

# **MEETING OF THE PARLIAMENT**

Thursday 10 January 2002

Session 1

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## Scottish Parliament

Thursday 10 January 2002

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

**The Deputy Presiding Officer (Mr Murray Tosh):** Good morning. Before we begin this morning's business, I shall comment further on a point of order that was raised yesterday by Duncan McNeil, on members leaving the chamber after they have spoken. The Presiding Officers wish to advise members that they monitor practice in that respect and encourage those who have spoken to remain in the chamber for at least the next two speeches. We monitored that closely yesterday and, although we found no cause for complaint against any individual, we will shortly write to business managers commending that good practice. I draw that to members' attention so that they are aware that the Presiding Officers are monitoring the situation.

### Hepatitis C

**The Deputy Presiding Officer:** The first item of business is a debate on motion S1M-2565, in the name of Margaret Smith, on behalf of the Health and Community Care Committee, on its report into hepatitis C.

09:31

**Mrs Margaret Smith (Edinburgh West) (LD):** It is my privilege to speak to the motion in my name on behalf of the Health and Community Care Committee, on the tragic, complex and on-going situation surrounding the many hundreds of individuals who were infected with hepatitis C through blood products and blood transfusions. I thank my colleagues who have served on the committee over the past two years for their contributions and their work on the issue. I also thank our clerks and research staff as well as the petitioners who brought the problems to our attention and those who have given evidence to the committee.

Our unanimous, cross-party committee report should be regarded as only a small part in the continuing investigations that are needed to find out what happened. Nevertheless, the report is significant. The committee's deliberations have moved the debate forward, and I welcome the fact that the Executive has now responded more positively than it did initially in October 2000, when it published its internal inquiry. Over the past few days, we have seen further movement by the Executive on the issue. It has accepted most of

the committee's recommendations and is keeping the door open on the question of financial assistance until the expert group on non-fault-based compensation reports to the Executive and the Parliament in six months' time. Although I am bitterly disappointed that the Executive has not accepted the case for providing immediate assistance, I recognise that progress has been made from the earlier position.

Our committee investigations into hepatitis C arose from two petitions. The first petition came from the west of Scotland group of the Haemophilia Society, calling on the Parliament to conduct an independent inquiry into the matter and to set up a compensation scheme for all those who were infected as I have described. The second petition came from Mr Thomas McKissock, calling on the Parliament to set up a compensation scheme for all those who were infected with hepatitis C through contaminated blood transfusions.

We initially awaited the Executive's inquiry into the first of those issues and, following the publication of that inquiry's report, we took representations from the Haemophilia Society and others. We heard that people were still unhappy about the fact that the inquiry had been too narrow and had not been independent. The committee then decided to take further evidence from the Haemophilia Society and the Scottish National Blood Transfusion Service as well as from the Minister for Health and Community Care. We focused on three key issues: the question of negligence; the cases for and against a public inquiry; and the cases for and against financial assistance.

First, we considered the issue of negligence. The critical question was whether, on the basis of the evidence that was available to us, the blood transfusion service or any other national health service body was at fault in allowing some individuals to become exposed to blood and blood products that were infected with hepatitis C. We accepted the fact that the hepatitis C virus was not isolated or identified, and that a blood test had not been developed to detect it, until 1989. However, we noted that those who were working in the field had, since the 1970s, been aware of a virus that attacked the liver, which was identified as non-A, non-B hepatitis. Experts were aware that the virus was passed on during blood transfusions, but no definitive test for it existed until 1989.

Secondly, we considered the question of heat treatment and whether the blood transfusion service was unjustifiably slow in making hepatitis C-safe factor VIII concentrate available in Scotland. There was an 18-month period between 1985 and 1987 during which, although English blood products were being treated at 80 deg C for

72 hours to be rendered free from hepatitis C, that was not being done in Scotland. The service argued that to duplicate the English method that experts south of the border had stumbled across was not simple. We were told that duplicating that method in a way that was safe and usable for a significant number of patients was both complex and time-consuming and involved clinical trials of the product. The blood transfusion service argued that, in having a concentrate ready to be used by April 1987, it had acted as quickly as possible and had made Scotland the first country to be self-sufficient in delivering hepatitis C-free factor VIII concentrate. On the basis of the limited knowledge that was available and the evidence that we considered, the committee could take a provisional view only. We concluded that there was no evidence of negligent delay, on which point we agreed with the earlier Executive inquiry.

One area of questioning that we pursued beyond the Executive's inquiry concerned whether the blood transfusion service should have made use of the alanine amino transferase—ALT—test as a means of screening to try to prevent infected blood from entering the system. During the 1980s, the production of factor VIII concentrate involved the pooling of thousands of individual donors' contributions; the risk of one donor's contribution contaminating a whole batch was incredibly high, especially given the reported sources of donations, some of which came from overseas.

At the time, the ALT test was the subject of heated, on-going debate. Some countries chose to make use of it while others did not. Crucially, blood transfusion service officials told us that the test did not prove the presence of non-A, non-B hepatitis but proved simply that the liver was inflamed and that, therefore, the test was unreliable. They said that it created too many false positives and would have reduced blood supplies by around 10 per cent. We were also told that ALT testing would not have prevented hepatitis C from entering the system and that it did not do so in those countries in which it was used. Nonetheless, the Haemophilia Society believed that the test ought to have been used and the blood transfusion service was reconsidering whether it should be used when a definitive test for hepatitis C was identified in 1989. On the limited evidence that is available to us, we are largely persuaded that the decision not to use the ALT test was predominantly clinical rather than financial and was not unreasonable, given the knowledge that was available at the time.

The Haemophilia Society argued that patients were not properly informed of the risks of infection that were associated with the use of factor VIII concentrate. There is a clear difference of opinion between the Executive's report and the evidence that was given to us by individuals. We received

no evidence to suggest that people were deliberately misled. However, it is equally clear that some patients were not informed of the risks or given the opportunity to make an informed choice concerning the risks that were involved in choosing whether to risk a bleed or to use the blood products. That is especially distressing for many haemophiliacs who have a minor form of the disease, who may have received only one or two doses of factor VIII only to find out, years later, that they had been infected with hepatitis C as a result.

The committee was concerned by that aspect of the evidence that it received and we hope that current relations between clinicians and patients are much more open and involve a much better dialogue. We therefore recommended that the Clinical Standards Board for Scotland be asked to consider the adequacy of advice on risk that is offered by clinicians to individuals who are receiving blood transfusions or blood products. I welcome the fact that the Executive has accepted that recommendation, through the use of the board's on-going generic standard on patient involvement.

The next key issue for the committee was whether it should support the Haemophilia Society's call for a full and independent public inquiry. The society made a compelling argument that the Executive's internal inquiry was not open or transparent and involved an inherent conflict of interests, as the department was investigating one of its own branches. It also argued that the inquiry's remit was too narrow, that it did not cover decisions that were made at Government level, that it did not include contributions that had been submitted by clinicians or patients and that it did not address the impact that the disease has had on sufferers. The society also argued that the inquiry did not consider the international context or similar cases that have arisen throughout the world. For example, Eire experienced a blood scandal in recent years and compensated all its haemophiliacs who contracted HIV and hepatitis C before the inquiry that is being undertaken there.

Despite the fact that the committee believed that a case could be made for further investigation either by itself—we could ask clinicians to give us their point of view—or through an inquiry, it questioned what that would seek to achieve. We decided that the key priority was for the hundreds of individuals and their families to be given financial and other practical assistance rather than for a further two to three years to be spent in an inquiry seeking to apportion blame and prove negligence.

However, it is misleading to suggest, as the Executive did in its initial response to our report, that we therefore concluded that a further

independent inquiry was not desirable. Our conclusion requires to be placed in the context of all our other conclusions and recommendations, especially our key recommendation that a mechanism for offering financial assistance to hepatitis C sufferers who were infected through treatment with blood and blood products should be put in place within 12 months. It is quite likely that, if the Executive decides to reject that recommendation totally, following the work of the expert group, the committee will want to revisit the issue of whether an inquiry is needed.

**Nicola Sturgeon (Glasgow) (SNP):** Margaret Smith has correctly outlined the position of the Health and Community Care Committee, which is that there is nothing to be gained from any further inquiry into the issue. In light of that finding, does she agree that, if the Executive kicks the issue into yet another review, sufferers will be denied justice?

**Mrs Smith:** I have already said that I am bitterly disappointed by the Executive's response. I acknowledge that the Executive has moved from its earlier position, but it has not recognised the moral case that we believed had been made for immediate financial assistance.

The committee also recommended that there should be some form of protocol between the Executive and the committee that would require the Executive to consult the committee on the terms and memberships of internal inquiry teams. We believe that that would help to restore public confidence in the process, something that was sadly lacking in this case and in others. The Executive has not accepted that recommendation specifically but has, following further questioning in recent weeks, intimated that it is happy for the committee to have an input into the membership and remit of the expert group, which is welcome. The conveners liaison group, the Procedures Committee, the Scottish Executive and the Parliament might want to take a view on the wider issue.

Our final recommendations were on the need for financial assistance to be made available as a matter of urgency. Our report said that we accepted the moral argument for financial assistance. We called for assistance to be given on the basis of need without prejudice. We were not prescriptive about how that was to be achieved but we said that it should be done quickly—within 12 months—and that patients' representatives should be involved in the formation of the group that considered the mechanism.

On the basis of the evidence that was available to us and the Executive's report, we could not find the NHS or other bodies negligent. However, we found that hundreds of people had been infected with this dreadful condition through no fault of their

own. Some of them will die as a result, some will develop cirrhosis of the liver and some will live with increased anxiety and stress.

Fifteen or 20 years down the line, we remain concerned at aspects of clinical practice. As I said, on the basis of the evidence that was available to us and the Executive's report, we could find no evidence of negligence. However, we found reports of people not being told of risks, not being involved in discussions about risks, not being told that they had been tested for hepatitis C, not being told for more than a decade—in some cases—that they had a potentially fatal disease, not being given advice or counselling, not being told how to protect themselves and their partners through safe sex and not being told how to change their lifestyle to reduce the impact that the disease would have on their liver and their lives. We found a service that had failed not only to track and treat all those who were infected but to keep records of that, which means that we cannot now say how many people have been infected.

We believe that the sufferers have waited long enough for justice and ought to be dealt with now. A case can be made for dealing with them as a defined group. That approach would ensure that the compensation floodgates are not opened and that the NHS will not be turned into a risk-averse organisation that does not undertake clinical tests or use new equipment.

Those infected in the mid-1980s have a number of barriers in their path to justice. They have been told that the complexities of their cases mean that they have to fight a collective action in court. However, only two such people have been given legal aid in Scotland, which means that that legal route is effectively barred. Last year, the Consumer Protection Act 1987 was used successfully in test cases by hepatitis C sufferers in England. However, the act applies only to those infected after March 1998 and those who have already lodged cases. That covers only 20 to 30 people out of the estimated 300 to 500 infected people in Scotland. Under the Consumer Protection Act 1987, a person does not need to prove blame or negligence against a clinician; they need prove only that the blood or other products that were supplied were defective. On the Scottish Executive's point about clinicians being afraid to take risks in the future, the Consumer Protection Act 1987 will allow compensation claims in any case for products such as blood. That and the fact that our society grows ever more litigious mean that risk aversion will be an issue for the NHS whatever happens.

Since the Tories set up the Macfarlane Trust in 1989, there have been anomalies in the ways in which people who have contracted hepatitis C and those who contracted HIV from contaminated

blood have been dealt with. There is an on-going anomalous situation in which haemophiliacs who contracted HIV and AIDS from contaminated blood in the 1980s have access to the Macfarlane Trust without any admission of negligence but other haemophiliacs do not. Another precedent has been set by the Labour Government's decision to pay out compensation in relation to CJD cases. As I said, the English courts have said that 114 people who contracted hepatitis C through treatment are eligible for compensation under the Consumer Protection Act 1987.

Morality and logic both point to the fact that the case for compensation will not go away. What remains is the knowledge that hundreds of our fellow citizens and their families face a difficult and uncertain future because of care received from the NHS that was given with the best intent but which has had disastrous consequences.

The committee heard evidence of the unfairness of the present situation. For example, we were told the story of three English haemophiliac brothers all of whom died after having been given factor VIII concentrate. Two of them died of AIDS and their families were given compensation. The other one died of hepatitis C and no compensation was paid. There is neither morality nor fairness in that.

In the face of that unfairness, the committee unanimously agreed that the moral case had been made and that financial assistance should be given based on need. We took evidence that some sufferers had difficulty securing mortgages and other life products. We are therefore pleased that the Scottish Executive has accepted our recommendation that it meet patient groups and financial institutions to investigate options. However, we were disappointed when we received the Executive's initial response that once again rejected the idea on the principle that the NHS does not pay compensation in a situation where no fault has been proven, even in the face of the anomalies that were created by the precedents of the Macfarlane Trust and the CJD compensation payments.

We welcome the fact that the Executive has agreed to our recommendation that it set up an expert group to consider the range of dispute and compensation mechanisms, including no-fault compensation. We all agree that that move is long overdue and will mirror on-going work south of the border. Although I am bitterly disappointed that the minister has failed to accept our call for immediate financial assistance for hepatitis C sufferers or a commitment to that, I welcome the fact that in a letter to me dated 7 January, in response to further questioning from the Health and Community Care Committee, the minister has said that he is

"prepared for the expert group to consider the question of retrospective application of their findings"

and that he will leave the matter open until the Executive and Parliament have had the opportunity to consider the group's report. That means that the door is still open to the sufferers and that the issue will return to the Parliament and the Health and Community Care Committee in six months' time. However, we and the people who have been infected have witnessed delay after delay and prevarication after prevarication over many years.

I hope that the Executive will set up the expert group as quickly as possible and will refer to the Health and Community Care Committee about that group's remit and membership. I further hope that, when the group makes its report, we will act on the findings as quickly as possible.

We have been told that the Scottish Parliament has the competence to set up a compensation system, although it would be desirable to have a common approach across the United Kingdom. The Health and Community Care Committee's recommendations separated two factors. We said that the moral case had been made for financial assistance to be given to certain people who have been infected with hepatitis C through blood transfusions and blood products. That was to be dealt with immediately and we set a deadline of 12 months for a mechanism for the delivery of that compensation to be found. We did not say that the issue should be considered for six or 12 months before the Executive decided whether the case had been made.

Secondly, we said that there was strong evidence to suggest that the Executive should examine the on-going situation of no-fault compensation and claims against the NHS for clinical negligence. Every member in the chamber will have been told by their constituents that some complaints to the NHS have been treated abysmally and that, on top of the stress caused by whatever happened to our constituents, they suffer distress caused by having to deal with the NHS litigation and complaints system. That situation must be examined.

As I said, the committee separated those two issues. We believe that a particular group of individuals should be helped and that a ring can be drawn around them by having regard to aspects such as the time when they were infected and the products that they received. That would ensure the delivery of the justice that they have been seeking for a long time. We also said that an expert group should be set up to consider no-fault compensation so that we do not find ourselves in such an ad hoc situation again.

As we made explicit in our report, we do not consider that anyone has anything to gain by the creation of a risk-averse NHS. We also made explicit the fact that the Consumer Protection Act



1987 provides that clinicians will not be held liable and will not be found negligent and that compensation and legal claims will be handled without recourse to blame.

If we want a common United Kingdom approach, which is probably a fairly sensible line, we could create greater complications for ourselves if we lump the individuals who are infected with hepatitis C in with the wider issue. It is not unreasonable to think that, when the Scottish expert group reports in six months' time, it will say that it wants a particular compensation system to be put in place and that it is prepared to apply the system retrospectively and award money to those who have been infected with hepatitis C.

I am sorry but, after two and a half years in this place, I am far too cynical to think that those south of the border who have consistently refused to give compensation to those sufferers will now, because we have an expert group, turn round and say that they will not only change their compensation system, but give the sufferers compensation. Even if they enter into discussions on the matter with the Parliament and the Executive, that will only mean that a decision will not be taken in six months or a year—it may even not be taken this side of the next Scottish Parliament election. That is a wasted opportunity. We continue to let down those who have been infected.

For that reason, the committee brings the report to the Parliament to demand compassion and justice for those who have contracted hepatitis C through no fault of their own in what Robert Winston has called one of the greatest treatment disasters of modern medicine. Those who contracted hepatitis C are calling for compassion and justice. I believe that adoption of the recommendations in the Health and Community Care Committee's report would deliver that to them. I commend the report to the Parliament and ask members to give it their whole-hearted and immediate support.

I move,

That the Parliament notes, and calls upon the Scottish Executive to act upon, the recommendations contained within the 17<sup>th</sup> Report 2001 of the Health and Community Care Committee, *Report on Hepatitis C* (SP Paper 398).

09:52

**The Minister for Health and Community Care (Malcolm Chisholm):** I pay tribute to the work of the Health and Community Care Committee on the subject over a long period, starting in the distant days when I was still a member of the committee. Much of that work concentrated on what happened in the 1980s. That is reflected in the report that is before us today. I welcome the report and will

outline how we intend to take action on its recommendations as well as on a broader front that encompasses all those who suffer from hepatitis C.

Like, I am sure, all members who are present, I have every sympathy with those who are affected by that serious disease. I assure Parliament that we are working actively and will work even more actively to make progress on care, treatment, assistance and support.

I shall, of course, concentrate on what the Executive can do, but we must also recognise what others can and should be doing. For example, in the benefits system, over which we have no direct control, hepatitis C awareness is clearly important among medical examiners. The financial services providers also have their role to play through the provision of mortgages and insurance. That area is complex, but I am committed to working with patient groups to improve it. I intend to have exploratory talks with patients and patient groups in the coming weeks on that matter as well as on others. Following those talks, I intend to host a summit on the issue with the leaders of financial services providers.

The central role of the health department is in the care and treatment of those with hepatitis C, although there is also the enormously important work on prevention, which is not our focus today. Two recent events illustrate ways in which we are carrying forward work on care and treatment. First, health department officials this week met representatives of national voluntary organisations to discuss the possibility of setting up a national resource centre to provide advice and information to those who are affected by hepatitis C and their families. More work needs to be done on the bid that has been put in, but it has considerable potential and I am minded to look favourably on it.

Secondly, last month, the chief medical officer met directors of public health from throughout Scotland and emphasised the need for all those who are involved in delivering effective health care to continue to implement and build on the Scottish needs assessment programme report on hepatitis C. I am sure that most members know that that report is widely accepted as the template for care, treatment and prevention in the area.

The chief medical officer also arranged a presentation for senior members of the health department to hear clinicians' perspectives on hepatitis C, on the quality of service and range of treatments that are available and on how provision might be improved. Following on from that, I have asked the chief medical officer to start work to gain a clearer picture of hepatitis C prevalence to inform new recommendations from him on how we can equip the NHS to deal appropriately with the needs of those with the condition.

As I indicated in the Executive's response to the committee in December, we will undertake a listening exercise with patients with hepatitis C to identify any specific difficulties that they face on care and treatment. I have already discussed that over a number of years with the hepatitis C group in Edinburgh. I look forward to listening further to that group and others throughout Scotland.

As I mentioned at the beginning of my speech, much of the Health and Community Care Committee's report deals with what happened in the 1980s. The report concludes, albeit provisionally, that there was no negligence or fault in relation to ALT testing or the provision of safe factor VIII concentrate. It states that there was no

"general policy deliberately to mislead patients",

but refers to

"the existence of paternalistic 'doctor knows best' approach in relations between practitioners and patients at the time."

We are determined to change that culture. That is reflected in the document on patient focus and public involvement that we issued last month, as well as in the Clinical Standards Board for Scotland generic standard on patient involvement. Once that standard has been established, there are three stages in the Clinical Standards Board's accreditation process: self-assessment against the standard; peer review by multidisciplinary teams that include professionals and patients; and publication of the findings. The Executive will meet the Clinical Standards Board in the near future to discuss how to implement that process in relation to blood transfusion and treatment with blood products. I hope that members find that an acceptable way of dealing with the Health and Community Care Committee's recommendation in that area.

I move on to another recommendation. I announced last month an expert group to examine the current system of dealing with patients who have suffered harm and to make recommendations on how the system might be changed. It has always seemed to me that any decisions about compensation must be grounded in general principles and criteria and should not be made on an ad hoc basis. The alternative is policy driven by precedent and policy that has not taken account of the more general implications and consequences of a particular course of action.

**Nicola Sturgeon:** To follow the logic of the minister's argument, is he now saying that it is wrong to compensate through the Macfarlane Trust those who contracted HIV through contaminated blood? If that is not wrong, to deny the same treatment to those with hepatitis C surely must be wrong.

**Malcolm Chisholm:** That is the key precedent to which I was referring. It was generally accepted

at the time that, as the Government of the day and subsequent Governments admitted, that was an exception to the general principle. We are making progress with examining the fundamental principle. We are the first Government to do so openly. The principle was followed in the setting-up of the Macfarlane Trust in the sense that it was thought at the time that those with HIV would die soon.

Much of the public debate around the issue has centred on the need for fairness. On compensation, I, too, am interested primarily in achieving a fair and equitable outcome. Crucially, I want an outcome that is fair for the many as well as the few. That is why we do not believe that it is fair to consider the question of compensation to hepatitis C sufferers in isolation.

If we are to have a new compensation system here in Scotland, it must be consistent, equitable and transparent for all. That is why I announced last month that there would be an expert group to examine the system of dealing with patients who have suffered harm and to come up with recommendations on how the system might be changed.

**Shona Robison (North-East Scotland) (SNP):**

Will the minister explain the intimation given this morning and yesterday that the door has been left open for hepatitis C sufferers, the implication being that that would include compensation? Given what the minister has just said, will he clarify whether that is the case?

**Malcolm Chisholm:** That is indeed the case and I am not sure what I said to contradict it.

I intend to discuss with the committee both the remit and membership of the expert group, but I can say that the group will definitely include patient representatives. I want the group to give momentum to the debate on compensation and to report back to me within six months. I will expect the group to consider the circumstances surrounding hepatitis C infection through blood and blood products as an important part of its more general work. I also expect the group to consider whether any new system should be applied retrospectively. That is a sensible and balanced approach; it is based on keeping an open mind about what the expert group will recommend while acknowledging the complexities and implications of any course of action.

One area that has been discussed often is the possible connection between no-fault compensation and the development of a risk-averse culture in the NHS. The Health and Community Care Committee report says:

"All medical treatment carries risks, and it is crucial that practitioners should be able to take clinical decisions based on consideration of their patients' best interests. Doctors

and nurses should not be required to work in a climate in which fear of the adverse consequences of treatment inhibits that treatment being carried out, even where it is objectively considered to be the best available. A risk-averse NHS is in no-one's interests."

Dr Richard Simpson, who was a member of the Health and Community Care Committee, made that point in a more striking and, I accept, more controversial way in the debate that we had on the subject in April 2001, when he said:

"I ask members to think what doctors would have done in the mid-1980s—knowing that non-A, non-B existed, but not knowing exactly what it was or whether it could be, or was being, treated—had they known that substantial compensation would have to be paid as a result of using a particular blood product. I suspect that they would have seriously considered not applying such life-saving products."—[*Official Report*, 26 April 2001; c 98.]

I accept that that is a controversial statement, but it is precisely the kind of territory that the expert group must consider. I certainly know that members of the medical profession are keen that we consider that territory.

We want the group to judge the merits of a new system in relation to three key agendas. The first of those is the promotion of innovation and creativity in the NHS. The second is efficient health service operation. The third and most important is a fair deal for all patients. I hope that that is an acceptable way of carrying forward the issue of compensation within a broad, general and thoroughly thought-through framework.

Compensation is an important issue for a particular group of people with hepatitis C, but I end by re-emphasising the wider agenda on hepatitis C, which will help that group and the vast majority of people with hepatitis C, for whom compensation is not a substantive issue. I have signalled today my determination to drive forward that broader agenda. I look forward to meeting patient groups in the near future to listen to concerns about care and treatment issues, to discuss financial services issues and to consider whatever other matters they wish to raise. Along with the work that the chief medical officer will do, we shall ensure that progress is made on a broad range of fronts for people with hepatitis C.

10:04

**Nicola Sturgeon (Glasgow) (SNP):** I am pleased that the Parliament has the opportunity to debate this issue today. I want to take the opportunity to welcome to the Parliament some of those people—many of them hepatitis C sufferers—whose determination to secure justice should be an inspiration to us all. Their cause is simple, in my view compelling, and I hoped, seemingly in vain, that today, after many years of effort and suffering, it would be successful.

The plight of patients who were infected with hepatitis C through NHS treatment with contaminated blood or blood products is one that I and many others throughout the chamber have come to feel very strongly about. Around 300 haemophiliacs and many non-haemophiliacs who are alive in Scotland today were infected with hepatitis C during the 1970s, 1980s and possibly 1990s as a direct result of treatment on the NHS with blood or blood products that were contaminated with the virus.

Hepatitis C is a devastating illness for sufferers and their families. Ken Peacock, who is one of those who was affected, said in giving evidence to the Health and Community Care Committee:

"I have severe haemophilia, but I can tell you something: when someone tells you that you have something like hepatitis C, your whole life changes."—[*Official Report, Health and Community Care Committee*, 23 May 2001; c 1922.]

There is a stigma attached to hepatitis C. People who have it live with the constant worry of possibly infecting those close to them, even though the risks of that are small. They find it virtually impossible to obtain life insurance or mortgages except at prohibitive rates. It is a disease that can be severe and life threatening. It can and does cause chronic fatigue, making it difficult for those affected to hold down employment. Up to 80 per cent of people who contract hepatitis C will develop chronic liver disease, with 25 per cent ending up with liver cancer.

The Health and Community Care Committee, during its inquiry, considered a number of issues and made several important recommendations. Some people disagree with the committee's view that there is no conclusive evidence of negligence on the part of the NHS. They will argue that heat treatment, which is capable of killing the hepatitis C virus in blood products, should have been introduced earlier than it was in 1987, given that it was available in England as early as 1985. They will argue that, until such time as effective heat treatment was possible, blood should have been screened to reveal the existence of the virus. Alternatively, they will argue that patients should have been better warned of the risk involved in treatment with blood products, because although hepatitis C was not isolated as a virus until 1989, it was known much earlier than that that a virus—then called non-A, non-B hepatitis—could be transmitted through blood.

I understand the strong feelings that many people have about some or all those issues, but I sincerely believe that it is now time to move on from the question of fault. That is why I want to focus on whether people infected with hepatitis C through contaminated blood should receive compensation or financial assistance regardless of

whether negligence on the part of the national health service can be proved. The Health and Community Care Committee's conclusion on that was that they should. The report says:

"the Committee has become persuaded by what we classified as the 'moral' case for providing financial assistance to those individuals infected with hepatitis C through blood transfusions."

Despite that unanimous committee recommendation, which was arrived at following 18 months of evidence taking and careful deliberation, the Scottish Executive continues to deny people whose lives have been blighted by hepatitis C through no fault of their own any form of financial assistance. The reasoning, which the Minister for Health and Community Care explained again this morning, is that it is a generally held principle that the NHS does not pay compensation for non-negligent harm. That principle may be generally held and may even be generally right, but it is a principle that has been departed from on a number of occasions.

The Consumer Protection Act 1987, which I will mention again later, is itself a departure from that principle. The Government has agreed to pay no-fault compensation for people with variant CJD, but the example with most relevance to the situation of people infected with hepatitis C is the Macfarlane Trust. The trust was set up in 1988 to compensate and provide financial assistance to haemophiliacs infected with HIV through contaminated blood products.

To receive money from the Macfarlane Trust, individuals do not have to prove that there has been negligence on the part of the NHS. They simply have to show that their illness is attributable to treatment with contaminated blood. Payments from the Macfarlane Trust are not made because the Government accepts any legal responsibility, but because in 1988 the Tory Government believed that it had a moral responsibility to compensate those who contracted a devastating disease through NHS treatment, and because the Labour Government believes that now.

Why should a distinction be made between someone whose blood treatment gave them HIV and someone whose treatment—perhaps on the same day, in the same hospital, from the same batch of blood—gave them hepatitis C? A convincing argument has never been made in support of that distinction, because there is no argument in support of it.

Government ministers frequently talk about the stigma and the public fear that was associated with HIV in the 1980s. Back then, HIV infection was a virtual death sentence. I do not want for one minute to diminish the devastating nature of HIV for those who have it and for their families, but hepatitis C is also devastating. Perhaps it is less

devastating than HIV, although that is a matter for debate, especially these days. If the only difference is one of degree, surely that should be reflected in the amount of financial assistance that is awarded. It is no justification for denying any financial assistance to people with hepatitis C. However, that is precisely what the Executive is continuing to do.

Early last year there was a glimmer of hope for sufferers, when the English High Court awarded compensation under the Consumer Protection Act 1987 to a number of people who had been infected with hepatitis C through contaminated blood. That judgment contained a very important principle. The judge said that people were entitled to expect clean blood on the NHS. If they did not get that—if the blood or blood products that they received were defective and they suffered harm as a result—they had a right to be compensated without needing to prove negligence.

I argued then that, if that is right in principle south of the border, it should be right here as well. For that reason, the Executive is to be commended on its decision, in effect, to apply the terms of the English judgment in Scotland. However, that does not go nearly far enough. The English High Court reached its decision on the basis of the Consumer Protection Act 1987, which came into force in 1988. Its judgment applies only to people who were infected after 1988, but the vast majority of people were infected before that date. As well as the unjust distinction that is made between those with HIV and those with hepatitis C, we now have a new division between those infected before 1988 and those infected after that date. Quite simply, that is wrong.

