget documents to local expenditure on local programmes. During stage 1, the committee heard first-hand evidence that suggested that initiative, which was reinforced by evidence that we heard in Kirkcudbright.

The committee concurred with the premise that it is difficult for individuals to relate weighty budget documentation to their own affairs and local communities. It is up to us to do something about that. The committee believes that we might not assist people if we were to provide further detail in large documents—in fact, it might be detrimental if we were to do so. Accordingly, the committee believes that the electronic provision of such information would aid the retrieval and handling of information and would make it readily accessible throughout Scotland.

The subject committees' reports to the Finance Committee raised numerous matters. The Rural Development Committee noted its desire to be advised of methods by which an estimate might be made of the amount and impact of expenditure on rural areas by Executive departments. If the Finance Committee's recommendation on the electronic provision of information about local expenditure on local programmes were to be implemented, the record level of spending in rural areas by the Executive would become more apparent.

The committee's consideration of the budget highlighted concerns about underspending by departments. The committee identified some of those concerns in its stage 2 report, primarily because the level of underspend is on a par with the total spending plans in the draft budget for social justice, exceeds the spending plans for justice and rural affairs and represents more than four times the spending plans for sport and culture. Therefore, the committee was pleased to receive advice from the Executive that a process of quarterly reports back to ministers has been implemented. I hope that that will reduce the possibility of continuing underspending on such a scale. The measure that the Executive is taking should assist the monitoring of the degree of underspend, with a view to identifying reasons for spending allocated moneys and, if necessary, revising the way in which policy objectives and priorities are delivered.

I have already made the point that presentation of the budget documentation has been a concern of the committee since its inception. I think that all

members recognise that significant improvements have been made, albeit that other modifications are required to enhance the usefulness of the documentation. As presentation of the information contained in the documentation develops, the committee will be able to devote more time and resources to scrutiny of the Executive's proposals. As we near the finalisation of the budget process in the Parliament's second budget, the Finance Committee is better placed to use the skills that it has developed through its previous inquiries.

There remains much scope for the committee to take the degree of scrutiny of the Executive's spending proposals to a higher level and, with that, to give the people of Scotland the reassurance that they want that their taxes are being spent effectively and judiciously.

Every member of the Parliament is aware of the findings of the recent Scottish social attitudes survey; it is incumbent on us all to work to reverse the negative perceptions of many Scots of the political process. I believe that the Finance Committee has a considerable role to play in that process and in the whole framework of financial scrutiny.

The initial FIAG report highlighted that there is a lot of virgin territory in which scrutiny and accountability can be developed. Within the scope of its constitution, the Parliament will be able to take that work forward. We are beginning to go down that route, but there is a considerable way to go. Members of the Finance Committee are entrusted with overseeing expenditure plans. We will continue to monitor them, but we will also want to monitor the way in which things are done so that we can secure real improvements.

I will conclude by saying some words about the future work of the Finance Committee. Next year, the committee will seek to judge departmental performance against the priorities that have been set by the Executive. We will consider the extent to which the spending plans reflect what the Executive has said that it will do. However, the committee will be able to measure whether public expenditure achieves its goals and how effectively departments perform only if priorities are clearly identified. The committee has been pleased that the Executive has shown itself to be genuinely enthusiastic to switch the focus of attention from what is spent to what is gained for that expenditure.

We are also pleased that the Minister for Finance and Public Services is promoting a move to priority-based budgeting among his departmental colleagues as a first step towards measuring outputs and outcomes in relation to spending. We hope that the departments will accept that that move is a necessary tool in performance management, not an additional

burden. That move will improve the process for everybody. The minister can be commended for his effort and commitment on that subject. We can make good progress.

For our part, we accept that that process will take some time to come to fruition. It will not come in a single step, but as part of an evolving process. We are trying to move forward. We are getting the process right and we are beginning to get it more and more right. As the process develops, I hope that the Finance Committee will play an increasingly important role in the way in which the Parliament operates. I am delighted to commend the motion.

I move,

That the Parliament notes the 13th Report, 2001 of the Finance Committee on Stage 2 of the 2002-03 Budget Process (SP Paper 468) and notes the recommendations made by the Committee.

The Presiding Officer: The next speaker is Alasdair Morgan. The time limit on speeches from the back benches will be five minutes.

14:58

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I am sorry that Des McNulty sat down ahead of his allotted time, as I thought that he was just getting into his stride.

I welcome to their new posts the convener of the Finance Committee and the Minister for Finance and Public Services in their first budget debate in those capacities. It is never an easy task to inherit work that has been done by others, then to be put, almost immediately, into the public arena to defend and explain that work.

The Deputy Minister for Finance and Public Services (Peter Peacock): Alasdair Morgan has been there.

Alasdair Morgan: Indeed, although I did not have anything to defend. [*Laughter.*] That comment can be taken in two ways.

For Mr McNulty, the post of Finance Committee convener holds the added attraction that it has proved to be a springboard to higher things for his predecessor, Mike Watson, and for another former member of the committee, Richard Simpson. Given the rapidity with which such events seem to happen, who knows how long Des McNulty will be with us in his current guise?

I congratulate the previous Finance Committee convener who, with the committee, visited Kirkcudbright in my constituency. I invite him to come back to my constituency in his new capacity as Minister for Tourism, Culture and Sport to see the problems that the tourism industry in Dumfries and Galloway faces. I repeat Des McNulty's thanks to the clerks, advisers and researchers for

the excellent work that they have done to prepare the report on stage 2 of the budget process. I also thank the various subject committees.

Given the amount of detail in both volumes of the report, which contain a large number of comments from the Finance Committee and from the subject committees, it is difficult to cover all the ground, so I will focus on one or two issues.

The first is the Finance Committee's recommendation on the problems surrounding the allocation of end-year flexibility and the difficulty of incorporating those sums in the current budget cycle. Clearly, we will always have end-year flexibility—or, at least, we will always have the underspend or overspend that gives rise to it. As Des McNulty said, it would be helpful if advance notice of underspends was given to committees as soon as possible, because the current arrangements offer no opportunity for the allocation of those sums to be discussed by the subject committees. We must suppose that the ministers concerned receive monitoring reports and know of the existence of potential underspends. If they do not know, that is even more of a reason for that area to be tightened up.

Reports should be seen by subject committees and the Finance Committee, to ensure that they have a chance to say how the money might, or should, be spent. Unless that happens, there will always be somebody with mischief on their mind who will suggest that the money might be diverted from essential and agreed budgets into uncoded or novel projects—especially in the year immediately preceding a Holyrood election. If we are to have a full budget process, it must apply to all the money that the Parliament agrees the Executive should spend.

Regardless of how insignificant the ministers may argue the underspend was as a percentage of the total budget, the fact remains that, this year, it would have bought two and a fair bit new Holyrood parliaments—even at the wildest cost estimates of the project's detractors. As the Finance Committee noted in volume 1 of its report, the

"underspend is on a par with the total spending plans set out in the draft budget for Social Justice, exceeds those for Justice and Rural Affairs and represents more than four times the amount allocated to sport and culture."

Mike Watson may be interested to note that.

For members of the Parliament and members of the public who are interested in specific areas and who are concerned that those areas are not receiving attention, sufficient funding or any funding, there is room for considerable concern that the amount of money washing around in the budget far exceeds the modest amount that they seek—often in vain.

I note that the Transport and the Environment Committee was especially concerned that an underspend of 8 per cent was forecast. That is a concern when almost every MSP in the chamber today—and all those who are not here—has his or her pet scheme for road or rail improvement. That scheme is not less worthy for being a pet scheme, but the Executive cannot find the funding for it.

In the same vein, the Transport and the Environment Committee asked for further clarification of the £289 million that the then minister, Angus MacKay, announced in June as being available for reallocation between departments. That money was included in the draft budget so how it will be spent, in its new guise, was within the purview of the subject committees. We all felt that clarity on where savings in spend had been made or on where spend had been abandoned or deferred in order to achieve the total of £289 million would have been helpful, both in understanding the process and in helping to assess, on future occasions, how precisely departments manage their budgets and are able to spend those budgets.

It will be interesting to see the extent to which the many interesting recommendations of the Transport and the Environment Committee are effected, given that the convener of that committee was, of course, the present Minister for Finance and Public Services. We assume—at present anyway—that his views will not have changed because of his elevation.

The second Finance Committee recommendation that I want to address is our enthusiasm for progress towards priority-based budgeting and measuring outputs and outcomes. We have to know what the budget inputs are meant to achieve and we must be able to assess whether the spend from the previous year's budget has achieved the objectives that were set when the budget was approved. Several subject committees commented on the lack of information on outputs and outcomes—whether future or past. For example, the Transport and the Environment Committee commented that outcome information on how the department had performed in previous years against objectives and targets would have been helpful.

In fairness, I have to say that a recent research paper that the Finance Committee received left the members of that committee in no doubt that there would be considerable challenges in moving to outcome-based budgeting—even apart from the considerable problems that the Executive might have in providing the information.

Some of our desired outcomes have planning horizons that are far further than the usual horizon of politicians, who tend to work to the electoral cycle, rather than to any economic or other cycle.

Some outcomes may be difficult to measure and frequently there will be difficulty in being sure of the causal relationship between inputs and outcomes. However, we must begin to make the effort.

The point about more information being available has been made in many places and was raised with the minister at the Finance Committee. We all understand the difficulties of providing enough information while staying within the bounds of what is manageable for those in receipt of the information. We appreciate the amount of information that has been provided so far—it is a very good start. We do not wish to receive the equivalent of 24 volumes of *Encyclopaedia Britannica*, even if it is on CD-ROM, but it is worrying that the Transport and the Environment Committee, for example, conceded that it still had not reached the stage where it understood how its departmental budget is constructed. That is a major inhibitor to any sensible scrutiny of the budget by that committee.

I want to turn briefly to the report of the Rural Development Committee. It made a point, which echoes a subject that I brought up at the debate on stage 1 of the budget process—Des McNulty alluded to a similar point. We are unable to see within the budget the effectiveness of the money that is spent on the increasing number of cross-cutting initiatives—rural development being one. That is particularly important in the case of rural development, as the bulk of the Scottish Executive rural affairs department's budget is taken up by direct support and analogous payments to the agricultural sector. Other moneys that are spent more broadly on rural development are hidden in the budgets of the enterprise network, the health boards and so on. At a time when the fox hunting lobby is trying to put together a case based on everything but fox hunting and to imply that every evil known to man—or to man living in rural areas—started in the Parliament chamber in May 1999, it would be useful if the budget contained hard facts, rather than simply the myths on the other side of the argument.

Finally, I want to turn to an issue that I am sure the Liberal Democrats would be disappointed if I did not raise. We are considering only half a budget. Indeed, it is not even half a budget—it is far less than that. We do not consider all Government expenditure in Scotland.

George Lyon (Argyll and Bute) (LD): The member says that we are discussing only half a budget. Will it ever be possible for the SNP to make proposals about how it would spend that half before discussing the other half?

Alasdair Morgan: There are two ways to respond to George Lyon's point. I could respond in a party-political knockabout way—the spirit in

which the point was made. In that response, I would say that if an Executive finds difficulty in spending £719 million of a budget that it has agreed and is fully behind, there is precious little point in the Opposition trying to change the budget. Why hope that the Executive will be successful in implementing the Opposition budget when it cannot even implement its own budget?

However, as someone who is here to have a serious debate, rather than a political knockabout, I make a different response. Alluding to some of the things I mentioned earlier, I point out that the subject committees find it very difficult—I gave the example of the Transport and the Environment Committee—to understand how their budget is structured. It is difficult to ask any subject committee to begin to consider how to change the budget if it does not understand the underlying structure.

We are not considering half a budget—it is far less than that. We do not consider the vast majority of revenue that is raised by the people and businesses of Scotland and through the various forms of taxation that are available to the Chancellor of the Exchequer and, to a limited extent, the Minister for Finance and Public Services. The variety and number of forms of taxation increase every year, as Gordon Brown seeks more ways to tax without appearing to do so.

If there is to be a debate on the nature of taxation, as some sources in the Cabinet south of the border seem to have suggested, surely we should be involved in it. There is a key debate to be had about the nature of taxation and about the honesty of politicians putting forward their proposals. That debate must involve—to name a few subjects—not only the total amount raised in tax, but the balance between direct and indirect taxation, the extent to which we want the system to be progressive in relation to income and the extent to which we want greater incentive to be given to business and industry. There is at least the possibility that the answers may not be the same on both sides of the border, yet the current constitutional settlement leaves us on the sidelines of the debate.

To the extent that the Minister for Finance and Public Services can be said to be in control of the budget, or to the extent that the Parliament or any of its committees can be said to be in control of their budgets, such control is narrow and is limited by the decisions that Mr Gordon Brown has made in London for the UK as a whole. At best we can tinker at the margins, especially given the significant commitments that have already been entered into—commitments that seem to grow by the day as each new public-private partnership initiative is forced on reluctant local authorities. It

betrays a poverty of ambition on the Parliament's part that in our budget scrutiny we do not express a desire to be in control of the whole budget. Even the treasurer of the smallest local club or organisation would wish to be in that position. Scotland's national Parliament should wish no less.

15:11

Mr David Davidson (North-East Scotland) (Con): First, in common with other members who have spoken, I have thanks and plaudits to give out. I will start with the clerking team and the adviser to the Finance Committee, because without their constant work and support, none of the budget process would happen in the form that it does. I congratulate them on that. Of course, we have had a change of clerk. I also congratulate Des McNulty on stepping into the breach so quickly and upping his game so admirably to chair the committee.

I note that Mike Watson is present. I found him an easy convener to work with; he moved business along well. He is now the spokesman on tourism. In the light of his new brief, I would like to book an appointment with him, so that we can discuss what he is going to do next. We welcome the Minister for Finance and Public Services. This is the third debate of the series and the third minister, yet we have the same problems as before.

Andrew Wilson (Central Scotland) (SNP): At least they are consistent.

Mr Davidson: If Mr Wilson says so.

We have to ask ourselves, what is the budget process supposed to do? What is it supposed to deliver? The budget process is the Parliament's opportunity to scrutinise the Executive's spending plans and priorities and their delivery. In theory, the subject committees have an opportunity to dissect those plans, to offer suggestions for modification, or even to make alternative proposals. The plain fact is that the committees do little of that due to a lack of appropriate detail from ministers and civil service departments. One year of that would have been acceptable if the correct amendments to the process had taken place the following year, but here we are with committees that are frustrated and which are becoming unwilling to spend valuable time on the budget process. The adage "third time lucky" apparently does not apply to the Scottish Parliament budget process. I wonder whether it applies to ministers.

This debate is likely to be a rerun of last year's debate. In fact, I spoke to a deputy minister earlier today who asked whether I was merely going to recycle—although I think that the modern terminology is to realign—last year's speech. If the

Finance Committee reports are compared, it can be seen that there is little evidence of change over two years. Committees still tell us that their questions are not answered and that they do not have outturn information from previous years to allow scrutiny of the result of spending, which is the point that Alasdair Morgan made a couple of minutes ago. They cannot obtain progress reports on spending on specific projects during their roll-out, so they have difficulty in holding their ministers to account. Last year, the Finance Committee's report attacked the process for lacking accountability and transparency, but nothing has altered sufficiently in the subsequent year.

The principal conclusions are in the report, but I will touch on one or two of them. Alasdair Morgan has already mentioned EYF and the size of the underspend. It is quite frightening that the Minister for Health and Community Care can turn up in the chamber at the end of the year to apply a sticking plaster and that health boards, who have been put through hell trying to hold to their agreed overspends and deficits, can have them wiped out just like that. Surely we need more creative use of money earlier in the year. I welcome the fact that we will get a form of quarterly report on the outturn of programmes and the likely development of underspends.

Another problem that we have with the budget process, which has been mentioned in previous years, is that there is no clarity about the source of the money that comes through the various programmes. When ministers put out information through their civil servants, they must ensure that that is flagged up all the way through, so that there is proper scrutiny and people outside can have a look.