It is estimated that the Executive's announcement last year will benefit only about 20 people in Scotland. The vast majority of people whose lives have been damaged or destroyed by hepatitis C continue to be denied justice. All that the minister has offered today is more prevarication and delay. We do not need another review. The Health and Community Care Committee spent 18 months examining this issue and arrived at a unanimous conclusion. Today we need the Executive to accept the moral case for compensating hepatitis C sufferers.

It is often said that justice delayed is justice denied. Never can that have been truer than in the case of people with hepatitis C. It is a sad reality that many hepatitis C sufferers will have died in the course of the inquiry by the Health and Community Care Committee. That is bad enough, but to kick this issue into yet another review when the case for financial assistance is so overwhelming, and to do so knowing that many sufferers will not be around to hear the outcome of that review, would be unforgivable. The Health

and Community Care Committee concluded that there was nothing to be gained from further inquiry.

This is an issue of fairness and justice. Cathy Jamieson, Patricia Ferguson, Mike Watson, Hugh Henry, who is now the Deputy Minister for Health and Community Care, and 70 other MSPs thought that when in 1999 they signed a parliamentary motion supporting hepatitis C sufferers and demanding an inquiry. We have now had that inquiry, which reached a unanimous conclusion. The time for talking is over; it is time for Malcolm Chisholm to do what the First Minister was preaching yesterday—to listen and to act.

Back in 1995, when he was an Opposition MP in the House of Commons, Malcolm Chisholm had no difficulty supporting the case for compensation. At that time he signed a motion that called on the Tory Government to acknowledge the plight of hepatitis C sufferers

“and to consider giving similar financial assistance to those infected with HCV, who currently receive no additional help, as for those infected in the same way with HIV who have been compensated by the Government”—[*Official Report, House of Commons*, 15 June 1995; Vol 261, c 895.]

That could not be clearer: in 1995 Malcolm Chisholm demanded exactly the same thing that the Health and Community Care Committee is demanding today.

The only difference is that back in 1995 Malcolm Chisholm had no power to do anything about the situation. Today he has such power. The question today is whether Malcolm Chisholm has the courage of his convictions. Will he turn out to be just another spineless politician who finds it easier to turn his back on the people who need him most than to stand up for what he knows is right? Today we will find out the answer to that question.

I promise the minister one thing: this issue will not go away. Those who are campaigning for justice are determined. I, too, am determined that this wrong will be put right. However, it would be a great credit to the Parliament if it took the opportunity to do that today.

10:16

**Mary Scanlon (Highlands and Islands) (Con):**  
I apologise to members for my croaky voice.

The report that we are debating today is an example of Scottish Parliament committees at their best. We have worked to ensure that a thorough investigation was done, resulting in a report with cross-party support. At times, the Health and Community Care Committee acted as judge and jury, examining evidence and reaching conclusions. Today we need to address the grievance felt by sufferers who have been infected with hep C through NHS treatment and to consider

the profound effect that that has had on their lives.

It is important to state that the events that we are debating today happened in the 1980s. We cannot judge those events in the light of today's medical knowledge and experience, only on the basis of what was known at the time. We must also bear in mind that all health interventions carry some degree of risk. Conservatives would not support any proposal that inhibited clinical judgment regarding treatment. In the world of medicine, treatments are being found for hitherto fatal diseases and problems. We need to support medical research and science in the advancement of knowledge to enhance patient care and human life.

The risks of receiving a blood product must be balanced against the risks of not receiving it. We can be sure that at some point in the future other diseases will emerge. The judgments that the Parliament makes then will be based not only on precedent, but on the information available today, which informs today's judgments.

I fully support the conclusion of the Health and Community Care Committee that this problem is not the result of medical negligence or error. The treatment that was provided in the 1980s was appropriate at the time. When treatment for blood and blood-based products was found, the Scottish National Blood Transfusion Service introduced the new system effectively and efficiently.

The ALT test so often mentioned was not a test for non-A, non-B virus and was highly unreliable. People who did not have the disease showed up as having it, whereas those who had the disease showed up as safe. Instead of seeking to apportion blame, we need now to move to help and support people with hepatitis C. I hope that the proposed expert group will concentrate on providing those patients with practical and financial support.

The case is unique in that the problem did not arise from a statutory offence, an act of negligence or other discernible fault, and there is no legal recourse that will allow any form of compensation. The Consumer Protection Act 1987 provides assistance of between £10,000 and £45,000, but that covers only those who were infected after 1988. Today's debate concentrates on those who were infected prior to that date. We would not be discussing the issue today if the CPA had been brought in some years earlier.

It is unclear how many hep C sufferers fall into that category. The Haemophilia Society gives an overall figure of more than 300 hep C sufferers in its patient group. Obviously, there are more in the patient group that is supported by Thomas McKissock's petition, who were infected through routine NHS surgery, yet the figure for those who

are registered with the Scottish Centre for Infection and Environmental Health—SCIEH—is only 206. That figure was confirmed to me in a written answer last year. We need to know how many people have contracted hep C through bad blood and how many of those people are eligible for assistance under the CPA. I ask the minister whether only those who are registered with SCIEH will be eligible for assistance under the CPA and following the expert group's proposals.

The Conservatives would not support a measure that offers financial aid in no-fault situations, but I believe that we are facing a unique situation that warrants making a special case. When the Macfarlane Trust was set up to help those with HIV and AIDS, neither the extent of hep C contracted through blood transfusion nor the extent of the illness itself was fully known. Both the Macfarlane Trust and the CPA benefit one group and not another, but the principles of fairness and equity should not be negotiable. I ask the deputy minister to clarify, when he sums up the debate, whether the situation would withstand a challenge under the European convention on human rights, on the basis of article 14, which accords individuals the enjoyment of rights free from discrimination on any ground.

I agree with the lady from Dundee who wrote to me to say:

"my father has to cope with deteriorating health made worse by the added strain of financial worries—at 47 he deserves to live the rest of his life with dignity".

I also agree with Iain Bisset from Blairgowrie, who said that if he could prove that he was infected after March 1988, he would be entitled to assistance, yet those who were infected before 1988 are given nothing. That sense of injustice can only add to the strain and worry of those who have the condition.

Like other members of the Health and Community Care Committee, I was disappointed with the Executive's response of 11 December, which dismissed the committee's recommendations that financial and other assistance should be awarded, on the basis of need, to hep C sufferers who were infected through NHS treatment. Having said that, I believe that there has been considerable movement by the Minister for Health and Community Care, as outlined in his letter of 7 January to the convener of the Health and Community Care Committee.

I acknowledge the Department of Health's consideration of

"the merits and disadvantages of different types of no-fault compensation".

I also acknowledge the consideration of English findings in a Scottish context. I fully support the inclusion of patient representatives in the expert

group and the retrospective application of the group's findings, which was mentioned by Margaret Smith. I fully support the adoption of a UK-wide position on hep C and similar issues, and I also support talks with patients and patient groups prior to meetings being held with financial institutions. I further support the inclusion of the Health and Community Care Committee in discussions on the membership and remit of the expert group. However, I have concerns about the further delay, given the problems faced by so many hep C sufferers.

Given the fact that the remit and membership of the expert group will be discussed with the committee, and given the firm recommendations made by the committee in its report, does that mean that the minister and the Executive fully agree to act on the report's recommendations? Will they act with greater urgency to implement those recommendations?

I have made my speech short because of my voice. I thank members for bearing with me.

**The Deputy Presiding Officer:** I have received seven requests to speak and expect to call everyone. We have about an hour, so members will have rather more time than usual—within reason, of course.

10:26

**Brian Adam (North-East Scotland) (SNP):** In the light of your earlier announcement, Presiding Officer, I apologise for having to leave the debate early due to a commitment that I made before I knew that the debate was to be held today.

I acknowledge the many letters and e-mails that I have received on this subject. In particular, I was contacted by one of three brothers—I am sure that he contacted other members—who has the hepatitis C infection. As he described his situation, he is hepatitis C positive, but that is about the only part of his life that is positive. That is the measure of the scale of the tragedy that has affected many people in our country and explains why the Haemophilia Society, which has campaigned long and hard on this issue, has managed to maintain the momentum of its campaign over a long period of time. It has not given up, and I am certain that it will not do so until the situation has reached a satisfactory conclusion.

I will highlight three issues: the continuing need for an independent public inquiry; the role of ALT as a marker of liver function; and the question of compensation.

By March 2000, a majority of MSPs, on a cross-party basis, had signed the motion that I lodged in November 1999, which called for an independent inquiry into hepatitis C contracted due to treatment

with contaminated blood or blood products. I note that a number of the members who signed that motion are now ministers, including the Deputy Minister for Health and Community Care, Mr Henry. My recollection of the circumstances in which I lodged that motion are that a number of MSPs met the Haemophilia Society towards the end of 1999, and I happened to be the member who lodged that motion. However, it might well have been Mr Henry who did so, as he was among the first to sign the motion.

We tried to raise support not on a party-political basis but on the basis of genuinely held views that something was not right and that the situation needed to be addressed. I hope that, in the spirit in which members signed that motion, they will be able to act a little more strongly than the Executive has indicated—so far—that it is prepared to act. I would have taken even more pleasure in the minister's speech had he not said "if" the expert group finds that compensation or financial assistance is appropriate—I would have been much happier had he said "when" rather than "if". However, I understand the need to consider the issue broadly, as more than one group have been infected by hepatitis C. There is a general—indeed, widespread—hepatitis C problem in our society. We must examine the issue of how we deal with medical accidents as opposed to medical negligence.

I hope that we can move the Executive that little bit further on to accept the principle of financial assistance for this group. That should be the starting point of the inquiry. Perhaps the discussions between the Health and Community Care Committee and the Executive on the membership of the expert group could also include discussions about the remit of that group. Such discussions might excise the last remaining difference on this issue between the ordinary members of the Scottish Parliament and the members of the Executive.

Despite the calls for a public inquiry, the previous Minister for Health and Community Care commissioned what was only an internal inquiry with a limited remit and a consequentially unsurprising outcome. The Administration's resistance to calls for public inquiries is disappointing. In the Chhokar case, in the case of the foot-and-mouth disease outbreak and in the case of the hepatitis C infection due to contaminated blood products, there have been calls not only from politicians but from the public for public inquiries. Such calls have been turned down and less than satisfactory alternatives have been provided. The Parliament and the Executive need to examine how we should use a public inquiry system. We cannot keep turning down calls for public inquiries. It is easy for the Executive to say that such calls are simply cheap shots from

the Opposition.

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

**Brian Adam:** I will accept one in a moment.

Calls for public inquiries have come not only from Opposition MSPs but from the public. We cannot continue ignoring those calls.

**Mr Rumbles:** I genuinely want to know how long a public inquiry process would take if we went down that route. At least the minister is offering to report back to the Parliament within six months, when we can take action.

**Brian Adam:** I was coming on to deal with that. I recognise that the Health and Community Care Committee has chosen not to pursue calls for a public inquiry because it believes—I do not necessarily share this view—that we need to get to the end-point of appropriate financial assistance, because justice delayed is justice denied.

However, not all the issues have been dealt with. The Haemophilia Society has highlighted a series of issues that the internal inquiry did not tackle. Also, the Health and Community Care Committee recognised that its own view on a series of important matters could only be provisional because the committee did not have the expertise to deal with those issues. A public inquiry could and should have dealt with those issues. I was making the point of principle that public inquiries should deal with major problems when there is a need for a considered view. I accept that public inquiries will mean that delays take place, but I continue to support the legitimate aspirations of groups such as the Haemophilia Society that want to understand exactly what went wrong in a series of matters that the internal inquiry did not deal with.

On the ALT test, even though I worked in clinical biochemistry for 25 years, I still need to check what I have written down each time that I mention the alanine amino transferase test, as the letters for it have kept changing over the years. During the 1970s and 1980s, it changed from SGPT to AAT to ALC. However, I had never heard "ALT" pronounced as one word, which was the minister's interesting interpretation of it today.

The report recognised that use of the ALT test to measure liver function was not then, and is not now, a diagnostic test for the presence of hepatitis C. ALT is an enzyme that is naturally present in human serum. A rise in the level of ALT may be due to the liver's response to infections such as hepatitis C. The inquiry did not lead evidence on whether excluding donations from those with raised ALT levels would have reduced the

infection rate from pooled blood, or whether a full cost-benefit analysis of the value of ALT testing would have led to a different outcome. That we have had only assertions from both sides supports the case for a public inquiry.

I shall not deal with compensation, as that has been dealt with adequately by other members.

10:35

**Bill Butler (Glasgow Anniesland) (Lab):** I welcome the opportunity to speak in the debate and I hope that, in turn, Parliament will welcome the Health and Community Care Committee report on hepatitis C.

As a new member of the committee, I did not take part in the formulation of the report but, having studied its findings and recommendations, I am grateful for the opportunity to make a number of observations. Let me say right away that, although I was not party to the report's composition, I wholly support its findings. I sincerely hope that the Executive is able to find ways and means to act upon those findings in a satisfactory fashion.

There is no one in the chamber who does not sympathise with the human tragedy of those whose lives have been blighted by hepatitis C. The minister is on record as saying:

"Each and every case where someone has contracted Hepatitis C through infected blood is a tragedy for the individuals involved and their families."

No one could possibly demur. However, the Parliament must find a way to move beyond mere sympathy to practical action.

I want to concentrate on two of the major recommendations of the committee's inquiry. First, the committee recommended that

"the Executive set up a mechanism for providing financial and other appropriate practical support to all hepatitis C sufferers who have contracted the virus as a result of blood transfusions provided by the NHS in Scotland, or which involved blood or blood products produced by the SNBTS."

The report also recommended that that mechanism should be in operation

"within a period of twelve months."

The Executive must respond positively to those essential components of the committee's report. The Executive must ensure that measures are in place—and soon—that are adequate for the needs of hepatitis C sufferers. I am hopeful that such a positive response will be the result of the expert group's deliberations. According to the letter of 7 January 2002 from the Minister for Health and Community Care to the convener of the Health and Community Care Committee, that expert group is being set up to look at

"the range of dispute and compensation mechanisms"

that is open to the Executive.

We all appreciate the Executive's apprehension that awarding compensation in this case could create a precedent that would lead to what the minister called

"a climate where health professionals withhold beneficial treatment because there is a small chance of an adverse effect."

No one in the chamber believes that such a development would be positive. Nevertheless, I expect that it is not beyond the wit of the expert group to examine how to award appropriate compensation that meets the needs of sufferers, while being clearly distinguishable from the no-fault compensation that the Executive is rightly apprehensive of, thus avoiding the creation of any unhappy precedent.

I note that, in response to my committee colleague Shona Robison, the minister said earlier that the door is still left open for compensation. If the expert group is able to arrive at and sustain the sort of conclusion that I have rehearsed—that compensation does not create an unhappy precedent—I hope that the minister will not rule out such a conclusion but look on it favourably. Hepatitis C sufferers deserve no less.

10:40

**Dorothy-Grace Elder (Glasgow) (SNP):** Time is of the essence following Mr Chisholm's decision. The minister talks about the six months before the new expert group can report, but what will he say to this gentleman from Perth—one of the victims—who talks of the stigma of being unable to provide financially for his family? This chap was a successful businessman, but is no longer able to work. He says:

"I was forced to retire at 47 and have no arrangements in place to pay the mortgage for my family home, which I may be forced to sell."

The door of his family home may be closed long before the minister tries to keep a door ajar for the vexed question of compensation. Time is running out. The sands of life are draining away from those who are already critically ill.

The minister talked of working actively. He referred to the benefits system and dismissed it because it is not devolved. Well, that is all right then. He said that financial services providers would be approached. That is a valueless—absolutely valueless—suggestion; it could have been done two years ago. He mentioned exploratory talks with this one and that one; he said we could hold a summit on the issue; he said that the chief medical officer would at last be asked to produce statistics on the precise



numbers; he said that there would be a peer review, and a clinical standards review—and so it went on, with the whole symphony that we have heard for so many years.

Fellow parliamentarians, it reminded me of George Orwell's remark about political language. He said that it was designed to make

"murder"

sound

"respectable, and to give an appearance of solidity to pure wind."

That is what we have had today. Nothing, absolutely nothing, of real benefit has been offered to the chamber. More will die in the long waiting period; some have died already.

Yesterday, the First Minister paid tribute to the work of parliamentary committees. He said that

"the work of the committees shows"

that the

"people of Scotland are being listened to".—[*Official Report*, 9 January 2002; c 5129.]

Two committees were involved in this saga, listening to the tragic victims of hepatitis C. That that all started shows the value of having a Public Petitions Committee. That committee listened and then the Health and Community Care Committee listened, before going through more than a year of work on the issue. The facts were well known. However, at the end of the day, the Health and Community Care Committee's main recommendation—to pay compensation—has been put in the deep-freeze. Let us not kid ourselves: the issue has been completely sidelined. It may be a year or more before we receive another piffling report from some body or other. During that time, the Health and Community Care Committee's extremely important report will be deep in storage and more people will die.

The public back the victims and the press back the victims. *The Scotsman* has done some excellent investigative work, as has the *Daily Record*. The *Daily Record* stated that:

"The Executive's treatment of these unfortunate victims is cold-blooded cruelty to people who are already suffering."

People were given a death sentence—an early death sentence for many—through national health service treatment that was meant to help them. I sat through the evidence that the Health and Community Care Committee heard. To be frank, I was doubtful about some of the evidence about blood transfusions. However, there is no point in apportioning blame at this late stage. We know that paying up is what will count.

We also know that, back in the 1970s and 1980s, there was an international blood scandal.

Skid-row blood was brought into Britain cheaply and it was many years before we were told of the scandal of prisoners in Arkansas being paid \$7 a time for donations, some of which turned out to be HIV positive. Some of the poorest countries in Africa were being bled—literally—because of the sudden demand for factor VIII. Some of that blood came into Britain. It was a Government and state responsibility then and it remains a state responsibility to compensate.

As Nicola Sturgeon said, Malcolm Chisholm was one of the 259 Westminster MPs who signed a motion calling for full compensation six years ago. I ask Malcolm to stand by his principles now. Once, he risked and then gave up a ministerial position because of his principles; he earned the respect of the people of Scotland for so doing. I ask him to retain some steel in his spine and to support the Health and Community Care Committee.

The injustice strikes at the very heart of the Parliament, fellow parliamentarians, and it strikes at the very heart of decency. We were not elected to perpetuate injustice. We were elected to right wrongs. That must be done, and it must be done immediately.

10:45

**Mr John McAllion (Dundee East) (Lab):** It is by and large thanks to the Parliament's petitioning process that we have a Health and Community Care Committee report on hepatitis C, that we are having a parliamentary debate on that report and that the Minister for Health and Community Care and the Executive are under pressure to implement the recommendations of that report. That should not be forgotten. If any members of the Parliament continue to doubt and question the value of the people's right to petition the Parliament, this morning's debate is yet another reason for that group of doubters to think again. I say that, of course, as the convener of the Public Petitions Committee.

The debate has been good so far. It has shown that the Parliament is united in support of the sufferers of hepatitis C and of trying to bring them justice. I remind members that we will be able to secure justice for that group of patients if we are successful in persuading the Executive to change its mind. But the only way that we will ever persuade the minister to think again is if the Parliament remains united, across the parties, on the side of the sufferers. The cause will not be helped by contributions that imply that the minister is some kind of spineless politician reneging on his principles. That kind of contribution does not help anyone; it helps least of all the hepatitis C sufferers who are trying to persuade the minister of the validity of their case. It is very important that

the Parliament is reasonable and sensible in its attitude to the Executive as we try to persuade it that it has got things wrong.

Mainly because of the time constraints on the debate, I will concentrate on compensation. Like Margaret Smith and others, I welcome the minister's and the Executive's recent movement on that issue. I was pleased to hear the minister confirm that the door to compensation has been left open—at least until the report of the expert group in six month's time. That is a significant step forward from the Executive's initial response on 11 December 2001, when it ruled out compensation, saying that it was unable to support what it described as "ad hoc" compensation to this particular group of sufferers.

**Shona Robison:** Does the member agree that it might be more beneficial for the expert working group to be given a clear remit to consider a compensation model that does not, as Bill Butler said, create an unhappy precedent?

**Mr McAllion:** The working group should have a clear remit, but I would oppose ruling out the consideration of a no-fault compensation scheme. Later in my remarks, I will address the general question of whether or not there should be a no-fault compensation scheme across the whole of the NHS. I would not want to rule that out, but the expert group should consider this particular group of sufferers and consider whether they, in particular, should be given compensation before any wider decisions on no-fault compensation are reached.

I would not like to describe the minister's concession this morning as a retreat by the Executive, but neither would I describe it as a victory for those who have campaigned for compensation for hepatitis C sufferers. I listened to the minister closely and it seemed clear that the basic Executive line has not changed. The line remains that there will be no compensation without proven negligence on the part of the national health service and I heard nothing from the minister to indicate a change to that.

The Health and Community Care Committee has, however, unanimously rejected that line. We did not accept the Executive's basic argument, which was that if it agreed to no-fault compensation in this case, that would inevitably open the floodgates to similar claims across a limitless number of other cases and other diseases, thereby bankrupting the financing of the NHS and creating a risk-averse culture in the NHS. We did not accept that argument because, as others have said, it completely ignores the current exceptions where no-fault compensation has already been awarded to other groups of patients in the national health service. There is the Macfarlane Trust for HIV sufferers and no-fault

compensation has been offered to sufferers of new-variant CJD. No-fault compensation has been offered to other hepatitis C sufferers who were eligible to claim under the Consumer Protection Act 1987. The Executive argument that the Macfarlane Trust and HIV sufferers are a special case that is different to all the others has already been undermined by the actions of the Executive and its sister Government in Westminster in creating exceptions. The argument does not stand up.

The minister said that we need to avoid a risk-averse culture in the NHS. Everyone agrees with that basic principle. However, the minister did not mention the question of a blame culture in the NHS. That is something else that we must avoid. Under the current arrangements, compensation can be paid not on the basis of the patient's need—no matter how great that need might be—but solely on the basis of the culpability of various NHS staff. A patient can only get compensation if they can pin blame on particular consultants, doctors, medical staff or other NHS agencies. That is unfair and immoral. We should not have such a system in our NHS, not only because it is unfair on the sufferers, who are in a compensation lottery, but because it inhibits the reporting of mistakes by medical staff for fear of the consequences. That leads us to a situation where there is less likelihood of errors being admitted and reported inside the NHS. Therefore there is less likelihood of our learning from those errors.

**Dr Winnie Ewing (Highlands and Islands) (SNP):** I would have thought that we could avoid the problem of negligence or non-negligence by using European defective product legislation.

**Mr McAllion:** Such legislation operates in relation to this case, but I do not know enough about it to say whether it would act as a no-fault compensation scheme across the whole NHS. If that is the case, it is something that the Executive should take on board. Failing that, I hope that the expert group addresses the question of no-fault compensation in the NHS.

I am putting forward not the bizarre views of an extremist, but the views of the British Medical Association and other people who work in the NHS. They think that it is long overdue that some form of Government in the UK addresses the question of no-fault compensation.

The minister said that he wanted a compensation scheme for the majority, rather than for the few. That is a very new Labour phrase, if I may say so. However, that lofty aspiration is ruled out by the current system because only those who can prove negligence get compensation and that means that only the few get compensation, regardless of whether they need it. The Executive has ignored the basic moral case made by the

Health and Community Care Committee on behalf of the particular group of sufferers. It is a small group of patients—no one denies that. They were infected with a serious and incurable virus through no fault of their own, but through medical treatment given to them by the NHS, which has had devastating consequences for the sufferers and their families. So far, they have been denied a full and independent inquiry into the reasons why they were infected. They have seen other groups awarded no-fault compensation and other hepatitis C sufferers who contracted the disease after them being awarded what amounts to no-fault compensation, yet their own pleas have been ignored.

Many people will tell me that I should remember that the language of socialism is priorities and that we cannot give in to every other group. Reference is always made to Nye Bevan and the need to be particular about how we spend public money. However, those people forget that when, more than half a century ago, Nye Bevan introduced the National Health Service Act 1946, he said that despite the financial and economic anxieties faced by the then Labour Government—far greater than any Labour Government faces in the present age—it was still able to do the most civilised thing in the world, which was to put the welfare of the sick above all other considerations. If the Executive and the Scottish Parliament do that, we will not go far wrong. To do that, the Executive must award compensation to a deserving and long-neglected group of sufferers.

10:55

**Colin Campbell (West of Scotland) (SNP):** I do not speak as a member of the committee, but as an ordinary member of the Scottish Parliament. I was drawn to this topic by the fact that I am a blood donor on a fairly irregular basis—I try to get there when I can. I am also here because of my experience with sufferers in other areas where compensation has been felt to be due.

The United Kingdom does not have a good record of treatment of citizens who have incurred injury, disease and pain as a result of actions beyond those citizens' control. I refer to matters that are generally the combined responsibility of the Ministry of Defence and the NHS. The MOD has put people in situations and the NHS has had to deal with them afterwards. My philosophical view has emerged from history as I see it. I cite the non-payment of compensation—until their numbers were much diminished—to people who were victims of maltreatment at the hands of the Japanese from 1941 to 1945. I cite the endless disputation concerning the fate of British nuclear test veterans, who were carelessly exposed to the effects of above ground nuclear tests, as to where

the responsibility for their predicament lies and who will compensate them. The same applies to Porton Down veterans. It still goes on. Nothing changed after the Gulf war. Troops were exposed to completely unexpected hazards. Since that war, the United States has adopted a generous interpretation of what qualifies as a Gulf war related illness for pension and compensation purposes. The UK has tackled the problem with reluctance, evasiveness and parsimony.

The consequence of all those examples is that the victims or their relatives have to expend huge effort in their damaged lives on needless reference to the courts, lobbying, campaigning, petitioning and writing letters to obtain justice. That only adds to the stress and strain of already unhappy situations and further diminishes any hope of maintaining what might pass for a normal existence. It uses up time that is in increasingly short supply.

All those individuals are victims of history and of the United Kingdom Government's reluctance to recompense them. Hepatitis C victims are in a similar situation. Unfortunately, the tone of some of the minister's speech suggests that he is still affected by the ungenerous and negative approach to sufferers of other illnesses that has been practised by successive British Governments.

We have a new Parliament and a chance to do something different, unique and bold. The numbers that would be affected by a compensation package are relatively small, compared to the victims in my earlier examples. The plight of hepatitis C sufferers can be dealt with swiftly and honourably by the Scottish Executive, by carrying out the recommendations of the Health and Community Care Committee. Those recommendations are reasonable, practical and remove the psychological and physical burdens that are laid upon anyone who has to go to law to prove negligence.

I have not been much encouraged by what the minister has said today. I felt that there was a dragging of feet and a desire to prolong talk and negotiation—to pass more time. Time is of the essence—some of the individuals involved have less of it than some of the rest of us. There is an urgency that can be addressed only by meeting the recommendations of the committee now.

10:59

**Lord James Douglas-Hamilton (Lothians) (Con):** This is a most anxious subject, which has affected many hundreds of people. So far as we know, negligence has not been established and the Scottish National Blood Transfusion Service has not been criticised. That provides some

reassurance to the many patients who benefit from the high standards of service and instils confidence in those who have given blood in the past, including me, Colin Campbell and many others in the Scottish civil service.

I refer the Minister for Health and Community Care to an article on the front page of *The Scotsman* of Monday 17 December. It says:

"The Scotsman has learned Mr Chisholm was one of 259 MPs who signed a Commons motion in 1995 asking the Tory government to pay compensation to all those infected as a result of NHS blood transfusions."

The article went on to make reference to the minister, whom we all know to be a man of impeccable character with the highest principles:

"Mr Chisholm refused to talk about his change of heart. A spokesman said he had set out the executive's position last week and had nothing to add."

I realise that the issue of liability is not wholly resolved. If liability is found, it would take the decision out of the hands of the Executive. A solicitor, Mr Cameron Fyfe, is representing four patients who are prepared to take legal action if no funds are forthcoming or if they are not enough. The most recent correspondence that he received from the Scottish health service legal department said:

"please note that no admission of liability is made either by or on behalf of either the Scottish National Blood Transfusion Service or the Scottish Ministers."

Since this matter is not yet sub judice, and since the minister holds one of the highest offices in the land and is in a position to act upon the assurances that he gave in the past, can he answer the following simple questions? It is quite clear that the working group that he has set up is an old method used by Administrations to play for time when they are not clear what they intend to do. First, can he give an assurance that the working group will act with maximum speed and urgency?

Secondly, if compensation continues to be ruled out, will he consider ex gratia payments? I draw to his attention a letter of 7 January 2002 that was sent on his behalf to the convener of the Health and Community Care Committee, which stated:

"We are not yet in a position to precisely define the remit of the group but it would need to take into consideration the range of dispute and compensation mechanisms, including no-fault compensation."

But on the second page, there are sentences that give cause for alarm:

"The establishment of a no-fault compensation system would be within the competence of the Scottish parliament. Nevertheless, we believe it desirable that there should be a common UK position and would certainly seek to achieve this if possible via the usual channels for liaison and co-operation."

With the greatest respect, I say to the Minister for Health and Community Care that under devolution the buck stops with him, and the decision is ultimately for the Parliament. John McAllion stressed the need for a clear remit for the working group in order to arrive at the necessary decisions. There may be a simple way to deal with that, and that is to consider the possibility of ex gratia payments without prejudice to liability.

Thirdly, what measure or package of measures can the minister put in place to give support, guidance and assistance to the patients concerned? Will he do that through the chief medical officer for Scotland?

Since the minister adopted a high profile on this issue when he was in Opposition, what hope can he now offer to patients whose contaminated blood transfusions took place before the protective measures of the Consumer Protection Act 1987 came into force?

Whatever the nature of the minister's response, it is essential that the necessary care and welfare be provided to those individuals who were unfortunate enough to be infected with hepatitis C, through no fault of their own, before 1987. The best way to help those patients is to ensure that the Scottish Executive provides them with the best treatment and support so that they can be as comfortable and secure as possible. Many of them are now quite elderly, and their interests should be considered sympathetically by the Parliament. We look forward to the minister giving clarification and enlightenment, not to mention guidance, to the patients concerned in what appears to be an increasingly complex situation. I welcome the commitment that he gave this morning to a solution that is consistent and equitable.

11:04

**Ms Sandra White (Glasgow) (SNP):** Like Colin Campbell, I am not a member of the Health and Community Care Committee, but I was a member of the Public Petitions Committee, and I concur with John McAllion's comment that if it were not for the Public Petitions Committee many members of the Scottish public would not get a fair hearing in the Parliament. I hope that the Public Petitions Committee continues to serve the public of Scotland as it has.

I am not a professional, I do not have a personal interest in this issue, and I am not the kind of person who has a knee-jerk reaction to every issue that comes before the Parliament. Judging by the comments and recommendations from the Health and Community Care Committee, I think its members do not believe in knee-jerk reactions either. However, I am a person who feels angry about injustices. The group we are talking about

has been dealt an injustice by the Parliament, which I hope will be rectified. I commend the committee on its balanced and informed recommendations and report. I congratulate the committee on its recommendations, which we in the SNP whole-heartedly support and hope will come to fruition.

Many members have spoken about the events that led up to the tragedy—that is what it is for the people involved—and in particular about the lack of information that was given to patients. That has been brought to the attention not only of the Health and Community Care Committee and individual members but of hospital boards for many years. We should not look to the past; we should look to the present and the future, because that is the concern not just for people who suffer from hepatitis C but for their relatives. We should put the lack of information in the past. The issue has had a fair hearing, but we should concentrate on the matters that are at hand and on the future.

I listened carefully to the speeches of Margaret Smith and Malcolm Chisholm. They were fine words, eloquently delivered, but unfortunately—and for this I make no apology to Mr McAllion or anyone else who wishes to have consensus in this Parliament—they were just a fudge. What did we actually hear?

**Mrs Margaret Smith:** I am happy to stand 110 per cent behind the recommendations of the Health and Community Care Committee. The first of our two recommendations is that we want immediate recompense and financial assistance for the people who have suffered. The second concerns the wider issue of compensation and clinical negligence and the way in which people who complain about the service that they have received from the NHS are treated.

Those were two separate recommendations. In my speech I said that the Executive has put them together, and that it is delaying. I am not in favour of the way in which the Executive is proceeding. The Executive should have accepted the committee's recommendations. When the expert group finally produces its recommendations—which I do not expect to see in six months' time—there will be further delays because there will have to be negotiations with the UK Government, as James Douglas-Hamilton mentioned. The Parliament has a job to do to ensure that the remit of the working group is right, to ensure that we keep an eye on what is going on, and to keep the pressure on for six months, a year, 18 months or however long it takes.

**Ms White:** I do not doubt Margaret Smith's sincerity and that of the committee, but I am concerned about the last part of her intervention. She said that if it takes six months, a year or two years the committee will keep an eye on it, but that

is the problem—the people who are affected do not have 12 months, a year and a half or two years. We are debating the committee's recommendations, one of which is that compensation should be delivered within 12 months. However, Margaret Smith is now accepting that Malcolm Chisholm said that people might even get no compensation. That is what worries me. I do not doubt Margaret Smith's sincerity.

**Mrs Smith:** I have made it quite clear that I am not accepting what the Executive is saying. As convener, I stand by every single recommendation and conclusion of the report, which means that we should not proceed in the way that the Executive is suggesting. I am not in the position of the Minister for Health and Community Care to be able to do what I want to be done. All I am saying is that the committee is clear that it should be accepted from day one that financial assistance is required, that a mechanism for providing assistance should be brought in within 12 months, and that the wider issue of the second recommendation should be examined. We have welcomed the fact that the Executive is setting up an expert group to examine the wider issue because we called for that. What I do not welcome is the fact that there will be greater prevarication and that we have no guarantee today that there will be compensation or financial assistance for the individuals.

I agree with Dorothy-Grace Elder that we are elected into Parliament to right wrongs and address injustices, not to perpetuate them. I do not know how I can make myself any clearer to Sandra White.

**Ms White:** I thank Margaret Smith. She cannot make herself any clearer to me. I said that I do not doubt her sincerity. I know that she and the other members of the committee are sincere. However, I want her to ask whoever does the summing up—Mr Chisholm or Mr Henry—to do a U-turn and accept fully the committee's recommendations.

Margaret Smith and Malcolm Chisholm gave us fine words that were eloquently put, but fine words do not deliver action. Hepatitis C sufferers need action, not in two years' time or even in 12 months' time, but as soon as possible.

I challenge Margaret Smith, as the convener of the Health and Community Care Committee, to question the convener in summing up. I do not mean the convener—that is Margaret Smith, who has been questioned.

**Mrs Smith:** I question myself all the time.

**Ms White:** Yes. I bet Margaret Smith was up all last night questioning herself about what her speech was going to be. However, she should question the minister and ask him to please do a

U-turn and take out the pieces about summits and everything else. People who have hepatitis C deserve better than that. I make no apologies for saying that.

I remind every member who is here today, and the people in the public gallery, that this debate is about people. I will read out an e-mail from Dave Bisset, which I believe all members received. I could not put the matter any better myself, nor could anyone else. Dave Bisset says:

"I hope you will all support the vote to compensate Hepatitis C sufferers infected before 1988 and put an end to this scandal where sufferers infected after this date together with sufferers of HIV and CJD are being compensated, because it seems to have escaped everyone's notice"—

and this is a fact—

"that people like myself and my two brothers who have been infected for over 20 years are the ones who are dying and the ones who are suffering the most. So do the decent thing don't bury your heads in the sand while we are being buried in the ground."

I put that to the minister and ask him to make a U-turn and give those people the compensation that they deserve.

**The Deputy Presiding Officer:** We move to winding-up speeches. As we have about 20 minutes in hand, I will be relaxed about fixed timings.

11:12

**Nora Radcliffe (Gordon) (LD):** Because I am summing up a debate that has covered so much, I will probably need quite a bit of waffling time to draw together my thoughts about all that has been said.

Many points have been raised in a good debate on a good report. Progress has been made on the issue through the way in which the Parliament deals with petitions and the way in which the Parliament's committees work. We can take some comfort from and some pride in that.

We should never forget the human element of the issue. Nicola Sturgeon outlined the reality of hepatitis C—what the illness is and how it affects people. Colin Campbell outlined the awfulness for people who are ill—often very ill—of having to find the time and energy to fight for justice. Dorothy-Grace Elder explained eloquently why there is no time to waste.

Margaret Smith highlighted the three areas that the report covers: negligence, public inquiries and financial assistance. There has been general agreement that we will not get hung up on negligence. Several points were made about aspects of that issue. I pick out John McAllion's speech. He pointed out the importance of fostering

an owning-up culture. The concept of no blame is fine, but we want to encourage people to move towards an owning-up culture in which mistakes are recognised so that standards of treatment, protocols and ways of operating can be improved. That important point has emerged from the debate.

Another issue that came out of the inquiry into how everything was dealt with at the time is what Malcolm Chisholm described as a paternalistic approach. We should bear in mind that we are considering things that happened 20 years ago. The fact that we have moved on from that situation is extremely important. Now we give emphasis to involving patients in their treatment, giving them information and treating them as responsible adults who deserve to know and be able to make informed choices. We should commend that vital general principle, which has arisen from dealing with the present issue.

Malcolm Chisholm mentioned the national resource centre. We should welcome the fact that advice and information is being pooled and made available. Another information aspect that has emerged is record keeping and the handling of information within the NHS. It is astounding that we do not know how many people are infected, who they are and where they are. That highlights deficiencies in record keeping and information handling.

Several points have been made about whether how we deal with the group of people affected by hepatitis C will set a precedent. Bill Butler made the important point that it is not beyond the wit of the expert group to find a mechanism that treats appropriately the people affected, without setting a general precedent.

**Nicola Sturgeon:** Will the member agree that the best way of reaching that outcome might be if the remit of the expert group was—from day one—to come up with a mechanism or a scheme or a model for compensation, rather than simply to reconsider the merits of compensation, which has been done already and on which the committee has reached a unanimous conclusion?

**Nora Radcliffe:** The crux of the debate is separating out how we deal with the particular group of people affected by hepatitis C from the general principles and the creation of a precedent. I have not been involved with the Health and Community Care Committee and have not heard all the evidence, but I have picked up from the debate that there might be an argument for dealing with the hepatitis C group separately, because it is a singular issue. The group could be dealt with in a particular way that need not set a general precedent. I am groping towards the fact that the Executive will have to recognise that.

The setting-up of the expert group is to be welcomed, because it is not enough to do the right thing—the right thing must be done in the right way. It will be good if the expert working group finds the right way to do the right thing. The fact that the Health and Community Care Committee will be involved in the remit and the membership of the expert group and that patient representatives will be on it—an example of treating patients as people who can make a real contribution to their treatment—augurs well for coming to the right conclusion. The expert group must report back within six months, which means that it will be possible for the committee's recommendations to be met within the 12-month time frame that it considered reasonable.

I welcome some things that Malcolm Chisholm said. Some ancillary matters to do with the benefits system and financial service providers must be tackled. Although the Parliament cannot deal with those issues, which are parallel to the debate, the Executive will take them up on behalf of the affected group. We commend that.

The extent to which the issue has been raised has highlighted the treatment of hepatitis C. As a result, more attention will be given to protocols and treatments and we will be able to ensure that best practice is spread widely and that the best levels of treatment are achieved everywhere.

Mary Scanlon had a strong point when she raised the ECHR element of the argument. Those who have been affected by hepatitis C might have had a good case under article 14 on discrimination.

The Health and Community Care Committee has done an excellent job and produced a good report. The consensus is that its recommendations are sensible and should be implemented. We are prepared to accept that establishing the expert working group will provide a way of implementing the recommendations in a more structured manner. We hope and expect that that group will reach a conclusion that progresses the committee's recommendations.

11:20

**Mr David Davidson (North-East Scotland) (Con):** The debate has been interesting. I am not a member of the Health and Community Care Committee. I congratulate the committee on its work and I congratulate those who have helped in bringing the report to the present stage. Like Mary Scanlon, I have a slight throat infection, but mine may not be as bad as hers.

The Conservatives share the great sympathy that is felt with the victims involved. The situation is unfortunate, but as the Minister for Health and Community Care said, the issue today is not

finding negligence or fault. That is part of the context of many members' speeches.

The broader issue of keeping risk aversion out of clinical decision making in health care lies behind the debate. That is an essential point that the Parliament must accept. As members know, I have been involved in the pharmaceutical side of health care for most of my working life. I have watched health care advances with great interest. As health care advances rapidly, some risk always exists. We must come to terms with that and when that risk appears, we must look back, pay attention and learn lessons. If lessons are not learned, science will not move on. More important, patient care must cope with whatever comes along. The issue is not merely compensation, but practical and financial support for the patients involved—recommendations 3 and 4 of the committee's report refer to that.

My colleague Mary Scanlon said:

"I believe that we are facing a unique situation that warrants making a special case."

We are not talking about offering financial aid in no-fault situations. She also said:

"the principles of fairness and equity should not be negotiable."

As Nora Radcliffe said, Mary Scanlon talked about a potential legal challenge on the basis of article 14 of ECHR. It would help if, in winding up, the deputy minister gave us an idea whether that has been part of the Executive team's deliberations.

This morning, the Minister for Health and Community Care sent out mixed messages. I am grateful that the door is not to be closed, but that is not the same as taking a more positive approach. From the minister's comments, I think that he wants a compensation system—if we want to call it that—in the round and in the longer term for the health care systems in Scotland. That is well and good, but that is not the purpose of the committee's report, which concerns only people who fell into an anomalous trap.

Since 1987, many people have rightly been supported. Some members said that in a few families, different support is given to different family members, although the vehicle for the problem was the same. We should narrow our considerations. I understand why the minister considers the issue for the long term and in the round, and I welcome that, but I wish that he had said something to suggest that there was a sense of urgency about how decisions will be made.

The Conservatives worry about the creation of a precedent, but that does not mean that there is no way to solve the problem sooner. The expert group is well and good and the Health and Community Care Committee should scrutinise its

remit. The minister talked about other activities that one would expect, such as the CMO's involvement. The national resource centre is welcome, but it should deal with other situations too.

Bill Butler's speech was good and summed up what we are talking about. He spoke about special treatment for this cohort without establishing a precedent. I think that all members agree on that, but I am not sure of the minister's position.

My colleague Lord James Douglas-Hamilton made the interesting comment that if liability were found through the legal process, that would remove the decision from the Executive. That underlines the fact that the decision cannot be continually put off. Ministers should by all means examine matters thoroughly. We encourage the thorough and consistent handling of the matters, but a risk exists if the minister's team takes too long to deal with the situation.

Lord James also said that the working group must give an assurance on speed. In summing up, the deputy minister can probably deal with that. Lord James's suggestion of an ex gratia payment without prejudice is a solution. It is a way out that would not create a precedent. All that it would do is give sufferers who are not compensated or supported the same level of support that others with the same condition receive. It is a quirk of fate that the Consumer Protection Act 1987 was not passed earlier. Parliamentarians must deal with such issues.

Lord James was right to say that the decision is for the Parliament. If the decision happens to be the same as those that are made in other parts of the UK, that is well and good. I understand the minister's comments about the benefits system, which works on a UK basis, but Scotland has its own unique health service, and members must take responsibility for that health service, for how it is managed and for how it is developed. That must be done reasonably. We will not discuss management of the health service this morning, but the health service's focus is on delivering the best possible means of support to those who are in need in Scotland, according to Scottish resource and Scottish decision making. This is not a nationalistic plea, but a fact of life. Devolution has given this Parliament the responsibility to deal with issues. If the Parliament deals with the issues, the Executive must follow the will of Parliament. That is how democracy works.

We have discussed issues of consistency, equality and basic fairness, as well as injustice that a small number of people feel deeply. It is important that those people and their families receive support. That is the purpose of the state systems. I ask the deputy minister to make clear when the Executive hopes to make a firm decision

on the issue and to answer the questions that my colleagues Lord James Douglas-Hamilton and Mary Scanlon, and other members, posed. I ask for clear answers and indications. In particular, I ask him to express a view on the provision of an ex gratia payment, if that is a way of providing support without creating a precedent.

11:29

**Shona Robison (North-East Scotland) (SNP):** The most important phrase that has been used during the debate is:

"justice delayed is justice denied."

After 18 months of taking detailed evidence, the Health and Community Care Committee saw no need for further investigation. As was said, more people will die as the result of yet further delay.

We must be clear about what the expert working group will do, because the minister made some alarming comments during his speech. How can we reconcile the minister's statement that no policy will be driven by precedents and that hepatitis C sufferers will not be considered in isolation with the idea that the door is being kept open? I am not sure, but I detect the use of smoke and mirrors in that statement. It may be a delaying tactic, but delay is something that hepatitis C sufferers cannot afford.

What is required is the implementation of the committee's recommendation that financial assistance should be issued within 12 months.

**Malcolm Chisholm:** I did not understand to what Shona Robison referred in her intervention during my opening speech. As she has now clarified the matter, I can clarify what I said in response. It is important that any system is based on clear principles and criteria. That is what I meant by the system not being driven by precedent. We want to see the hepatitis situation in a general framework of principles and criteria.

**Shona Robison:** When I come to the criteria for the expert working group, I will give the minister a suggestion that might resolve that difficulty.

First, I want to touch on the issue of precedent. As has been said, there have been a number of departures from the principle of no-fault compensation, whether that is the Consumer Protection Act 1987 or the cases of CJD or HIV infection from contaminated blood. The Macfarlane Trust is a clear model that could be followed for hepatitis C sufferers. As has been said, we have yet to hear an answer to the question why those infected with HIV from blood or blood products should be compensated while people contaminated with hepatitis C should not. The Minister for Health and Community Care has failed to answer that question.



As the Health and Community Care Committee reports, hepatitis C sufferers are a special case. There is a clear, moral case for financial assistance. As has been said, that is because we are talking about a relatively small group of around 300 people whose lives have been devastated by an incurable virus. It is not the case that legal recourse or a public inquiry is an option for them. Some people who were infected after 1988 can use the Consumer Protection Act 1987, but only if they had instructed a lawyer. As that applies to only 20 people in Scotland, that means that we have a small group of people who have no recourse left open to them.

Bill Butler said that it should be possible for the expert group to come up with a system that does not create an unhappy precedent. I am sure that that is possible. The problem is that we are in danger of putting new hurdles in the way of that outcome. The main hurdle is what the expert group will come up with. As Lord James Douglas-Hamilton outlined eloquently, given the complexities of the situation and the Executive's expressed view of a consistent model across the UK, that will take time. As we have heard, we do not have time.

In the light of that, we need to give the expert group a clear remit to come up with a compensation package for hepatitis C sufferers. That may be ex gratia payments made without prejudice to liability or some other form of compensation. Once that is done, we should look at the group's remit so that a compensation model can be found that does not create an unhappy precedent. We must separate those two issues, as the second one will take time. As I have said, we do not have time. In the first instance, the expert group must look at a compensation package.

If the minister gives that commitment today, that will go some way to dispelling the suspicion that ministers are attempting to kick the issue into the long grass. That would be unacceptable and unforgivable. I urge Malcolm Chisholm to look back to what he said in 1995 when he supported the call for compensation. If he believed his words then, surely he must believe them now. Actions speak louder than words. In this case, the Minister for Health and Community Care will be judged on his actions. I urge him to do the right thing. He should clarify the remit of the expert working group and give it, as its first task, the task of coming up with a compensation package for hepatitis C sufferers.

11:35

**The Deputy Minister for Health and Community Care (Hugh Henry):** I join my colleague Malcolm Chisholm in paying tribute to the Health and Community Care Committee for its

report. I would also like to join Brian Adam and others in the tributes to the work of those groups that represent hepatitis C sufferers. Those people have been courageous and determined. For some time, they have kept the debate at the forefront of the public and political agenda. They might not agree with one other and we might not always agree with them, but no one could doubt their fortitude and determination.

As has been said by many members this morning, people who were infected with hepatitis C through infected blood—through no fault of anyone—deserve support and assistance. That needs to be emphasised time and time again. As Malcolm Chisholm said, the Executive is working actively to make progress on a range of fronts.

I will return to the financial issue, but first I will examine some of the non-financial aspects. As has been suggested, it is important that the advice that clinicians give to patients on the risks that are associated with blood treatment is highlighted as being crucial. We agree with that.

As Malcolm Chisholm and others, including Margaret Smith, have said, we need to change the atmosphere in which doctors relate to patients and advice is given. Vast improvements have been made in that respect, but we cannot be complacent. We have agreed that the Clinical Standards Board for Scotland will examine that as part of its accreditation process on patient focus. We are in active discussion with the CSBS on how best to progress that matter. We are determined that the process should be thorough and objective.

A number of speakers have emphasised the similarities between hepatitis C sufferers and those who were infected with the HIV virus through infected blood products. While I agree that there are similarities, the situation is not the same. Questions have been posed by members including David Davidson, Shona Robison and Nicola Sturgeon about links to HIV and the Macfarlane Trust. Nicola Sturgeon asked why a distinction was made between HIV and hepatitis C. However, she answered the question when she said:

"Back then, HIV infection was a virtual death sentence."

That statement gives an indication of why the Government of the time set up the Macfarlane Trust. At that time, there was no known treatment—HIV was regarded as a death sentence. That is why a distinction was made in the case of HIV and that distinction led to the setting up of the Macfarlane Trust.

As Malcolm Chisholm indicated, it is right that the Executive and the Parliament have a clear responsibility to take account of the bigger picture and to examine the long-term implications. That would ensure that the interests of the patient population as a whole were safeguarded in a fair

and equitable fashion. We have said, as have a number of members, that we cannot do something that creates a precedent.

**Nicola Sturgeon:** Will the minister take an intervention?

**Hugh Henry:** In a minute.

That said, in the debate, we have consistently looked back to HIV and the Macfarlane Trust and used them as a precedent. There might be a determination to create a precedent today—I respect some of those views—nevertheless members should be able to foresee that, at some time in the future, people could use the arguments around hepatitis C in the same way that we are referring back to HIV.

**Nicola Sturgeon:** I accept, as did the committee, the need for the expert group to look at the generality of the situation and to come up with a scheme that does not treat cases differently, but is applied uniformly. However, I fear that the Executive is missing the point of the Health and Community Care Committee report, which was that hepatitis C sufferers should be treated as an exception to the general rule to create equity between them and HIV sufferers.

Surely the expert group must first come up with a scheme for hepatitis C sufferers. It should not consider the merits of such a scheme—that has already been done—but come up with the detail of a scheme. It should do so in the full knowledge that it is not creating a precedent and before it goes on to consider the generality. That is the only way to create equity, which is the crucial principle in the case of those with hepatitis C and those with HIV. Those two groups are so closely linked that to give compensation to one and deny it to the other is simply unjust.

**Hugh Henry:** Malcolm Chisholm said that whatever we do we want to avoid creating precedents. However, he indicated that he and the Executive are willing to do whatever is possible to provide equity and justice. He has stated that the Executive will act on the recommendations of the Health and Community Care Committee report.

**Nicola Sturgeon:** Will the minister give way?

**Hugh Henry:** No.

**Nicola Sturgeon:** Very briefly. There is plenty of time.

**The Deputy Presiding Officer (Mr George Reid):** The minister is not giving way.

**Hugh Henry:** It is not for the member to determine how much time we have in the debate—that is a matter for the Presiding Officer.

As John McAllion said, we have witnessed in this debate some of the strengths of the

Parliament. Reference was made to Jack McConnell's tribute to the Parliament's committees. As John McAllion said, there is cross-party support in the work of the committees on reports such as this. I have heard no differences between the political parties this morning. With one or two exceptions, members have sought to avoid taking party-political advantage from this sensitive debate, and that is to their credit.

**Dorothy-Grace Elder:** On a point of order, Presiding Officer. The minister referred to a remark that I made about Mr McConnell's correct declaration that the committees exist to listen to the public. However, I went on to say that the Executive in turn was not listening to the committees.

**The Deputy Presiding Officer:** No, no, no. On you go, minister.

**Mrs Margaret Smith:** Will the minister take an intervention?

**Hugh Henry:** Yes.

**Mrs Smith:** I agree with the minister when he pays tribute to the work of the committees and to the cross-party nature not only of those committees, but of the report. However, by doing so, he must surely accept all the unanimous recommendations of that cross-party committee report. I cannot understand why he is setting up a situation that will complicate things even more.

We need an immediate response on the financial and practical needs of people with hepatitis C and for the situation to be dealt with, on its own merits, as timeously as possible. We are talking about something that happened up to 20 years ago. Why is the minister tying that in to present and future needs when considering the whole issue of compensation? Surely it would make more sense to deal with the individual needs of the people who are suffering from hepatitis C as quickly as possible, then to move on to future needs in a more general sense. We need to take time to get that right and, if and when it is necessary, to discuss it with our colleagues in the UK Parliament. Why are we not taking that twin-track approach?

**Hugh Henry:** It would be hard to sum up on all the points that Margaret Smith made in that speech. Malcolm Chisholm has indicated that progress is being made at the Executive and that he will act on the recommendations. Margaret Smith and others paid tribute to the fact that the Executive has accepted much of what the committee has said. Malcolm Chisholm has stated that we are not closing our minds to the concept of ex gratia payments. The fact that we are setting up an expert group means that hepatitis C will be treated as a specific issue, and that we will learn from that example and apply what is learned in the

future. As Malcolm Chisholm has said, any system that suggests financial assistance would need to be fair and open so that everyone would know where they stood in advance of seeking such a payment.

David Davidson and Lord James Douglas-Hamilton asked about time scales. Malcolm Chisholm has indicated that there is a sense of urgency and that he wants the expert group to report back within six months.

As Margaret Smith said, we would hope that relations between patients and clinicians would be more open in future. As she and others pointed out, there is no finding of negligence. Margaret Smith and others also raised the issue of the UK-Scotland compensation scheme. As Mary Scanlon said, it would be better if we could get a UK scheme, but we will not use that as an excuse for delaying. There are matters that are within our competence and we would not be deterred from making progress because of delays in a UK scheme. The demands are for compassion and justice. As Nicola Sturgeon and others said, this is a devastating illness for sufferers and their families.

Mary Scanlon raised the question of patient representation. Malcolm Chisholm referred to that, and it will be discussed with the committee. Bill Butler and others spoke about the creation of precedents. The expert group will consider a wide range of issues. As the minister said, that will not exclude the question of compensation, which the group will seek to consider in a coherent and consistent fashion.

We have had a good debate today, which has been marked with some sensitivity because of the nature of the illness and the suffering that is involved. However, as David Davidson and others said, we need to proceed carefully so that we do not create precedents. Any action that we take must seek to address the legitimate concerns of people with hepatitis C. However, it must also seek to protect the interests of the health service and the public in the future.

11:47

**Janis Hughes (Glasgow Rutherglen) (Lab):** Like others, I am pleased, as a member of the Health and Community Care Committee, to discuss hepatitis C today. It is a subject that has been under discussion for almost as long as the Parliament has existed. As John McAllion said, the issue was first brought to Parliament in 1999 in the form of a petition from the west of Scotland branch of the Haemophilia Society. That was followed by a petition from a non-haemophiliac patient who contracted hepatitis C following a blood transfusion. The Health and Community Care

Committee first discussed the issue in December 1999 and, at that stage, acknowledged its importance. We agreed to await the outcome of the Executive's inquiry, which was instigated following the initial petition.

Following publication of the inquiry report, such was the importance that the committee attached to the matter that it discussed it at length on many occasions. Our report was finally agreed in September last year and since then we have had a dialogue with the Executive regarding our conclusions, many of which members have heard today.

It is important to remember that, as reflected in the petitions that were submitted, there are two distinct groups: those who are haemophiliacs who contracted hepatitis C through infected blood products and those who contracted the virus through blood transfusion for other therapeutic reasons. However, the committee decided that the issues that had been raised by the petitioners were similar enough to be considered together.

I will summarise the three main points that we considered. The first was whether, on the basis of the evidence that is currently in the public domain, the Scottish National Blood Transfusion Service or any other body in the health care system could be held to have been at fault in allowing some individuals to become exposed to hepatitis C-contaminated blood.

Secondly, there was the question whether there was a need for an independent inquiry into all the relevant circumstances surrounding the fact that contaminated blood had entered the system, leading to it being passed to patients.

Thirdly, we considered whether, even if negligence could be apportioned, it would be appropriate to award some form of financial or other assistance to help hepatitis C sufferers who had been infected through contaminated blood products administered by the NHS to deal with the consequences of their illness.

We also considered fault-based compensation in general. We have heard other comments about that this morning. The Executive addressed the question of fault in its initial inquiry, which effectively exonerated the Scottish National Blood Transfusion Service of negligence. However, the Health and Community Care Committee acknowledged the fact that the Haemophilia Society and other interested parties were concerned that the Executive's inquiry had been, to an extent, limited and lacking in independence and that those groups were now calling for a full public inquiry. The committee therefore decided to take evidence from the Scottish National Blood Transfusion Service and the then Minister for Health and Community Care, as well as from the

Haemophilia Society itself.

We have heard about some of the points that were raised in those evidence sessions. Following our investigation, we acknowledged that a number of matters—the position of non-haemophiliacs who contracted hepatitis C and the non-use of the ALT test by the Scottish National Blood Transfusion Service—had not actually been addressed in the Executive's report. Again, we have heard more about that this morning.

Perhaps the most important omission in the Executive's report was consideration of the practical consequences of hepatitis C for sufferers and their families. There was absolutely no doubt in the minds of committee members that the effect on the lives of everyone involved is devastating. The physical problems can be profound, with serious skin and digestive problems, extreme fatigue and liver damage among the symptoms that sufferers can expect. There are also psychological and practical consequences, which are often overlooked but which can have an even more profound effect on the lives of all concerned.

Acknowledging those facts, as well as taking into account the question of just what an independent public inquiry would achieve, the committee concluded that it doubted the usefulness at this time of conducting any further inquiry if such an inquiry were to focus mainly on exploring questions of alleged fault. Such investigations tend to be lengthy processes and are normally useful only when general lessons can be learned, leading to changes in protocols or procedures.

As Nicola Sturgeon said, one of the most important reasons that led to our conclusions was that we were mindful of the need for some urgency in dealing with the whole matter, which had been in the parliamentary domain for two years. As I have said, the petition that started the ball rolling was among the first to be submitted to the Parliament, and no one on the committee felt that it was in anyone's best interests to delay moving forward any longer than necessary. The practical problems that are encountered by those who contracted hepatitis C through contaminated blood products can be immense. We felt that any further delay would be most unwelcome and everyone who was involved agreed with us.