A further problem is modernising government, which—to be frank—is a bit of a midden at the moment, because it is very hard to follow anything through and to identify the outcomes from the money that is spent. Last year, I asked for the budget process to be suspended because, patently, it was not working for the committees. This year, I will go further. I believe that FIAG's intentions to develop a new, open and participative budget process were correct, but we have evidence that the current process just does not work.

Committees tell us that they wish to spend time considering policy and the delivery of our public services; they wish to look at real outcomes, not to play with figures; they wish to consider whether Executive plans are appropriate, sufficient and focused; they wish to examine priorities and how they are chosen; and they wish to scrutinise delivery of and access to services. Committees complain about the lack of information and the

difficulties they experience in getting at the spending of NDPBs and councils and at how those bodies prioritise and how they deliver. Committees' frustration is rising and I believe that it is time to take action.

The Finance Committee has considered outcome budgeting and, although that would allow scrutiny of outcomes and service delivery, it would not address all the Finance Committee's areas of responsibility.

Andrew Wilson: Would not the focus on outcomes be enhanced if the Parliament and the Executive had control of not just some expenditure, but all expenditure and of not no taxation, but all taxation? Will the member clarify the Conservative party's position on that, given that at least one in four of the Conservative members in the chamber are in favour—on the record—of full financial independence? Is the Conservative party split 25 per cent to 75 per cent or is the ratio even greater than that?

Mr Davidson: I thought the member was giving his speech later. I was hoping that he might entertain us by pursuing the stuck-record approach to what goes on. If the Parliament cannot cope with what it has to deal with at the moment, I do not think that it is equipped to deal with the rest of the budget that comes to Scotland. Perhaps we should ask the Scottish National Party whether it supports the continuation of the Barnett formula.

I will stick to the subject. Outcome budgeting offers a lot to the subject committees. I ask that the Parliament scraps the current budget process and investigates with some urgency how to enable the subject committees to scrutinise priorities, the delivery of outcomes, how underspending develops during the financial year and the roll-out of programmes. I believe that the current process wastes committee time and produces little of value in the way of seeking to amend Executive spending.

I do not believe that we require to take up two and a half hours of chamber time on the debate when people in the world outside tell us that they want us to discuss service delivery as opposed to the mechanical processes that the chamber goes through. We have a new minister and I hope that he will acknowledge that the current process is not working. I hope that he will consult the Finance Committee on improving the situation and that he encourages his Cabinet colleagues to do the same with the subject committees.

I turn to broader issues, especially now that we have a new administrative team. For example, will the minister assure the chamber that free personal care will apply to those in residential care? Will the minister tell us whether the £86 million

consequential payment from Gordon Brown, which is based on health spending in England and Wales, will be spent on health, or will it be realigned to other areas? Those questions—and they are genuine questions—are typical examples of issues that should be covered as the budget process continues throughout the year.

End-year flexibility is unresolved. I ask the minister to give us a pledge that, as underspends develop, the subject committees will be informed early, not merely in the quarterly report, but as soon as an issue is flagged up.

The budget process has insufficient transparency on health and local government. I have no doubt that ministers will claim that resources are flooding into councils but, despite the minister's fine words on the local government settlement, too much ring fencing and direction from the centre remain. Local public services should be designed and facilitated locally and accountability should be local. The outdated one-size-fits-all approach is too prescriptive and often inappropriate. It can lead to realignment away from local priorities, just to suit Executive dogma, which is rolled out in waves of initiatives and pilot schemes. We never seem to have full reporting in the chamber or through the subject committees on what happens to those pilots.

Andrew Wilson: I am grateful to the member for giving way twice. I concur with his position on the one-size-fits-all policy for Scotland. Why is he so keen to apply a one-size-fits-all policy to the United Kingdom, when he is so much against it in Scotland?

Mr Davidson: I say to Mr Wilson that such comments become a bit tedious. I do not doubt that we will have a full-blown debate on that the next time he initiates a debate. I leave that to him.

Perhaps the minister will assure us that councils will not be forced to increase council tax to fund Executive priorities and new burdens. It would help if the minister covered that—I see him nodding. While he is at it, will he make adjustments for the additional cost of running and maintaining country schools, which he has failed to recognise?

On transparency and accountability in relation to money that is distributed through other bodies, will the minister give his view on whether health boards and councils should fall within the Audit Committee's remit? It is important that any amount of money that goes out from the Parliament can be scrutinised fully—not only where it goes, but what is delivered for it. Many people out there are unhappy that money disappears into a pot and they have no knowledge of what it becomes in the end.

The Scottish economy is coming under great

pressure and redundancies are announced all too regularly. Our rural economy is on its knees, tourist numbers are down—and showing little sign of recovering—and health boards, universities and further education colleges have deficit problems. We must ask the minister where the Government's priorities lie.

Alasdair Morgan rose—

Mr Davidson: I am nearing the end of my speech. Do I have time to take an intervention?

The Deputy Presiding Officer (Mr George Reid): Yes.

Alasdair Morgan: I hear the member's comments and to some extent I agree with them, but how do they fit with the comments of his leader, Mr McLetchie, who said when the underspend was first announced that it should be given away in tax reductions?

Mr Davidson: I think that Mr McLetchie's full comment was that if the Executive could not decide what to do with the underspend, it should give the money back until it made up its mind. Members should not take comments out of context, but that is the privilege of the SNP.

Surely a budget is about the country's infrastructure, creating opportunity by encouraging enterprise, training and education, and safety in our communities, rather than about merely spending on the machinery of government at all levels. The budget concerns priorities for action, and committees must be at the heart of that.

The present system has failed. It is time to learn from and act on the Finance Committee's work. We need positive suggestions from the Executive about how it thinks it should be accountable. It should offer members suggestions. As I am sure some of my colleagues will say, it is difficult for many committees to have a hope—in the short time that they are allocated—of understanding the construction of their budgets, what has gone wrong and what has been good, because that information is not handled.

Andy Kerr is the third minister to be responsible for finance and I make the same request of him as I made of the other two ministers: when will we have a central statistical unit? The Parliament is becoming fed up with the fact that written question after question receives the reply that the information is not held centrally. Members and committees receive that answer.

Andy Kerr is the minister at the centre of all the manipulation of spending priorities. I gather that he has the new role of supervising the outturn of all our public services. Does that mean that he is responsible for the outturn of all services, including local government and the health service? If not, will he delegate those areas to other ministers?

The committees find that ministers turn up and say that they will have to ask the minister, meaning the Minister for Finance and Public Services. It would be helpful if, in his speech this afternoon, the minister would explain his new, developed role. Will he engage in the budget process revisions that I have asked for and leave the committees to do what they do best? I ask the minister to look after the outturns and priorities and to leave the Finance Committee to deal with the numbers.

15:25

Iain Smith (North-East Fife) (LD): David Davidson has shown why he thinks that two and a half hours to debate £21 billion of spending is a waste of time. He has wasted the past 13 or 14 minutes of chamber time by not giving us any indication of how the Conservatives would spend £21 billion of public money in Scotland to improve public services. The debate should be about how we spend money to improve public services but, so far, it has been rather dry and has not addressed the issue.

I pass on apologies from my colleague Donald Gorrie, who should have made this speech. No doubt he would have made a better job of it than I will, but he is unwell. That has nothing to do with our party last night, as he was unwell then and unable to attend. I hope that he makes a speedy recovery and that he can participate in the next debate on the budget.

This debate is about the Scottish budget and how we spend £21 billion on Scotland's public services. I am disappointed that we have heard nothing so far from the SNP or the Conservatives about how they want public spending to develop. The Liberal Democrat-Labour coalition Executive is achieving things for Scotland. It is spending money better.

Alasdair Morgan: I realise that we will get the answer in the next 10 minutes, but will the member put forward any different ideas or are the Liberal Democrats joined symbiotically to their coalition partners?

Iain Smith: Does the member mean that I should look in the dictionary to find out the meaning of "coalition"? When one is in a coalition, one shares priorities and works together on the same budget. It is difficult to imagine coalition partners introducing different policies. I would like Opposition parties to come up with some ideas and new policies, but we get nothing from them.

The Executive is delivering on the priorities of the partnership Government. We have funding in the budget for the abolition of student tuition fees and the reintroduction of student grants. The budget for next year includes free personal care

for the elderly—

Mary Scanlon (Highlands and Islands) (Con): The member seems confused. He seems to think that we are here to lay out our manifestos for the next election. Des McNulty's motion says:

"That the Parliament notes the 13th Report, 2001 of the Finance Committee on Stage 2 of the 2002-03 Budget Process".

Rather than fighting over whether we need an independent Scotland or making points about whichever party's manifesto, the member should direct his energies to that report.

Iain Smith: In due course I will make some comments about the report's recommendations. The Finance Committee is charged with looking at the Scottish Parliament's budget. The report is part of the process of producing the Scottish budget. Surely the Parliament should be debating what is in the Scottish budget. That is the purpose of today's debate. We have two and a half hours in which to put forward our ideas and priorities for what should be in that budget. However, we have not heard a word from the Conservatives or the SNP about what they would do.

As I said, the Liberal Democrat-Labour coalition Executive has funding in the budget to pay for tuition fees, for student grants to be reintroduced and for free personal care for the elderly. We have more money for—

Mary Scanlon: Has the member read the report?

Iain Smith: Yes. I have read the report.

We have more money for rural communities. We have improved public services through schemes such as the promotion fund to deal with Scotland's poor health record. We have made a commitment to reduce waiting times for patients and we have found extra funds for drug and alcohol rehabilitation. We have major additional resources for schools, pre-school education for three and four-year-olds and a boost for teachers' pay—a rise of more than 23 per cent, following the McCrone report recommendations. All those are funded in the budget.

We also have free concessionary travel for pensioners, funding for extra police officers and a new strategy for victims that offers real improvements for the treatment and status of victims of crime. We have made significant improvements in funding for local government. That is what the budget is about. Those are the things that the partnership Government is delivering.

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

Andrew Wilson *rose*—

Iain Smith: I will take Andrew Wilson first.

Andrew Wilson: As long as the member takes Alex Neil second, because the issue is important. Which of the priorities that Iain Smith listed were Liberal priorities with which the Labour party disagreed?

Iain Smith: Quite a number. I do not think that the member will find the abolition of tuition fees or free personal care for the elderly in the Labour party's manifesto. We are a coalition and together we have built up priorities for the Executive. We are delivering for Scotland on those priorities.

Alex Neil: Does the member agree that it should now be a top priority to make funds available to open the six closed waiting lists in the national health service?

Iain Smith: The priority of the Liberal Democrats in the Executive is to cut waiting times. If people are waiting to get on to waiting lists, that has to be addressed. We have to consider the whole process of the health service.

Mr Davidson: Will the member give way?

Iain Smith: I have to make some progress.

The debate should be about considering the priorities of the budget. As we move into the third year of using our budget process, it is disappointing that none of the Parliament's committees has made alternative proposals for spending in their areas. Similarly, none of the Opposition parties has made suggestions for changes.

Brian Adam (North-East Scotland) (SNP): Will the member give way?

Iain Smith: No, not at the moment. I want to talk a bit about—

Brian Adam: I am merely trying to help the member make a speech, as he has clearly not prepared one.

Iain Smith: That was the kind of unnecessarily offensive remark that we expect from the SNP.

There are important aspects to the Finance Committee's report. End-year funding, which members have mentioned, is important. I am concerned that £700 million was not spent last year; how that occurred is yet to be explained. I am also concerned about the way in which money was reallocated, as that reallocation was not properly scrutinised. As the Finance Committee report rightly points out, we need proper monitoring throughout the year—as would happen, for example, in any local authority—to identify where underspends or overspends are occurring so that early action can be taken to address them. I welcome the committee's proposals in that respect.

The Local Government Committee raised a number of concerns about the transparency of the budget process. Other members have mentioned those concerns. The Local Government Committee wanted to know how the Executive's priorities—and whether they are being delivered—can be determined from the local government budget. We must address how we present information.

The Local Government Committee understood that its role was to consider the overall allocation for local government. It was not our responsibility to consider the detailed spending in the subject areas. When the Education, Culture and Sport Committee considered the education budget, for example, it considered only the departmental spending, which is £350 million; it did not consider the money that local government spends in providing education services, which is 10 times that amount. The issue of how the Parliament as a whole considers local government spending, which is a large part of the overall spending, must be addressed.

Mr Davidson: The member may consider this a party-political point if he wishes but, after the ministerial statement on the local government budget, it was interesting to read the press releases from members of his party, which most certainly objected to the Executive's policy. Will he clarify whether there is a diverse range of views in his party on the local government settlement? Who is attached to the wing that supports the Government?

Iain Smith: I am not sure that I understand the question. The Liberal Democrat-Labour Executive has put significant resources into local government over the past two years as part of the three-year funding settlement. We welcome those additional resources. Of course more can be spent—local government needs more money to do even better in improving services. However, there is a limit to what is available. We welcome the fact that local government is a major priority.

The Health and Community Care Committee raised significant concerns about transparency. It has experienced some difficulty in assessing whether priority areas are being properly funded, as most of the spending is done by health boards. The budget process does not give the committee an opportunity to scrutinise properly the way in which that money is spent. That must be addressed.

Earlier, I raised my concern that other parties do not seem to have come forward with any promises—

Brian Adam: Promises?

Iain Smith: I mean proposals. I was going to use the word "promises" in a moment. SNP

members are always making spending promises and pledges, but when it comes to the crunch they never tell us how they are going to pay for them. There appears to have been a bit of a bonfire of promises—on cancer care, the Scottish Prison Service, £800 million for the roads review, Grampian police, public transport and Inverness College. The SNP proposed spending £119 million on shares in Railtrack, which would have been a really good investment. There were also promises on scallop compensation, the Borders rail link, firefighters' pay, the abolition of Forth bridge tolls, national concessionary fares and Glasgow health trusts. All those spending promises were made by SNP members in debates in this chamber, but the SNP has not yet told us how it would fund them. The SNP manifesto for the UK Parliament elections did not suggest any additional funding for Scotland. According to the manifesto, all the additional funding for Scotland would come from the Executive's underspend. Under its general election proposals, the SNP would not spend a single extra penny in Scotland.

Alasdair Morgan: As Iain Smith has mentioned Railtrack, will he clarify the Scottish Liberal Democrats' position on Railtrack's being put into administration? Did he agree with that action?

Iain Smith: Our position is that Railtrack should be wound up and that the functions of health and safety and the running of the tracks should be separate. That was in our manifesto at the general election. It is clearly Liberal Democrat policy, at Scottish and UK levels.

SNP members have major problems, because their sums just do not add up. They accept Chantry Vellacott's proposals when those are in their favour, but oppose them when they are not. They have decided that they do not agree with the Government expenditure figures that were published on Monday because those figures do not suit their argument. Of course, if the figures suited their argument, they would agree with them, but they disagree with them this time because they do not. SNP members cannot tell us anything about managing the budget. They cannot even get their election expenses in on time. We cannot trust the SNP on budgets.

I conclude by saying that the budget is a very good budget for Scotland. The budget delivers on the pledges of the Liberal Democrat-Labour Executive. I would love to hear from the SNP and the Conservatives what they would do differently from what the Executive proposes.

15:37

The Minister for Finance and Public Services (Mr Andy Kerr): I begin by thanking all those who have welcomed me to my new role. I very much

appreciate that. As a former committee convener, I fully understand the work that has gone into the report.

As Des McNulty said in his opening remarks, the report is part of a process. We are developing a scheme. We are trying to develop best practice that we can use throughout the years. The sea changes that we all want in the process will come eventually. This is all about getting things right, rather than making short, sharp decisions that may cause us problems further down the line.

I hope to address many of the issues that members have raised. I am grateful for this opportunity to give the Executive's response to the Finance Committee's report. I commend the committee for co-ordinating the work of other subject committees as well as expressing its own views. It took the evidence that is produced in the document in a short time scale. I also acknowledge the role of those who do not always get recognised—staff behind the scenes such as clerks, researchers and committee advisers. As convener of the Transport and the Environment Committee, I saw the key role that those people play in the preparation of such reports. A lot of effort has gone into the report. I hope that it was not too onerous and that the improvements to the budget process that the Executive has made so far have been useful to the committee.