Following the publication of our report, the Executive's initial response was disappointing, to say the least. It dismissed our view that financial and other practical support should be provided for hepatitis C sufferers, as demanded by the petitions. The Executive claimed that one of the main reasons for dismissing that suggestion was that, in its view, providing such support would create a precedent. That issue has been debated in the chamber this morning, and Margaret Smith

outlined the main reasons for that claim. The committee did not share the Executive's view, but concluded that the Executive's proposal to establish an expert group to explore the difficulties that are specific to disputes involving health issues would be welcome.

The Executive addressed our concerns about the need for an overhaul of the current system of negligence and fault-based compensation by advising that a group had already been established and was working on that very issue. We look forward to the outcome of that work in due course.

We have moved on a step from that first response. The committee pursued its concerns with the Executive. Today, we have heard comments from Malcolm Chisholm that perhaps allow us to be cautiously optimistic. Some contributions from members have been somewhat negative, but the important thing at the moment is to look forward. I hope that some of the minister's comments today will allow us, with certain caveats, to be optimistic in that regard.

As Margaret Smith said, although we remain bitterly disappointed that immediate assistance will not be provided, the important thing is to look to how we can improve the current situation and how we can progress from here. In particular, the question of retrospective application of the group's findings with regard to compensation, however we wish to define it, has been acknowledged. I am pleased that, as has been said often this morning, the door is open in that regard.

It is important to remember that the committee felt strongly that what should be considered as compensation is, as our report put it:

"financial and other appropriate practical support".

We see that as a package of support to help with the day-to-day problems that affect hepatitis C sufferers. To that end, I welcome the proposed summit meeting with financial institutions, which might help to address some of the crucial practical issues that hepatitis C sufferers encounter with insurance and mortgages. I also welcome the minister's commitment that the proposed expert group will include representatives of those who are infected with the virus.

It is worth remembering the criticism of the Executive's original inquiry, which was deemed by many to be narrow and limited in scope. I therefore welcome the minister's commitment to include the Health and Community Care Committee in discussions about the membership and remit of the expert group. We felt strongly that we should contribute to those discussions. As a committee, we had debated long and hard and had taken evidence from various sources. We felt that we were in a position to be involved in how

that expert group was set up and what its remit and composition would be.

The way forward is surely through meaningful dialogue involving those who are affected by hepatitis C. I emphasise that our welcomes are cautious. Time really is of the essence. The Health and Community Care Committee was unanimous in its view that practical assistance should be delivered within 12 months of its report. The minister has stated that the expert group will be expected to report within six months. I hope that "within six months" does not necessarily mean six months. I hope that the minister will take that on board. That leaves only a short time for further discussion; I hope that the Executive will be mindful of that. The committee will monitor closely the progress of the group and the time scale. We look forward to further updates in due course.

I thank all those who have been involved in the matter over the past two years. I know that we will all look forward to the next stage. As the minister said in his speech, we are in the position that we are in today because of devolution, because we have a Scottish Parliament and because we have a Public Petitions Committee. For those whose lives are affected by hepatitis C, life can be difficult. I was glad to hear the minister praising the courage that is demonstrated by hepatitis C sufferers. I hope that he will look compassionately on the matter and will understand the need for a speedy conclusion.

**The Deputy Presiding Officer:** That concludes the debate on hepatitis C. We now move on, a couple of minutes ahead of schedule, to the next item of business.

## Education (Looked-after Children)

**The Deputy Presiding Officer (Mr George Reid):** The next item is a statement by Cathy Jamieson on the education of looked-after children. The minister will answer questions at the end of her statement, so there should be no interventions.

11:58

**The Minister for Education and Young People (Cathy Jamieson):** On 5 March last year, Jack McConnell wrote to each council leader in Scotland asking for a report on what their council was doing to improve educational services for looked-after children. He did so to ensure that the needs of those very vulnerable children were high up on the education agenda. The report, "Learning with Care: The Education of Children Looked After Away from Home by Local Authorities", published by the Executive's social work inspectorate last year, suggested that such children were not getting the best help to achieve their full potential. Today, I want to update Parliament about the progress that local authorities are making in meeting the report's recommendations.

Councils are the corporate parents of those very vulnerable children and are at the forefront of delivering services to meet their needs, but we all need to know what the picture is and we must all be involved in helping young people achieve all that they can.

Let us be quite clear about where we are starting from. There are around 11,300 looked-after children in Scotland, 8,100 of whom are of school age. Most of our looked-after children are educated in mainstream schools. English research suggests that only around 25 per cent of looked-after children will obtain educational qualifications. I have no reason to doubt that that is the pattern in Scotland. That figure should be contrasted with that for the total school population: 96 per cent of children leave school with qualifications. The statistics are chilling. They mean that vulnerable young people will not be qualified to access the employment and training opportunities that they seek. We can and must improve matters.

Every child of school age has a right to be provided with school education, and education authorities have a clear duty to ensure that all children are educated in a way that enables them to reach their full potential. Guidance to the Children (Scotland) Act 1995 makes it clear that looked-after children should have the same educational opportunities as other children. Where necessary, additional help, encouragement and support to address special needs or compensate

for previous deprivation or disadvantage should be available.

That must be our aim. Looked-after children must have the same support and attention that we give our own children. That is not just a Government aim—all elected members to the Parliament or to local councils must have that aim. I encourage councillors to check what is happening on their doorsteps and to ensure that their councils champion the needs of the most vulnerable children. We must make a difference.

Before we consider the general local authority picture, it might help to remind ourselves of the “Learning with Care” report’s main findings. Interviews were held with 21 children in five councils and the report did not provide comforting reading.

What does the report mean for the young people in question? Too few will attain basic school leaving qualifications in maths and English. Fewer still will move to further and higher education. Too many will feel excluded from society. As adults, they will not be in the best position to secure the employment and training opportunities that they dream about. We have not given those children the same start in life that we try to give our own children—that cannot be right.

We are not encouraging to the full the talents of potentially high achievers. Skills and talents that looked-after children might have in the academic field, in sport, in the arts or in developing their business acumen may be languishing. We all lose out through such waste.

The report made nine recommendations and councils were asked for information about their progress in implementing them. Today, I have placed a summary of the factual information that we received from councils in the Scottish Parliament information centre. The report contained tough messages and the responses show tough challenges ahead.

On the plus side, I am pleased to say that most local authorities are moving to meet the challenges. They recognise our shared agenda to improve matters. They have not shied away from revealing the full situation. There are examples of good practice, but the overall picture reveals wide variations in the performance of authorities. That suggests that the right basic frameworks are not yet in place throughout Scotland to give looked-after children a sound educational foundation.

Consideration of the “Learning with Care” report makes it clear that some minimum, non-negotiable standards and frameworks need to be in place. All looked-after children should receive full-time education and should have a care plan that adequately addresses educational needs. Since 1997, there has been a statutory obligation to

draw up a care plan. All schools should have a teacher who is designated to champion the interests of looked-after children—the discipline task group also made that recommendation in its report, “Better Behaviour - Better Learning”.

If such basic provisions are not in place, children cannot be educated; the level of attainment that is expected will not be clear to them, their carers or teachers; and schools and others will not be able to provide the right support at the right time to help children to make good progress.

None of those aims should need new resources and none is new. All are good practice. I recognise that implementing the “Learning with Care” report in full might take time, but I see no reason why all councils should not meet the three basic recommendations by the end of 2002.

Many councils have recognised the need for action plans with clear time scales. We must all take responsibility and ensure that councils implement those plans. The majority of plans have been targeted for implementation in time for the new round of children’s services plans in April.

The report “For Scotland’s children: Better integrated children’s services” highlighted the need for better integrated working. Nowhere is that more important than in delivering good educational provision to young people whose family life has been disrupted and who are in local authority care.

Monitoring a child’s progress is vital and I am aware of the problems with some local authority data systems. Information-sharing systems are being addressed as part of the modernising government agenda.

Some councils recognise the need to use specialist expertise. The Scottish Institute for Residential Child Care has helped to develop overall corporate child carer strategies and better training is being provided for foster carers to help them to support young people in their care. Scottish ministers have also played their part.

The “Learning with Care” report recommended that looked-after children—in particular those in residential care—should be provided with an educationally rich environment. We have already provided resources to help local authorities with that. On 22 October, Jack McConnell announced a special one-off grant of up to £10 million for this year based on £500 for each child looked after in a family setting and £2,500 for each child in a local authority or independent home.

Local authorities’ applications covered everything from basic updating of textbooks to online learning to improve children’s chances. All applications from local authorities for assistance have been met in full and all grants have been paid.

I was impressed by the innovative work that local authorities proposed to support looked-after children. The priority has been the immediate provision of books and equipment, in particular in residential settings, but some councils have considered the wider training needs of carers. The best proposals came from councils that aim to match provision to the needs identified in individual care plans.

The additional funding will make a difference. This morning, Jack McConnell and I met some young people who had been looked after. It was clear that some things make a big difference—help with homework, quiet study areas, good books and people showing that they care, for example. Staff and foster carers remembering to go to school carol concerts and interviews with teachers make a big difference. Such support can help to bring out the best in a young person. All councils will report to us, schools, parents and carers at the end of the academic year to let us know what the money has achieved. The reports will be published and all MSPs may want to take an interest in those reports through their local councils.

I am keen to maintain the momentum and improve the education of looked-after children. This year, we will organise and run three seminars in Scotland for social work services managers and education authority managers at various levels. The seminars will consider the report and the action taken by authorities. The emphasis is on promoting better collaboration and joint working to improve the educational experiences of looked-after children. With local authorities, we will develop appropriate national outcome indicators to measure educational provision and outcomes for looked-after children. We will prepare and disseminate nationally training materials for local authorities to use with their education and social work staff to promote collaborative working and to improve educational outcomes for looked-after children. The time scale for that project runs to December 2002, but the initial seminars will be held in April 2002.

We will include a report on progress in each council in the social work services inspectorate's annual report, which will be published by August 2002. The information will come from the inspectorate's visits to all 32 authorities between February and May 2002. We will ask authorities for a further report by the end of the year on the attainment of the three basic benchmarks. Those are that 100 per cent of looked-after children should be in full-time education, 100 per cent should have a care plan that adequately addresses educational needs and 100 per cent of schools should have a designated teacher to address the education of looked-after children.

The new format for children's services plans comes on-stream next year. The education of looked-after children figures prominently in the new set-up. Local authorities are working on action plans to realise the plans from 1 April. There is a clear timetable of events, which I want all of us to remember and to look out for locally. From April, local children's services plans will become available. At the end of the school year, councils will report on how they deployed the £10 million of additional resources to assist looked-after children.

I urge all elected members to play with us a full part in continuing to monitor local activity and close the gap for young people. Scotland's looked-after children deserve nothing less.

**The Deputy Presiding Officer:** The minister will now take questions on the issues raised in the statement. I shall allow about 20 minutes for that, after which we will move to the next item of business. I shall allow the first few members to run on, provided that their points are made in the form of questions.

**Irene McGugan (North-East Scotland) (SNP):** I thank the minister for making her statement available in advance.

We welcome the fact that the Executive is taking action to address a long-standing, well-known and shameful fact—that children's being in the care of a local authority disadvantages their educational attainment. I do not disagree with anything that the minister said about encouraging local authorities to carry out their statutory duties and to provide appropriate educational experiences for all children. It is wholly unacceptable that the experiences of vulnerable children vary considerably in different parts of the country and that those experiences are generally poor.

I note the minister's comment that none of the three minimal requirements that have been outlined should need new resources. Will she acknowledge that the fact that many local authorities are failing to meet those requirements reflects, in part, a lack of staff resources? I draw her attention to the "Learning with Care" report, page 41 of which states:

"The majority of social workers said that they did not have sufficient time to address fully the educational needs of looked after children."

That is significant, as most of the recommendations in the report, which were endorsed by the minister, rely on the availability of appropriately qualified staff to implement them. I ask the minister what she is going to do about the shortage of child care social workers and other relevant staff, as there is a difficulty in some areas with the availability of child psychologists to assist with assessment.

There are other issues—

**The Deputy Presiding Officer:** Not too many.

**Irene McGugan:** No, I am just coming to an end.

There are other issues that the Executive will address this year—such as joint teacher-social work training—that also have resource implications and which will go a long way towards enacting what we all hope to achieve. There is also the issue of stability in placement, which was not mentioned. Often, transport is required to allow a child to remain at the same school although their living circumstances have changed. As well as ensuring that measures are taken to enhance the educational attainment of looked-after children, will the minister ensure that, where it is required, such support is provided so that it becomes an accepted part of good child care practice, firmly embedded in mainstream practice and available throughout the country?

**Cathy Jamieson:** I welcome the fact that Irene McGugan recognises that we are aiming to improve the quality of life of young people in care. I know that, like me, she has a long history of involvement in the issue and is genuinely committed to it.

I note the points that she has made on the staffing situation. The Scottish Executive has made available £77.5 million, over the next two years, through the changing children's services fund, to try to improve the integration of children's services and to provide those services on a better basis. Recruitment and retention were identified as an issue in the chief inspector of social work's annual report last year. That issue will require to be explored further with individual local authorities during the preparation of the next annual report. The Executive is taking steps to strengthen the social work profession by setting up the Scottish social services council. We will work closely with the council and others over the coming months to develop national and local strategies for the development of the social work and social care work force.

The crucial point that Irene McGugan made is that this is not just about what qualified social workers do in working with looked-after young people; it is about joining up all the services that exist to support young people and ensuring that the assessments are carried out correctly and that the appropriate resources are allocated. This morning, we received a powerful message from young people who told us how good it was when they had a teacher who understood that they required additional support and when a care staff member in their children's home assisted them, ensured that they did their homework and had good links with the school. Part of the solution

concerns resourcing, which we have started to tackle, but there are also issues about joining up the services better.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** I thank the minister for making her statement available in advance. I assure her that I was listening intently. I can say that the Conservatives entirely support the minister's statement and applaud her sincerity in trying to improve the position.

There have always been opportunities for educational improvement, but it is clear that the opportunities have been uneven across Scotland and that the educational outcomes have been profoundly disappointing. To borrow a phrase from one of my colleagues in another place, we must ensure that young people are put back on the up escalator to achievement.

There are 11,000 looked-after children from a wide variety of backgrounds and circumstances. It is a scandal that only 1 per cent of them go on to university and that 75 per cent leave school with no formal qualifications. Recent reports have explored the continuing failures of many local authorities. The papers that the minister laid before us today do not make encouraging reading. Only eight councils—a quarter of our local authorities—have met the three benchmarks that the minister talks of.

Will the review that the social work services inspectorate will hold include a role for Her Majesty's Inspectorate of Education? Given the fact that, by the time we receive damning reports on schools from the HMIE, the people who were responsible for the failure are no longer in post, what actions will be taken against local authorities who continue to fail even after their plans are introduced in April? What plans will the minister bring to the chamber that we can support?

**Cathy Jamieson:** I welcome Brian Monteith's support for my statement. I am sure that he was listening intently and that he will do so when I answer his question.

I want to be absolutely clear that the local authorities that have provided us with reports have been brutally honest about the situation. I welcome that, because attempts to dress up the situation to make matters look better than they are are not helpful. The local authorities that recognise that more work needs to be done have said so clearly. They have responsibility for coming up with an action plan and taking the situation forward. This morning, I have made it clear that I expect the benchmarks that I spoke of to have been met by the end of 2002.

I recognise the difficulties facing various local authorities. Small authorities might have fewer children in residential care and larger ones might



have more. Statistics can be skewed by the fact that the number of children in care varies. We do not want to castigate people to try to make them feel that they have failed. The corporate parents of young looked-after people must have the same aspirations for them that they would have for their own children—local authorities must take on that responsibility. We have identified a way of ensuring that there is joined-up working between social work departments, the other services and schools.

Educational attainment is, obviously, a priority for young people. This morning, I was struck by the aspirations of the young people whom I spoke to. Some of them are now in college and they want to achieve more. I want them to meet their aspirations. That will happen if all of us take a positive and constructive view and work together.

**Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD):** I welcome the thrust of the minister's statement, as we are dealing with a genuinely vulnerable group of children whose case needs to be highlighted and kept at the forefront of our thinking. Cathy Jamieson said that people's aspirations for looked-after children should be the same as their aspirations for their own children. In a real sense, looked-after children are our own children and we must not forget that.

I welcome the establishment of benchmark information and the setting of the three core targets. They are not complicated, bureaucratic, woolly or nebulous. They are achievable and can be measured positively and quickly.

The next stage will be more difficult. It will not be easy to ensure suddenly that all looked-after children get standard grades, highs and so on. How can we ensure that joint working is established by all local authorities? Today, we are talking mainly about social work, but the educational aspect is important as well. Do we accept that there will be resource implications? We kid ourselves if we imagine that there will not be. Does the minister agree that the kind of joint working that is being practised in new community schools is a good model?

**Cathy Jamieson:** I welcome that positive response from Ian Jenkins, particularly on specific, measurable, achievable targets. Perhaps it was my social work training that helped me to identify some of those.

Ian Jenkins makes points about joined-up working, which is vital. The additional resources that have been put into joined-up working through the changing children's services fund, which I mentioned, and into the roll-out of the new community schools programme will ensure that we are able to provide the resources to give children and young people who need it an education,

where possible in their local communities. It will also ensure that the right resources and a package of support are built around children and young people.

Another interesting idea came this morning from young people who have been through the care system and who have experience of being consumers of teaching and social work services. They said that they have a role to play in training for social work and teaching. We want to pursue that idea.

This is about people putting looked-after children and vulnerable young people high on the agenda and saying, "They are a priority. We are going to do something." I do not pretend that that will be easy, but if we have a clear objective in mind, the local authorities will be in no doubt about what the priority is for the coming year.

**The Deputy Presiding Officer:** Members must make their questions and answers shorter and snappier.

**Scott Barrie (Dunfermline West) (Lab):** I am sure that the minister is aware of the "Looking After Children: Good Parenting, Good Outcomes" forms, which were developed by the social work services group from Department of Health documents to comply with the Children (Scotland) Act 1995. As the minister said, it is essential that all children have a valid care plan. Given that the forms should include that, will she review their use in the 32 local authorities in Scotland? In particular, will she review whether they achieve what they are supposed to achieve and engender the corporate parenting concept that was central to the 1995 act?

**Cathy Jamieson:** In an effort to give a shorter and snappier answer, I refer my colleague, who knows a considerable amount about the forms from his former life, to the information that has today been placed in the Scottish Parliament information centre. I hope that local authorities will consider carefully how they can best use the forms, remembering that they are not a bureaucratic exercise but are about the lives of children and young people.

**Dennis Canavan (Falkirk West):** What educational opportunities exist for children who are sent to secure units or even to prison? Is not it an absolute disgrace that, in 21<sup>st</sup> century Scotland—earlier this week, in fact—a 15-year-old girl was sent to Cornton Vale prison for breach of the peace? Does the minister agree that that is totally unacceptable in any civilised society?

**Cathy Jamieson:** Dennis Canavan is probably aware that I have some knowledge of the system of secure units. Obviously, I am concerned to ensure that young people who are in that form of provision get educational opportunities. I know that

Jack McConnell, when he was Minister for Education, Europe and External Affairs, took that very seriously and initiated positive action on it.

I will comment briefly on the member's point about young people in the prison system. I was extremely concerned to hear about that case. I have asked for more information and will liaise with my colleagues in the justice department.

**Rhona Brankin (Midlothian) (Lab):** I spent many years working with vulnerable children in the schools sector. Does the minister agree that working with vulnerable children, such as looked-after children, and inter-agency working should be included in initial teacher training and in training for senior management in schools?

**Cathy Jamieson:** I take on board the point that Rhona Brankin has made and acknowledge that she has considerable personal experience of the matter. As I outlined, I want to create opportunities for joint working. That includes joint training. It is important that teachers have enough information about what it is like to live in the care system—quite often, they may not. Young people have identified that. There is clearly a place for considering improvement in the situation in future.

**Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab):** I welcome the minister's statement. Does she acknowledge the difference that access to respite and activity breaks can make to the personal and social development of looked-after children? Many other children take such activities for granted. Will she work with local authorities and the voluntary sector, including organisations such as Reality at Work Scotland in Lenzie in my constituency, to ensure that the most vulnerable children benefit most from such breaks?

**Cathy Jamieson:** Brian Fitzpatrick raises an important issue about rounded education for young people. I am sure that he is pleased to note the additional resources that have been made available, as I outlined, and that local authorities have the option to consider how to use those resources in the best interests of wider educational provision for children and young people. That is perhaps something that he would like to take up with his local authority.

**Karen Gillon (Clydesdale) (Lab):** I thank the minister for her statement. Does she accept that, from the information that we have, it seems that a bit of a postcode lottery is developing throughout Scotland, not just between local authorities, but within local authorities?

What steps are being taken to address the differences that exist between the urban and rural parts of local authority areas? What advice is being given to local authorities about how they can best involve young people positively and proactively in developing services?

**Cathy Jamieson:** I refer Karen Gillon to some of the points that I made previously, of which I know she is aware. I am conscious of the fact that young people who live in rural areas require access to the same services as those who live in urban areas. It can be difficult for young people who are brought into the care system in a rural area to get access to the resources that they need in the place in which they need them.

Karen Gillon mentioned consulting young people. I am aware that a number of young people who are looked after in the care system are interested in the debate and are following it today. It is vital that we continue to work with organisations such as Who Cares? Scotland and young people to hear what their experiences are. That informs us of best practice in every local authority in Scotland.

**Mr Kenneth Gibson (Glasgow) (SNP):** I applaud the minister's candour in addressing this hitherto neglected issue.

The minister spoke in her statement of local authorities establishing joint-working protocols. What cognisance has been taken of projects such as the Blackford Brae project—a partnership run by Barnardo's in co-operation with City of Edinburgh Council—which has been highly successful in returning children with emotional or behavioural difficulties to mainstream schools and helping them to achieve academic success? Although that project does not deal exclusively with looked-after children, it shows the expertise that exists in the voluntary sector in relation to vulnerable children. What can the Executive learn from the voluntary sector and what plans does the Executive have to involve the sector in the education of looked-after children?

**Cathy Jamieson:** I am aware of the particular project to which Kenny Gibson referred and, indeed, of a number of other projects across Scotland. I stress that the important issue is to get the right package of provision for looked-after young people. Sometimes that will be in the voluntary sector and sometimes it will be in local authority residential units.

Kenny Gibson asks what we, together with the voluntary sector, are doing. A number of cross-cutting issues that relate to returning young people to their local communities are addressed by the action plan on youth justice, which is to be published shortly. I assure Kenny Gibson that we will continue to examine the issues and that we will continue to work with all partners to achieve the best outcomes for young people.

**Rhoda Grant (Highlands and Islands) (Lab):** What steps are being taken to tackle the problem of looked-after children going to different schools? That is a particular problem in rural areas, where

emergency arrangements may involve moving children from one community to another. When more permanent arrangements are made, the children may be moved again. There is a lack of continuity in education and in teachers. Will the minister address that?

**Cathy Jamieson:** I would hope that that would be addressed primarily by local authorities in their planning arrangements. Obviously, we do not want a child's education to be disrupted, but there can sometimes be good reasons why a young person requires to be moved for a time. In general, I want us to give young people an opportunity for consistent education and I would expect that to be addressed in plans.

If Rhoda Grant—or any other member—wants to raise any issues about particular areas with me, I will be happy to look into them.

## Business Motion

12:29

**The Deputy Presiding Officer (Mr George Reid):** The next item of business is consideration of business motion S1M-2589, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, which sets out a business programme.

**The Deputy Minister for Parliamentary Business (Euan Robson):** Before moving the motion, I wish to indicate that a revision has been made, as may be seen in the business bulletin. It allows for a vote to be taken at decision time today on the motion and amendments for the debate on foot-and-mouth disease that was held on 8 November 2001.

I move,

That the Parliament agrees—

(a) as a revision to the Business Programme agreed on 19 December 2001—

Thursday 10 January 2002

after "Scottish Conservative and Unionist Party Debate on Scotland's Economy", insert—

*followed by* Scottish Conservative and Unionist Party Motion on the subject of S1M-2577 Alex Fergusson: Foot-and-Mouth Disease - Public Inquiry

(b) the following programme of business

Wednesday 16 January 2002

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Scottish National Party Debate on Scotland's Railways

*followed by* Standards Committee Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business – debate on the subject of S1M-2588 Mr Alasdair Morrison: Renewable Energy in the Western Isles

Thursday 17 January 2002

9.30 am 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* Business Motion

*followed by* Adoption and Children Bill - UK Legislation

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 – debate on the subject of S1M-2472 Richard Lochhead: Promoting Aberdeen as Europe's Energy Capital

Wednesday 23 January 2002

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Stage 1 Debate on the Budget (Scotland) Bill

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business – debate on the subject of S1M-2402 by Alex Fergusson: Research into Myalgic Encephalomyelitis

Thursday 24 January 2002

9.30 am Green Party / Scottish Socialist Party Business

*followed by* Business Motion

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Executive Business

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

(c) that Stage 1 of the Education (Disability Strategies and Pupils' Records) (Scotland) Bill be completed by 8 March 2002

and (d) that the Justice 1 Committee and Justice 2 Committee report to the Local Government Committee by 21 January 2002 on the Police Pensions (Pension Sharing on Divorce) (Scotland) Amendment Regulations 2001 (SSI 2001/459) and the Police Pensions (Additional Voluntary Contributions and Increased Benefits) (Pension Sharing) (Scotland) Amendment Regulations 2001 (SSI 2001/461); and

that the Justice 2 Committee reports to the Justice 1 Committee by 21 January 2002 on the Legal Aid (Scotland) Act 1986 (Availability of Solicitors) Regulations 2001 (SSI 2001/464); and

that the Justice 1 Committee and the Justice 2 Committee report to the Health and Community Care Committee by 22 January 2002 on the National Health Service (Scotland) (Superannuation Scheme and Additional Voluntary Contributions) (Pension Sharing on Divorce) Amendment Regulations 2001 (SSI 2001/465).

**The Deputy Presiding Officer:** Mr Sheridan has indicated that he wishes to oppose the motion. After he has spoken, I will ask Mr Robson to reply.

**Tommy Sheridan (Glasgow) (SSP):** The element of the motion that I wish to oppose concerns not the Conservative debate on foot-

and-mouth disease, but the business of the Scottish Socialist Party and the Scottish Green Party scheduled for 24 January. The only correspondence on the matter between the parties took place last year and related to business scheduled for 31 January, which was the date initially proposed for consideration of Scottish Socialist Party and Scottish Green Party business. Both Robin Harper and I opposed what was suggested, because it involved cutting 30 minutes from our debating time.

No other correspondence has been exchanged and there has been no further negotiation or discussion. Not until yesterday did we find out that our business had been rescheduled for 24 January. It is unreasonable for the Parliamentary Bureau to change our business time, which in the past two years has been scheduled for March and has now been moved to January, and to give us only 24 hours' notice of that. I ask for consideration to be given to retimetabling the business of the Scottish Socialist Party and the Scottish Green Party.

**Euan Robson:** I understand what Mr Sheridan is saying, but the information that I have is slightly different. I understand that an e-mail was sent to Mr Sheridan and Mr Harper on 14 December, indicating the date on which Scottish Socialist Party and Scottish Green Party business would be debated. I do not have in front of me details of subsequent correspondence, but six weeks, even including a holiday period, should be enough notice to allow Mr Sheridan and Mr Harper to prepare for a debate on the date specified.

If Mr Sheridan wants to make further representations to the Parliamentary Bureau, it is open to him to do so. The bureau is minded to proceed with the timetable that is set out in the business motion, but if further representations are made they will be considered.

**The Deputy Presiding Officer:** The question is, that motion S1M-2589 be agreed to. Are we agreed?

**Members:** No.

**The Deputy Presiding Officer:** There will be a division.

**For**

Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Gillon, Karen (Clydesdale) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)

Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacLean, Kate (Dundee West) (Lab)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 White, Ms Sandra (Glasgow) (SNP)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)

#### AGAINST

Canavan, Dennis (Falkirk West)  
 Sheridan, Tommy (Glasgow) (SSP)

**The Deputy Presiding Officer:** The result of the division is: For 33, Against 2, Abstentions 0.

*Motion agreed to.*

12:33

*Meeting suspended until 14:30.*

14:30

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

#### Courts (Mediation)

#### 1. David Mundell (South of Scotland) (Con):

To ask the Scottish Executive what role mediation can play in the civil courts. (S1O-4390)

**The Deputy First Minister and Minister for Justice (Mr Jim Wallace):** The Scottish Executive supports the use of alternative methods for resolving disputes where such methods are feasible and appropriate. Mediation is likely to be appropriate where there is a continuing relationship between the parties involved, for example, in family cases, neighbourhood disputes or commercial situations. Mediation has been found to be helpful in family cases and the civil courts have the power to refer family cases to mediation.

**David Mundell:** Is the Deputy First Minister aware that the Lord Chancellor has announced that United Kingdom Government departments will go to court only as a last resort and will seek to use mediation to resolve disputes to highlight to society the general benefits of mediation? Is the Deputy First Minister likely to recommend that the Scottish Executive follow the Lord Chancellor's line?

**Mr Wallace:** I am always willing to follow good practice, wherever it is established. I will consider carefully the Lord Chancellor's proposals to see whether there are points that the Scottish Executive could follow. I cannot give Mr Mundell a definite answer, but I am willing to consider the proposals because, as I said, we believe that mediation is a useful form of proceeding to settle disputes in appropriate cases.

#### Traffic (Midlothian)

**2. Rhona Brankin (Midlothian) (Lab):** To ask the Scottish Executive what importance it attaches to protecting communities in Midlothian from the effects of heavy traffic. (S1O-4387)

**The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald):** The Scottish Executive is responsible for the maintenance and improvement of the trunk road network and places great importance on protecting communities in Midlothian from the effects of heavy traffic.