The budget process highlights the success of devolution. Its successes can actually be measured. Today, we are discussing the Scottish Executive's draft budget for 2002-03, taking in Scotland decisions that affect Scotland. The Executive's productive relationship with the Finance Committee should be celebrated. The budget process seeks not only to include members of the Parliament in a meaningful way, but to go wider, to consult generally and to involve as many Scots as possible. The way in which we go about our business in the budget process is a microcosm of the new politics that devolution offers and has brought to Scotland. The changes reflect the success of devolution and the Executive's desire to produce Scottish solutions for Scottish problems.

The draft budget document highlights our ambitious spending programme, which continues to reflect the needs of all citizens. As a result of the 2000 spending review, we have an extra £2 billion over and above our original planned spending for this year, which represents an average increase of 4.4 per cent in real terms each year or almost 14 per cent over the three-year period. Those increases reflect the success of the Barnett formula, which delivers the same pound per head increase in Scotland as in England. This year, our record levels of spending have increased as a result of the Chancellor of the

Exchequer's prudent management of the UK economy and my predecessor's careful scrutiny of Scotland's budget, as set out in his statement on 28 June.

Andrew Wilson: Can we once and for all kill the bogey of the Barnett formula? Helen Liddell stated:

"The Barnett formula operates in relation to changes that take place in expenditure in England and Wales, and it does come down over time."

The world and his granny and the dogs on the street accept that the Barnett formula is producing a squeeze in spending per head between England and Scotland. Will the Government recognise that at last and agree that we have to do something about it?

Mr Kerr: The Barnett formula offers a simple, straightforward and objective way of delivering resources for Scotland and it serves Scotland well. The most recent Treasury figures suggest that overall public spending is about 23 per cent higher per head in Scotland than in England and spending on the main devolved programmes is around 40 per cent higher. Such spending provides real solutions for real problems in our communities. There is real spending to deliver services, yet we have heard no constructive suggestions from the SNP about the budget process.

There have been record levels of expenditure and the chancellor has managed the economy prudently. Who would have Andrew Wilson or whomever else the SNP might choose in charge of our economy rather than Gordon Brown? Most people in Scotland and the UK would prefer a Labour chancellor, in the shape of Gordon Brown.

Not only was an extra £200 million allocated from the chancellor's budget statement, but there was an extra £289 million as a result of realignment within the Scottish budget. Almost 90 per cent of that £489 million has gone to the Executive's top priorities of health and education.

Brian Adam: Will the minister give way?

Mr Kerr: I will give way shortly.

Some £231 million has gone to health to boost services and to pay for free personal care, for example; £99 million has gone to education and children; and £9 million has gone to further and higher education. We have also received £88 million from the chancellor's pre-budget statement, which we will allocate in due course.

Brian Adam: I thank the minister for giving way. I am sure that he did not mean to say "an extra £289 million", as that money was already there. The money is not new; it is merely being redistributed and respent.

Mr Kerr: It is new money for departments that go out to spend that money and I said exactly what I meant.

The Finance Committee rightly raised issues about EYF, which members have discussed at length in this debate. EYF was designed and introduced to improve the effectiveness of public spending and to stop the wasteful end-of-year spending spree that took place before devolution. When I worked in local government, I saw the same tragedy of spending to budget at the end of the year. Salesmen drove in and went away with orders bulging out of their pockets. That is not the way to run public services. EYF is designed to get us out of that trap.

Devolution has brought about scrutiny and is making the system work better. Money is not lost; it is carried forward into the next year. We recognise that there was a large underspend this year, but that reflects the large increases in resources. Real money is going into the Scottish finance system. The underspend also reflects a range of other factors—£250 million of capital slippage, which we have considered and continue to consider, and £210 million of planned underspend, of which £90 million was planned carry-forward for the Glasgow housing stock transfer, £65 million was planned for McCrone and £55 million was planned for health board flexibility. Nearly 65 per cent of the underspend was managed and planned.

We have continued to commit EYF to deliver our key priorities. This year, EYF provided a flexible and focused response to our funding priorities. In health, for example, £75 million went to wipe out trust deficits and £11 million was taken up to meet the pressure on winter beds. In education, £102 million of the EYF award included £48.6 million as part of the McCrone settlement to improve teachers' pay and £30 million for sports, ethos and social justice programmes in schools.

Alasdair Morgan: At what stage in the planning process do moneys that move from the budget settlement and are therefore planned to be spent become planned underspend?

Mr Kerr: That money is constantly monitored through the monitoring reports that we receive. We decide the whole matter through co-ordination and consultation with the budget holders. However, I am glad that Alasdair Morgan intervened. He talked earlier about half a budget. I prefer half a budget to the full black hole of the SNP's spending priorities.

Alex Neil: Will the minister give way?

Mr Kerr: I will take the member's intervention in a minute; I need to make some progress.

As well as our continued extra spending, we

have introduced a series of improvements to the financial system that should address some of the issues that the committee report raises. We have also taken steps to improve our monitoring procedure for departmental underspends. The Deputy Minister for Finance and Public Services and I receive monitoring reports, which will allow us to identify underspends early in the financial year, and Peter Peacock will assume new and specific responsibilities for monitoring the budget spend.

Alex Neil: When the minister was examining his monitoring reports, did he realise that, as an Audit Scotland report has just pointed out, the deficits in NHS trusts in Scotland are £24 million higher this year than at the same time last year? Is that not a black hole?

Mr Kerr: I see that Mr Neil's jacket is not going to fasten one of these days—he will need to get a bigger one.

I have read the Auditor General's report. The Executive acknowledges and is concerned about such matters, which is why we are receiving monitoring reports and why Peter Peacock will have specific responsibilities in that area.

Mr Davidson: Will so-called planned deficits feature as a form of Government control in the near future or is the Executive considering the introduction of planned distribution of money instead of using planned sticking-plaster methods?

Mr Kerr: The term is "planned underspend". Just because that money is part of EYF does not mean that the way in which it is spent is not subject to rigorous accountability procedures. It is spent on real priorities to help real people and to achieve real results. It is not dished out willy-nilly with no cognisance given to its effects.

We are now finalising our plans for the spending review 2002, the key features of which should be welcomed by the committee. We want a system that clearly reflects Executive policy and that will examine existing baseline budgets. As members have said, we want to develop an appropriate system of linking spend to policy through targets that reflect the required outputs and outcomes. We must also focus on our priorities to ensure that we deliver the maximum benefit for the people of Scotland and we must carry out a full analysis of our achievements. We share a common goal and I wish to deliver improvements in the system for the committee. That is all part of an overall process.

I am committed to developing targets that accurately reflect our spending priorities and to putting in place systems that effectively monitor the Executive's performance. The process is neither easy nor straightforward. It takes time to specify outputs and spending fully and to agree sensible definitions with departments. When I was

in local government, I was involved with many issues to do with output-related specification and contracts for local government services. I am under no illusion that achieving our aim will be easy, but the Executive wants to achieve it after a period of time. That will be useful for the Parliament, the Executive and those who receive money from the Executive.

To improve our allocation process, I plan to develop a system of rigorous scrutiny based on developing and costing a range of priorities across portfolios. That will help colleagues with the rigorous examination of their spending priorities that the spending review requires. Thorough scrutiny of our priorities will allow us to identify areas where we can spend more wisely and where additional spending will produce good results.

We must also improve our system for monitoring what spend achieves. It is essential that, as well as specifying what we want to achieve, we measure what is actually achieved. We will revisit that issue over the years. Rigour in the spending review will bring its own reward and we must ensure that we reap that reward by monitoring delivery.

I will now outline my response to the committee's recommendations in the order that they appear in the report. On the first recommendation, I am happy that the committee endorses our move towards greater scrutiny based on clear identification of priorities and detailed investigation of what will ultimately be delivered. Such a priority-based budgeting system is essential if we are to secure the best results that we can for the Scottish people. I welcome the committee's interest on the matter and would be happy either to provide it with a separate statement on how the new system will work and how it has evolved or to discuss the issue at one of our regular meetings.

I have already indicated my desire to move forward on identifying outputs and outcomes. We must specify objectives that include measurable activity and all the output and outcome of those activities. As I have said, that is not easy. Setting objectives in terms of measurable activity can be difficult. I acknowledge that progress may be slow in some areas. Nonetheless, we must make progress.

On the committee's second recommendation, as former convener of the Transport and the Environment Committee, I fully appreciate the difficulties and frustrations that the financial process can cause, but we must all be realistic. As I indicated, a large proportion of EYF is capital slippage or planned underspend. Such amounts will stay in the projects to which they were initially allocated. In effect, we set out our plans to spend a certain quantity of money on a capital budget

and, because of events that are outwith our control, the spend is slower than expected and simply falls into the next year. That, I argue, is a good use of resources.

I am not sure that procedures allow any committee except the finance committee to consider in-year revisions. The EYF allocations are already clearly identified in the autumn budget revision that is laid before the Finance Committee and the Parliament. Indeed, I will give oral evidence on them in due course.

Brian Adam: Although I welcome the fact that the minister is willing to discuss in-year revisions with the Finance Committee, surely any significant change in the budget is a matter of interest to subject committees, which should be able to discuss and scrutinise it. The minister responsible should appear before the relevant subject committee with information on any change in priority that takes place during the year. Any such change ought to receive parliamentary scrutiny.

Mr Kerr: I said that we must be realistic about that. My first stop will be the Finance Committee; that is where we will discuss the matter.

On the committee's third recommendation, when my colleague Mr MacKay made his statement on 28 June, he provided a table that set out the proposed allocations, savings and final position fully. I am happy to commit myself to continuing to do that.

On the fourth recommendation, the finance and central services department is in constant contact with other departments to discuss spending.

The committee's fifth recommendation contains two points, both of which have been raised by members. It is essential that spending by health boards, local government and non-departmental public bodies is in line with the Executive's priorities. We have systems in place to ensure that that is the case.

We are developing a comprehensive performance assessment framework for the national health service in Scotland, which fulfils a commitment that was set out in the document "Our National Health: A plan for action, a plan for change", which was published in December 2000. The development of the performance assessment framework and the introduction of improved accountability arrangements for NHS Scotland are key commitments in that document. The aim of the performance assessment framework is to provide a consistent, comprehensive and systematic approach to measuring performance throughout NHS Scotland with a view to stimulating continuous performance improvement in the NHS and to reinforcing the accountability of the service to local communities, to the department and to the Parliament.

Local government has been mentioned. Local government has a vital role to play in delivering our agenda for improved public services. Earlier this month, I announced record support for local government—more than £7 billion per year by 2003-04. We must ensure that the use of those resources reflects national priorities, local priorities and the commitment that people will receive local services.

In the past, discussion has focused on specific resource and service inputs and not enough on what we, as service users, really want. We have discussed that matter. The outcomes that are being achieved in terms of additional and improved services must be measured. We are piloting, with the Convention of Scottish Local Authorities, local outcome agreements for education attainment and for children's services, linking national policy priorities with specific local targets for service outcomes. Those agreements are not intended to be just another layer of planning, but will link to the outcome measures that have been set out in the national priorities for education and local integrated children's services plans. Specific agreements are also being developed on homelessness, adult literacy, community care and the better neighbourhood services fund for deprived communities. Local outcome agreements offer great potential for a new partnership with local government to deliver our priorities for improved service outcomes.

"Public Bodies: Proposals for Change", which was published in June 2001, made clear the importance that we attach to ensuring that all NDPBs work to the Executive's priorities and programmes. It is right and proper that those organisations have a degree of freedom and flexibility in their day-to-day operations. However, that should be in the context of a clear policy and strategic framework, as set out by ministers. A number of mechanisms to bring that about are already in place. Ministers are responsible for improving key management and financial documents for each organisation, including a management structure and plan.

Although it is crucial that spends meet our priorities, that is not the same as saying that we will direct those bodies' expenditure. That goes back to David Davidson's point about our having control but no control over resources. We set the framework; those involved must allow the bodies the freedom with which to determine the agreed targets.

Brian Adam: Will the minister take an intervention?

The Deputy Presiding Officer: No, the minister has been very generous.

Mr Kerr: With respect, I wanted to clear off the

recommendations, so that everyone knows what we are saying about them, before I let others in on the debate.

On the sixth recommendation, I am happy to consider breaking down further the Executive's administrative costs to include any additional information that is available on pay, information technology and special advisers.

I am happy to accept the committee's seventh recommendation, which is to improve the targets in the annual expenditure review and draft budget document. Indeed, in a previous life I might have made such a suggestion—perhaps I did. Targets must be more focused on the core business of the Executive. We all agree on that.

On the eighth recommendation, the full joining-up of information on the high level figures that we publish to the amounts that organisations actually spend on the ground must be a long-term aim for any Government in this electronically driven age. However, it will take time to join up those systems and processes to ensure that the information is consistent.

On the ninth recommendation, my predecessor agreed that we would provide a separate section on the modernising government fund in next year's annual expenditure review. As allocations are based on a bidding process, we might not be able to provide all the information that the committee seeks. Nonetheless, I am happy to provide it with what is available.

I agree with the committee's 10th recommendation, which is that we must continue to make progress on equality. We have engaged with a number of groups, such as Engender, in an attempt to work our way through the difficulties of linking policy development and resource statements. I am happy to continue to listen to what any group has to offer in this field, but I believe that progress will remain slow for some time.

On the 11th recommendation, I am happy in principle to provide information on past performance, but I doubt whether the draft budget document is the proper place for such information. That document is already large and the inclusion of additional material will make it bigger and more complex.

On the 12th recommendation, I am happy to review the Executive's co-ordination of responses to subject committees. On the 13th and 14th recommendations, I note the committee's suggestion on budgets for the Scottish Parliamentary Corporate Body and Audit Scotland.

For the future, I intend to build on the themes of both my predecessors. In the Finance Committee report, I want to see a finance process that is

inclusive, open and effective. The process must involve close working with the Finance Committee, the subject committees, local authorities and other Government agencies. Local authorities are key partners in delivering a change in Government services and they are essential for delivering the Executive's priorities. However, if the processes include only those bodies, the administration of Parliament and other parts of government will have failed. We must continue to strive to include the wider Scottish public to ensure that their views on how the budget should be spent are heard. Like my predecessors, the deputy minister and I will undertake a series of budget roadshows that will explain the Scottish budget to the Scottish people and will seek their views on priorities and budget allocations.

However, being inclusive is not an end in itself. I want everyone to be able to contribute. To ensure that that can happen, we need to improve the type of information that we produce. The draft budget document gives us the basic information from which we can make improvements. We must move collectively towards the target of measured outcomes. As I said, that will not be easy, but in the short run we might be able to produce output measures. However, we should be in no doubt that our target is to produce more meaningful documentation and information to allow the outcomes to be measured. By doing that, we can ensure that we are spending the Scottish public's money wisely.

This has been my first speech as the Minister for Finance and Public Services. Perhaps I took too many interventions. I apologise for running over time. It has been most enjoyable and most educative—that is a new word for “Roget's Thesaurus”—to learn more about the Finance Committee and how it works. I have enjoyed this experience immensely. I continue to enjoy my role as Minister for Finance and Public Services and I look forward to meeting Finance Committee members frequently.

The Deputy Presiding Officer: We now move to open debate. I will allow speeches of about five minutes.

15:59

Andrew Wilson (Central Scotland) (SNP): I begin by commending Mr Kerr. I think that new words are excellent in this new Parliament of ours, and I thought that he gave a very instructional speech. We should defend my colleague Alex Neil, to whom I always defer. While his jacket may not fasten, that is because he is a good Jacobite republican and, in inverse proportion to the gates of Traquair, his jacket will never fasten until there is a Stuart monarch on the throne again.

It is always with a due sense of élan and vigour, and a degree of optimism, that I spring from my bed on budget debate days. It is a bit like match days to that extent. Indeed, during the debate, that vigour usually subsides, and it has done so today.