**Rhona Brankin:** Will the minister give an assurance that he will consider as a matter of urgency the need for a bypass for Dalkeith and for pedestrian crossings in Pathhead? Does he acknowledge the huge public support in Midlothian for the reintroduction of passenger rail services on the Waverley line?

**Lewis Macdonald:** I agree with Rhona Brankin that there are a number of areas in which public expenditure and support can help to tackle traffic congestion in the way that she described. She will be aware of the substantial support from the Scottish Executive for the reintroduction of the Waverley line. We recognise its importance for Midlothian as well as for communities that are further south.

The Dalkeith bypass proposal emerged at the time of the strategic roads review in 1999 and was deferred at that time. It stands to be considered with other identified schemes in due course. Representatives of Pathhead community council met my officials to discuss pedestrian crossings and were invited to return with specific proposals. When they do so, the proposals will be considered sympathetically and timeously.

**Christine Grahame (South of Scotland) (SNP):** The minister will be aware that 200 residents of the Ladywood area of Penicuik recently met to protest about the abysmal bus service in that area. Does he agree that at the heart of traffic congestion is the failed policy of bus deregulation and the consequential bus war between Lothian Buses and FirstGroup, which my colleague Kenny MacAskill highlighted yesterday? If he does not agree, will he speak to some of those 200 Ladywood residents, who will tell him that competition has left them with virtually no service on weekday evenings and none on Sundays?

**Lewis Macdonald:** I am well aware of that issue. As Christine Grahame said, there was a parliamentary debate yesterday evening on buses in Edinburgh. It was striking that neither Kenny MacAskill nor his SNP colleagues were able to propose an alternative to the propositions that were introduced in the Transport (Scotland) Act 2001, which are bus partnerships, quality partnerships and quality contracts for bus services. I was able to recommend that local authorities in Lothian should consider carefully how they should use those measures to improve services for passengers.

**Mr Murray Tosh (South of Scotland) (Con):** Will the minister tell the Parliament whether he appreciates that projected land releases in the Borders are likely to add to traffic flows on the A68 and aggravate the problems in Dalkeith? Will he tell us how reconsideration of the deferred Dalkeith bypass might be put back on the

Executive's agenda? Can he be a bit more specific than to say "in due course"?

**Lewis Macdonald:** I will be more specific. As Mr Tosh will be aware, our roads programme is fully committed until 2004. Then, the Dalkeith proposal and other deferred proposals will be considered along with other emerging priorities in the road transport system. I appreciate the impact on Midlothian of economic development in the Borders. That is why we have given the support that we have to the Waverley line project. We will consider that further when the promoters reach the next stage.

### **"Better Behaviour—Better Learning"**

**3. Karen Whitefield (Airdrie and Shotts) (Lab):** To ask the Scottish Executive what progress is being made in implementing the discipline task group report "Better Behaviour—Better Learning" and in ensuring that all schools have a discipline policy closely linked to policies for learning and teaching. (S10-4417)

**The Minister for Education and Young People (Cathy Jamieson):** Following the publication of the report in June 2001, the Executive produced a detailed implementation plan to take forward the 36 recommendations that the report contained. The plan was developed in consultation with the Association of Directors of Education in Scotland, the Convention of Scottish Local Authorities and the Association of Directors in Social Work, and was published on 12 December 2001. Some of the recommendations will now be taken forward by schools and local authorities, including recommendation 2, which relates to the review of discipline policies. Funding worth £3 million is being made available to all local authorities to assist with reviews of relevant policies. Authorities will be expected to report back to the Executive, showing how their revised policies reflect the recommendations.

**Karen Whitefield:** Is the minister aware that many teachers and parents are concerned about children who cannot cope with the structure of the school day and who are, as a result, disruptive and often display unacceptable behaviour? Does she agree that teachers alone cannot deal with that problem and does she have any plans to resource and develop additional support for those children and their families, teachers and classmates?

**Cathy Jamieson:** We take seriously the issue of young people whose needs mean that, for a period of time, they might not be able to be maintained in the usual classroom setting. For that reason, the Executive is resourcing and supporting the setting up of pupil support bases to ensure that those young people get the help and support that they need.

**Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD):** Will the content and details of the effectiveness of each school's discipline policy be included in the performance indicators that are examined by Her Majesty's Inspectorate of Education? Will the minister assure me that monitoring and inspection of school performance in that and other regards will not be left solely to local authorities?

**Cathy Jamieson:** I am happy to clarify that situation. I have indicated that the Scottish Executive wants local authorities to respond to us. Clearly, there is a continuing role for the education inspectorate in examining all the issues that surround the quality of education and school life. I am happy to concur with the views that were expressed by the Deputy First Minister and Minister for Justice yesterday. The Deputy First Minister, the First Minister and I believe that there is a continuing role for HMIE in the school inspection process—there is no disagreement on that matter. However, we wish to make it clear that local authorities should want to take a close interest in their schools and to monitor them as a matter of course, rather than wait for an inspection to come around.

#### **Families (Support)**

**4. Scott Barrie (Dunfermline West) (Lab):** To ask the Scottish Executive what action is being taken to support families and improve parenting skills. (S10-4405)

**The Minister for Education and Young People (Cathy Jamieson):** We are committed to giving all our children the best possible start in life. That means providing a range of support to parents and children and ensuring that we reach the most vulnerable families. We are delivering that support through initiatives such as sure start Scotland and the starting well initiative and by funding voluntary sector organisations such as ParentLine Scotland and Parent Network Scotland.

**Scott Barrie:** The minister will be aware of the increase in referrals to children's hearings in Scotland on the grounds of care and protection. Given that that is partly because of the immense pressures that many parents face, does the minister agree that we need to increase the support that is available to vulnerable parents to ensure that their children are protected at all times?

**Cathy Jamieson:** I appreciate that parenting is a difficult task, particularly for lone parents and others in vulnerable circumstances. I want to ensure that we are able to provide support at the earliest possible stage. That way, we will be able to ensure that young people get the opportunity to make use of all the services that are available to them. I have recently had discussions with officials

about how we can deliver additional support to parents. We will return to the issue with further responses in due course.

#### **Social Inclusion Partnerships (Misapplication of Funds)**

**5. Colin Campbell (West of Scotland) (SNP):** To ask the Scottish Executive how many social inclusion partnership boards are under investigation for misapplication of funds. (S10-4418)

**The Deputy Minister for Social Justice (Ms Margaret Curran):** There are no social inclusion partnership boards under investigation by the Scottish Executive for misapplication of funds.

**Colin Campbell:** I am absolutely delighted to hear that. What mechanisms exist to ensure that social inclusion partnership budgets are not used to pay for mainline budget projects? How often have those mechanisms pre-empted such expenditure and in which SIPs?

**Ms Curran:** I am not sure that I heard all that the member said. Could he perhaps repeat it?

**Colin Campbell:** I am sorry. I will repeat the question more distinctly. What mechanisms exist to ensure that SIP budgets are not used to pay for mainline budget projects? How often have those mechanisms pre-empted such expenditure and in which SIPs?

**Ms Curran:** That is an interesting question for us to consider. I will give it great consideration. In all sincerity, if I do not give Colin Campbell the detail that he wants, I am happy to discuss it with him because it is an important issue for our examination of the SIP boards.

The funding for SIPs is clearly not meant to be a substitute for mainline funding and should never be used as such. I assure Colin Campbell categorically that on every visit that I have made to a SIP I have asked that specific question. We have a robust system of appraisal and monitoring of SIPs, in which a number of Executive officers are in close contact with SIPs. There are annual appraisals at which such questions are asked in great depth.

If Colin Campbell has information that he wishes to draw to my attention, I will be grateful to receive it. I assure Parliament categorically that SIP moneys are meant to relate to the SIP programmes, as explained in our policy, and that they are not meant to be a substitute for mainline funding.

**Jackie Baillie (Dumbarton) (Lab):** Will the minister provide information on how successful SIPs are in leveraging in mainstream funding from other partners? As she has outlined already and as we are aware, the purpose of SIP funding is to

act as an incentive for other partners to contribute to improved provision. Will the minister outline whether more can be done to target those areas that are most in need?

**Ms Curran:** That, too, is an interesting question. It goes to the heart of the SIP policy. SIP funding is not meant to be a substitute for mainline spending, but nor is it meant to be the only application of spending for certain projects in the SIP area.

SIPs are meant to be catalysts and platforms for communities to ask pertinent questions about spending on mainline services in their areas. For example, in greater Easterhouse in my constituency, the SIP board managed to investigate and find out that spending in that area was £164 million. It is for that community to question that expenditure and how it meets the needs of that community.

We are introducing and have spent considerable funds on the local budgeting process. We intend to use that as a way in which SIPs can lever much more additional funding into their areas. We also intend that, through partnership working, the SIP boards will deliver, increase and maximise the impact of that spending.

**The Deputy Presiding Officer (Mr George Reid):** Question 6 has been withdrawn.

#### **“For Scotland’s children”**

**7. Maureen Macmillan (Highlands and Islands) (Lab):** To ask the Scottish Executive what steps are being taken following its “For Scotland’s children” report to address the exclusion of vulnerable children from services through deregistration from general practitioners, school exclusion and eviction. (S1O-4402)

**The Minister for Education and Young People (Cathy Jamieson):** The Scottish Executive has already taken steps to reduce school exclusions and evictions of families with children and to ensure that primary health care is available for all. Our new Cabinet sub-committee on children’s services will monitor progress and ensure inclusion for all children.

**Maureen Macmillan:** Is the minister aware of recent research that shows that girls who are excluded from school are less likely to have their educational needs addressed than boys who are excluded? I know that, in the past, girls who were excluded for non-attendance slipped out of the education system in their early teens. Is the minister also aware that teenage girls who move with their mothers to a new area to escape domestic violence often stay at home to support their mothers rather than attend school? Will the minister consider how such families can be best supported so that those children do not lose their

opportunity for education?

**Cathy Jamieson:** I reassure Maureen Macmillan that I am aware of some of the issues that surround the needs of young people who must flee domestic violence or difficult situations. I want to ensure that all young people have the opportunity to make the best use of their education. That is why we want to ensure that no young person falls through the net.

If young people are not attending school, we need to know the reasons why. We need to be able to tackle that and we need to provide the support that enables young people to take up those opportunities. We will continue to examine progress on that and we will ensure that young people have access to the appropriate health services. We will also continue to address the problems of children in families that suffer homelessness.

**Irene McGugan (North-East Scotland) (SNP):** Does the minister agree with the statement in “For Scotland’s children” that, of the three factors that Maureen Macmillan mentioned,

“The most common reason for children being lost to services appears to be through homelessness”,

which implies that all initiatives to address homelessness are to be particularly commended? Will the minister take the opportunity to commend the initiative of Angus Council, where there is a protocol that requires joint consideration of such circumstances by its housing and social work departments?

**Cathy Jamieson:** It is an absolute priority for the Executive that there should be a more integrated approach to providing services. We want to see that across all Executive departments. I will continue to work with my colleagues in departments to ensure that that happens. I encourage all local authorities to continue the good work that has begun in integrating children’s services.

#### **Scottish Executive Priorities**

**8. Des McNulty (Clydebank and Milngavie) (Lab):** To ask the Scottish Executive what its main priorities will be in 2002. (S1O-4400)

**The Deputy First Minister and Minister for Justice (Mr Jim Wallace):** As the Parliament discussed and agreed yesterday, the main priorities for the Executive in 2002 will be to focus effort on delivering first-class public services. Health, education, crime, transport and jobs are the key areas for improvement and ministers are determined to deliver a real difference to people throughout Scotland.

**Des McNulty:** I thank the minister for reinforcing the message of yesterday’s debate. On behalf of



campaigners for people who suffer from asbestos-related disease and their families, I warmly welcome yesterday's announcement that steps are being taken to speed the passage of compensation cases through the Scottish courts.

Can the minister give any further details about what is intended, and can he confirm the Executive's continuing commitment to cutting through bureaucracy in order to benefit the people of Scotland?

**Mr Wallace:** As Des McNulty knows, I have corresponded with the Lord President on that issue. Like Des McNulty and others in the Parliament who have taken a keen interest in the subject, I was very pleased by yesterday's announcement. I understand that the various compensation cases will be brought together and dealt with by Lord Mackay of Drumadoon, one of the Court of Session judges. We hope that that will expedite what are accepted to be very complex, but very important, cases for those who suffer from asbestosis.

I know that Des McNulty is to have a meeting in the near future with the Deputy Minister for Justice, Richard Simpson, and I hope that it will be possible at that meeting to flesh out the detail of the precise steps that are being taken.

#### **Home Energy Conservation Act 1995 (Local Authorities)**

**9. Robert Brown (Glasgow) (LD):** To ask the Scottish Executive what comparative data concerning the performance of local authorities in meeting the requirements of the Home Energy Conservation Act 1995 are currently available. (S10-4391)

**The Minister for Social Justice (Iain Gray):** No such data are currently available. I wrote to Mr Brown on 21 December, advising him that we would consult local authorities on whether details for individual authorities might be published in their second progress reports, which are due on 31 January. I will receive a report soon on the outcome of that consultation and I will advise Mr Brown when a decision is made.

**Robert Brown:** I thank the minister for his reply, but I remind him that Parliament is engaged in passing the Freedom of Information (Scotland) Bill. I also remind him that he and his predecessor have now had the matter on their desks for several months, since first I raised it. I suggest that he should not be swayed by the special pleading of councils or by the defensive attitudes of civil servants. Is he prepared to agree in principle that the new Home Energy Conservation Act 1995—HECA—reports, which are indeed due in January, should contain a straightforward breakdown of council returns, on which the public can form their

own views as to the success or failure of their local councils on the crucial issue of energy conservation? Was not that the original purpose of the 1995 act?

**Iain Gray:** I appreciate Mr Brown's intention in pursuing the matter, as well as his concern that we move towards the long-term 10-to-15 year targets that HECA places on local authorities. I have an open mind about publishing data on individual performance, but we must take account of the fact that local authorities are our partners in delivering improved home energy efficiency, and that it is right and proper to seek their views on the form in which the data are published.

In considering whether it is possible to move in the direction that Mr Brown suggests, we must think about how we can prevent misleading and unfair comparisons that might, for example, fail to take account of the different baselines from which different local authorities begin. I repeat that I have an open mind about publishing the data, and I will make a decision soon regarding the second HECA progress reports.

**Robin Harper (Lothians) (Green):** Anent misleading and unfair comparisons—I have asked this question twice already in the chamber—the Executive maintains that it is making actual energy savings through its policies. When will the Executive present figures that show that actual reductions in the use of electricity and gas have occurred as a result of its energy policy?

**Iain Gray:** As I said in answer to Mr Brown's question, as part of their response to HECA, authorities have been asked to submit current progress reports by the end of this month. Those reports will be issued soon. Under the Housing (Scotland) Act 2001, we are committed to tackling fuel poverty. The act requires us to make a statement on that matter in the next 12 months. That statement will provide us with an opportunity to address the issue that Mr Harper raises.

**Dorothy-Grace Elder (Glasgow) (SNP):** Given that the Executive's warm homes deal is at the centre of its energy conservation plans, can the minister investigate whether private tenants are benefiting from it more than council tenants? I know of a number of cases in which council tenants have been left freezing while in the same street private tenants are getting help quickly. Is that problem caused by the fact that councils prefer to deal with streets as a whole, or is there a more sinister reason for it, such as repairs being held back because of the Glasgow housing stock transfer?

**Iain Gray:** Repairs are certainly not being held back because of the Glasgow housing stock transfer. However, if the member is aware of specific instances in which she fears that that

might be the case, and if she can provide me with the relevant information, I will be more than happy to investigate those cases.

### **Small Businesses**

**10. Mr John Home Robertson (East Lothian) (Lab):** To ask the Scottish Executive how it is seeking to promote small businesses throughout Scotland. (S1O-4389)

**The Minister for Enterprise, Transport and Lifelong Learning (Ms Wendy Alexander):** The Executive is working with the enterprise networks to stimulate the creation, competitiveness and growth of small businesses. It is doing so particularly through the small business gateway, which is easing access to advice and improving the quality of business support in Scotland.

**Mr Home Robertson:** We all understand that Opposition politicians have a vested interest in trying to spread doom and gloom in the countryside. Will the minister acknowledge the remarkable success, with the support of public agencies, of small businesses throughout rural Scotland? That success is exemplified by the organic bakery in the village of East Saltoun in my constituency, which has doubled its turnover and trebled its work force. I invite the minister, if she has an opportunity to do so, to visit the highly successful farmers market in Haddington, which is going from strength to strength by selling excellent local produce, such as organic bread from East Saltoun.

**Ms Alexander:** I thought that the member was going to invite me to the bakery in East Saltoun. I suggest that he encourage the bakery to join the farmers market in Paisley, of which I have become a regular patron as we rethink the future of our town centre.

I would like to know whether the bakery is run by a woman, because the business start-up rates of women in rural Scotland are not mirrored in urban Scotland. If we were able to match in urban Scotland the business start-up rates of women in rural Scotland, we would improve substantially our overall business start-up rate.

On a serious note, the most important thing that we have done to provide more consistent advice and support to businesses in small rural communities is to make all information and advice services available online so that, when they seek to access support and advice, people are not disadvantaged by their geography, as was the case in the pre-internet era.

**Andrew Wilson (Central Scotland) (SNP):** I would like to introduce a dose of reality to this love-in of complacency and self-congratulation. Does the minister even begin to acknowledge that there is, as a result of her policies on small

business, a crisis in the Scottish economy? Does she acknowledge that in the past year the economy of the rest of the United Kingdom grew eight times faster than that of Scotland and that, in the latest year for which figures are available, the standard of living of people in independent Ireland grew 18 times faster than that of the people of Scotland? Is the minister even aware of the problem that she faces, or is she totally complacent and unwilling to act?

**Ms Alexander:** I can add two pertinent statistics to those that Andrew Wilson cited. In the past year twice as many electronics jobs have been lost in Ireland as have been lost in Scotland, and there has been a decline in inward investment there. In Ireland the small business start-up rate is also much lower than the rate in Scotland. Those statistics indicate that we need policies that are right for Scotland. We need to reposition ourselves for foreign direct investment—in that respect, we face the same challenge as Ireland does. We must seek not only to better Ireland's record on small business start-ups, but to get much closer to the Norwegian rate.

**Mr David Davidson (North-East Scotland) (Con):** I will go back to the original question, which was on small businesses. Since last year, when the minister produced a series of proposals that have obviously failed to operate, has she developed any new proposals on how to encourage small businesses not only to open but to survive?

**Ms Alexander:** I challenge the notion that the proposals have been a failure. The data for 2001 suggest that the decline in small business start-ups is being reversed. That is encouraging news. *[Interruption.]* Come off it—the statistics show that the decline in small businesses is being reversed.

The reasons for the reversal can be found in four new policies, which I will cite. The first policy has been mentioned already: information is now available online to everyone. The second is that we spent the past year ensuring that people who work for local enterprise companies have gone through a training programme to accredit them to give business advice, so that we no longer have such variable quality as existed in the past. The third is that the Administration has introduced a business mentoring scheme and the fourth is that we have introduced a business growth scheme. Those four specific proposals are helping to deal with the business start-up issue.

**The Deputy Presiding Officer:** I call Jamie Stone.

**Members:** Cheese!

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** My question is not about cheese, Presiding Officer. *[Laughter.]*

The Conservative party does not realise that the euro will be very good for businesses when we join it—I hope that that day will come soon. The Conservatives are completely out of touch on that issue. What has the minister done in the past, and what does she intend to do in future, to advise and prepare our vital small businesses for that happy day?

**Ms Alexander:** I am tempted to suggest a trade for Jamie Stone's family cheese business: perhaps it would supply the Paisley farmers market if I offered to pay in euros. However, the substantive question was on the preparedness for the euro of small businesses. Members from all parts of the chamber might know that Scotland Europa has been active in providing workshops, publications and a website. In addition, a telephone hotline is available to help Scottish businesses prepare for the implications and the actuality of the euro.

#### **Her Majesty's Government (Partnership)**

**11. Rhoda Grant (Highlands and Islands) (Lab):** To ask the Scottish Executive what role partnership with Her Majesty's Government will play in delivering its priorities for the year ahead. (S1O-4401)

**The Deputy First Minister and Minister for Justice (Mr Jim Wallace):** The Executive will continue its positive working relationship with the UK Government in the year ahead.

**Rhoda Grant:** Can the Deputy First Minister reassure me that tackling poverty will remain a key feature of the discussions between the Executive and Her Majesty's Government? In particular, can he assure me that indicators that are used to identify rural poverty will take fair account of life in rural areas? For example, dependence on cars is high but that high level of car dependence and ownership masks rural poverty.

**Mr Wallace:** I can confirm that tackling poverty is an objective both of this Administration and of the UK Administration. Given the different responsibilities of the two Governments, co-operation and partnership are important. On the specific question that was asked by Rhoda Grant, although some of the indices of deprivation that were used in the 1980s included car ownership, it was not used as an indicator in the recent "Fair Shares for All" funding allocation to NHS health boards, which included a weighting for rurality. I am sure that the Parliament will be aware that the Minister for Environment and Rural Development, Ross Finnie, has set up the rural poverty and inclusion working group, which has made recommendations for dealing with indices on rural deprivation. Rather than have a separate index of rural deprivation, it is proposed that we should consider whether there is a need to include

additional indicators for aspects of deprivation that are more prevalent in rural areas.

#### **Loch Lomond and Trossachs National Park**

**12. Mr Brian Monteith (Mid Scotland and Fife) (Con):** To ask the Scottish Executive when it last met representatives of the relevant community councils and local authorities to discuss the proposed Loch Lomond and Trossachs national park. (S1O-4388)

**The Deputy Minister for Environment and Rural Development (Allan Wilson):** Scottish Executive officials met representatives from the association of community councils and relevant local authorities at a meeting of the Loch Lomond and the Trossachs interim committee on 3 December last year. They are due to meet again in March this year.

**Mr Monteith:** I thank the minister for his answer. I, too, have met a number of councillors who attended that meeting and I have received representations from those councillors on the expected increase in traffic flow in the national park. Given that the Executive has not commissioned any traffic impact studies, can he tell me whether and when he will do so, so that he can make available the necessary funding for the impact of traffic in national parks?

**Allan Wilson:** I am familiar with that problem through the representations that have been made to me by the constituency member for the area, Sylvia Jackson. I am aware of the growing concern about the ability to cope of the traffic infrastructure. There might well be merit in holding discussions with colleagues in the transport department to see how the problems that manifest themselves might best be dealt with.

**Dr Sylvia Jackson (Stirling) (Lab):** As the minister will know, another pressing issue for the local communities within the park area is Loch Katrine. Does the minister agree that, as West of Scotland Water moves away from its non-core business, it is most important that the water authority actively consult local communities? Does he agree that we need to implement effectively and holistically the integrated catchment management plan so that tourist, farming and forestry facilities are not hived off to different agencies without the necessary linkages that are required for national park management? Following that, does he agree that we need always to remember that sustainable development of the national park area must be the central issue?

**Allan Wilson:** I believe in an integrated management strategy for the park area, which is what that question hints at. The water companies should play a pivotal role in that. However, I do not wish to pre-empt the discussions that the

Transport and the Environment Committee will have on community consultation when it considers Des McNulty's amendment to the Water Industry (Scotland) Bill, which the committee is currently considering.

I pay tribute to the work that Sylvia Jackson and Ross Finnie have done in ensuring that community consultation takes place with the water company that has responsibility for Loch Katrine.

### **Fishing Industry (2002 Quotas)**

**13. Tavish Scott (Shetland) (LD):** To ask the Scottish Executive what assessment it has made of the likely economic impact on the fish catching and fish processing industries of the 2002 quotas for white fish and for pelagic fish landings and what action it plans to take to mitigate any detrimental effects. (S10-4412)

**The Minister for Environment and Rural Development (Ross Finnie):** The increases in quotas of key pelagic and white fish stocks will have a significant and, I hope, positive impact on the catching and processing sectors in Scotland. The economic return from increased landings for the United Kingdom is estimated to be between £10 and £12 million more than for the previous year. Scotland will be the major beneficiary of that. I believe that those outcomes have been welcomed by the industry.

**Tavish Scott:** I welcome the minister's answer and I welcome the additional quota allocations that have been secured for the Scottish fishing industry this year. However, does the minister accept that there are pressures on shore-based services in constituencies such as mine? Because of the welcome decommissioning programme, there are fewer boats to use engineering, electronics and other shore-based services. In that context, what assessment is being made of shore-based services? Does the minister have any proposals to tackle those problems?

**Ross Finnie:** There are two aspects to that question. The first aspect relates to the total amount of quotas. The member will be well aware that the fish processing action group continues to study the problems that beset the processing industry not only in Shetland but throughout Scotland. Those problems arise as a consequence of the recent cuts. We in Scotland continue to press the Commission for multi-annual settlements, which could give a degree of certainty about the amounts of fish that might be available for processing.

As for the problems that are consequent on decommissioning, we are looking closely at the impact that decommissioning might have on services. I am bound to say that, although we now know the numbers of vessels and the ports that

they use, it is difficult to give an answer at this stage. In conjunction with other departments, we are assessing and keeping a careful watch on the impact that decommissioning might have. The member can be assured that we recognise that there are consequentials that flow from that step.

**Stewart Stevenson (Banff and Buchan) (SNP):** What discussions have the minister and his colleagues had about providing support to people who worked on fishing vessels, given that only the owners will be compensated for decommissioning? Has an economic assessment been undertaken of the effect of decommissioning on the fish processing sector?

**Ross Finnie:** Let me take the latter question first. As Stewart Stevenson will be aware, the objective and great hope of the decommissioning scheme is that it will give greater sustainability to the whole industry. If the quotas are acquired within the producer organisations, decommissioning should not per se lead to a reduction in the amounts available to the processing industry. Greater sustainability has to be the earnest hope of us all.

The processing industry suffers because of uncertainty over the amounts that may be available. As I indicated to Tavish Scott, we in Scotland are keen to push the Commission in the direction of multi-annual settlements, which would, I believe, give greater certainty.

Dealing with the economic impact on those affected by decommissioning is, as Stewart Stevenson would acknowledge, slightly more difficult. The owners are being compensated, but we have not made a distinction—although we will as we go through the process—between those who have direct responsibility for the people who are employed and those who are not affected in that way and who will not, therefore, share in the benefits. We will watch the situation closely. We do not know the exact details, but we are cognisant of the problem.

**Mr Jamie McGrigor (Highlands and Islands) (Con):** Why, despite the acceptance that industrial fishing is detrimental to the marine food chain, has no significant cut been made in the quotas for that sector, especially in the fishing for Norway pout, which leads to a large bycatch of immature fish of other species?

**Ross Finnie:** The reason such a cut was not made is that we did not secure a sufficient majority in the Commission during recent discussions. The consistent position of the Scottish Executive—and, I hope, of the UK Government—has been to press for continuing cuts in those areas. We very much agree with Jamie McGrigor's point and we will continue to press for reductions in those quotas.

**Rhona Brankin (Midlothian) (Lab):** Does the minister agree that one of the major problems facing the demersal sector in particular is the difficulty in finding crews for fishing vessels? Does he agree that the decommissioning of fishing boats might provide an opportunity for the skippers of vessels to take on qualified and experienced crew members?

**Ross Finnie:** Yes, I agree. The issue is linked to the one raised by Stewart Stevenson. The ramifications of decommissioning are more complex than simply saying that all those who lose their vessel as a result of decommissioning will necessarily lose their jobs. Rhona Brankin's point is valid.

### **Sustainable Development**

**14. Sarah Boyack (Edinburgh Central) (Lab):** To ask the Scottish Executive what progress it is making in mainstreaming sustainable development across all areas of policy. (S1O-4403)

**The Minister for Environment and Rural Development (Ross Finnie):** I hesitate to give this answer because, in yesterday's debate, Sarah Boyack eloquently explained how such mainstreaming had been achieved. However, I will do my best if not to better what she said, at least to match it.

Sustainable development has been placed at the centre of our programme for government. The ministerial group on sustainable Scotland remains a key element in that approach and the First Minister has undertaken to chair the group from its next meeting on 30 January. At that meeting, the group will give final consideration to the Scottish Executive's overarching statement on sustainable development and the set of indicators that are required, whose production was announced earlier last year. Those indicators will be fundamental building blocks for the integration of sustainable development into all policies and programmes over the next few months. In particular, they will cover waste, energy, transport and planning in the spending review in 2002.

**Sarah Boyack:** In producing indicators, what plans does the Executive have to monitor the progress made on developing renewable energy to the target of 18 per cent by 2010? What plans does the minister have to develop the target beyond 18 per cent, if we are to make the most of the manufacturing and economic benefits from developing renewables and use the potential that exists across the whole of Scotland?

**Ross Finnie:** There are two elements to that question. If we put indicators in place, as we propose to, it will follow that we must be able to monitor and measure the outcomes.

On the specific target, I announced that the

recent report indicating that we have vast potential for developing renewable energy means two things: first, that there is an opportunity to revise the target and consider moving closer to the current European target of 21 per cent; and secondly, that to do that would require the Executive—my department in harness with that of my colleague Wendy Alexander—to work closely with the industry to encourage it to take up the opportunities that the report identified.