I say to Mr Davidson that we are allowed to have debates about bigger issues. I am reminded of many branch meetings at which people will say, “You're not debating anything except the jumble sale.” If Mr Davidson will forgive me for saying so, it is perhaps the case as far as what he said is concerned that too much information is not held centrally. I think that we should have bigger debates. We cannot debate a budget properly if we are not able to debate the terms and grounds on which it is set. That is the duty, as well as the detail, that we now bring to the chamber. Members take part in very detailed discussion in committee over budget bills, and I hope that we have made a positive contribution to the process.

This is my first such debate not as a member of the Finance Committee, so I bring, I hope, a freshness that I did not bring to previous debates. My core point is that the bigger questions cannot be discussed, but we have to discuss the core questions of the Scottish budget.

Mr Kerr: Let me ask some of the core questions. How would the SNP pay for the existing level of public services in an independent Scotland? What would the exchange rate policy be? What would the different tax rates and benefit levels be?

Andrew Wilson: I will answer that just for the sake of good debate. We would pay for services out of taxation, the same way that every other country on the planet does. On the question of exchange rate, we would hope to be part of the euro zone. I cannot remember the last question. What was it?

Mr Kerr: It was on tax rates.

Andrew Wilson: The tax rates would be set by an independent Parliament, democratically decided. That is in fact the point. This Parliament has no control over tax, and I think that the core debate that we should be having is on how we tax ourselves, on what the fair rate of taxation is and on how we deliver proper public services.

It is key to the construction of a proper budget debate that we are allowed to tackle the core questions of what the role of Government is, what the size of Government is in society and how we deal with it. Devolution was meant to be divergence. It was meant to be about allowing different parts of the United Kingdom or this nation of Scotland to have a different view about public services.

As the Minister for Finance and Public Services,

like all others who have been in his position, fails to recognise, the Barnett formula is about managing the decline of Scotland's public services. We have to examine how we can replace the Barnett formula, because it is on its last legs. Either we can determine how it will be replaced or it will be determined for us. If other people determine it, that will be to our disadvantage.

There is no serious person analysing the question of the Barnett formula left who does not disagree with it. Everyone, with the possible exception of Government back benchers and front benchers, and the occasional tame academic, agrees that the Barnett formula is producing a squeeze on Scottish public spending. That cannot be allowed to stand. There is no logic to the idea of a spending squeeze.

The formula assumes three things. First, it assumes that need for public services in Scotland is identical to the average for the rest of the United Kingdom. We know that that need is not identical.

Elaine Thomson (Aberdeen North) (Lab): Will Andrew Wilson give way?

Andrew Wilson: I will take Elaine Thomson in a few moments.

Secondly, the formula assumes that the cost of service delivery in Scotland is identical to the average cost in the rest of the UK. We know that that is not the case. Thirdly, and most important, it assumes that the level of public choice and democratic choice about the role of Government and of the public sector is identical in Scotland to that, on average, in the rest of the United Kingdom.

We know that those points are not accurate, yet the financial underpinning of devolution is designed with them in mind. There is an absolute, incontrovertible contradiction at the heart of devolution.

Iain Smith *rose*—

The Deputy Presiding Officer (Mr Murray Tosh): The member is in his last minute.

Andrew Wilson: That is a blow.

The Deputy Presiding Officer: I am sure that it was unintentional, but I assure Andrew Wilson that he is.

Andrew Wilson: The previous occupant of the chair had signalled a much more expansive period.

The Deputy Presiding Officer: No, I think that the previous occupant said five minutes. The clock shows that you have had four and a half minutes.

Andrew Wilson: I will, with a due sense of respect, defer to the occupant of the chair.

I will turn to my summation. The key point is that we cannot allow the idea of a needs assessment to enter the debate. There can be no needs assessment of Scottish public services. That assumes that the man from the ministry in London knows best, and that public services are merely to be administered, not decided upon, in Scotland. That is a pre-devolution idea. Even those members who do not agree with our ideas about moving the constitution on must resist the idea of having a needs assessment.

A needs assessment takes no account of public choice or democratic choice. Is it our need to have a four-year degree, a publicly owned water system or a publicly delivered health service? It is not: it is our democratic choice. We must equip this Parliament with the power to make choices and to deliver on those. At present we do not have that power. Members from the SNP, some members from the Conservative party and the occasional Liberal Democrat back bencher—who knows what is happening on the back benches of the Labour party—want to move this Parliament on and to deliver a better future for everyone.

16:05

Mary Scanlon (Highlands and Islands) (Con): I am pleased to say that I am not here today to debate the Barnett formula, taxation or fiscal autonomy. My contribution to this debate is based on my experience as a member of the Health and Community Care Committee. For all the worthiness of the Finance Committee, it is very important that members of subject committees are listened to. Like the minister and Des McNulty, I believe that we must move towards having measurable outcomes.

"Investing in You: The Annual Report of the Scottish Executive" outlined the Executive's spending plans up to 2002. In the foreword to that document, Donald Dewar stated:

"We are committed to a more open inclusive budgeting process which actively seeks to inform and involve those outside the immediate political process of budget setting."

Donald Dewar's commitment is an excellent starting point for today's debate and I make my comments against that background.

The health section of the budget document states that health boards will

"continue to develop and improve services in line with declared priorities"

and "meet increases in demand". There is an increased demand for services for people with diabetes. How is the demand for that service measured, and how do we know whether it is being met?

One of the aims of the health plan is

“to develop and deliver modern, person-centred, primary care and community care services”.

All of us want that. Another aim of the plan is

“to improve, protect and monitor the health of the people of Scotland”.

We would all sign up to that. Often—deliberately or otherwise—the Executive’s aims or objectives are very vague and their achievement is impossible to measure. We know that more money is being spent, but it is incredibly difficult to track that money. We need to know whether the additional money benefits patients. However, the openness, transparency and subsequent accountability that was promised—or aspired to—has not been realised to the extent that we are able to know that.

We are told that in 2002-03 new money will be available to the NHS. As has already been said, most of that money will go to the unified trusts—into the melting pot. When people in Scotland hear about increases in spending, naturally their expectations rise. They cannot understand why health care benefits are not visible. Instead of constantly announcing moneys, we should be more open and honest with people. For example, we should tell them that 70 per cent of national health service spending is allocated to salaries. A substantial sum goes to cover price inflation, as year on year the drugs budget rises at a rate well above the rate of inflation. Many trusts also face considerable financial deficits.

All members of the Health and Community Care Committee are seeking measurable outcomes, particularly outcomes that are in line with clinical priorities. However, this is our third year of questioning the Executive and its officials, and we are no further forward. We cannot audit-trail the spending of the community care pound. When the committee asked the former Minister for Health and Community Care about that, her response was that councillors are democratically elected and accountable. If the Health and Community Care Committee cannot get information about community care spending, how can the average Joe Punter decide whether his councillor is spending wisely and effectively and endorsing best practice? The Local Government Committee has expressed similar concerns.

I welcome the minister’s commitment to outcomes for care in the community and the planned road shows, but those must be understandable not just to us but to everyone out there so that people can be engaged in the budget process. Mr Aldridge, the top financial official at the health department, stated that he was not the only person responsible for monitoring health care and that

“As far as other issues, such as clinical governance and management issues, are concerned, other colleagues in the Executive are responsible.”—[*Official Report, Health and Community Care Committee*, 25 April 2001; c 1746.]

That is further evidence of a blurring of the lines of responsibility, which leaves issues vague and unmeasurable.

The top three clinical priorities are cancer, heart disease and mental health. While pursuing mental health outcomes, I found that recent community care statistics confirm that local authorities reduced spending on adult mental health services by £8 million in 2000, in comparison with spending in 1997. The minister might say that those patients are receiving care elsewhere, but we do not know that that is the case, as we do not have the information.

The Deputy Presiding Officer: Will the member—

Mary Scanlon: I will skip the next part of my speech, Presiding Officer.

The Deputy Presiding Officer: Please do so.

Mary Scanlon: I will try to sum up.

If we look at spending on nurse training, for example, we note that one health board allocates £5 per nurse per year, while another allocates £100 per nurse per year. When I was looking for measurable outcomes, I found that even Florence Nightingale classified her patients as “relieved”, “not relieved” or “dead”. Despite great advances in time, knowledge and technology, we do not have a measurement that is as sophisticated as that used by Florence Nightingale.

I realise that I am running over my time, Presiding Officer.

The Deputy Presiding Officer: Yes, you are a full minute over time.

Mary Scanlon: Most members of the Parliament are seriously concerned about drugs and alcohol. We cannot measure spending on detoxification and rehabilitation facilities for people with drug and alcohol problems through a minister, as local drug action teams make that expenditure. Will that spending be closely monitored and accounted for by the minister and the Executive?

The Deputy Presiding Officer: Members should understand that we are trying to finish this debate at 4.53 pm, to allow time for a short debate at the end of the afternoon. I must be strict about five-minute speeches.

16:12

Alex Neil (Central Scotland) (SNP): I begin with a word or two about the Enterprise and Lifelong Learning Committee, which I have the

pleasure of convening. We welcome the minister's response to the Finance Committee's recommendations. In particular, we are keen for an indication to be given of the estimated outturn for the previous financial year before we are asked to consider figures for the following and subsequent financial years. We realise that we are all learning from the process and that these are early days in the life of the Parliament. However, the quicker we get there, the better it will be for everyone.

I will also say a word or two about the budgets of Scottish Enterprise and Highlands and Islands Enterprise. Those organisations—particularly Scottish Enterprise—have suffered fairly significant real-terms cuts in their budgets in recent years. Given the crisis in the electronics industry and the fact that unemployment is rising again, I hope that whoever sums up the debate for the Executive—either the minister or the deputy minister—will reassure me that there will be no further raids on the budgets of SE or HIE. We need to spend every penny that we can get on job creation in Scotland in the period that lies ahead.

I will concentrate on three areas this afternoon. I hope that the Finance Committee will consider doing some work on "Government Expenditure & Revenue in Scotland 1999-2000", which is commonly referred to as GERS. Personally, I do not attach a great deal of credibility to that document. On page 1, the first disclaimer says:

"The calculations required to derive NB"—

that is, net borrowing—

"for Scotland are subject to imprecision due to the need to estimate a number of elements of both expenditure and revenue. The NB estimates presented in this report should therefore be regarded as indicative rather than precise."

In other words, the estimates are rubbish.

On page 2, the document says:

"This work does, for example, need to draw on surveys that have been devised specifically to meet a particular UK policy requirement and do not necessarily, therefore, provide appropriately robust data at a Scottish level."

GERS should be renamed "garbage"—garbage in, garbage out.

I will also deal with figure 1 on page 11 of GERS, which gives the lie to the so-called argument against independence and alleged budget deficits. Figure 1 contains the UK figures for income and expenditure for the past 30 years and shows that more income went into the UK Treasury than came out of it in only four of those 30 years. If the UK was running a deficit for 26 of the past 30 years, does that mean that it should not have been an independent state or have had an independent Government or an independent Parliament? Where is the logic of the unionists,

who try to argue that it is okay for the UK to have a deficit and be independent but, on their fiddled figures, Scotland is not capable of independence because of Scotland's alleged deficit? I have never heard so much nonsense in all my life—or at least since the Minister for Finance and Public Services sat down.

Mr Kerr: Will the member give way?

Alex Neil: Unfortunately, I do not have time. Normally I would give way, but such is the balance that the front benchers get 21 minutes whereas I get only five minutes.

I draw to members' attention an article in *The Scotsman*—a worthwhile newspaper, which I would recommend to everybody—which had the headline "The all-hype economy that's going nowhere?" Can ministers, who boast about the impact of expenditure in Scotland, explain why the latest available figures up to June 2001 show: Scottish gross domestic product rose by 0.3 per cent when UK GDP rose by 2.5 per cent; production in Scotland was down by 5.3 per cent when it was up by 0.2 per cent for the UK; Scottish manufacturing was down by 4.8 per cent when it was up by 4.6 per cent for the UK; services were up by 2.4 per cent in Scotland but up 3.5 per cent in the UK; and tourism, hotels and catering were down by 1.5 per cent in Scotland but up 3.4 per cent in the UK? That is what the Minister for Finance and Public Services described as Gordon Brown's prudent running of the Scottish economy. By any standard, that is a disaster area.

I hope that we will get some sort of explanation for the continuing failure of the economic union with the rest of the United Kingdom. Unfortunately, I do not have time to prescribe the answer because I have only five seconds left. Wait for my next speech.

The Deputy Presiding Officer: A superb piece of timing. I call John Young.

16:17

John Young (West of Scotland) (Con): I want to touch on the Local Government Committee's report on the relevant aspect of the budget. Des McNulty had long experience in Glasgow City Council. Even in those days, financial matters were his main interest, which has followed through into his time in the Parliament.

When we debated proportional representation in local government the other day, Mike Russell stood up at one point and said that Andrew Welsh had had a long and honourable career in local government. That was quite correct and no one would disagree with that. Mr Russell then squinted across the chamber at me and said that I had had an even longer spell in local government in the last

century and perhaps even the century before that, by which he meant the 19th century. Later, Sylvia Jackson said, "That was a bit cheeky, but you look quite well for 124."

That made me think about the 19th century local government set-up. In many ways, at that time people in local government found less central Government interference than people in local government do today. For example, in one part of the 19th century Glasgow councillors—who come in for a lot of criticism today—acquired Loch Katrine, which gave Glasgow clean water and, by doing so, largely did away with the cholera epidemic that had afflicted the city throughout the centuries. Those councillors also brought into being the first environmental health measures in Europe—they dealt with overcrowding by fixing metal plates on the entrances of houses that showed the maximum number of residents that would be allowed. Finally—if they could come back, they should be running the Holyrood project—they built the glorious Glasgow City Chambers by importing marble from Italy and by using Italian master craftsmen.

The Local Government Committee report on stage 2 of the budget process says that the committee took oral evidence from a fairly wide range of witnesses during stage 1 of the budget process. However, the report states:

"Invitations to CIPFA Directors of Finance Section, Dumfries and Galloway Council, and the STUC were not accepted."

Perhaps someone could tell us if there were any reasons given why the invitations were refused.

The Local Government Committee report also states:

"The Committee notes the Executive's view that the £440 million referred to by COSLA is not a 'funding gap'. It is, in the view of the Committee, however, a spending gap ... The Committee welcomes the Minister's commitment to consider the mismatch problem with COSLA."

The committee also noted that there was a distribution problem in a certain area but that the minister would discuss the matter with COSLA. The outcome of that will make interesting reading.

The committee took the view that

"the existing information in the departmental report does not provide the degree of transparency necessary to permit robust scrutiny of the budget proposals"

and went on to

"welcome a more systematic approach, which strategically sets out the underlying policy and financial assumptions in the Executive's spending plans".

The committee made various other suggestions, one of which was that we should take the general public along with us. There is a problem with that. Although the general public are not fools, the

complexities of local government finance, especially in large cities such as Glasgow and Edinburgh, are such that even some councillors do not understand them. The general public would probably not understand 90 per cent of what was presented to them. However, we all know what they do understand. When they get their council tax bill and look at the amount, they ask, "Are we getting value for money? Are we getting the services that we are being charged for?" Many people do not think that they are.

The Local Government Committee states:

"Overall, the Committee recognises that some progress has been made over consultation in the budget process but would welcome further progress with regard to the following recommendations in time for next year's budget process."

The committee then gives three recommendations. First, it recommends:

"Given that local government was responsible for only £28.6m of the £680.3m underspend, that local government will receive more equitable treatment in future".

Secondly, it recommends that:

"The Minister further considers the mismatch problem with COSLA".

Thirdly, it recommends:

"To enable proper assessment of the adequacy of local funding proposals that the Executive set out in the Departmental Report the underlying policy and financial assumptions in the spending plans and what outputs are expected at a national level."

Presiding Officer, I know that I am probably teetering on the brink, but I will end by saying that Anne Robinson would say, to some, that the exit is first left.

16:22

Stewart Stevenson (Banff and Buchan) (SNP): I was entertained by John Young's description of finance in local government. It reminded me that someone once said that there are three kinds of people in local government—those who can count and those who cannot.

Following Alasdair Morgan's remarks about Des McNulty, I shall be watching the latter's future with interest—although, right at the moment, it is elsewhere. Clearly an interest in money is the route to preferment. On the other hand, Mr Davidson suggested that we should take less interest in money. I suppose that a Tory can afford to say that. I wish David well on the back benches, and perhaps even further back at a later date.

I want to bring a seasonal note to the debate and to wish all members here, and all those who may be watching on the monitors, a very merry Christmas. Something quite important in relation to Christmas has just happened: I have made an

exciting discovery. Previously, we had accountancy and economics; now we have brand spanking new Liddellomics. It will be a popular event at children's parties everywhere this Christmas as it is one very impressive trick. We have heard Helen Liddell talking about how she can make £1 million disappear from our pockets, apparently without effort. Read GERS, see the show. However, as in magicians' performances everywhere, we will not see how the trick is done unless we stop looking where the performer wants us to look and instead see the hidden hand behind her back. It is Gordon Brown's.

I have a few things to say that are a little less frivolous. First, on capital, it is not at all clear from the Executive's figures how capital is deployed in the service of the Scottish Executive. When the Rural Development Committee was looking at its numbers, I found a mysterious £56 million, of which £42 million was cost of capital. No explanation was given as to what that was or where it had come from. I speculated that it represented an asset of perhaps half a billion pounds. Three weeks later, lo and behold, I was told that that was true. The point is that no assets and liabilities were expressed as they would have been on a public company's balance sheet. There was nothing to enable me to see from what assets and liabilities the capital charge that was expressed in the revenue part of the budget had come. That is not universal throughout the numbers that are presented to us, but it is all too common.

Public-private partnerships and private finance initiatives are another way of avoiding expressing what has happened to the figures and the way in which accounts are translated from capital into revenue. That is hard to track, harder to understand and impossible to justify. It goes slightly against the grain for me to praise the Scottish Prison Service, whose report came to hand today. However, the SPS is at least open and honest in relation to the PFI at Kilmarnock. Unfortunately, the running costs are expressed as £12,363,000, whereas in another part of the budget the same costs are some £40,000 less. The SPS maintains its record of being unable to provide accurate information, but at least the layout and expression of information in its report is useful.

I want to say a little about indirect taxation. The Scottish Parliament has no direct influence on indirect taxation. Nonetheless, the effects of the many indirect taxes introduced by Westminster are pervasive in the Scottish economy.

Iain Smith: Will the member give way?

Stewart Stevenson: I am sorry, but I am in my final minute.

Those effects are also pervasive in the budget. For example, the aggregates tax will increase the cost of building projects by 5 per cent, yet there is nothing in the budget that mentions that effect in the future. The document is already incomplete. The increase will come into effect in April if it is implemented. Fuel tax is another example. It fluctuates and rises, and there is no mention of it in the budget.

At the core of the debate is the fact that although we do not have direct influence on matters such as indirect or Westminster-led direct taxation, it is possible to influence those matters. The Northern Ireland Assembly unanimously agreed to make representations to Westminster on that subject and was successful in obtaining a derogation for Northern Ireland for the aggregates tax. Some people in some devolved administrations can stand up for the people. It is time that Labour and the Liberal Democrats stood up for the people of Scotland.

16:27

George Lyon (Argyll and Bute) (LD): I will begin by dealing with one or two points on the content of the budget before moving on to address issues raised about the process in the debate. It is important to restate our welcome for a budget that shows real growth for the second year in succession. In 2001-02, the budget in cash terms was some £18 billion. Over the next two to three years, that will rise to £22 billion in cash terms. That is a significant improvement in anyone's language. It represents a 14.5 per cent growth in real terms. Everyone in every party should welcome that and recognise that it is a substantial improvement on the situation before devolution.

The budget reflects the priorities of the Liberal-Labour coalition in health, education and the rebuilding of our public services. I am delighted to welcome the funding of key priorities such as tuition fees, student grants, free personal care, the central heating programme, the decommissioning scheme for the fishing industry—that has been widely welcomed—agrimonetary compensation for the hard-pressed crofting and farming industry and extra funding to maintain less favoured area status payments through the difficult transitional period. I could list many more examples. Everyone should welcome the significant and sustained growth that we expect to see over the lifetime of the Parliament. I hope that that will continue in the future.

I want to deal with points of concern that were raised in the Finance Committee's report and in today's debate. The first issue is end-year flexibility, which most speakers have raised as a concern. We must keep EYF in context—3 per cent of a £21 billion budget is not a huge

discrepancy one way or another. If one speaks to managers on the front line, who are busy with capital projects and staff recruitment, it is not hard to see how there can be slippage in a budget—perhaps because of the weather or being unable to start a contract on time. That is particularly true in major capital programmes, which can easily slip three or four months the wrong way. We have to bear that in mind with a budget of this size. Three per cent may be at the top end of the scale and we have to manage it better, but we have to keep it in perspective.

Brian Adam: If we have a greater end-year flexibility next year, what comment will George Lyon make? As I understand it, that is likely to occur.

George Lyon: I am coming to that point.

There has to be better management of the process, but I do not think that anyone can guarantee that the budget will be hit bang on. The Executive and the coalition parties would have faced greater criticism if the budget had been overspent by 3 per cent rather than underspent by 3 per cent. At least the process of six-monthly reviews has enabled us to allocate that money to other spending priorities and to reallocate within existing budgets to ensure that the money is spent by the end of the year.

One issue that is not covered by the Finance Committee's report, but which I would like to highlight, is three-year settlements for councils. We have all welcomed those new settlements but, unfortunately, due to the UK Government's comprehensive spending review, instead of a three-year settlement this year there is only a two-year settlement and, depending on how quickly a conclusion is reached on the CSR, next year there might be only a one-year settlement. I ask the minister to comment on that and to tell us whether discussions are taking place with Westminster on how we can review that. If we are committed to three-year spending plans for councils, the budget must be a three-year rolling budget—it cannot be three, two and one.

As has been suggested, we also need better mechanisms to ensure that national health service boards and local authorities, which spend huge amounts of the Scottish Executive's money, spend in line with our priorities. However, as the minister rightly pointed out, we have to get the balance right between ensuring that they spend in line with our priorities and allowing local flexibility. That is a difficult balance to get right.

I have a couple of further points, one of which is significant. When I intervened on Alasdair Morgan, he took me to task for indulging in political knockabout. I tell him that I was not doing that and that my question was genuine. If the SNP wants to

be taken seriously as a party of Opposition, SNP members cannot criticise the Executive parties in the chamber week after week for what they are doing without suggesting what the SNP would do, how that would be funded, and which budgets would be cut to fund the changes. If SNP members did that, they might be taken seriously as an Opposition but, until they do so, they will not be regarded as a serious Opposition.

16:33

Mr Davidson: This has been an interesting debate, which has proved that there is cross-party agreement that the current budget process does not allow the committees adequate access to information in a timely manner and in a form with which they can work. One way or another, all speakers have hinted at good things and bad things, but there is much work to be done. I repeat my call that as soon as possible we should discuss how best to frame the budget framework to suit the work of the committees, because the committees do the work of the Parliament. People outside the Parliament do not understand the importance of the committees' role, in particular in scrutinising the budget process.

I was interested in some of Andy Kerr's comments. Obviously, he will talk up the game, which he inherited from his predecessors, but it will be interesting to see how he implements some of the things that he has suggested he will introduce. I welcome many of the comments that he made about the process.

Iain Smith got very agitated about the fact that we are supposed to be talking about the actual spending, but in fact the Parliament cannot properly do that if the information does not come out in a form that is usable, particularly by the committees. The Finance Committee's role is to co-ordinate what comes from the committees. That is the purpose of the debate. However, I was interested to notice that, in answering questions, Mr Smith apparently gave an assurance that the Liberal Democrats are totally behind all that the Labour party puts forward in its spending plans and priorities.

Unfortunately, particularly in the north-east of Scotland, that is not the case in the weekly columns of the local press and the press releases that come from Liberal Democrat members of the Parliament. Perhaps it would be interesting to obtain some firm views from the Liberal Democrats about what they are buying into and what they are buying out of. However, I am afraid that it is the usual story—here they are enthralled by what the Labour front bench produces, but out in the parishes they pretend to inhabit the philosophical high ground and to fight for the locals.

Mr Smith made a fair comment about Tory priorities. If he had listened to what I said, he would have understood that our priorities are different from those of the Executive. The questions that I asked the minister were about examining the infrastructure and about the opportunities for encouraging enterprise, training and education. My colleague Mary Scanlon talked about health. I asked about all levels of education and its appropriateness to the needs of the child. We have never altered our principled stance on all those issues.

Some members raised the issue of end-year flexibility. I think that the minister has got the message. However, I am still puzzled about planned deficits in health boards and the minister did not answer that point. Surely we do not want to plan for deficits; we want to plan to deliver the required service properly and effectively and ensure that it is achieving value for money.

It is not right to say to health boards that they must spend their energy coping with those deficits and, at the end of that year, when it is out of their control, they will get a shell-out or a divvy or whatever you want to call it. If that is going to happen, the money must be focused and prioritised throughout the year. The people who work for the health boards should not be doing things that they do not exist to do. They should be delivering health care and not playing about on the fringes of accountancy, as happens far too often.

In talking about our priorities, I said that we want to have more local decision making. We want smaller government, not larger. The purpose of the devolution settlement was to bring some of the decision making closer to the lives of the Scottish people. We would like that to be taken a stage further—there should be less ring-fencing of priorities and fewer new burdens.

For example, the minister mentioned the McCrone report. Rural councils in Scotland are struggling to deal with McCrone because the formula that is used does not meet the needs of rural councils. They have smaller schools with more teachers and fewer pupils. That serious issue must be grasped in the near future and a solution must be found.

On the funding of agencies, serious questions must be asked about the money spent by those agencies and what we get for that money. There have been tremendous problems with VisitScotland. Wendy Alexander claimed that she had given VisitScotland its remit. She then claimed that it was VisitScotland's fault that tourism had gone down the pan. Similarly, we have to consider how the enterprise network is working. We would like to debate those areas and not just be told how much money the agencies receive.

It is important that Parliament has access to the right information and that the process works. At the moment, the process is not working suitably. There is no change from last year's report card. If Parliament is going to move forward, we need to ensure that the Executive is on board and makes sure that its information comes out when it is asked for.

16:38

Brian Adam (North-East Scotland) (SNP): I acknowledge the hard work that was done by Mr Kerr's two predecessors. I also acknowledge their willingness to come before the Finance Committee and accept some changes to the process.

The financial issues advisory group helped to produce the budget process in advance of the opening of Parliament. In spite of making an interesting effort to produce a budget process, the group clearly did not understand all the things that could happen and that could lead to weaknesses in the process.

Initially, the process was refined through the Public Finance and Accountability (Scotland) Bill and each of the budget processes has brought further refinements, but we have a considerable way to go.

Surely the purpose of any budget process is to allow detailed scrutiny of the Government's budget plans as they develop. My understanding of the intention was that before the Government's budget was set in stone, the public and their representatives would have an opportunity to influence it. The process should provide sufficient information for subject committees to have an informed debate about the Government's policies and its priorities and for reasoned argument about alternatives. The present system does not allow that, for various reasons, including the fact that insufficient detail is provided, especially on bodies that are not under direct Government control.

The non-departmental public bodies are not as directly accountable as they should be. We do not see sufficient detail of their budgets or of what is planned. Those bodies are not sufficiently accountable. Others have talked about public bodies such as VisitScotland and the health boards. We have a significant conundrum over how we deal with local government, because it has its own mandate. Nevertheless, the spend is the Parliament's responsibility. We must produce a creative mechanism for proper parliamentary scrutiny of all the budgets that do not have that.

Our system is failing. We need the information to be available on time. That is important. At present, we do not receive the monitoring reports to which the Minister for Finance and Public Services referred and for which Peter Peacock will be

responsible. Those reports should be made available timeously to committees, because they might have a view that the Parliament should be involved in that process regularly throughout the year. That is not happening. Committees need that information not only on time, but in detail. At present, the detail on which to base reasoned, alternative proposals is not available.

Although the format is significantly improved over the original version, it does not allow proper scrutiny, especially of non-departmental public bodies and others. A series of financial events occurs throughout the year. The big bulk of the budget is set in train early, not from here, but from elsewhere. We must also deal with end-year flexibility. Others have talked about that in great detail. We do not object to the principle of end-year flexibility. We ask for consideration to be given to how the redistribution of that money is scrutinised when the information becomes available to committees and for committees to be able to have a reasoned input.

The same applies to the comprehensive spending review consequentials and to the autumn statement consequentials. Gordon Brown announced that the NHS in the UK would receive £1 billion. There is a Barnett formula consequential to that. When will that enter the parliamentary scrutiny process? I do not think that that exists.

We have had some interesting comments—particularly from my colleague Alex Neil—about GERS, its relevance and its efficiency. It is about as efficient as its namesake in Glasgow, which is not doing too well either.

Stewart Stevenson: How about the Dons?

Brian Adam: That was below the belt.

It is essential in any open democracy—I think that we all hope for that—that financial monitoring reports are available on time. We need to have the reports, which are not just for ministers. All those with financial responsibilities—that means the subject committees and the Finance Committee—should have access to the reports.

All that we are doing is examining the process, not the detail of the budget. We must make progress towards that. Members who have not participated in the process criticise the Opposition for not producing detailed plans, but they are wide of the mark. That is not what the debate is about. We need to have more detail.

16:44

Mr Tom McCabe (Hamilton South) (Lab): This is a new experience for me and I might need some assistance from the Presiding Officer. I was under the naive impression that we were here to discuss

the budget, until I heard some of the SNP's spokespersons. Much as I always enjoy Mr Neil's speeches—they are always informative—I thought for a minute that we were on an election hustling. When I heard Mr Wilson, I had much the same reaction. He reminds me that it is Christmas—the season of good will and a time for the very young.

Alex Neil: Does that include me?

Mr McCabe: No—not at all. As I said, I always enjoy Alex Neil's contributions—I especially enjoyed his election broadcast.

The report on the budget process was informed by three strands: the evidence that was taken by the Parliament's subject committees; the evidence that the Finance Committee took from outside bodies such as Scottish Enterprise, the chambers of commerce and voluntary sector bodies, to name but a few; and the evidence that the Finance Committee took from the Scottish Executive civil service. We can be satisfied that a robust process of examining the Scottish Executive's budget was undertaken. After all, that is what the Finance Committee does and the debate is about that process.

As has been mentioned by Des McNulty, the new convener of the Finance Committee, both of us have come to the process late. It is nonetheless possible to understand and appreciate the recommendations that are contained in the Finance Committee's stage 2 report. It was right that Des McNulty recognised the considerable work that was done on the report before both of us came to the Finance Committee. It is right and proper that that work is acknowledged and that due regard is given to those who spent a long time scrutinising the budget.

As has been said, the Scottish Parliament budget process is very much in evolution. That will be the case for many years to come. There is still plenty of scope for better presentation and understanding of the information that is contained in the budget. Issues such as the way in which we treat end-year flexibility and give a better breakdown of figures have justifiably been mentioned. Those are areas in which the Executive can make improvements. To do so would help those who try to understand more fully the work of the Executive and the Parliament.

Real progress and genuine transparency will be achieved when we make progress towards outcome measurement. The Scottish Parliament should be seeking to make a proper judgment on what we do with the money that is to hand. That would be the best judgment of how much progress is being made, but that will take time. However, we need to bear in mind that what we seek to achieve in the budget process is improvement not difference.

It is all too easy for politicians to trawl line by line through a budget. It is more useful and, I suggest, more challenging for the Executive to have the money that is to hand scrutinised properly.

One of the committee's recommendations is that NDPBs, health boards and so forth should spend more of the money that is made available to them in line with Executive priorities. It is important to stress that that recommendation is not a constraint, but an attempt to ensure that the money that is directed to the services is allocated for the reason that it is so directed. That would allow users to see tangible differences in the services that the Executive and, more important, the Parliament claim that they seek to improve. If that is achieved, it will be no mean feat, but we should all be clear that to do so would make a significant contribution to more consistent and better understood public services.