## First Minister's Question Time

### SCOTTISH EXECUTIVE

#### Cabinet (Meetings)

##### 1. Mr John Swinney (North Tayside) (SNP):

To ask the First Minister what issues will be discussed at the next meeting of the Scottish Executive's Cabinet. (S1F-1532)

**The First Minister (Mr Jack McConnell):** Issues of importance to Scotland.

**Mr Swinney:** This is perhaps one of the issues of importance to the people of Scotland. In order to alleviate the chaos faced by rail commuters, has the First Minister used his powers under section 208 of the Transport Act 2000?

**The First Minister:** I make it clear that the concern of all members should be with those passengers who are affected by the current rail dispute. Both Wendy Alexander and I have kept in regular contact with those involved in the dispute. It is right and proper that they accept responsibility for resolving the dispute and dealing with the matters at hand as quickly as possible.

**Mr Swinney:** It is quite clear that the First Minister has not got round to reading section 208 of the Transport Act 2000. Allow me to read it to him so that it is clear. It says that Scottish ministers may give the Strategic Rail Authority

"directions and guidance in relation to services for the carriage of passengers by rail which start and end in Scotland and are provided under a franchise agreement".

A franchise agreement exists with ScotRail. ScotRail clearly depends on drivers working their rest days, which puts passenger safety at some risk. ScotRail is now cutting services. Will the First Minister undertake to get on the phone to the Strategic Rail Authority and have it tell ScotRail to get our trains moving again?

**The First Minister:** The leader of the Scottish National Party makes a dangerous claim when he accuses ScotRail of endangering safety on the railways. Through the Strategic Rail Authority and the Strathclyde Passenger Transport Executive there is a franchise arrangement with ScotRail. It is right and proper that ScotRail and the trade unions involved resolve the dispute between themselves. They are responsible for the way in which the dispute has been created. Such industrial relations are shocking in the 21<sup>st</sup> century. The angry passengers of Scotland must see the dispute being resolved as quickly as possible.

**Mr Swinney:** The angry passengers of Scotland would like to see the First Minister of Scotland doing something to resolve the problem. Twenty-

seven out of 35 rail lines in Scotland are affected and a quarter of rail services have been cancelled. Prices are going up, delays have increased by 140 per cent and the Scottish taxpayer is giving ScotRail £1.5 billion in public subsidy. Is it not time that we had value for money? The First Minister should get on the phone to tell the Strategic Rail Authority to get ScotRail to get our trains moving again.

**The First Minister:** I made it quite clear that I believe that that is exactly what ScotRail should be doing. It is important to compare policies. The Strategic Rail Authority would not even exist in the kind of Scotland that the SNP wants, where the railways would not be UK-wide.

Let us talk facts. The reality is that ScotRail is a private company that is in dispute with its trade unions. ScotRail needs to resolve that dispute. ScotRail and the trade unions involved in the negotiations this afternoon should complete those negotiations and get the dispute resolved. We should not try to resolve the dispute in the chamber, but we should encourage ScotRail and the trade unions to resolve it as quickly as possible.

**Mr Swinney:** The First Minister has power under the Transport Act 2000 to tell ScotRail to get the trains moving. We are giving ScotRail £1.5 billion in public subsidy. Will the First Minister act to resolve the issue by telling ScotRail to get our trains moving again?

**The First Minister:** I find it ridiculous that Mr Swinney thinks that we can tell ScotRail to get trains moving that do not have drivers. I know that the SNP lives in fantasy land, but trains without drivers are a fantasy too far. The dispute needs to be resolved. ScotRail and the trade unions need to get their act together and get the trains running in Scotland. The chamber should tell them to do so.

#### Secretary of State for Scotland (Meetings)

**2. David McLetchie (Lothians) (Con):** To ask the First Minister when he will next meet the Secretary of State for Scotland and what issues he plans to raise. (S1F-1527)

**The First Minister (Mr Jack McConnell):** I will formally meet the Secretary of State for Scotland on Monday and we will discuss Scotland's economy and other issues.

**David McLetchie:** I am sure that the Secretary of State for Scotland will be interested in the First Minister's explanation of why he apparently wants to take over part of her office. Once he has recovered from that subject, perhaps we could move on to education. I ask him about the newspaper reports this week that the Scottish Executive plans to scrap the system of independent inspection of our schools by Her

Majesty's Inspectorate of Education. That system is essential if we want to raise standards, as there would be a clear conflict of interests if local authorities were responsible for inspecting their own schools.

I was interested in the answer that Cathy Jamieson gave to Ian Jenkins in question time. If I understood her correctly, she said that there is a continuing role for Her Majesty's Inspectorate of Education, but she did not say that that continuing role would be the function that it currently has of direct independent inspection of our schools. In the light of that answer, could the First Minister give us a categorical assurance that there is no plan to change the current role of HMIE and that such a plan has not been discussed by him either with individual ministers or in the Cabinet?

**The First Minister:** Yes.

**David McLetchie:** That is interesting; it has not been discussed. I put it to the First Minister, just so that we are absolutely clear on this matter, that he said in response to my question that the issue has not been discussed with individual ministers or in the Cabinet. That is not the whole substance of the charge that is made in the newspaper reports, however. The charge in the reports is that the issue has been discussed by Mr McConnell's kitchen Cabinet, not his rubber-stamp Cabinet.

I put to him *The Scotsman* report this morning—*[Interruption.]* It is a newspaper that has remarkably accurate education stories, which stems largely from the time when the First Minister was Minister for Education, Europe and External Affairs. It will be interesting to compare the track record.

To put it on the record, I should add that the report states:

"the plan was discussed in detail by Mr McConnell and"

an

"inner circle and ... he failed to inform the new education minister about these discussions when she took over the brief."

I ask him again: is there any truth in that statement?

**The First Minister:** I will be very clear. *The Scotsman* was told before it printed the first story, never mind the second one, that the story was not true. Her Majesty's Inspectorate of Education in Scotland has a new remit to get its cycle of inspections in line with the time scale in which children go through either primary school or secondary school. It is important that we ensure that that cycle is in place so that every primary school is inspected on a seven-year cycle and every secondary school is inspected on a six-year cycle, unlike what happened before—when I was Minister for Education, Europe and External

Affairs, I discovered that some schools had not been inspected since 1983, which was ridiculous. We must get the inspections into the right cycle and ensure that our local authorities exercise a day-after-day, week-after-week and year-after-year quality control function in relation to their schools. That is important and will remain the case.

### Individual Learning Accounts

**3. Alex Neil (Central Scotland) (SNP):** To ask the First Minister what the current position is regarding the closure of individual learning accounts. (S1F-1525)

**The First Minister (Mr Jack McConnell):** The individual learning account scheme was closed on 20 December. The Executive will introduce a new scheme, which will take the best from the old programme while addressing the concerns that have been raised. In the meantime, people who are already learning will continue to do so and those who enrolled before the scheme's closure will be able to proceed if their learning starts before the end of this month.

All 245,000 account holders have been informed directly of the decision to close the scheme, as have members of the Scottish Parliament and learning providers. Learning providers will be paid for valid claims when the ILA member was enrolled by 20 December and the learning will have commenced by 31 January.

**Alex Neil:** I thank the First Minister for that reply. First, can he clarify the reasons for closing the ILAs? Was it done primarily because of fraud, because the money ran out or for some other reason that we do not know about? Secondly, can he tell us when the new system will be put in place, what criteria will be used and whether there will be carryover to a new ILA for those who have an existing ILA?

**The First Minister:** The second and third questions will be answered in due course. However, the important thing just now is to ensure that not only those who have an ILA but those who have started learning by using their ILA can continue with that learning. I have said that we will do that. The system was closed down because of the potential for fraud. It was important that that closure happened.

**Miss Annabel Goldie (West of Scotland) (Con):** Would it not be appropriate to ensure that, to facilitate the continued operation of ILAs, rigorous investigation is made of the allegations of fraud? Is the First Minister not apprehensive that, as the ILAs were constructed by primary legislation in this Parliament, there is a danger—I think—of legal challenge to the Executive for failing to provide ILAs to applicants?

**The First Minister:** Many people who have an ILA have not yet begun, or signed up for, a course of learning. It is important that those who have committed themselves to a course of learning can continue with that. We have given that guarantee. It is also important that we investigate any allegations or suspicions about the system. We will do that before we complete payments to any of the learning providers who are claiming payments at the moment. We want to check that those payments are properly due before they are fulfilled.

**Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab):** Will the First Minister give an assurance that the Executive remains committed to keeping learners at the centre of learning? Will he look constructively, with the Minister for Enterprise, Transport and Lifelong Learning, at what measures can be taken—particularly to support collective learning through bodies such as the trade union learning fund and to support workplace learning—to place learners at the centre of the Executive's lifelong learning strategy?

**The First Minister:** Yes, we will. One of the things that we have done proudly over the past two years is to ensure that those kinds of opportunities begin to exist and develop. In Scotland today we have a large number of adults who require to improve their skills and their availability and competitive position in the local marketplace.

It is important that, when people have perhaps had bad experiences of schools, colleges or learning environments in the past, we offer a variety of different routes into developing new skills. I think that we can do that. I can see in my own home constituency of Motherwell and Wishaw the impact that such learning is having not just through the local college, but through other learning providers. I hope that we can ensure that that happens elsewhere in Scotland.

#### **Tourist Attractions (Euro)**

**4. Mr Keith Raffan (Mid Scotland and Fife) (LD):** To ask the First Minister what action the Scottish Executive is taking to ensure that all major tourist attractions accept the euro. (S1F-1530)

**The First Minister (Mr Jack McConnell):** The Executive supports the steps that have been taken by Scotland Europa, in conjunction with the UK Treasury, to provide advice and raise awareness of the need for all businesses, including those in the tourist industry, to be suitably prepared for the introduction of the euro.

Of course, the decision whether to accept the euro is a commercial one for the businesses

concerned. However, we have ensured, with the key organisations that cover the range of interests across the business community, that up-to-date advice and information are available to help businesses with their preparations.

**Mr Raffan:** Is the First Minister aware that, of Edinburgh's top 10 paid tourist attractions, only one is so far accepting euro notes and coins? Does he agree that if the Tower of London, Hampton Court Palace and Chester zoo can accept the euro, so should Edinburgh Castle, Holyrood House and Edinburgh zoo? Will he join me in lobbying the Scottish Parliamentary Corporate Body to ensure that the Scottish Parliament does not continue to lag behind and that its shop, which attracts a considerable number of tourists, accepts the euro, rather than turning it away, as it has been doing in the past week?

**The First Minister:** The prospect of a debate on whether the Parliament shop should accept the euro is enticing. It might lead to the Conservatives boycotting the Scottish Parliamentary Corporate Body in the same way as they boycott the Holyrood progress group. I hope that that would not be the case.

I understand that the decisions that have been taken in Scotland's major tourist attractions—the majority of which are not planning to take euro cash this summer—were made following market research on whether accepting the euro would be a viable investment at this time. This morning, I asked Historic Scotland to keep that position under review. It will do that and we will receive regular reports on the progress that is being made.

**Ms Margo MacDonald (Lothians) (SNP):** Will the First Minister also ask Historic Scotland to keep under review the source of revenue from a much bigger market than euroland? Will our major tourist attractions please accept the US dollar also?

**The First Minister:** I am unaware of any political party in the UK—although there may be one somewhere—that proposes that Scotland's currency should become the dollar, but I am aware of at least the medium-term potential for the euro to become the currency of Scotland and the UK. We are involved in a single market with the countries that have adopted the euro. The sensible point has been made that our shops, attractions and businesses should be able at least to trade in euros when appropriate. That makes much sense.

**Mr David Davidson (North-East Scotland) (Con):** I am sure that Scotland's businesses have taken heart from the First Minister's assurance that whether to accept any currency other than legal tender and what rate to charge for that are



commercial decisions for businesses.

I will take the First Minister further along the Historic Scotland route. He talked about the instructions that he has given the body. Does Historic Scotland receive guidance from the First Minister and his team, or is it a free-standing body that can make its own decisions, with a board that is accountable in the normal manner? In the past year, I have received several representations from people who work for the organisation. In how much detail does the First Minister instruct Historic Scotland, whether on the euro or other matters?

**The First Minister:** I made it clear in my first answer that, in my conversation with Historic Scotland this morning, I asked it to keep the matter under review. It agreed to do so. That is the right relationship between the organisation and us.

**Irene Oldfather (Cunninghame South) (Lab):** Does the First Minister agree that the price transparency that will accompany the euro will be good for tourists and consumers throughout Europe? Does he join me in commending the Convention of Scottish Local Authorities for its work on promoting an information campaign in the public sector and in condemning the scaremongers, including Conservative members, who refuse to conduct the debate on the basis of the facts?

**The First Minister:** I am always happy to condemn scaremongers—and sometimes Tories. The topic is serious. COSLA has acted responsibly in running that information campaign. It is vital that people know of the euro's potential impact on Scotland and the UK and of the need to prepare now to ensure that we have maximum trading opportunities with our main trading partners throughout the euro zone. That is an important part of the preparations that we should make to ensure that our economy survives the challenges of this and future years.

### **Economy (West Lothian)**

**5. Bristow Muldoon (Livingston) (Lab):** To ask the First Minister what action the Scottish Executive is taking to stimulate the West Lothian economy. (S1F-1536)

**The First Minister (Mr Jack McConnell):** The job losses at Motorola and NEC Semiconductors are, of course, a blow to the local economy, but West Lothian has shown its resilience in the past. The skills of the work force together with action that is being taken by the Executive and other public bodies mean that the area is well placed to share in future economic growth. West Lothian economic partnership has drawn up an action plan to achieve that. In December, the Executive announced that it was making £6 million available to help to implement that plan.

**Bristow Muldoon:** I welcome the £6 million that has been made available to West Lothian economic partnership and I recognise that the precise use of that money has yet to be finalised between the Executive and the partnership. Does the First Minister agree that, in addition to the economic development resources that have been made available, the infrastructure of West Lothian needs to be developed? The transport infrastructure could be developed by the expansion and extension of the Bathgate rail line and the communications infrastructure could be developed by the introduction of services such as broadband technology.

**The First Minister:** I agree that both those matters are important in West Lothian, as they are elsewhere in Scotland. A key lesson to be learned from the events of the past year in West Lothian is that the job market of central Scotland has become more flexible and involves more travel. Many people from Lanarkshire and areas even further west travel to West Lothian every day to work. People also travel there from Fife.

**Dennis Canavan (Falkirk West):** Jim Leishman.

**The First Minister:** Some travel more successfully than others.

It is important to recognise that the impact of some of the closures and other developments are spread more widely than the immediate West Lothian area. The innovative local council leadership in West Lothian is driving forward progressive improvements for the local population. Further private sector broadband and transport infrastructure improvements in West Lothian are of particular importance.

## Scotland's Economy

**The Deputy Presiding Officer (Mr Murray Tosh):** The next item of business is the debate on motion S1M-2582, in the name of Miss Annabel Goldie, on the Scottish economy. The chamber is just about quiet enough for me to ask Miss Goldie to speak.

15:32

**Miss Annabel Goldie (West of Scotland) (Con):** It has been a matter—

**The Deputy Presiding Officer:** Excuse me, Miss Goldie, but there seems to be a delay in clearing the chamber. Will members leaving the chamber please do so quickly?

My apologies, Miss Goldie, please begin now.

**Miss Goldie:** It has been a matter of concern to the Conservatives in the Scottish Parliament that debates on the Scottish economy are too few and that statements by the Minister for Enterprise, Transport and Lifelong Learning in response to job crises are too infrequent. It is for that reason that the Conservatives wish to signal to the business community in Scotland that we consider the Scottish economy to be a priority, notwithstanding the obscurity that seems to enshroud that topic in the list of priorities that were delivered to the Parliament yesterday by the First Minister.

Two needs are overdue. One is to signal to the business community in Scotland that the Executive has some sense of commitment to the economy and some idea about how to address current, cogent problems. The other is to try to illustrate to the business community that devolution can be a catalyst for a healthy economy, a dynamic for facilitating growth and investment and an instrument whereby some of the more pressing problems that affect business can be identified and addressed.

The needs are overdue because the factual backdrop to the debate is depressing. Last year, in excess of 20,000 jobs were lost to the Scottish economy. Labour has delivered to Scotland a higher business rate poundage than there is in England. The consequence of that is that Scottish business is paying 9 per cent more than its English counterpart. From 1997, business start-ups have been in steady decline. I wish that I could share the minister's optimism about start-ups over the past year but, with respect, the evidence on which to found that optimism seems insufficient.

Economic growth in Scotland lags alarmingly behind that of the rest of the United Kingdom. No member of the Scottish Parliament can afford to

feel uninterested in, remote from or complacent about that background. Unless that is addressed, the Scottish Executive's list of priorities that was launched yesterday will sound even more unconvincing and the stature of the Scottish Parliament will be diminished further.

Another disturbing dimension of the backdrop to the debate is the burden of red tape and regulation that strangles Scottish business. Those words tend to be uttered with a regularity that may make them sound like platitudes. Indeed, to people who are uninterested and uninvolved in business and who feel remote from it, they may sound tedious and boring.

For the benefit of such an audience, let me illustrate what red tape and regulation mean. For a small business with 10 to 14 employees, it means spending 31 hours a month complying with Government regulations and paperwork. For a business employing more than 50 employees, it means spending approximately 43 and a half hours a month complying with Government regulations and paperwork. It goes without saying that while such a burden is unwelcome to business of any size, it is particularly oppressive on medium-sized and small enterprises. Larger concerns can probably afford to fund the resource to cope with red tape alone, and many larger organisations do just that. While it is a sterile use of resource, benefiting neither the work force nor the generation of economic growth, at least the larger concern can manage the problem. However, that is not an option for medium-sized and smaller businesses, which account for nearly 90 per cent of the business community as a whole.

It is therefore no surprise to find in a Federation of Small Businesses survey that 83 per cent of small businesses were unhappy at the level of legislation encroaching on their firms and that red tape is annually cited as one of the biggest barriers to business growth in Scotland. Something has to be done about it—to do so is not beyond the wit of man. In fairness to the Scottish Executive, the creation of the improving regulation in Scotland unit—the IRIS unit—was an encouraging innovation. My Conservative colleagues and I welcomed the creation of that unit. Indeed, the initial omens were positive. The Executive described the IRIS unit as equipped to take speedy action and outward looking, and said that the unit would take on board the concerns of the Scottish business community, put a searchlight on business regulation and be serious about tackling unwanted burdens on business. In answer to a parliamentary question, the minister confirmed:

"The Improving Regulation in Scotland (IRIS) Unit can make the most telling contribution by ensuring that the Scottish Executive takes fully into account the need for all regulations to be proportionate and fit for purpose."

[Official Report, Written Answers, 11 October 2001; p 280.]

We all waited with excitement and anticipation for the newly created shining knight of IRIS to gallop forth on a white horse with sharpened blade to start slashing his—or, in this politically correct age, her—way through the jungle of stifling red tape that cocoons our business community. My first encounter with IRIS was not encouraging. It suggested that the horse was limping, the knight had become saddle-sore and the sword had been handed over to the theatrical props department. I make that comment because I was invited to and, with anticipation, attended a seminar organised by IRIS. On arriving, I found that there was a generous representation of civil servants and an audience of few people whom I recognised. When I perused the attendance list I found that the audience comprised multiple representations from some local authorities, representation from trade or business organisations and associations and, from what I could see, hardly anyone from business. The attendance complement seemed to number between 50 and 60 people, and when I inquired about the composition of the audience, I ascertained that approximately three people were in business in their own right. It was no surprise, therefore, to read the editor's comment in the December 2001 issue of *Business in Scotland*. He said:

"The IRIS seminars on red tape went largely unnoticed by business people, those who did attend as individual businesses were few and far between and came away with little hope that the Scottish Executive could do more than sympathise."

**Andrew Wilson (Central Scotland) (SNP):** While I agree with much of Annabel Goldie's analysis of the current situation, does she not recognise that the situation has not really changed in the past 30 years and that, as a result of the constraints that she identifies, the Scottish economy lagged behind growth in the rest of the United Kingdom for two painful decades under the Conservatives? The problems that we are experiencing under Labour were inherited from the Conservatives. More radical action needs to be taken to change this parlous situation.

**Miss Goldie:** No, I do not share that view at all. In fact, when someone from the Scottish National Party benches talks about radical proposals my heart trembles, fear rapidly mounts in my gorge and I wait with horror for the day that might dawn if the SNP ever got its hands on government.

**Rhona Brankin (Midlothian) (Lab):** Will the member take an intervention?

**Miss Goldie:** Let me deal with Mr Wilson's point. As Mr Wilson rightly acknowledged, during the Conservatives' time in government in Scotland the economy in Scotland was transformed from a Victorian and decaying economy into a new

platform-based economy that has proved to be the founding stone for such growth as the Executive might seek to lay claim to.

In so far as IRIS is concerned, I was prepared to be charitable. I thought that perhaps the radical, biting edge of IRIS to look objectively at regulation had not had an opportunity to show itself. However, the evidence is discouraging. IRIS seems to think that it is there either to be a propaganda machine for the Labour party and to find virtue in regulation or to be more or less passive. If that is the role that has been determined for IRIS, I suggest that it should be rechristened the inert, risible, impotent stagnation unit, because it will have no hope of cutting through even one thread of a very small strand of red tape, far less of tackling the jungle. In fact, I suggest that it should be rechristened GRAB—get rid of additional burdens unit—and then we might get somewhere.

The unit should go out to Scottish business over the next six months and prepare a short list of the most oppressive regulations that are time consuming and costly for business to administer. It should then return to the Scottish Executive and the Parliament for a debate on what action should be taken here and in partnership with our colleagues in Westminster to reduce that intolerable burden.

**Robert Brown (Glasgow) (LD):** Will Annabel Goldie give way on that point?

**Miss Goldie:** I am running short of time.

There is an example that we should look at. In Ontario, Canada, a determined Government gave teeth to the body charged with reducing red tape, to very good effect.

As far as the unfairness of business rate poundage is concerned, the advice of the Conservatives is quite simply to remove it. It is a deterrent to potential investors and a poor advertisement. I am comforted by the tone of part of the SNP amendment, which seems to take on board that suggestion.

The Executive's amendment seems to offer business about as much comfort as bailing out a boat with a jagged hole in the side. It seems neither to understand the current problems nor to propose any instructive or constructive approach to addressing them. Had the amendment called for a moratorium on the imposition and application of the aggregates tax, that might have been a different matter, but I suppose pigs might fly.

I sometimes like the cut of Andrew Wilson's jib, but not always. I sometimes like the tone of his words, but not always. Although his amendment contains elements that I think would elicit support from my party, he will have to elaborate

considerably in his speech before we are sufficiently reassured to feel minded to support it.

I move,

That the Parliament notes with grave concern that in excess of 20,000 jobs were lost throughout the Scottish economy in 2001 and that the Scottish economy has failed to perform as well as the UK economy; further notes that the higher business rate poundage in Scotland relative to England is having a damaging effect on the competitiveness of Scotland's economy, and calls upon the Scottish Executive to restore as a matter of urgency a business rate poundage uniform with the rest of the UK as part of a sustained effort to reduce burdens of tax and regulation, which are hindering the creation of jobs and prosperity in Scotland, and demonstrate to the business community a commitment to restoring growth and competitiveness to the Scottish economy.

15:42

**The Minister for Enterprise, Transport and Lifelong Learning (Ms Wendy Alexander):** I am delighted to have this chance to debate the Scottish economy. I share with the Conservatives the sense that we cannot debate the Scottish economy too often.

In the limited time that is available, I would like to concentrate on three things that are of contemporary relevance. The first is the recent performance of the Scottish economy. The second is the Scottish Executive's response to the current short-term difficulties. The third is our medium to long-term strategy.

The starting point for the economy's recent performance is the terrorist attacks in America. Even before 11 September, the world economy was slowing down. It is the first time since the 1970s that growth in all major trading blocs has slowed down or halted. The macroeconomic response in the United States, in the UK and in the euro area has been a rapid easing of monetary policy and, in the US, the injection of a sizeable fiscal stimulus. There are a number of inevitable lags before the impact of that is felt domestically in output and employment. So, despite the good news that people will have seen in the *Financial Times* yesterday about the G10 central banks' prediction of a more rapid turnaround than had been anticipated, many businesses in the developed economies have been undertaking fundamental reassessments of their operations in the light of 11 September. In particular, the tourism sector and aviation have been affected.

**Andrew Wilson:** The minister may recognise world problems, but does she not take responsibility for longer-term problems closer to home? Does she recognise the following quotation and will she say whether the coalition Government agrees with it? The quotation is:

"Labour's management of the macro economy and the high pound hits Scottish business, hindering growth."

What is the coalition position on that quotation?

**Ms Alexander:** The coalition's position relates to our management of the macroeconomy. Mr Wilson is on somewhat dangerous territory. We look forward to being enlightened as to what the SNP's monetary policy is, what currency it would use, whether it has any fiscal rules of any kind and what its taxation policy might be.

Leaving that aside, I will answer the question that I was asked. On macroeconomic management, we are benefiting from the longest period of sustained low inflation since the 1960s. Base rates are at 4 per cent, which is the lowest level for nearly 40 years. I draw the Conservatives' attention to the fact that 10 years ago, when there was previously a slowdown in the world economy—again as a result of a crisis, precipitated then by the Gulf conflict—the Conservatives had base rates in excess of 10 per cent. Those rates then rose to 15 per cent and unemployment rose above two million.

**Alex Johnstone (North-East Scotland) (Con):** I was in business during the 1980s. At one point, I paid 18.5 per cent in interest and my business made a profit. It is not doing so at the moment.

**Ms Alexander:** It is unusual for a Conservative to suggest that macroeconomic stability is indicated by high rates of inflation.

I want to move on. I was asked to defend macroeconomic fundamentals. The National Institute for Economic and Social Research, which is a key independent forecaster, suggested that, in less than propitious circumstances, the UK will have the fastest-growing economy of any of the G7 industrialised nations in 2002.

**Mr Kenneth Gibson (Glasgow) (SNP):** On 14 June 2001, the minister said in reply to a question that I put:

"In the most recent quarter, Scotland's growth rate had accelerated to a higher rate than that of the UK. Sadly, the Irish rate is heading in the opposite direction."—[*Official Report*, 14 June 2001; c 1646.]

Does the minister accept the Executive's statistics, which show that gross domestic product growth in the UK is 2.5 per cent, whereas it is 0.3 per cent in Scotland? A growth rate of 0.3 per cent is one twentieth of the Republic of Ireland's 6.1 per cent growth rate. Does she accept that the Executive has completely failed to deliver growth in Scotland? Whether one uses the model of Finland, Norway or Ireland, she must accept that small, independent countries are doing well.

**The Deputy Presiding Officer:** I remind Ms Alexander that she had seven minutes when she started. I will extend that slightly in the light of that intervention, but I advise her not to take any more interventions.

**Ms Alexander:** I am happy to turn to growth. On the most recent quarterly figures, Scotland grew at 0.8 per cent and the UK grew at half that rate—0.4 per cent. The Scottish growth rate was poor for the previous four quarters. I am happy to talk about the reasons for that. We have a much more internationalised economy. Our exposure to electronics, agriculture and tourism is much more significant than that in the rest of the UK. That is important and I look forward to the SNP dealing with that. The SNP cannot tell us what its fiscal rules would be, whether it has a monetary policy or what its taxation rate would be. Its motion proposes a commitment to doubling the growth rate. I want to ponder that. We hear much about Ireland, but the Irish growth rate has halved in the past 12 months. The reasons for that are not dissimilar to those that apply to Scotland—the world economy has had an impact.

The SNP wants to set a growth target without mentioning taxation policy, the currency that we should have, monetary policy, whether we should have an independent bank in Scotland and whether we should save the Bank of England. All the macroeconomic fundamentals remain a secret, yet we are asked to set a target on something that is most difficult for a small and open economy to regulate.

I will move to the substance of the matter—how to respond. It is important to touch on what the Conservatives said. The redundancy announcements in the recent past bring anguish and distress to all those who are affected. We cannot insulate Scotland from the effects of the global economy, but we can seek to help those who are affected to make a new start. Perhaps that is the difference between the coalition and the previous Conservative Government. Throughout the length and breadth of Scotland, we have created rapid response teams every time there have been major redundancies. We have specialist action plans that are geared to the specific needs of the workers.

**Mr Duncan Hamilton (Highlands and Islands) (SNP):** Will the minister give way?

**Ms Alexander:** Certainly, I will take an intervention.

**The Deputy Presiding Officer:** The minister is over time already.

**Ms Alexander:** I will finish on this matter. The Motorola task force has set targets and I am confident that 19 out of 20 members of the work force will have been redeployed within 12 months of the first redundancies at Motorola. That is how to deliver in the circumstances of the global economy. There is a difference between the Conservative members who say, "Let's leave it to the market and let people sink when they are

made redundant," and the SNP members who resist change and turn everything into a constitutional crisis. They do not even offer the fundamentals of a macroeconomic strategy.

The critical issue is that we are not thrown off course by the need to set a new long-term economic strategy for Scotland. The strategy is based on our science and skills and not on scouting the world and selling Scotland as a cheap labour location where people happen to speak English. The strategy is not based on the little Scotlander view that would cut us off from our major market and which believes that fiscal tinkering is a substitute for strategic underpinnings of the economy. The only way to deliver long-term growth for Scotland is a science and skills strategy of the kind that the Executive is pursuing. We should have more debates on the Scottish economy.