On a similar vein, it is critical that individuals and organisations can track spending on programmes in which they have an interest—the Finance Committee made a recommendation in that respect. At the moment, that is difficult and, on occasions, near impossible to do. The committee has asked for information to be supplied in electronic form so that it is easier to track spending. That should happen.

One area of concern is the severe dissatisfaction over the lack of mainstreamed equality issues. The Equal Opportunities Committee expressed disquiet on that subject and that is reflected in the Finance Committee report. Close attention must be paid to ensure that that situation is rectified. There is no doubt that that is a budgetary issue, but it is also a policy issue. If we ignore it, we will be hard pushed to see anything other than marginal improvements.

I commend the Finance Committee report to the Parliament. A proper examination has taken place and the report contains useful recommendations. I look forward to the year-on-year process that will assist in the evolution of improvements and not just changes.

The Deputy Presiding Officer: I call Elaine Thomson to close the debate on behalf of the committee. We are grateful for her offer to do that in five minutes.

16:50

Elaine Thomson (Aberdeen North) (Lab): Will you hold me to that, Presiding Officer?

This brings us to the end of stage 2 of the budget process for this year. I welcome the new minister and the new convener of the Finance Committee to their posts, and wish Mike Watson all the best in his new role. I thank the clerks and

the adviser to the Finance Committee for all their assistance to the committee during stage 2 of the budget process.

Important issues have been raised this afternoon. It is crucial that the budget process allows significant comment on the budget proposals. Many members have discussed different ways in which they think that the budget process could be improved. As Brian Adam mentioned, the focus this afternoon continues to be on process and presentation rather than content. However, the subject committees and the Finance Committee have recognised that significant improvements have been made in the presentation of budgetary information. I have no doubt that that will continue. It has been said that we need not so much more information as better information. I cannot agree—and I do not think that the Finance Committee as a whole would agree—that the process has failed. It can and will be improved as time goes on.

No subject committee proposed any changes to the budget proposals. Given the significant growth in the Scottish budget year on year, that indicates support for the Scottish Executive budget, with its priorities of health, education and rebuilding public services. The current budget process and the information that is made available through it are considerably more advanced than, for example, the scrutiny that was given to the Scottish budget pre-devolution. Considerable effort has been made by ministers past and present, and by the Finance Committee, to make the budget process even more open and inclusive.

I welcome the minister's commitment to continue budget roadshows as part of stage 1 of the budget process. This year, as part of stage 2, the Finance Committee met in Kirkcudbright to take evidence from local organisations and the previous finance minister. The determination of those local organisations to move forward from the negative impact of foot-and-mouth on the local economy and to rebuild the agricultural and tourist sectors was evident. Making the Scottish budget widely available and as straightforward as possible to understand is important. The Finance Committee is committed to that. We want to continue to try to engage as wide a cross-section of Scottish society as possible. Taking the Finance Committee out to local communities twice a year is one way of achieving that.

Another way of achieving that, which the committee has discussed, would be to reinstate a summary leaflet of budgetary information. However, we need more research by the Scottish Executive on how best to communicate information and in what format. The Finance Committee looks forward to some feedback, should that go ahead. I do not agree with John

Young that finance, whether at Scottish Parliament or local government level, is too complicated for the ordinary person. Information can be communicated well and simply so that people understand it.

The Finance Committee looks forward to continued improvement in areas that show sources of income. We need to show more effectively where we have CSR consequentials, UK budget additions and EYF. While those considerable additions to the Scottish budget are always welcome, the result of those changes to the Scottish budget, made mid-year, is to increase the difficulty of following the additional moneys in the budget documentation.

Another area that has been given much attention by the committee is the proposal to move to outcome-based budgeting. Various ministers have supported that proposal over the past two years, and I was pleased to hear the new minister commit to continuing to work with the committee in developing it. The committee accepts that that is a long-term project, but—in order to improve objectives and clearly identify spending priorities—it believes strongly that development in that area would be of considerable benefit. As Alasdair Morgan and other members said, specifying and identifying outcomes may be difficult. It is for that reason that the Finance Committee has commissioned external research to develop that proposal.

I was pleased that the minister accepted, for the large part, many of the committee's other conclusions. We look forward to more and better information next year. I welcome the minister's commitment and willingness to continue to work with the committee in developing many areas, particularly outcome-based budgeting. If we can get that right, it will put the Scottish budget process at the leading edge in global terms.

Committee of the Regions (Membership)

The Presiding Officer (Sir David Steel): The next item of business is consideration of motion S1M-2555, in the name of Patricia Ferguson, on membership of the Committee of the Regions.

16:56

The Deputy Minister for Parliamentary Business (Euan Robson): On 24 October, Parliament agreed that two members of the Executive and two members of the Parliament should be its representatives on the Committee of the Regions. The recent appointment of Hugh Henry as Deputy Minister for Health and Community Care altered that balance. The Executive recognises that imbalance and, accordingly, recommends that Irene Oldfather—the new convener of the Parliament's European Committee—should replace Hugh Henry. It is sensible to replace the former convener of the European Committee with the new convener; the remit of that position gives Irene Oldfather substantial involvement in European Union business. Our recommendation will enable Irene Oldfather to use her wealth of experience on Scotland's behalf for the new mandate of the Committee of the Regions. Hugh Henry has served Scotland well for many years on the Committee of the Regions and I take this opportunity to express our thanks for the work that he has put in on Scotland's behalf.

I move,

That the Parliament endorses the Executive's proposal to nominate Irene Oldfather MSP as a representative of the Parliament to replace Hugh Henry MSP as a full member on the UK delegation to the Committee of the Regions for the forthcoming session from 2002 to 2006.

16:57

Tricia Marwick (Mid Scotland and Fife) (SNP): Let me say at the outset that what I am about to say is no reflection on Irene Oldfather. However, the last time that Parliament addressed the issue, Tom McCabe, then Minister for Parliament, told us that the Executive nomination of MSPs to the Committee of the Regions was

"a determined commitment to share power between our national and local authorities."—[*Official Report*, 24 October 2001; c 3267.]

Iain Smith, for the Liberal Democrats said:

"It is only right that the national Parliament of Scotland should be represented on the Committee of the Regions."—[*Official Report*, 24 October 2001; c 3271.]

At the time, I made two points that are worthy of

repetition. The first concerned the Executive's myth about a determined commitment to share power with local authorities, which contrasts with the reality of its actions to date. The Executive deprived Scotland's councils of their full representation on Europe's regional body. There is no doubt that the Parliament needs more powers, but the powers that we require should not be taken from councils. Those powers are our national right, but they continue to be held at Westminster.

The second, and more fundamental, point highlights the contrast between the poverty of ambition of the Lib-Lab Executive and the aspirations that the SNP has for our nation. Our Parliament is a national Parliament. Scotland is a nation. Contained within that nation are regions. It is right and proper that those who are elected at regional level should be represented on the Committee of the Regions. We have a tier of local authorities and it is logical that councillors are best placed constitutionally to provide regional representation.

As Iain Smith said, our parliamentary representatives are national representatives. It follows that this Parliament should be represented at national level within Europe. This Parliament's focus should be on representation on the Council of Ministers. The Executive should allow our councillors to represent the regions at an appropriate level in Europe, and should focus this Parliament's attention on securing representation at the national level that is appropriate for a national Parliament.

16:59

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

The last time that we discussed this issue, I took the trouble to make the point that it was somewhat disappointing that Scotland had not a single Conservative to represent it on the European Committee of the Regions. However, with regard to today's motion, my inclination is to suggest that it is highly appropriate that we take the opportunity to remove Hugh Henry from the Committee of the Regions, given that he is a minister, and restore the balance by replacing him with Irene Oldfather, who is now the convener of the Parliament's European Committee. The SNP is barking up the wrong tree in respect of the motion.

17:00

Euan Robson: Tricia Marwick made some predictable points. Irene Oldfather's remit as convener of the European Committee makes her well placed to represent Scotland on the Committee of the Regions and will provide her with the opportunity to build up effective networks of contact for Scotland's benefit. In attempting to block the motion, the SNP is seeking to

disadvantage Scotland by delaying the Parliament's second full member from taking up a seat on the committee. Scotland's voice in Europe should be heard through all available means, with the bargaining strength of the UK Government when negotiating in Brussels. There was a classic example of how well that works when Ross Finnie attended the fisheries talks this week.

As I said, the motion proposes a simple change in membership. That change will provide continuity in Scotland's representation on the committee and restore balance to the allocation of seats.

Parliamentary Bureau Motions

17:01

The Presiding Officer (Sir David Steel): I call Euan Robson to move motion S1M-2561, on the Queen's address to Parliament.

Motion moved,

That the Parliament agrees that Her Majesty The Queen should be invited to address a meeting of the Parliament in the year 2002, on the occasion of her Golden Jubilee.—*[Euan Robson.]*

The Presiding Officer: I call Euan Robson to move motion S1M-2559, on the designation of lead committees.

Motion moved,

That the Parliament agrees the following designation of Lead Committee—

Justice 1 Committee to consider the draft Advice and Assistance (Assistance by Way of Representation) (Scotland) Amendment Regulations 2002.—*[Euan Robson.]*

The Presiding Officer: I call Euan Robson to move motion S1M-2558, on the approval of statutory instruments and codes of conduct.

Motion moved,

That the Parliament agrees that the following instruments be approved:

the Food Protection (Emergency Prohibitions) (Amnesic Shellfish Poisoning) (West Coast) (No. 14) (Scotland) Order 2001 (SSI 2001/451);

Standards in Public Life Code of Conduct; Councillor's Code (SE 2001/50);

Standards in Public Life Code of Conduct; Member's Model Code (SE 2001/51).—*[Euan Robson.]*

Points of Order

17:01

The Presiding Officer (Sir David Steel): Before we come to decision time, there are four points of order.

John Scott (Ayr) (Con): On a point of order, Presiding Officer. Is it in order for the Minister for Environment and Rural Development, Ross Finnie, to lay a letter before the Transport and the Environment Committee at 9.30 this morning, at the beginning of its meeting, to inform us of his intention to appoint directors to the board of Scottish Water? The Presiding Officer will recall that, during the stage 1 debate on the Water Industry (Scotland) Bill, there was almost universal agreement that the bill as it stood was unsatisfactory in respect of how appointments to the board should be made. Is it in order for the minister to proceed to make appointments—as announced at lunch time today—before the matter has been considered at stage 2 by the Transport and the Environment Committee?

The Presiding Officer: I believe that Fiona McLeod wants to make the same point.

Fiona McLeod (West of Scotland) (SNP): Presiding Officer, I seek your guidance under rule 9.7 of the standing orders about the conduct of stage 2 of a bill. As John Scott said, stage 2 consideration of the bill began this morning, yet the minister issued a press release today detailing the number and the names of the members of the board of Scottish Water. I seek your guidance as to whether rule 9.7 comes into play.

The Presiding Officer: I am grateful to both members for giving me notice of the matter, which enabled me to make inquiries.

The minister's letter to the committee and the subsequent press release make it clear that the appointments to the board of Scottish Water are prospective. *[Interruption.]* Order. The appointments are subject to the Parliament's approving the bill in its current form. Should the part of the bill that deals with the composition of the board be changed at stage 2 or stage 3, or should the bill fall, it would be for the Executive to amend its plans accordingly. The timing of the Executive's announcement of its intentions is a matter for Scottish ministers. It is open to the committee to pursue the matter with the minister if it wishes, but the matter is not my responsibility.

Alex Neil (Central Scotland) (SNP): On a point of order, Presiding Officer, on the same issue. If the members are prospective, can we take it that they cannot be paid any salary or expenses that

are voted on by the Parliament until they become officially and legally members of the board?

The Presiding Officer: I think that that is the case, but I am sure that the matter is not my responsibility. It must be a matter for the minister.

Richard Lochhead (North-East Scotland) (SNP): On a point of order, Presiding Officer. I seek your guidance on the two-tier system that seems to be operated by ministers in respect of answering written parliamentary questions. I lodged a question to Ross Finnie on 29 November, which was answered on 13 December. The minister referred me to his answer to the same question that had been lodged on 5 December by Tavish Scott and answered the following day. I asked my question a week before Tavish Scott and was referred to an answer that was given a week before I received an answer.

Will the Presiding Officer state that that is discourteous, underhand, a waste of resources and shows contempt for parliamentary questions? Will the Presiding Officer state that all members should be treated equally by ministers? Will he investigate the issue and ascertain whether Tavish Scott's question was planted by the Executive?

The Presiding Officer: I do not think that members should put words into my mouth on what I shall say in any ruling. However, I will deal with the issue of substance, which is whether a later question has gazumped an earlier one, if I can put it that way. I draw members' attention to Tom McCabe's comments to the Procedures Committee in May. He said:

"It has been stressed strongly to ministers that when they wish to make an announcement through an inspired PQ, they should always check to see whether a question that has been lodged already could be used instead." —[*Official Report, Procedures Committee*, 1 May 2001; c 724.]

Members: Ah!

The Presiding Officer: Order. That guidance was wise, and appears not to have been followed fully in this case. As a result, the member has a grievance.

The next point is important, and refers to the second part of Alex Fergusson's point of order earlier this afternoon. I undertook to respond to that point of order, which was raised by the convener of the Rural Development Committee, concerning the future handling of the Protection of Wild Mammals (Scotland) Bill. I have consulted both the convener of the committee and the bill's promoter, and I hope that it will be helpful if I spell out the current position.

The Protection of Wild Mammals (Scotland) Bill is now the Parliament's property. As members know, the bill has completed stage 2 and the Parliamentary Bureau has yet to schedule a date

for stage 3 proceedings. Although nothing in our standing orders prevents Mr Watson from participating if he wishes to do so in the debates on amendments during stage 3, it is also open to him to designate another member as the member in charge of the bill.

I do not need to remind the chamber that this is a non-party bill in which the whips are not involved and on which there are strong feelings on both sides of the argument, both inside and outside the Parliament. Furthermore, the convener has informed me that 36 amendments have been made to the bill since it left the chamber. Some of those amendments have been substantial, and some go against the promoter's wishes. When it comes to my selection of amendments at stage 3, I shall inevitably—and impartially—have to include discussion on amendments of substance, including both those that were narrowly defeated and those that were narrowly approved at stage 2.

I hope that that clarifies the issue before we come to discuss the bill after the new year.

Decision Time

17:07

The Presiding Officer (Sir David Steel): There are five questions to be put as a result of today's business.

The first question is, that motion S1M-2554, in the name of Des McNulty, on behalf of the Finance Committee, on its report on stage 2 of the budget process, be agreed to.

Motion agreed to.

That the Parliament notes the 13th Report, 2001 of the Finance Committee on Stage 2 of the 2002-03 Budget Process (SP Paper 468) and notes the recommendations made by the Committee.

The Presiding Officer: The second question is, that motion S1M-2555, in the name of Patricia Ferguson, on membership of the Committee of the Regions, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, 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)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 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)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)

MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (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)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 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, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Godman, Trish (West Renfrewshire) (Lab)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

Harper, Robin (Lothians) (Green)

The Presiding Officer: The result of the division is: For 75, Against 28, Abstentions 1.

Motion agreed to.

That the Parliament endorses the Executive's proposal to nominate Irene Oldfather MSP as a representative of the Parliament to replace Hugh Henry MSP as a full member on the UK delegation to the Committee of the Regions for the forthcoming session from 2002 to 2006.

The Presiding Officer: The third question is, that motion S1M-2561, in the name of Patricia Ferguson, on the Queen's address to the Parliament, be agreed to.

Motion agreed to.

That the Parliament agrees that Her Majesty The Queen should be invited to address a meeting of the Parliament in the year 2002, on the occasion of her Golden Jubilee.

The Presiding Officer: The fourth question is, that motion S1M-2559, in the name of Patricia Ferguson, on the designation of lead committees, be agreed to.

Motion agreed to.

That the Parliament agrees the following designation of Lead Committee—

Justice 1 Committee to consider the draft Advice and Assistance (Assistance by Way of Representation) (Scotland) Amendment Regulations 2002.

The Presiding Officer: The fifth question is, that motion S1M-2558, in the name of Patricia Ferguson, on the approval of statutory instruments and the code of conduct, be agreed to.

Motion agreed to.

That the Parliament agrees that the following instruments be approved:

the Food Protection (Emergency Prohibitions) (Amnesic Shellfish Poisoning) (West Coast) (No. 14) (Scotland) Order 2001 (SSI 2001/451);

Standards in Public Life Code of Conduct; Councillor's Code (SE 2001/50);

Standards in Public Life Code of Conduct; Member's Model Code (SE 2001/51).

Scottish Science Library and Scottish Business Information Service

The Presiding Officer (Sir David Steel): We come to the final item of business, which is a members' business debate on motion S1M-2345, in the name of Fiona McLeod, on the Scottish science library and Scottish business information service.

Motion moved,

That the Parliament deplores the recent decision by the National Library of Scotland to close the Scottish Science Library and the Scottish Business Information Service because of funding problems.

17:11

Fiona McLeod (West of Scotland) (SNP): I open my remarks by declaring a registered interest, because I will talk about libraries. I am an associate member of the Library Association.

I thank the many members who signed my motion and who are in the chamber. I also thank the many people in the gallery who have lobbied long and hard about the crisis that faces science and business information in Scotland today.

The Scottish science library opened in 1989 to international acclaim but, without Executive intervention, it will close in 48 hours. Tonight is the last late opening of the library. Staff and users are, I know, watching us on the webcast. Why is the Scottish science library being closed? It is all for the paltry sum of £400,000. I call that a paltry sum because it pales into insignificance when we consider the £3 million that Scottish Opera was given as a bail-out with hardly the bat of an eyelid. The underfunding of the National Library of Scotland is a national disgrace. For 2001-02, its budget is £9.2 million. That is in an era in which library inflation is running at 10 per cent to 15 per cent per annum.

I move on from talking about money—I will return to it—to talking about the importance not only of the Scottish science library and the Scottish business information service but of libraries in general. As a librarian, I feel that I must inform the chamber of that because of preconceptions about what libraries are. Libraries are not only book deposits and the National Library is not just the biggest and bestest book collection in Scotland—libraries are gateways for information.

If we want to live in a Scotland that is part of the knowledge economy and in which information is open and accessible, we can say only that it is a national disgrace that we underfund our national

library service to the extent that we are about to lose the Scottish science library and the Scottish business information service. The Scottish science library and the Scottish business information service are key to the promotion of Scotland as a knowledge economy. It is not only librarians and I who believe that; the Government believes that science and business are key to the promotion of Scotland. Over the past two years, we have seen strategy after strategy from the Executive. We have science strategies. We have knowledge management strategies. We have digital Scotland strategies. We have enterprise strategies. I will quote from "A Science Strategy for Scotland", which was published this summer. It states:

"the Executive will:

- promote Scotland as a **centre of scientific excellence** in which to buy or do science".

Those are fine words, but words mean nothing when we cannot support scientists in their work and we cannot support businessmen in their exploitation of that scientific research.

The Scottish science library and the Scottish business information service have 26 per cent of the National Library of Scotland's readers. That gives the lie to the information that has been put out that those services are peripheral parts of the core service, which is the National Library of Scotland. One in four users of the National Library of Scotland has a scientific or business background. One in four users of the National Library of Scotland uses it for scientific and business information. In addition, the social science collection of the National Library of Scotland is held in the Causewayside building and 21 per cent of the National Library of Scotland's readers are social scientists. All that means that almost half the users of the National Library of Scotland use the Scottish science library in Causewayside. It is inconceivable that almost half the library's users are not core users of that library. Those users should have their service preserved for them.

Last year alone, the Scottish science library dealt with 17,000 inquiries. Those were 17,000 inquiries from scientists and businessmen who want to develop in Scotland and export from Scotland. Without the Scottish science library and the Scottish business information service, those 17,000 inquiries would not have been answered as fully as they were. It is only with full information and the back-up of subject specialists that we will provide the service that those businesses and scientists deserve.

Business in Scotland is something that we all promote—not just the Executive, but every member of the Parliament. Scottish Enterprise, through its small business gateways, acknowledges the fact that businesses need

information. Those small business gateways often refer users to the Scottish business information service because of the specialist knowledge that is kept there.

The incubation period of a small business is most vital in ensuring that small business's longevity. If we close the services, we will cut off a vital source of information, which nourishes those businesses at their most important time—their start-up period.

I refer briefly to the manner in which the information about the Scottish science library and business information service has come out. The National Library of Scotland's board of trustees ignored its own consultant's report. The consultant's report did not say that the Scottish science library should be closed, but the board of trustees chose to ignore that fact. They have not just ignored the Scottish science library's advisory committee, they have disbanded it. In a letter of 2 October, Professor Anderson announced to members of the advisory committee that they should not turn up for a meeting on 25 October, because the advisory committee no longer had a role to play as there was not going to be a Scottish science library. That is appalling.

The Executive's answer to the crisis has also been appalling. Allan Wilson said in the cultural strategy debate of 25 October that the alternatives that were being proposed were sufficient; they are not. From a specialist staff of 13, only two business specialists and one scientific specialist will be transferred to the reading room on George IV Bridge. Is that what we as a nation consider to be adequate support for business and science in Scotland today?

I have a few questions for the minister. I say to his deputy that she, as a scientist, knows that the Scottish science library service is vital. To the minister I say that he has the power to do something. His deputy signed Robin Harper's motion, which decried the science library's closure. I hope that the minister will use his power to ensure that the library will not close. He need not sign his name to a motion—he has the power to do something about the matter.

The sum we are talking about is £400,000, which is less than 1 per cent of the minister's annual budget for all the national institutions. I ask the minister how much end-year flexibility he got this year. Could not he have used that to buy time to conduct a full-scale review of the National Library of Scotland's funding to ensure that the Scottish science library was kept open in the interim? It is laudable that he found £5.7 million to abolish entrance fees to museums. For the sake of £400,000, he is about to prevent access to the core collection of scientific literature in Scotland. I ask the minister to talk to the Minister for

Enterprise, Transport and Lifelong Learning. This is not just a cultural issue; it is also an enterprise and science issue.

Surely the Minister for Tourism, Culture and Sport and his deputy, between the two departments that are covered by their portfolios, can find the paltry sum that is needed to save a vital institution.

The Deputy Presiding Officer: We move to open debate. I will allow the first four speakers up to four minutes; thereafter, I will allow closer to three minutes.

17:20

Angus MacKay (Edinburgh South) (Lab): I am very sorry that this is the first subject on which I am making a speech as a back bencher. I am sorry not because of the subject matter, but because of the circumstances in which I must rise to make this speech.

I declare an interest as the constituency member for Edinburgh South, in which the Scottish science library sits.

In referring to briefings that members have received on the matter from a number of sources, I want to bring to the Parliament's attention some points that have already been mentioned by Fiona McLeod, whom I congratulate on her excellent opening contribution and on securing the debate. First, I wish to cover the briefing that we received from the board of trustees of the library, and briefings from other sources that are closer to the library's work. The briefing from the board of trustees indicates that the consultants who were brought in to manage the proposal

"concluded that the ... service in its present form, and the overseas acquisitions related to it, were the activities that were making the least contribution to the Library mission in terms of users".

As Fiona McLeod highlighted, despite that assertion by the board of trustees, 26 per cent of the users of the National Library of Scotland is accounted for by the Scottish science library. That is a fact that flies directly in the face of what we are being told by the board of trustees.

Secondly, the chronology of events is quite staggering. In September 2001, the National Library of Scotland employed PKF as consultants—whoever they are. I am sure that they are highly qualified to make decisions about important national resources such as the Scottish science library, although I do not know what their track record is. However, at no stage did those consultants make any attempt to speak to the science library staff. That almost beggars belief. As Fiona McLeod suggested, no recommendations for specific closures of services were made even in September.

Then, in October 2001, there came the announcement. Apparently, no attempt was made at the time of the announcement or prior to the decision to consult users or staff about the impact of the library's closure. That is a pretty staggering couple of events to take place in the summer and October of 2001, before the announcement was made. The process seem to have been, to say the least, a little ragged.

My third point is the one that I have found most staggering. In the briefing from the chairman of the board of trustees, it is asserted that

"When the SSL opened, no new money was awarded by the Scottish Office for acquisitions. In consequence, the collections have always been highly selective and not in any way representative or comprehensive."

My understanding, which is drawn from the self-same briefing, is that the Scottish science library opened in 1989. That means that, for 12 years, the board of trustees has presided over the running of a science library in which, in its words,

"the collections have always been highly selective and not in any way representative or comprehensive."

What board of trustees would run a facility for 12 years on that basis? To be frank, I do not believe that statement. It looks far too much to me like justification after the fact, rather than a genuine attempt to represent the truth about the facility.

My final point relates to what could be done to retain the Scottish science library. As I understand it, staff have—despite the lack of consultation—been making efforts to develop a proposal for some continuation of the services. However, because the review took place between the summer and October and the announcement was made in October about closure in December, there has, in effect, been no time to examine a range of realistic alternatives. That is a pretty strange way to conduct the business of such a precious resource.

I understand that, although about £400,000 is the allocation that is currently required to run the facility, £100,000 would make it possible to retain the Scottish business information service—SCOTBIS—website. That would ensure retention of at least some of the staff expertise in science and business and ensure a remote inquiry and document delivery service, all of which would provide a core service that would be of great value to students, business and science alike.

I realise that the current minister was not responsible for the original decision, but I ask him—because he is responsible for whether it will go ahead—whether he can assure us that there are no other moneys in his budget or available to the Executive, either from end-year flexibility or from windfall moneys from other sources, that would enable the project to continue at a cost of

£100,000? If such moneys are available, the minister should re-examine what I regard as a wrong and precipitate decision.

17:25

Mr Brian Monteith (Mid Scotland and Fife) (Con): I am delighted to speak in the debate. I am pleased that Fiona McLeod lodged her motion and that it was accepted for debate. I miss her participation in the Education, Culture and Sport Committee, of which she used with me to be a member. I also welcome the speech from the back benches by Angus MacKay, which was very useful.

I have spoken to officials of the National Library of Scotland about the issue that we are debating. A key consideration that is being overlooked is that many of the officials appear to disagree with their trustees and to favour the retention of the Scottish science library in its present form. I attach great weight to their opinion, because they are the people who must run the range of facilities at the National Library of Scotland and who must deal with the enormous variety of demands on the library's resources from the general public and more specialised groups. It was appropriate for Angus MacKay to point out that 26 per cent of the total readers who use the National Library of Scotland is accounted for by the Scottish science library.

Specialised groups often require that special attention be paid to their interests. What might seem to be a trifling economy can have an unexpectedly damaging effect on a minority. In my view, the Scottish Executive already rides roughshod over too many minorities. The minister is well aware of that.

I agree that the proposal to close the SSL reading room makes a mockery of any national science strategy. The Executive's response amounts to saying that users of the Scottish Science Library will have to get on without it as best they can.

Like Angus MacKay, I will refer to some of the briefings that we have received. The fact that we have received so many briefings about the matter suggests that there is genuine concern about it. I refer members to the briefing from Professor Michael Anderson, who is chairman of the board of trustees, although I will pass over the points that Angus MacKay has already taken up.

Professor Anderson states that the NLS

"is NOT closing the Causewayside building".

That is not the point. I have not suggested, and nobody has suggested to me, that the Causewayside building is to be closed. Professor Anderson goes on to say that the NLS

"is closing the separate Science and Business Information Reading Room".

However, it is not accepted or believed that services can be provided over the internet.

Fiona McLeod: We are told that the Causewayside building will remain—that it will not be sold off—and that the map reading room will be open to the public. However, if someone turns up for the science reading room, they will be sent to George IV Bridge. Does Mr Monteith agree that that is ludicrous?

Mr Monteith: I heartily accept Fiona McLeod's point, which bears merit as it stands.

The briefing from Professor Anderson is damning and undermines its own case. It states:

"NLS's total acquisitions budget is set by the Executive and has never received adequate inflation compensation in a situation where inflation of publication prices has ranged in recent years between about 6% and 20% per annum."

What is being done about that? What are the trustees doing to fight for the cause of the National Library of Scotland?

The debate is important because there is no quango like the Scottish Arts Council or sportscotland between the NLS and the Executive. The minister is directly accountable to the Parliament for the library, as he or she should be. It is unfortunate that we cannot have a vote on the motion. We cannot have a vote because it would be an embarrassment if members such as Angus MacKay were able to express their opinions but were forced, under the whip, to vote with the minister.

The Presiding Officer is going to cut me short, so I will make my comments in round terms. Where is the science strategy? Where is the cultural strategy? If we do not accept that science is part of Scottish culture, we deny culture in Scotland. Science is bound—woven—into the education and culture of our society. We must take that into account. Culture and science are wrapped together, but that is being denied.

Napier, Simpson and James Clerk Maxwell are the names that should resound around the walls of the chamber. Had the debate been held two months ago, Dr Elaine Murray and perhaps even Mike Watson might have been on the back benches taking Angus MacKay's position and making the same comments that he made. However, today they must defend decisions that they did not make—the argument is not with them but with what the previous minister decided. I appeal to them: this is their opportunity to show humility and magnanimity. I ask them to accept that it is time for a review, to put off the judgment and to reconsider it.

17:31

Nora Radcliffe (Gordon) (LD): I also received the briefing from the chairman of the board of trustees.

I will make just one comment about the science reading room. It does not matter where the reading room is located, as long as its facilities are still available. If it makes sense to move the reading room to George IV Bridge, that is fine. The important point is that the specialist staff—

Fiona McLeod: There is no space at George IV Bridge to fit in another reading room. The specialist staff will be reduced in number from 13 to three.

Nora Radcliffe: Fine—I bow to Fiona McLeod's superior knowledge. I was about to say that the important point is that specialist staff are in post to help and advise people and that funding for acquisitions is in place, which is vital.

There is no point in my repeating the points that other members have made. However, I will make a general point. We are in an information age—there is a vast amount of information out there. It does not matter how much information we have, or how good that information is, unless it is possible to store it somewhere. People need to know what information is available and where they can lay their hands on it when they need to, or when someone else is interested in looking at it.

Libraries are the centre of this debate. Without libraries to collect, maintain and collate information and to make it and specialist guidance available so that people can gain access to it, there is no point in funding research, education or literature—all that information becomes useless if no one has access to it. If the Executive is putting money into anything, that is where it ought to go.

17:33

Robin Harper (Lothians) (Green): Like all other members present, I have been lobbied extensively on this matter from the first news of the imminent closure of the science library.

One of the defences in the briefing that we have received from the trustees is that they will provide most of the library's services in the form of extra access to information technology and so on. I would like to place on record a letter that was published in *The Scotsman* last month:

"As a member of the Scottish Science Library Advisory Committee for 13 years ... I was surprised and shocked to hear of the National Library of Scotland's decision to close this valuable resource."

The letter goes on to say that the library has offered

"an excellent service since its inception"

and that it is a

"valuable source of information for both small and large enterprises."

One reason given for closure is that all scientific information is now available through the internet. This is a myth. While much scientific, technical and business literature is available on the internet, it is not always there, it is not easily found, nor is it always free!

The only way to find essential information is to use a balanced combination of traditional and electronic resources with, preferably, a first class library to support you."

The science library is universally accepted as such.

The letter concludes:

"The science library provides that support through its specialised business collections and the skills of its staff."

That letter was written by Alan Gomersall, who was the director of the science reference and information service at the British Library.

We have had a lot of talk about numbers, all of which has been extremely useful, but we have also had reference to vision. The issue boils down to whether the Scottish Executive has a vision for the future of science in our business and scientific community. If the Executive's vision includes inclusion and accessibility—which the Scottish science library provides in spades—the Executive must try to do everything that it can to keep the library open. However, if the Executive does not have 20:20 vision but suffers from extremely impaired vision, it will allow the closure to go ahead. I support the motion.

The Deputy Presiding Officer: Since I first did my sums, three members have asked to join the debate, so I am about seven minutes light. Unless the minister disagrees, I am prepared to take a motion without notice.