I move amendment S1M-2582.2, to leave out from first "notes" to end and insert:

"endorses the work undertaken by the Executive in its handling of the Scottish economy within the context of a continuing stable UK economic performance; commends the work undertaken by the Executive to help improve performance of the Scottish economy as set out in *The Way Forward: Framework for Economic Development in Scotland* and *A Smart, Successful Scotland: Ambitions for the Enterprise Networks*; commends the work undertaken by the Executive to assist Scottish business to prepare for the introduction of the euro, and supports the Executive in its aim to increase the sustainable growth of the Scottish economy over the long term."

**The Deputy Presiding Officer:** In the interests of protecting the open session of the debate, I ask Andrew Wilson, who will move amendment S1M-2582.1, to stick strictly to the five-minute allocation.

15:52

**Andrew Wilson (Central Scotland) (SNP):** I shall endeavour to do that, Presiding Officer. I do not wish to liken the Minister for Enterprise, Transport and Lifelong Learning to a mermaid, but the siren voices that we hear from the Labour Government as it drags the Scottish economy's ship on to the rocks have gone on for too long. The complacency that is explicit in their actions and statements is totally unacceptable.

I read a quote to Ms Alexander during my intervention, which states:

"Labour's management of the macro economy and the high pound hits Scottish business, hindering growth."

I asked for the coalition's position because the quote is from the Liberal Democrat group research paper for this debate. The coalition is split by the reality that the macroeconomic context—which, as we hear from the Labour party, is far from stable—delivers a situation of parlous slow growth and

long-term relative decline.

**Ms Alexander:** Will the member give way?

**Andrew Wilson:** I shall be delighted to give way to the Minister for Enterprise, Transport and Lifelong Learning in a moment. However, I am aware of the watchful eye of the Presiding Officer.

Relative decline has been the post-war experience of the Scottish economy. If the management of decline and lowering of expectations satisfies Labour members, that is all well and good, but it does not satisfy those of us who have ambition for Scotland and want to empower the Parliament and the country to deliver more for themselves. That is why we target a doubling in the rate of economic growth.

Ms Alexander laughs at the Republic of Ireland's growth rate of 6 per cent. Perhaps she is too close to Gus Macdonald, who once said that Ireland was good enough for a stag night but not for economic policy. There should be a bit less denigration of our cousins across the Irish sea and more respect for small, independent nations that are delivering fast growth and a higher standard of living for their people. As Kenny Gibson said, in the latest year for which full annual statistics are available, the Scottish economy grew at an eighth of the rate of the economy of the United Kingdom. Our standard of living rose at an eighth of the rate of that in the rest of these islands. In the Republic of Ireland—*independent Ireland*—despite the denigration and sneering from a minister who should know better, the economy grew 20 times faster than Scotland's. The minister would do well to spend more time in Dublin learning how the Government there delivers growth, and less time apologising for the outcome of Gordon Brown's parlous economic policy.

**Ms Alexander:** I yield to no one in my admiration for what the Irish have achieved through a clear strategy. I discussed these matters last summer with the Irish Minister for Enterprise, Trade and Employment, who was clear about their monetary policy. Perhaps Andrew Wilson can tell us which currency we are going to have—the euro or the pound.

**Andrew Wilson:** I would be delighted.

**Ms Alexander:** He thinks that the high pound is the issue and he wants us to enter the euro.

**The Deputy Presiding Officer:** Ms Alexander, this is an intervention, not a second speech.

**Ms Alexander:** Will he please clarify the matter?

**Andrew Wilson:** A simple examination of the SNP's manifesto and policy commitments would inform the minister that our ambition is to get Scotland into the European single currency as soon as possible at a rate that is competitive.

**Ms Alexander:** At what level?

**Andrew Wilson:** If the minister would stop sneering from a sedentary position and stand up and tell us the rate at which the UK intends to take us into the European single currency, we might make some progress.

Despite the nonsense that we have to endure from the Labour members who sit there like empty vessels making noise with little content, the experience of businesses and people in Scotland is that the Scottish economy under Labour, as it was under the Conservatives, is in a parlous state of relative economic decline. Manufacturing is in recession. Agriculture is in recession. Tourism is in recession. The primary industries are in recession. We have a spiralling trade deficit. Inward investment is at a quarter of the level that it was when Labour came to power. Research and development spending is at half the rate of that in the UK and there are 7,600 fewer business start-ups now than there were when Labour came to power. The situation is grave and is the outcome of a Labour policy that has driven the Scottish economy into the rocks. If the Executive spent a little less time congratulating its friends in London on their macroeconomic disaster zone and a bit more time acting on behalf of the people of Scotland, it would do us good.

Getting the economy moving is critical to the future of this country. We should set more ambitious targets, such as doubling the trend rate of growth. Why not? No ideology is attached to that. Once we have agreed on that target, we can start arguing about how can meet it. The Executive should stand with us and, I suspect, the Conservatives in our attempt to secure a competitive tax regime and a competitive environment but, instead, it sticks its head in the sand, congratulates itself and tells us how wonderful things are. Complacency is delivering relative decline and it cannot be maintained.

Our amendment shows ambition and offers a direction for the economy. The status quo is unacceptable—we cannot maintain the situation that we are in. The labour market is in dire straits. The level of employment is set to drop this year. If students are removed from the equation, Labour has presided over a fall in employment—the minister must recognise that. Across the Scottish economy, the position for too many people is one of relative economic decline. Wendy Alexander is talented and able and must recognise the reality of the situation. Rather than parroting Californian textbooks, she should start delivering growth.

I move amendment S1M-2582.1, to leave out from "restore" to end and insert:

"target a doubling of Scotland's trend rate of growth as a key policy objective and bring forward proposals to deliver this including a business taxation regime and a policy

environment that place Scotland at a competitive advantage in Europe, beginning with the removal of Scotland's business rate disadvantage compared to the rest of the United Kingdom."

15:57

**Tavish Scott (Shetland) (LD):** Well, we are all doomed, are we not?

I am interested to see that Andrew Wilson got hold of our research paper but I note that he did not read out the section that says:

"By making the economy dependent on the price of a barrel of oil, both the public and the private sector would find it impossible to plan investment decisions".

I wanted to make a couple of observations on the economy. We had a great deal of doom and gloom from the SNP. I prefer Annabel Goldie's style because she ladles lovely rich metaphors over her speeches and leads Andrew Wilson on—it is clear that he is always up for being led on.

Andrew Wilson did not put this debate on the economy in the context of world events, particularly what happened on 11 September, which, as the Fraser of Allander Institute's most recent quarterly summary states, has had a significant impact. The summary breaks down the effects on some of the sectors of our economy that Andrew Wilson was talking about. Only Andrew Wilson and his party would blame all the effects of the events of 11 September on the Government without some acceptance that there are wider factors.

**Andrew Wilson:** For the sake of clarification, will Tavish Scott say whether he agrees with me and the statement in his briefing for this debate that

"Labour's management of the macro economy and the high pound hits Scottish business, hindering growth"?

**Tavish Scott:** I will pick out the parts out of that document that I want to. When I think about making a speech, I get my team to write such a paper but I do not necessarily agree with everything that is in it.

The exchange rate is causing difficulties for businesses. Before Christmas, I visited a shellfish processing factory in my constituency and discovered that the issues that it is struggling with are freight and the exchange rate. The events of 11 September are extremely significant. World trade growth grew by 10 per cent last year. It is not expected to grow at all this year. That says something. The fact that world growth is expected to be stagnant is important in our context.

Scottish economic growth appears to be triggered to a large extent by strong retail growth at the moment. The retail sector represents 29 per cent of Scottish GDP. That is a significant spur.

However, good labour market intelligence and the new Future Skills Scotland organisation are crucial in assessing how to create the conditions for sustained growth and competitiveness.

To examine one sector, the turmoil in electronics, which Bristow Muldoon raised at First Minister's question time, raises two fundamental issues about the way in which we consider our competitiveness. The first is that we should not be dependent on companies that will ultimately take their decisions not in Livingston, but in air-conditioned offices in San Diego or Seoul. We should therefore invest in strategies to build domestic birth rate and in such measures as the £1 million that the minister announced before Christmas for the Alba Centre. That is much more the way forward.

I welcome the point about the euro in the Executive amendment. According to the Scottish Council for Development and Industry's 2000 survey of Scottish export, 63 per cent of Scotland's manufactured goods go to the European Union. That export is valued at some £13.2 billion. We are and always have been a European trading nation, which makes the case for British membership of the euro even stronger.

The politics of where Britain stands on the euro are utterly depressing, none more than the Prime Minister's recent speech, which indicated that Britain has always, over the past 50 years, prevaricated on the great issues of Europe. I urge all those who have influence—the minister certainly has influence—to move the argument forward. It is demonstrably in the interests of the Scottish economy. Those who were at the Scottish Retail Consortium's event last night heard, I am sure, from right across the sector a strong indication of business's views.

The launch of the euro throughout 12 nations and affecting 300 million people has gone remarkably smoothly. That fact must be a real blow to the Eurosceptics. Our European Committee produced a report on the state of preparation for the euro in Scotland before Christmas. Its main recommendation was that the Executive endorse the pressing need for

"sustained effort to ensure preparation throughout Scotland".

The Parliament and the United Kingdom must ultimately answer one question: is Scotland a European country and a European trading country? The answer is yes. Scotland's trading pattern indicates that. The consequences of a clear and decisive route towards the euro are important. I urge the minister to make progress on that.

16:03

**John Scott (Ayr) (Con):** I will draw the Parliament's attention to the problems of the Ayr constituency. In particular, I will highlight the problems of the Prestwick area.

First, on 3 October, the National Air Traffic Services project was put on hold. The building of the new air traffic control centre at Prestwick will now not go ahead in the foreseeable future. The 70 new jobs that were to be created have evaporated, at least temporarily. Construction jobs for the building phase of the project will now not materialise in the short term. On 16 October, 170 jobs were lost at GE Caledonian because of the downturn in the aircraft engine servicing business. As planes fly less, their engines need less servicing.

On 1 November, HMS Gannet closed its doors finally on 400 service personnel as their posts were transferred to Culdrose. That was another 400 jobs lost for Prestwick. On 27 November, 219 jobs were lost at BAE Systems at Prestwick, due to the downturn in the aviation market. Then, in November, in Ayr, less than two miles from Prestwick—

**Dr Sylvia Jackson (Stirling) (Lab):** Will John Scott give way?

**John Scott:** No I will not. I have a lot to say. I am sorry.

Less than two miles from Prestwick, British Bakeries Ltd announced another 300 jobs losses—another 300 jobs gone from the Ayrshire economy.

I expect that members are all getting the picture by now: the Ayrshire economy is not booming. It has not been booming for some time, but nothing is being done. The job losses that I have described add up to more than 1,000. Those jobs have been lost in the past three months in a constituency in which unemployment is significantly higher than the Scottish average.

As a constituency MSP, I believe that I have a duty to promote and sell my area. As those job losses started to accumulate, I was initially reluctant to make a fuss. I do not want to talk down Ayrshire; rather I want to talk it up. However, as the totals started to rise, I felt that it was important to seek help with the problems and draw them to the Executive's attention. If I had not done so, I would have been correctly accused of burying my head in the sand and doing nothing.

On 16 November, I wrote to Ms Alexander expressing my fears about the developing situation at BAE Systems. On 27 November, I wrote again to the minister, asking for her help to address the deteriorating situation and death by a thousand cuts of the Ayrshire economy. In that

letter I specifically asked her to consider setting up a task force to address Ayrshire's problems, as has recently been done elsewhere in Scotland. The answer was no reply.

On 6 December, I asked a question at First Minister's questions and got nowhere. On 19 December, I wrote to Jack McConnell asking whether he intended to help Ayrshire. On 20 December, I wrote again to Ms Alexander asking her to respond to the problems and again I received no reply.

In all, I have written on three occasions to the Minister for Enterprise, Transport and Lifelong Learning, once to the First Minister and I have asked one question at First Minister's question time. I have yet to receive a substantive response to any of those letters or my question. As well as being incompetent, that is not good government.

**Ms Alexander:** Will the member take an intervention?

**John Scott:** No, I will not take an intervention. The minister had her chance in the debate to make an announcement. I am not taking an intervention.

**The Deputy Presiding Officer:** The member is in his last minute.

**John Scott:** What the minister has given the Parliament is not the caring, open and transparent Government that she and other ministers promised for so long.

**Mr Gibson:** Mr Scott is not being transparent either.

**John Scott:** I beg your pardon.

**Mr Gibson:** Mr Scott is not being transparent. He accused the minister of not responding, but did not allow her an opportunity to explain.

**The Deputy Presiding Officer:** Excuse me, Mr Gibson, but I do not think that you were invited to contribute. Do continue and conclude please, Mr Scott.

**John Scott:** Thank you very much, Presiding Officer.

I have written and spoken to the chief executives of South Ayrshire Council and Scottish Enterprise Ayrshire. They have both offered any help that they can give and would welcome any additional help that the Executive would give to the Prestwick area. However, it appears that this Labour Government does not give a damn about that part of Ayrshire and its problems.

Once again, I ask the Executive today, for the sixth time, whether it will do something to help with our problems in the Prestwick area.



**Ms Alexander:** Will the member take an intervention?

**The Deputy Presiding Officer:** No, Mr Scott is finishing. He was given four minutes and was told that he was in his final minute and that there would be no more interventions. Please close now, Mr Scott.

**John Scott:** I beg your pardon, Presiding Officer. Will the minister set up a task force to address our problems in Ayrshire today?

**Ms Alexander** *rose*—

**The Deputy Presiding Officer:** The minister will make a closing speech at the end of the debate. It is clearly open to her to answer that question then. Are you finished now, Mr Scott?

**John Scott:** Thank you for your forbearance, Presiding Officer. I look forward to the minister's response in due course.

**The Deputy Presiding Officer:** Before I call Marilyn Livingstone, to be followed by Duncan Hamilton, I point out to the SNP that the last member whom I intend to call is an SNP member. I hope that that might earn the SNP's co-operation on timing.

16:08

**Marilyn Livingstone (Kirkcaldy) (Lab):** Thank you, Presiding Officer. I will try very hard to stick to time.

As others have said, the global economic backdrop of 2001 has been difficult and the terrible events of 11 September considerably heightened those difficulties. The performance of the Scottish economy must be gauged and the resounding glut of statistics and analysis points to a year in which the achievements of low unemployment, low interest rates and low inflation have been cemented. I could not agree more with the minister that we must not be thrown off course. We need a long-term strategic approach to economic success.

I wish to concentrate on the need to develop a smart, successful Scotland, a knowledge economy and entrepreneurship, which are pivotal to the agenda of the Scottish Executive and the UK Government. The promotion of education and lifelong learning is the key driver for raising productivity and competitiveness. Scotland cannot and will not compete on the basis of a low-wage, low-skilled economy. Investment in education, universities, colleges and specific retraining programmes provides the basis for success today and tomorrow. Record levels of expenditure in all those sectors clearly demonstrate the Executive's commitment to developing the Scottish labour market and to spreading wealth and opportunities

throughout Scotland.

However, it is vital that we not only develop a learning culture in our society, but continue to develop alongside that a culture of entrepreneurship as one of our fundamental priorities. I had the pleasure of doing some of my Christmas shopping at a young enterprise market in my constituency of Kirkcaldy, where the next generation of entrepreneurs from local schools gains a valuable insight into the world of business. That excellent scheme is a small step towards changing the culture and encouraging young people to believe that it is possible to start up their own business. However, changing cultures requires considerable time, investment and strategic thinking.

The Executive's and Parliament's role is to put in place the infrastructure and framework for a pro-business, pro-growth environment throughout Scotland. A rates-relief package is being provided, a broadband strategy is being developed, record levels of funding are being made available to Scottish Enterprise and a comprehensive economic framework for development is being established. Those are just some of the areas in which massive steps are being taken. The Executive is also committed to creating an environment that encourages investment.

The Enterprise and Lifelong Learning Committee sees it as important to reward risk taking. The committee has produced some major reports on the Scottish economy, including a report on local economic development, from which emanated the development of local economic forums. The committee's report on its inquiry into the new economy also made major recommendations on the way forward, which were taken on board by the Executive. The findings of the committee's current inquiry into lifelong learning in Scotland, which is vitally important for short-term, medium-term and long-term strategic development, are eagerly awaited in the sector.

Much work has been done, but we all recognise that more is needed to achieve the ambitions that we have set ourselves. In today's modern global economy, it is essential that we create a dynamic business environment that generates growth and social justice. We want and need an economy that achieves the correct balance. Supporting business and enterprise is important, but we must remember to promote social and regional development alongside that.

16:12

**Mr Duncan Hamilton (Highlands and Islands) (SNP):** Given that the previous speech finished five seconds early, I hope that you will be lenient with me about time, Presiding Officer. I can use

every minute that you can give me.

In this debate there has been an interesting contrast of vision. There has been some discussion of the SNP amendment, which would set us the target of doubling the trend rate of growth in Scotland. The minister for enterprise and everything else took time out of her busy schedule to sneer at the prospect that Scotland might want to set such a target. It is an ambitious target and would be hard to achieve—we might not even achieve it. However, why is it wrong to set that aspiration for Scotland? Why is it wrong for the Minister for Enterprise, Transport and Lifelong Learning to accept that that might be a step forward?

**Ms Alexander:** Will the minister take an intervention?

**Mr Hamilton:** I am not a minister yet, but I will take an intervention.

**Ms Alexander:** As I understand it, the target of doubling the trend rate of growth would apply at all times and in all places. Does the member think that the Irish economy, which he praises so highly, should have set itself such an ambition last year?

**Mr Hamilton:** Well—

**Ms Alexander:** The question is simple: would the target apply in all circumstances and at all times, irrespective of where we were in the economic cycle?

**Mr Hamilton:** I am not sure that the minister understands the difference between an intervention and talking over everyone else in the chamber.

It is worth exploring the Irish example. The minister said that it was a disaster for Ireland that its growth rate had halved. That is a bit like saying that Martin O'Neill will be gutted by the prospect of Celtic winning the Scottish Premier League by five points rather than 10. The key issue is where one starts. In the past decade, the Irish have outperformed the UK with double-digit growth. The minister does not even have the humility to try to learn from the Irish example in order to get Scotland on to the same map; instead, she sneers at it.

**Rhona Brankin:** Will the member give way?

**Mr Hamilton:** I will not. Rhona Brankin is now acting as the shadow minister for interventions, but we are not very interested in that.

Rather than managing failure—

**Helen Eadie (Dunfermline East) (Lab)** *rose—*

**Mr Hamilton:** Here comes her deputy.

Would it not be right for the minister, rather than managing failure, to show some real political

leadership?

**Helen Eadie:** Will the member take an intervention?

**Mr Hamilton:** No.

**The Deputy Presiding Officer:** The member is not giving way.

**Mr Hamilton:** In 1995, Scotland's growth rate stood at 78 per cent of annual UK growth. In 2000, that figure was down to 65 per cent. Rather than concentrating on the figures for one quarter, in some sort of economic sleight-of-hand, the minister needs to face up to the fact that this is a long-term problem. She needs to consider the fact that Scotland is growing one third more slowly than the UK. As the Scottish Minister for Enterprise, Transport and Lifelong Learning, is she happy with that scenario? If not, why will she not join us in setting a target to double the rate of growth? That seems to me to be a logical solution.

The minister has a second problem to resolve. She says that a hands-off approach is required. The global economic downturn gives the minister a get-out to say that we can do nothing. Manufacturing output and orders are down for the ninth consecutive month and the quantity of goods that are produced in Scotland is down for the 13<sup>th</sup> consecutive month. On business start-ups, from 1994 to 2000—I stress that taking a longer-term view is vital if we are to have any credence in the statistics—there has been a net loss to Scotland of 1,160 indigenous businesses at the same time as there was a net gain of more than 35,000 businesses in England.

When the minister says that, thanks to our friends in the Treasury, we are in a stable, enterprising, macroeconomic picture, does she consider that while that might work in some parts of the UK, it certainly is not working in Scotland? She says that we cannot do anything about that and that we cannot insulate Scotland against the vagaries of the global market, but everyone would accept that, almost by definition, the global economy demands that we cede some control and become an open economy. That does not mean that we can do nothing. The problem with the minister's approach is that she takes the opportunity of global downturn to wash her hands of any responsibility. She must remember that many goods and services are produced and consumed locally. Our economic market is not totally global and there is a role for the indigenous company in Scotland. She should recognise that that is something that she can use to insulate us against the downward global economic trend.

We might yet come on to another part of the debate: the future. I want to close by agreeing with Annabel Goldie, when she said that the minister had to accept that constitutional change and the

creation of the Parliament could stimulate economic growth. That is true, but if it is true for devolution, surely it will also be true for independence.

16:17

**Mr David Davidson (North-East Scotland) (Con):** Yesterday, the First Minister gave us a litany on where the Executive is headed. However, he did not mention tourism, which is our largest industry and which is bigger than sales of oil, gas and whisky put together. There was little mention, if any, of the rural economy. A tourism minister with power and accountability, for which I campaigned, has been delivered—it was Conservative policy to establish that post. However, it is a pity that, in response to the first written question that I sent the minister, which was to ask him what plans he had to give a statement on tourism in the chamber, his answer was that he had no such plans. He is not even present to listen to the debate. Do the McConnell omission and the Watson wobble mean that the industry, in what is, for a variety of reasons, its hour of need, will not become one of the myriad Executive priorities?

Under new Labour, we have had four years of decline. Foot-and-mouth disease and 11 September have compounded that decline—the VisitScotland figures for foot-and-mouth alone amount to a loss that is probably in the region of £300 million. Will the new Executive define the remit of VisitScotland? Will the new ministerial team play centralisation—as it seems to want to do—or will it devolve power out? It would be nice for the industry to know the answer to those questions at some stage.

What plans will we hear from the Minister for Tourism, Culture and Sport on support from the public purse? We have a unique situation, as the industry's product is delivered by private business, but new systems for and marketing of the sector are resourced through central support from public funds. When will the Executive pay attention to the activities of other countries where the private sector works in closer partnership with the public purse in the promotion of tourism? Examples of such an approach can be found in Germany and Canada, to name but two.

At the tourism conference that was held in November at the Edinburgh International Conference Centre, the industry clearly spelled out its concerns and its disappointment with the Government's performance. Can the minister give me an assurance that she will press the Minister for Tourism, Culture and Sport to engage both with the Parliament and with the industry as soon as possible? There are priorities out there, such as the identification of new markets and the delivery of effective marketing, about which there have

been complaints from throughout Scotland.

Many problems affect both the rural economy and the tourism industry. Some of those problems are to do with high fuel taxation. My colleague Annabel Goldie mentioned the costs of running a business. If the aggregates tax were imposed, it would sorely damage the north-east economy and the link with transport costs would put Scotland at a disproportionate disadvantage. It is time that the Executive started to liaise with those from the deep south who inflict certain conditions on Scotland.

**Mr Gibson:** Will the member give way?

**The Deputy Presiding Officer:** No, the member is in his last minute.

**Mr Davidson:** I seem to have been saved.

The rural economy, which was devastated by foot-and-mouth disease, received only belated recognition from the Executive. I hope that some lessons have been learned. Many sectors within the rural economy that would not be classified as farming or fishing have been equally damaged, but I am not sure that the minister has grasped that fact.

Investment in infrastructure is required if we are to sustain investment and encourage expansion. For example, north-east Scotland has a fairly robust Aberdeen economy, but there are warning clouds on the horizon, especially in the traditional industries. For the past three years, I have been pushing to get the Aberdeen bypass included in the Executive's programme. I see that the Deputy Minister for Enterprise, Transport and Lifelong Learning, who is responsible for that, is present in the chamber, so I hope that he is listening. It is time that the Aberdeen bypass was included.

On the promotion of sea transport—

**The Deputy Presiding Officer:** Wind up, please.

**Mr Davidson:** I am just going over my final point to the minister. Last year, Wendy Alexander promised me that she would set up a task force for the Peterhead economy but, one year on, we are still waiting for action. The local enterprise company was quite happy to be involved but it needed the minister's approval. When the minister winds up, will she tell us why, despite our lengthy meeting that took place upstairs in this building, that has not been delivered? If I may give the minister a recommendation for the future—

**The Deputy Presiding Officer:** No, please close now.

**Mr Davidson:** That recommendation is that the minister should listen to what goes on in this chamber.

16:22

**Pauline McNeill (Glasgow Kelvin) (Lab):** So wide is today's subject for debate that it can be difficult to get a focus for a four-minute speech. I want to use my time to talk about manufacturing and shipbuilding and, if time allows, information technology.

I have always believed that the test of any nation's prosperity is its ability to create wealth. As such, the importance of Scotland's manufacturing industry remains crucial to our long-term stability. I am pleased that the Scottish Executive is fully committed to a manufacturing strategy as a strong feature of Scotland's economy. Notwithstanding this afternoon's positive approach from Annabel Goldie and other members of her party, such a claim could not have been made by the previous Thatcher Government, which attempted to slaughter Scottish manufacturing industry in the 1980s and 1990s.

**Mr Gibson:** Will the member give way?

**Pauline McNeill:** I will give way if the member makes his intervention brief.

**Mr Gibson:** I thank the member for letting me in.

In the year to June 2001, manufacturing output grew for the UK economy while it fell by 4.8 per cent in Scotland. Does the member not accept that that shows that the failed policies of the Tories have been equalled—indeed exceeded—by the failed policies of new Labour?

**Pauline McNeill:** Kenny Gibson makes a predictable point. The point that I want to make is that a Government that is committed to manufacturing industry is the key theme. Unlike the previous Administration, Labour is committed to manufacturing industry.

For Scotland to continue to produce and make things, it is vital that our economy retains its existing skills, learns new ones, and generates ideas and employment. We can all agree that the service sector is important, but no economy can rely solely on the service sector.

My constituency contains Scotstoun shipyard, which is now part of BAE Systems. Scotstoun has a proud tradition in shipbuilding. I am somewhat relieved to have a Labour Government and Labour-led Executive that are both utterly committed to the retention of the shipbuilding industry, which means that such skills will be retained in the UK and in Scotland, where the Clyde is a long-established centre of extreme excellence.

The shipbuilding task force recently reported that job losses are down considerably. We await a final outcome, but we hope that the news is even better than that. There can be no doubt that the

strategy of the Ministry of Defence is to keep shipbuilding manufacturing in the UK. The contracts for the type 45 frigates and alternative landing ships logistics have been designed specifically so that the work is retained as part of our manufacturing base. That will secure the contract in the UK, rather than simply make use of cheap labour. That move must be commended. The strategy, which is supported by Scottish ministers, means that we will have a secure future in shipbuilding for another generation. All parties that believe in a manufacturing industry should applaud that.

I am hopeful that the strong desire to retain the existing skills on the Clyde and the new work that will begin in July will mean that there will be almost no job losses, despite the short gap. I will certainly campaign for such an outcome, as will all who believe in that goal.

Although there is no obvious connection between shipbuilding and the information technology industry, there is a common theme concerning the ability of the nation to produce and export. I want to talk about the opportunities that Scotland is creating in the digital age.

The commitment to broadband is essential: business and commerce rely heavily on the exchange of information. The current market does not offer the kind of choices, at competitive prices, that ought to be available. I commend the Enterprise and Lifelong Learning Committee for its in-depth work on broadband. Until more is done to support the telecommunications industry, we will have little chance of achieving results from the broadband strategy. The collapse of Atlantic Telecom devastated a number of Scottish businesses—many of them in my constituency—which relied on a cheaper phone company but were oblivious to the fact that such a company could fold.

The dominant position of British Telecom means that we will not get the choices that we need to deliver broadband, and that is a concern. I ask the minister to address aspects of the telecommunications industry in her summing-up.

16:26

**Fiona Hyslop (Lothians) (SNP):** I welcome this debate, especially as it was initiated by the Conservative and Unionist Party. The economy is a broad subject that covers both reserved and devolved matters. I welcome the recognition that constitutional change can stimulate the economy and I look forward to hearing more support from the Conservatives for the SNP position.

I would like to deal with some issues over which this Government perhaps does not have control. We were slightly misled by the Conservatives over

their past record. Had a Scottish Parliament had control of the natural bounty of oil, and had it invested it prudently and properly, we would not have had the situation in the Thatcher and post-Thatcher years of Scottish oil funding the monetarism of the Conservatives and the high unemployment and high claimant rates that went with it. I acknowledge the Conservatives' efforts in holding this debate, but I have some concerns about their background and their past policies.

I agree with Pauline McNeill that we have to support manufacturing. We need a strategy of having high-value and high-skill manufacturing. However, 10,000 jobs, mostly in manufacturing, have been lost in the Lothian economy alone. The global situation has not been the only reason for that. I accept that Government cannot solve everything—obviously, we live in a situation of global capitalism. However, in the past few years, employers have told me that the British high-pound policy has damaged us. We are an exporting nation, and the high pound affects manufacturing.

I want to get to the nub of the debate. Various speakers have suggested that all that comes from the SNP is doom and gloom. Well, if we consider the current state of the Scottish economy, it is doom and gloom. We have to consider the facts. I find it absolutely incredulous—[*Interruption.*] Yes, it is a good word. I find it absolutely incredulous that the minister cannot have a target of doubling the growth rate from 0.8 per cent to 1.6 per cent when the UK rate is 2.5 per cent. Is the minister saying that we are not good enough to have the same rate as the UK? Is the minister—who is not averse to setting targets—saying that she does not have enough confidence in the Scottish economy to set a higher rate?

**Ms Alexander:** Does Fiona Hyslop acknowledge that, in the most recent quarter for which figures are available, Scotland's economy grew at double the UK rate? Yes or no.