Motion moved,

That the debate be extended up to 18:00.—[*Fiona McLeod.*]

Motion agreed to.

The Deputy Presiding Officer: Speeches should still be kept to about three minutes.

17:36

Michael Russell (South of Scotland) (SNP): I congratulate Fiona McLeod on achieving this debate and on her eloquent introduction to it. I also congratulate Angus MacKay—I see that we shall receive spirited contributions from him from the back benches. Such speeches might not be good for his future career, but they will certainly entertain us.

This topic is a symptom of the increasing

problems that are found in the heritage sector. Brian Monteith rightly said that the issue concerns direct funding from the Executive to what is broadly a heritage organisation. When we heard this morning from the librarian—he is in the public gallery—it was quite clear that, shorn of the bureaucratic language, he was essentially talking about yet more cutbacks within his library. In recent days, we have also heard about cutbacks in the National Museums of Scotland, in a variety of arts organisations and in Scotland's smaller museums. Throughout the cultural and heritage sector, people are saying that money is being squeezed and that constraints are being applied that they cannot live within. That is what is said privately.

However, organisations that are dependent on the Executive for money are nervous of saying things publicly. They therefore employ consultants and produce reports. Sometimes, the consultants whom they employ are poor and do not even talk to staff, as Angus MacKay mentioned. Sometimes, the organisations employ good consultants. The job of the consultants is to find cheaper ways in which core cultural tasks can be undertaken.

If that was a matter of greater efficiency, none of us would object. In reality, most of those organisations have had to become more efficient year on year simply to survive. Now their core services are being cut to the bone and, indeed, beyond. They cannot provide their core services, so—Angus MacKay put it well—they have to find excuses for continuing to make cuts. That is why they use phrases such as, "These will be available on the internet," and, "There is a lack of demand." I am grateful that Fiona McLeod totally exploded those arguments.

We need people who are prepared to tell the truth about such matters. I commend Sir Stewart Sutherland for speaking out about one case in which I am involved, which is the Scottish place-names survey. The survey is about to run out of money. When it does, there will be no comprehensive examination of place names in Scotland. Such activities take place worldwide and are important to academic study of where we came from and what our society is.

When I submitted a written question to a previous deputy minister responsible for the arts and culture—there have been many and no doubt another will be along in a minute—I was told that the matter was not the responsibility of the Executive. However, Sir Stewart Sutherland, who is the principal of the University of Edinburgh, which houses the survey, was quite prepared to say—and to be quoted as having said—that such surveys were a normal part of Government expenditure in almost every other country in the world.

I welcome the Minister for Tourism, Culture and Sport to his new role, but I say to him that he will have to persuade his colleagues and his department that we need to be a normal nation that funds its cultural activities in such a way that we can not only enjoy but be enriched by them. That will be the measure of his time in post. If he fails to do that, he will have failed as his predecessors have failed, which means failing Scotland.

17:39

Dr Sylvia Jackson (Stirling) (Lab): I thank Fiona McLeod for today's debate, which will widen the discussion on a very important issue. I also thank Angus MacKay: for someone who is not intimately involved with the National Library of Scotland and the Scottish science library, he clarified well the briefing that members received from the library's board of trustees. I thank him especially for his reference to the review that was undertaken and its shortcomings.

When one reads in the briefing about funding issues—which have obviously been a significant problem for the National Library of Scotland—one has to ask what on earth was being done in the intervening period and why questions were not asked. On this occasion, I agree with Brian Monteith.

I will quote from the briefing:

"NLS's total acquisitions budget is set by the Executive and has never received adequate inflation compensation in a situation where inflation of publication prices has ranged in recent years between about 6% and 20% per annum. In the current Comprehensive Spending Review period, NLS's acquisitions budget has been fixed by the Executive in flat cash terms so a further erosion of purchases ... can ... be expected over the three years. Under these circumstances it would not have been possible substantially to protect the science acquisitions budget without disproportionate damage to other collections."

Funding is obviously a substantial issue. I support all the references that members have made to the funding issue. With the management of the science library in mind, I ask that a further review be undertaken. Angus MacKay recommended that we go for a short period of status quo so that a more extensive review can be undertaken. That review should consider not only the funding but the management. That would be welcome.

17:42

Brian Adam (North-East Scotland) (SNP): It is a privilege to speak in the debate. Other members have spoken about the weaknesses in the review of these services. I would like to talk briefly about some of the things that Angus MacKay spoke about.

As a scientist, I know that scientists never have all the original research material and all the papers published to hand. People cannot afford to buy every edition of every journal; our ancient universities cannot do that, let alone the Scottish science library. One of the wonderful services that is available through places such as the science library is access to the general inquiries and distribution service. Someone can go along and tell the people there the problem, and if they do not have the particular copy of the journal required, they can access it very quickly. That requires specialist knowledge, people, a place, money—but it is being taken away.

Scotland's success in the past has been built on its scientists and their ability to translate their work into enterprises. If we take direct access to these services away from our scientists and our businesses, it will run totally counter to all the other areas that the Government is trying to develop. It is not joined-up government. It is almost Luddite. We are not quite burning the books, but we are certainly locking the doors. That is totally unacceptable.

I am sure that the minister will be able to find such a paltry sum of money somewhere, in someone's pocket. Perhaps Mr MacKay is glad that it is no longer his responsibility. However, we need some money to tide us over until we can have a proper review of what is going on. If we are going to caw the feet from our small businessmen, and caw the feet from our scientists, there is not a lot of hope for the future. I do not want the business of government to be done by glossy documents. We need access to the direct information that will support our scientists and support our small businesses so that they can grow into large businesses.

I was watching television last night and thinking about what is happening at NEC in West Lothian. We have had a succession of such problems. Perhaps this is the new economy, but those companies do not represent indigenous growth. If we are to get indigenous growth in science, we need the fundamentals to underpin it, including a proper national science library and business information service.

17:45

Marilyn Livingstone (Kirkcaldy) (Lab): I, too, would like to congratulate Fiona McLeod on securing today's debate. I thank Angus MacKay for adding clarity to the debate. Some of the issues that I wanted to raise have already been covered so, as a member of the Enterprise and Lifelong Learning Committee, I will concentrate on other relevant points.

Last week, the results of the new research

assessment exercise showed that, once again, 97 per cent of chemistry, biological science and physics research submitted to the exercise was of national or international levels of excellence. An important issue for the Enterprise and Lifelong Learning Committee is the increase in the quality of the science base and science research. I am sure that no member disagrees with the view that that should underpin Scotland's economic recovery and stability. It is an economic development issue.

The science strategy highlighted Scottish excellence in science and said that it was necessary to

"promote Scotland as a centre of scientific excellence in which to buy or do science".

That is important. We are considering the issues around commercialisation and taking science out into schools, to encourage more people to get involved. We are facing shortages in science and engineering. That is the background.

One of the issues that has come out loud and clear is the need for a balanced approach. I think it was Robin Harper who said that we need a balanced approach to information. Although information on the internet is very valuable, we need to retain expert staff. Nothing can beat one-to-one, individual attention and support. It is important that we consider support for science in the round—support for people in school and in business and scientists themselves.

This is about having a breathing space for a more extensive review. We must look at the issues. It is really important that we reconsider the situation. I ask the minister to take on board the points that I have made.

17:47

Ms Margo MacDonald (Lothians) (SNP): This is one of those wee gems of a debate that is perhaps unexpected. However, it should not be unexpected, because we are discussing a very practical issue.

The trustees of the National Library of Scotland say:

"NLS should, in the Trustees' view, do what it does do well rather than offer a further degraded service across the board."

In other words, they are prepared to limit the aspirations for the service. They are prepared to lower the ceiling and say, "We can do this little bit well and forget the rest." The trustees should be out in the wider world, looking to see how they can market their unique service.

Marilyn Livingstone referred to the possibilities for science and the importance of seeing science

as an integral part of lifelong learning. That is where the National Library of Scotland should come into the picture. I suggest that the NLS should have approached business interests. It should also do that in the future—I will come on to the extension in a moment. Why does the NLS not approach Scottish Enterprise and talk about getting together? Scottish Enterprise offers a business information service that is not as good. The two things fit together neatly.

This resource and a marvellous pool of expertise is being lost—the staff are being reduced from 13 to three, which is a terrible loss of talent. Can we have an extension to the end of the financial year? It seems incredible that the Scottish science library does not have a marketing and promotions department. The trustees say that they have approached business and external sources for sponsorship, but “without success”.

For goodness’ sake, the trustees are selling something that is unique and of high quality, so I fail to see why there should be such continued lack of success. An extension should be given. A time limit could be placed on it, such as the end of the financial year. Do not close the place down on 21 December. Let us have a look with Scottish Enterprise’s marketing and promotion outfit.

Michael Russell: I sympathise entirely with what the member says, but does she accept my point: that a basic level of national funding is required for heritage activities in Scotland, and that the Executive is failing to meet that requirement? The situation that we are discussing is a symptom of that problem.

Ms MacDonald: I do not disagree in the slightest, but right now we are here to try to manage a crisis—because it will be a crisis if we lose the resource. Mike Russell is right to say that the Executive needs to sort out its heritage problem, but right now we need to stop the library and reading room closing and contracting further. I ask the minister for time until the end of the financial year, and to take on board what Angus MacKay, Marilyn Livingstone and Mike Russell have said. The minister could make the thing fly if someone tried hard.

17:51

The Minister for Tourism, Culture and Sport (Mike Watson): I, too, congratulate Fiona McLeod on securing this debate on the decision by the National Library of Scotland to close the Scottish science library and the Scottish business information service reading room. The priority has to be to ensure the continued success of one of our cherished national institutions. I note what Mike Russell said about who makes those decisions and that it has been alleged that the

Government has no right to interfere. I may be stating the obvious, but operational decisions are a matter for the board of trustees. Decisions on arts matters are traditionally taken at arm’s length from ministers. If that were not the case, some of the people who have been on the other side of this debate would be critical.

I emphasise that the National Library of Scotland is not withdrawing support for science and business information. In fact, it will organise some of its business in a more cost-effective way. I defer to Fiona McLeod, who is a librarian and has greater knowledge of these matters than I do, but I have examined the matter in as much detail as I have been able to in the time in which I have had responsibility for this area and I think that the library has taken appropriate action to preserve the library for future generations.

All public bodies work within the constraints of strict budgets. We all know that that is a fact of life. I wish to say something about the financial figures.

Robin Harper: Will the minister give way?

Mike Watson: I would like to, but I am constrained if I am going to answer the debate before 6 o’clock. I apologise to Mr Harper.

The National Library of Scotland has always successfully balanced the provision of excellent service against its budget constraints. Mike Russell made a point about funding and heritage. The National Library of Scotland receives annual grant in aid of £10.5 million from the Scottish Executive. In recent years, a further £13 million was spent on the refurbishment of the George IV Bridge buildings, so suggesting that it is a question of underfunding, when there are wider issues—

Michael Russell: Will the minister give way?

Mike Watson: I will give way to Mr Russell by dint of his position, but I cannot answer the debate if I continually give way.

Michael Russell: As the minister will discover, one of the key problems in his portfolio is that the amount of money that is spent on capital projects is part of the problem: a major refurbishment often results in higher running costs. There must be a balance. It should not just be about—I see the Deputy Minister for Tourism, Culture and Sport looking worried—putting new projects into place and talking about capital all the time; it should be realised, as Fiona McLeod has said, that the rate of inflation in libraries is much larger. Just talking about refurbishment capital is irrelevant.

Mike Watson: We are talking about recurring expenditure and keeping the reading room open. I question some of the figures that have been bandied about in the debate. Despite operating for many years as well as it could with budget constraints, the National Library of Scotland has

found itself facing a £400,000 deficit next year. That would not be the figure on an on-going basis—it would be £1 million for the following year and the deficit would continue to rise beyond that. Action had to be taken. The trustees had only one option—

Fiona McLeod: Will the minister give way?

Mike Watson: I cannot give way: I will not have time to answer the debate if I give way. We have already extended the debate.

To ensure that the National Library evolves into a body that is capable of meeting demand, the trustees commissioned the review of the library's activities that we have heard of this evening. When they considered the results of the review, which was carried out by senior management officials and a team of independent consultants, the trustees were concerned with the extent to which each activity was central to the mission of a national library, as opposed to other kinds of library. As one would expect, the review took into account current and likely future patterns of use and the cost effectiveness of such provision.

The trustees recognise that although the services that are delivered by the Scottish science library and the business information service are of excellent quality and are highly valued by users, the number of users is relatively small and declining steadily. The Scottish science library and the business information service were the right solution for the needs of the 1980s and the 1990s, but times have changed and continue to change. Like all other libraries, the National Library cannot just sit aside and ignore the internet revolution.

I understand that usage has dropped by around 50 per cent during the past six years. Since 1999 alone there has been a fall in the usage figures of about 25,000 to 6,500.

Fiona McLeod: Will the minister give way?

Mike Watson: I do not know what Fiona McLeod can add to what she said earlier. Some of the figures she quoted do not stand up against the information that I have—for example, on staffing. I understand that staff of the NLS are in the gallery. The information that I received as recently as today—information that I commissioned to put the record straight—is that the closure would affect 21 staff, 13 in the science library and 8 in the book bindery.

I am advised that eight staff will be retained—five from the SSL, one of whom works part time, and three from the bindery. It is true that 13 staff have agreed to take voluntary redundancy. Any redundancies are regrettable, but those figures are substantially different from the ones Fiona McLeod gave. It is fair to say that the trustees, who were faced with a very difficult situation, made what

could be characterised as a brave decision, in that it took account of the broader picture. The trustees have not ignored the needs of customers of the science library and the business information service.

Rather than deplore the decision, as Fiona McLeod's motion invites us to do, we should acknowledge the circumstances in which it had to be made and credit the trustees for having the vision to look to the future interests of the National Library as an institution. The library has made it clear that it remains committed to ensuring that the services in question will remain available to those who are unable to access scientific and business material in other ways.

I acknowledge those who have cautioned that not everything is entirely electronic yet and that real books on real shelves are still needed. The library will still receive scientific, technical and business material through its legal deposit privilege. The reading rooms at George IV Bridge will continue to provide access to printed and electronic science and business resources, as will the Causewayside building.

In terms of overall access, I am advised that users who wish to visit the library in person should benefit, because the George IV Bridge building reading rooms are open every evening until 8.30 and on Saturday mornings. The former Scottish science library could offer an evening service on only one day of the week.

I am aware of the time constraints but would like to comment on one or two speeches. I say to Fiona McLeod that I mentioned the funding: the £400,000 would not be for just this year and next year; it would be an on-going commitment. It is not an amount of money that can easily be found on an on-going basis.

There are disparities between the figures. I know that Angus MacKay's speech was from the heart because of his constituency interests. He talked about £100,000 and asked whether there are other ways to find the money. He knows the history of that better than me, of course. I have considered the sources that could be explored and there is no easy way to get the science library off the hook, as it were. I say to Mr MacKay that I have considered the issue in some detail.

Brian Monteith mentioned that the staff want the library to continue. Of course. They would. I appreciate that and I appreciate the contribution that they have made. I simply say that the trustees had to consider the broader picture. That is what they have done.

Margo MacDonald talked about the library approaching business. As she stated, approaches have been made and I understand that they have been unsuccessful. If a stay of execution were

granted, I cannot see what guarantee there would be that any institution, such as Scottish Enterprise, that has not hitherto been willing to work with the library would be willing to do so in the forthcoming weeks and months.

I have to conclude. I believe that the library has made a decision that will give it a secure future with a structure that is robust and flexible enough to deal with changing circumstances—and that is what it is all about. The National Library will continue to meet, efficiently and effectively, the demands that are made of it across the spectrum of its services.

I thank all the members who have spoken in this important debate.

Michael Russell: On a point of order, Presiding Officer. Do the standing orders contain anything that requires someone who responds to a debate to reflect the fact that 10 of 11 speakers opposed what he said? The minister did not reflect the fact that the entire debate went against what he said.

The Deputy Presiding Officer: That is not a point of order. Within the time constraints, the minister made his best fist of answering at least some of the points that were raised.

Meeting closed at 18:00.

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