**Fiona Hyslop:** The minister tends to judge economic rates in the same way that she judges homelessness rates; she considers a trend over one month and one month only. We should be considering what has been happening historically in the Scottish economy. It is not good.

The SNP is ambitious. Sometimes we are over-ambitious, but—at the same time—we tell the truth, and somehow that is regarded as spreading doom and gloom. We cannot deal with the Scottish economy unless we deal with the facts. The minister has admitted in recent weeks that, in the Scottish Executive's first year, it took its figures for joblessness from newspapers. It took the Executive until November to decide to review that practice. How can the Executive care about people losing their jobs when it does not even

bother to count them in the first place?

I want to move on to discuss the situation in West Lothian. West Lothian could be a powerhouse for Scotland. It has been extremely resilient in the face of many job losses. However, the minister says that 4,000 more people are employed in West Lothian than before the Motorola announcement. That is true, because West Lothian is one of the few places where the population is increasing. However, it is also one of the few places where the claimant count is rising—there are 400 more people on the dole now than there were a year ago.

There are some things that the Government can do, and Bristow Muldoon made some valid comment on that point during question time. Perhaps the minister can address this point in her summing-up. The Government expects to claw back £16.7 million from Motorola from regional selective assistance grants. I understand that £10 million has already been allocated. Will the minister commit an additional £6.7 million to the infrastructure, skills and indigenous business that West Lothian needs to ensure that we have the type of manufacturing that Pauline McNeill was talking about?

16:30

**Rhona Brankin (Midlothian) (Lab):** Like Wendy Alexander and other members, I welcome the opportunity to discuss the Scottish economy. I will concentrate on research and development and particularly on how we get the ideas out of Scottish laboratories and into businesses.

I draw members' attention to an example of where that is happening very effectively. Midlothian is in the sometimes painful transition process from an economy that was heavily dependent on the mining industry to an economy that is becoming a UK, European and world centre for biotechnology and life science. Midlothian has an international reputation for research development and production, with world-renowned research institutes such as the Roslin Institute and the Moredun Research Institute.

I am sure that everyone has heard of Dolly the sheep. Not so many members may be aware of the importance of the Dolly-the-sheep technology, its spin-off and the development by PPL Therapeutics plc of drug therapy that will be used to treat thousands of people suffering from cystic fibrosis and hereditary emphysema. The initial research was carried out by Professor Wilmut and his team at the Roslin Institute. The spin-out was taken forward by PPL Therapeutics, which developed the drug therapy, and the final piece of the jigsaw will be the building of a production facility at Gowkley Moss in Midlothian, close to the

research institutes and the biotech companies.

Those developments have not happened by accident. They are the result of a combination of high-quality research from the Roslin Institute, a recognition of the huge potential for commercialisation by an innovative company—PPL Therapeutics—and the significant contribution of Midlothian Council, which had the foresight to recognise and support the biotechnology sector in Midlothian. The project has also been supported by Scottish Enterprise, the local enterprise companies and, importantly, the Scottish Executive.

The minister has already visited Midlothian, but I would like to take the opportunity to ask her to meet me and key players in the biotechnology and life sciences sector in Midlothian to discuss the recently launched science strategy and the contribution that Midlothian can make to the creation of a smart, successful Scotland.

**Mr Gibson:** I acknowledge the member's concern regarding expenditure on research and development. However, does she accept the comment in *The Scotsman* of 5 December that there has been an "evident and continuing deterioration" in research and development spending in recent years? Does she accept that under the current Government, research and development expenditure is falling?

**Rhona Brankin:** Research and development is one of the jewels in the crown of the Scottish university and research sector. Scotland leads the way in research and development. The recent research assessment exercise proves that point. Research and development is essential. It is crucial that we commercialise that research to make a difference to jobs and the Scottish economy.

I find it rather rich that the Tories lodged a motion that refers to job losses, when between 1979 and 1997, under the Tories, unemployment doubled and twice hit the 3 million mark, which the Tories described as a price worth paying. I condemn that. We do not accept that that is ever a price worth paying. As Wendy Alexander pointed out, in 2001 total employment reached its highest ever level, the claimant count rate of unemployment fell to its lowest level for a generation, and mass youth unemployment was consigned to the past. I call on both Opposition parties to stop talking down the Scottish economy and to support our amendment.

16:35

**Alex Neil (Central Scotland) (SNP):** I will mention two or three issues that have not been mentioned in the debate so far, but which present major long-term strategic challenges for the

Scottish economy.

The first is the problem of long-term depopulation. We have all seen the recent forecast from the registrar general for Scotland, which shows that in the next few years, for the first time in a long time, the population will go back down below 5 million. Indeed, one long-term forecast shows that, by 2065, the population of Scotland could fall to as little as 3.8 million. That presents a number of major problems.

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

Is the member aware that Glenrothes, which is one of our new towns and has a fairly young population, for the first time in its history had more deaths than live births last year? Is not that a pointer for the future of Scotland?

**Alex Neil:** That is indicative of the problem. We have to face up to the problems that depopulation presents. I will provide a couple of examples of the implications of depopulation. At present, we have a dependency ratio in Scotland of just more than 2:1. In other words, for every two or two and a half workers we have one dependant—a child, a pensioner or whoever. If we go down to a population of about 3.8 million by about 2065, the dependency ratio is likely to go into reverse and change from 2:1 to 1:2. In other words, for every one worker there will be two dependants. That has major implications for taxation and expenditure on social services, and will also bring other problems.

The second issue is the attraction of new industry from outside Scotland and the growth of indigenous industry. If we do not have a young population with the appropriate skill levels coming through to fill the jobs that will be available, our economy will continue to have a comparative growth rate that is well below that of the UK, and even more substantially below that of Europe. In other words, a key part of any long-term economic development strategy for Scotland must be a deliberate proactive policy to tackle depopulation. If there is one country that needs an immigration policy, it is Scotland. We need to bring people to Scotland—not just people who have left Scotland, but others who would like to live and work, set up new businesses and do research and development here.

That leads me to my third major point, which deals with a word that I have not heard much of in the debate—investment. Whether we are talking about the railway infrastructure, the roads infrastructure, manufacturing industry, research and development or whatever, the fundamental problem in Scotland is that for not only one year, two years, 20 years or 30 years, but since the turn of the last century, we have grossly underinvested in the private and public sectors. We now need a scale of investment that no one has started to contemplate. Unless we get that level and scale of

investment in the private and public sectors, we will continue with relative decline in Scotland no matter what happens in any trade cycle.

Irrespective of our party and views on the constitution, let us in the Parliament be big enough to take on the key challenges of depopulation and massively increasing investment.

**The Deputy Presiding Officer:** We move to wind-up speeches, which must be kept to their time limits.

16:40

**Robert Brown (Glasgow) (LD):** First, I welcome Alex Neil's final comment, because investment is a major issue and is worthy of a longer debate.

Behind this debate is the spectre of the terrorist attacks of 11 September, which the minister rightly touched on, and the slowdown of the world economy, which was in progress before 11 September. The debate also has behind it the looming question of the ultimate decision on the euro. The Executive's amendment is right to talk about moving towards that decision and trying to produce the stability that goes with decisions on that particular matter. That must be an objective of macro economic policy.

Beyond that, the debate has been characterised by rich metaphor, by hotly contested statistics—and the usual reservations about them—and by the doom-mongers and harbingers of independence on the Scottish National Party benches. I found the contributions of the two Opposition parties dismal in the extreme—very high on analysis and very short on remedy.

**Andrew Wilson:** Will the member take an intervention?

**Robert Brown:** No, thank you.

The Opposition parties gave us no justification, other than assertion, for their alternative remedies.

The only substantive point that the Conservative motion makes is the alleged disincentive effect of the Scottish business rate. The burden of the non-domestic rate in Scotland is similar to what it is in England. Although the rate poundage is higher, the rateable values are lower; that is based on a smaller uplift at the time of the last revaluation.

**Mr Gibson:** Will the member take an intervention?

**Robert Brown:** No, sorry. I have limited time, and I do not want a spurious statistical intervention of the kind that we have had during the debate.

In fairness to Annabel Goldie, she mentioned a desire to cut red tape and unnecessary burdens in small business. She is right to say that. However, there are similar statements in the manifestos and

utterances of all the parties. I was struck that Annabel Goldie did not give any specific examples of the genre—not even of those that are within the control of the Scottish Parliament. I have no doubt that such examples exist, but cutting red tape is not the panacea that it is sometimes made out to be.

The SNP amendment boiled down to much the same thing. It argued—although during the debate SNP members did not—for lower business rates, which is a worthy enough objective. However, if spending levels remain the same, the lost revenue would have to be found by enormous rises in council tax or savage cuts in the services that the Scottish Executive and the partnership have worked so hard to restore after the years of Tory spending cuts up until 1999. I use that date advisedly.

I have no problem with setting a growth rate or target for the Scottish economy. That is fine. I would like to set the target of Newcastle United winning the FA cup by scoring 10 goals in the final. That is a target. However, the key point is how we achieve the target and the SNP offered nothing on that subject during the debate. Setting a target is easy; achieving it by policies that exist in the real world is something else. Because of that lack, the debate has been disappointing.

To return to Alex Neil's point, investment is a major issue, which we need to debate and examine. Governments exist in the real world. In that sphere, they have limited powers—they do not create the businesses or make the economic success. Later on in the debate, Fiona Hyslop began to make some reasonable points on the high poundage, which Tavish Scott also touched on, and the skills shortage, which is also important.

Although I, along with other members, usually have criticisms to make of Executive motions and amendments, amendment S1M-2582.2 is a relevant amendment that sets out the issue in sensible and reasonable terms and deals with Scotland's economy in the real world. That did not characterise the attempts of the Opposition parties.

16:44

**Mr Adam Ingram (South of Scotland) (SNP):** The debate has been interesting, but only to the extent that it has exposed the poverty of ambition and aspiration that the unionist parties have for Scotland.

On one hand, the Executive parties have adopted the usual Panglossian position that all their policies are for the best in this best of all post-devolutionary worlds.

On the other hand, the Tories shed crocodile tears over the state of the Scottish economy, while conveniently shrugging off their responsibility for its underlying weakness after umpteen years of Tory rule from London.

In contrast, SNP members have shown once again that the SNP will not be hide-bound in its thinking and will not submit to the straitjacket of the devolution settlement, which gives the Parliament little or no meaningful control over the Scottish economy.

**Miss Goldie:** As the SNP has provided no specification, will Mr Ingram clarify what the phrase "business taxation regime" means? I would like to know what that involves.

**Mr Ingram:** The phrase means taxes on business, such as corporation tax.

There is no doubt that all the facts and figures show Scotland bumping along at the bottom of the European league table for economic growth, that Scottish economic performance consistently lags behind that of the rest of the UK and that that relative underperformance has worsened since the advent of the Labour Government in Westminster and the coalition Executive here. The net result is that a credibility gap is growing between the Executive's rhetoric and its policy outcomes.

In the past year, there have been external shocks to the system, such as a crash in the high-technology sector, the aftershock of 11 September and the foot-and-mouth crisis. We would all accept that, given Scotland's greater openness to world trade and investment, it would be affected more quickly than the rest of the UK. However, we must recognise that beneath all that is an underdeveloped economy with a long-term growth rate that leaves us trailing other small European countries with comparable populations and geographical disadvantages, such as Ireland and Finland.

Devolution and the Executive's policies have made no discernible difference to Scotland's dire business birth, growth and survival rates. It might be charitably argued that the Executive's powers in education and training, support for domestic firms, promotion of inward investment and other matters are all at the micro level and impact on the supply side of the economy, where fundamental changes take many years to accomplish. However, we cannot by any stretch of the imagination describe the Executive's strategies and plans as a step change from what we had before devolution. Rather, it appears that there are more of the same policies that signally failed to stimulate Scottish business. Business rates policy even exacerbates the problem.

We have no confidence in the Executive's ability to make a difference for Scottish business. It is

unsurprising that the business community shares that view. I commend Mr Wilson's amendment to the chamber.

16:49

**Ms Alexander:** I will start with some of the members' requests, because I appreciate that, particularly in economically tough times, all members are anxious to have access to those members of the Administration who are responsible for the matters that concern them. Despite my somewhat busy job, I am delighted to agree to meet Rhona Brankin to talk about what is happening in her part of the world. As David Davidson said, I was happy to meet him to talk about what is happening in the Peterhead economy.

I say to everyone that, if they were in my shoes, they too might think twice about acceding to every request to establish another task force. There is no point in reorganising Scottish Enterprise or in appointing regional directors if we then parachute in over them and try to do their jobs for them. The Motorola task force is convened by local partners that the Executive funds.

**Mr Davidson:** Will the member give way?

**Ms Alexander:** No. I am very short of time. I will move on the third specific point that John Scott raised. As he said, he wrote to me in November. I have made inquiries in my department about his letters. The first letter that raised with me directly the possibility of non-responses was posted on 20 December. As members will appreciate, it did not arrive until between Christmas and the new year. I saw it at the beginning of this week and I have asked my department to give me a full response. I say to John Scott, please do not assume that the answer will be to accede to task forces in every part of the country.

**Fiona Hyslop:** Will the member give way?

**Ms Alexander:** No. I took a lot of interventions earlier that left me with no time. I will move on quickly.

Annabel Goldie opened the debate by saying, rightly, that the debate allows us to highlight collectively what the Scottish Parliament could do for Scottish business. On that point, I make a plea to all members that we do not scaremonger on the matter of business rates. That is the matter that is raised in the Conservative motion. We all know that, before the Scottish Parliament was created, a number of scare stories were told. One story was that business rates would go back to local control. That has not happened. The second story was that the rates burden in Scotland would rocket. That is not true. The rates burden has not risen by anything more than real terms. The third story was



that the rates burden in Scotland would be faster rising than in the United Kingdom. That is not true. The final story was that we would penalise small business. That is also not true. Let us not scaremonger about rates.

When I come to the SNP—goodness me—the central charge that was made by Andrew Wilson and Duncan Hamilton was that I am unambitious or—worse—hands-off. I have to say that even my greatest critic would not regard me as being hands-off. When Adam Ingram said that the problem is that we do not control the Scottish economy, he gave away the critical issue. That is not true. We have heard no programme and no ideas from the SNP, but that has nothing to do with us. It is the coalition parties that are trying to set the right course, in good times and in bad, to concentrate on innovation, science, skills and productivity. That is the way in which we will build a smart, successful Scotland.

That may be done by Scottish apprenticeships, by the Scottish university for industry—available for learning anytime, anywhere—or by the first all-age careers service in Britain. It may be done by getting our ideas out of our labs and into our businesses, the proof-of-concept fund, the Scottish Institute for Enterprise, the first-ever science strategy for Scotland, and the redesign of Locate in Scotland and Scottish Development International. We are not only attracting business into Scotland, we are helping to market Scottish science and skills overseas. We have redesigned regional selective assistance—the major instrument of industrial intervention in Scotland. Already, over 100 spin-out companies have been set up as a result of that redesign.

Our ambition is not about vague promises or new targets; it is not to leave the Scottish economy to the market, as we saw under the Tories, nor is it to set new targets, as the SNP says. The issue is to have a series of policies that get skills right, put the infrastructure in place, build on our research strengths and support entrepreneurship. Our only chance is neither to retreat from change nor to ignore it, but to recognise that the economic success of Scotland will be man-made. It will be based on our brainpower, creativity and entrepreneurship. That is the way to get Scotland growing again. Fiscal tinkering or financial scaremongering will produce no short cuts. The issue is to invest in the science and skills of our people.

All members are invited to be part of that project, in their local areas and in the Parliament. On that basis, everybody would welcome more debates on the Scottish economy.

16:54

**David Mundell (South of Scotland) (Con):** I am interested in how the minister closed her speech. I am always willing to give her the benefit of the doubt; indeed, sometimes even more than that. However, the remarks that she made in closing mirror the language that appeared in a Scottish Executive document on the knowledge economy cross-cutting initiative that was produced by one of her predecessors.

Unfortunately, there have been many reports and initiatives, but nothing has happened. We do not see the change. I am not asking the minister to retreat from change, but to demonstrate what has changed. Unfortunately, that appears to be very little. This has been an important opportunity to debate the economy. Unfortunately, if we distilled what has been said for those looking at us from outside the chamber, we would find that very little has been said about the Scottish economy.

**Mr Gibson:** Will the member take an intervention?

**David Mundell:** Not at this point. Mr Gibson is crafting a speech out of interventions.

We are all very interested in Ireland and I have expressed my interest in Scandinavian countries, but when we come to debate the Scottish economy, must we spend half the debate discussing Ireland? The minister must instead use her time to tell us what we will be doing and what will happen in Scotland.

**Andrew Wilson:** Choosing the fastest growing economy in Europe as our benchmark might be a good idea. Would not the member and the Conservative party add more to the debate if they agreed with us that doubling the underlying trend rate of growth would be a good idea? We can then debate how to get there.

**David Mundell:** I do not have a problem with setting targets—and setting ambitious targets. What worries me is when there is no substance behind them. The only thing that we have heard about the SNP's policies is that it will tax businesses. That is what Mr Ingram said, and it is the only substantive remark that was made during the debate.

Our Liberal colleagues, meanwhile, tried to keep their heads down, because they are critical of the UK Government's handling of the economy at Westminster but feel unable to say much here.

**Rhona Brankin:** Will the member give way?

**David Mundell:** I must take an intervention from Rhona Brankin, in her newly designated role as Deputy Minister for Interventions. [*Laughter.*]

**Rhona Brankin:** It will certainly make a difference if it means that we get a response to

interventions.

Would the member accept that, under the Conservatives, between 1979 and 1997, unemployment doubled and twice hit 3 million? Does the member agree with the Conservative spokesman who said that that was a price worth paying?

**David Mundell:** I will take no lectures on that. I know that Rhona Brankin is not that interested in whether people lose their jobs, because when we have debated fox hunting in the chamber, she and her colleagues have said that those affected will get jobs in the textile industry. Had she looked, she would know that that industry no longer exists in the Borders.

I am sure that Tavish Scott was up this morning to hear Helen Liddell on "Good Morning Scotland", when she announced that the referendum on the euro would not take place within the lifetime of the current Scottish Parliament. If that is the case, I hope that we will spend less time discussing the euro.

**Mr Gibson:** Do Mr Mundell and the Conservatives agree that we cannot possibly address the issue of Scotland's underlying economic problems when the coalition is so divided? In their brief for this debate the Liberal Democrats say that they

"are the only party committed to investing in future prosperity through prioritising resources for skills and learning."

and that they

"will reform Labour red tape".

Surely the coalition cannot work while it is split on such key issues. Would Mr Mundell agree with a statement of the Liberals that

"Small nations have an advantage in this fast moving world as they can be light on their feet and are more cohesive."

Surely that is an argument for independence.

**David Mundell:** As we will see in the forthcoming vote on whether there should be a full public inquiry into foot-and-mouth disease, the Liberal Democrats are committed to the Liberal Democrats. Their position here is quite different from the one that they are espousing at Westminster.

Alex Neil made some important points. Depopulation, particularly in rural areas, will have to be addressed. The investment issues that he mentioned are also important.

Apart from her diatribe against the Tories, I agreed with Pauline McNeill when she raised the important issue of telecommunications and digital infrastructure. If Jim Wallace comes to the south of Scotland he will find that, despite the

announcement of numerous initiatives, nobody is connected to those networks. We have to cut through the bureaucracy of delivering those so-called improvements and ensure that people are connected not just to the rest of Scotland, but to the outside world. That simply has not happened.

**The Deputy Presiding Officer:** Order. There is far too much extraneous noise. It is discourteous to the member who is speaking. You have a further minute and a half, Mr Mundell.

**David Mundell:** Thank you, Presiding Officer.

Rhona Brankin made the point that it is important to encourage businesses such as PPL Therapeutics. That is very much the way forward for Scotland.

However, during the whole debate, only the Conservatives have made substantive proposals that would assist Scotland in moving forward. We have proposed restoring the rate poundage similarity with England. We have made proposals in relation to the aggregates tax.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** Will Mr Mundell give way?

**The Deputy Presiding Officer:** Mr Mundell is in the final minute of his speech, Mr Ewing.

**Members:** Saved!

**David Mundell:** An intervention from Fergus Ewing would have been worse than anything.

**The Deputy Presiding Officer:** Could you also wind up, Mr Mundell?

**David Mundell:** I shall do so, Presiding Officer.

The Conservatives put the Scottish economy at the heart of our vision for Scotland. Mr McConnell said yesterday that he wanted to build a strong economy, but today, as yesterday, we did not hear a single thing about how that will be achieved.

## Foot-and-mouth Disease (Public Inquiry)

17:02

**The Deputy Presiding Officer (Mr George Reid):** The next item of business is consideration of motion S1M-2577, in the name of Alex Fergusson, on a foot-and-mouth disease public inquiry, and two amendments to that motion. As explained in yesterday's business bulletin, the motion and the amendments will be moved formally without debate and voted on at decision time.

**Alex Fergusson (South of Scotland) (Con):** I think that the correct words are "formally moved", Presiding Officer.

*Motion moved,*

That the Parliament calls on the Scottish Executive to instigate a full open public inquiry, either under its aegis or preferably as a distinct part of a full UK inquiry, into the impact of, preparations for and handling of the foot-and-mouth disease outbreak in Scotland, and the economic recovery measures put in place by the Executive and Her Majesty's Government, in order to ensure that lessons are learnt about the appropriate response to any future outbreak.—[*Alex Fergusson.*]

**The Minister for Environment and Rural Development (Ross Finnie):** From the videotape evidence of Euan Robson, formally moved.

*Amendment moved,*

As an amendment to motion (S1M-2577) in the name of Alex Fergusson, leave out from "calls on" to end and insert ", recognising the need for independent scrutiny of the handling of the foot-and-mouth disease outbreak, supports the participation of the Scottish Executive in the Royal Society Inquiry, the Anderson Inquiry and the Royal Society of Edinburgh Inquiry and believes that these inquiries provide ample opportunities for all interested parties to contribute to the process."—[*Ross Finnie.*]

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I seem to be the third man. Formally moved.

*Amendment moved,*

As an amendment to motion (S1M-2577) in the name of Alex Fergusson, leave out from "calls on" to end and insert "welcomes the cross-party approach towards the policy adopted in Scotland to eradicate the foot-and-mouth disease epidemic, but believes that it is essential that all lessons are learned by means of a full, open and independently convened public inquiry in Scotland and that it is important to monitor closely the impact of the crisis upon the whole Scottish economy and, in particular, upon those regions of Scotland most affected by the outbreak."—[*Fergus Ewing.*]

**The Deputy Presiding Officer:** There are no Parliamentary Bureau motions today, so we move straight to decision time.

## Decision Time

17:03

**The Deputy Presiding Officer (Mr George Reid):** There are seven questions to be put as a result of today's business.

The first question is, that motion S1M-2565, in the name of Margaret Smith, on behalf of the Health and Community Care Committee, on its report on hepatitis C, be agreed to.

*Motion agreed to.*

That the Parliament notes, and calls upon the Scottish Executive to act upon, the recommendations contained within the 17<sup>th</sup> Report 2001 of the Health and Community Care Committee, *Report on Hepatitis C* (SP Paper 398).

**The Deputy Presiding Officer:** The second question is, that amendment S1M-2582.2, in the name of Wendy Alexander, on the Scottish economy, be agreed to. Are we agreed?

**Members:** No.

**The Deputy Presiding Officer:** There will be a division.

**FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
Baillie, Jackie (Dumbarton) (Lab)  
Barrie, Scott (Dunfermline West) (Lab)  
Boyack, Sarah (Edinburgh Central) (Lab)  
Brankin, Rhona (Midlothian) (Lab)  
Brown, Robert (Glasgow) (LD)  
Butler, Bill (Glasgow Anniesland) (Lab)  
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
Eadie, Helen (Dunfermline East) (Lab)  
Ferguson, Patricia (Glasgow Maryhill) (Lab)  
Finnie, Ross (West of Scotland) (LD)  
Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)  
Gillon, Karen (Clydesdale) (Lab)  
Godman, Trish (West Renfrewshire) (Lab)  
Grant, Rhoda (Highlands and Islands) (Lab)  
Gray, Iain (Edinburgh Pentlands) (Lab)  
Henry, Hugh (Paisley South) (Lab)  
Home Robertson, Mr John (East Lothian) (Lab)  
Jackson, Dr Sylvia (Stirling) (Lab)  
Jackson, Gordon (Glasgow Govan) (Lab)  
Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
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)  
Macintosh, Mr Kenneth (Eastwood) (Lab)  
MacKay, Angus (Edinburgh South) (Lab)  
MacLean, Kate (Dundee West) (Lab)  
Macmillan, Maureen (Highlands and Islands) (Lab)  
Martin, Paul (Glasgow Springburn) (Lab)  
McAllion, Mr John (Dundee East) (Lab)  
McAveety, Mr Frank (Glasgow Shettleston) (Lab)

McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 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)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Mrs Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (North-East Scotland) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Campbell, Colin (West of Scotland) (SNP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North-East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Elder, Dorothy-Grace (Glasgow) (SNP)  
 Ewing, Dr Winnie (Highlands and Islands) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (South of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 MacDonald, Ms Margo (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 McLeod, Fiona (West of Scotland) (SNP)  
 McLetchie, David (Lothians) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Mundell, David (South of Scotland) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Quinan, Mr Lloyd (West of Scotland) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)

Sheridan, Tommy (Glasgow) (SSP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Ullrich, Kay (West of Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)  
 Wilson, Andrew (Central Scotland) (SNP)  
 Young, John (West of Scotland) (Con)

#### ABSTENTIONS

Canavan, Dennis (Falkirk West)  
 Harper, Robin (Lothians) (Green)

**The Deputy Presiding Officer:** The result of the division is: For 65, Against 49, Abstentions 2.

*Amendment agreed to.*

**The Deputy Presiding Officer:** As Ms Alexander's amendment was carried, Andrew Wilson's amendment falls, so I move to the fourth question.

The question is, that motion S1M-2582, as amended, in the name of Annabel Goldie, on the Scottish economy, be agreed to. Are we agreed?

**Members:** No.

**The Deputy Presiding Officer:** There will be a division.

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 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)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)  
 MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAllion, Mr John (Dundee East) (Lab)

McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 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)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Mrs Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (North-East Scotland) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Campbell, Colin (West of Scotland) (SNP)  
 Canavan, Dennis (Falkirk West)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North-East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Elder, Dorothy-Grace (Glasgow) (SNP)  
 Ewing, Dr Winnie (Highlands and Islands) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (South of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 MacDonald, Ms Margo (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 McLeod, Fiona (West of Scotland) (SNP)  
 McLetchie, David (Lothians) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Mundell, David (South of Scotland) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Quinan, Mr Lloyd (West of Scotland) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)

Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Sheridan, Tommy (Glasgow) (SSP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Ullrich, Kay (West of Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)  
 Wilson, Andrew (Central Scotland) (SNP)  
 Young, John (West of Scotland) (Con)

#### ABSTENTIONS

Harper, Robin (Lothians) (Green)

**The Deputy Presiding Officer:** The result of the division is: For 65, Against 50, Abstentions 1.

*Motion, as amended, agreed to.*

*Resolved,*

That the Parliament endorses the work undertaken by the Executive in its handling of the Scottish economy within the context of a continuing stable UK economic performance; commends the work undertaken by the Executive to help improve performance of the Scottish economy as set out in *The Way Forward: Framework for Economic Development in Scotland* and *A Smart, Successful Scotland: Ambitions for the Enterprise Networks*; commends the work undertaken by the Executive to assist Scottish business to prepare for the introduction of the euro, and supports the Executive in its aim to increase the sustainable growth of the Scottish economy over the long term.

**The Deputy Presiding Officer:** The fifth question is, that amendment S1M-2577.1, in the name of Ross Finnie, on foot-and-mouth disease, be agreed to. Are we agreed?

**Members:** No.

**The Deputy Presiding Officer:** There will be a division.

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)

Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 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)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)  
 MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAllion, Mr John (Dundee East) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 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)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Mrs Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (North-East Scotland) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Campbell, Colin (West of Scotland) (SNP)  
 Canavan, Dennis (Falkirk West)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North-East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Elder, Dorothy-Grace (Glasgow) (SNP)  
 Ewing, Dr Winnie (Highlands and Islands) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (South of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Harper, Robin (Lothians) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)

MacDonald, Ms Margo (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGugan, Irene (North-East Scotland) (SNP)  
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 McLeod, Fiona (West of Scotland) (SNP)  
 McLetchie, David (Lothians) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Mundell, David (South of Scotland) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Quinan, Mr Lloyd (West of Scotland) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Sheridan, Tommy (Glasgow) (SSP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Ullrich, Kay (West of Scotland) (SNP)  
 Welsh, Mr Andrew (Angus) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)  
 Wilson, Andrew (Central Scotland) (SNP)  
 Young, John (West of Scotland) (Con)

**The Deputy Presiding Officer:** The result of the division is: For 65, Against 51, Abstentions 0.

*Amendment agreed to.*

**The Deputy Presiding Officer:** Fergus Ewing's amendment therefore falls.

The seventh question is, that motion S1M-2577, as amended, in the name of Alex Fergusson, on foot-and-mouth disease, be agreed to. Are we agreed?

**Members:** No.

**The Deputy Presiding Officer:** There will be a division.

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)  
 Gillon, Karen (Clydesdale) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (Edinburgh Pentlands) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, Mr John (East Lothian) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)  
 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)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 MacKay, Angus (Edinburgh South) (Lab)  
 MacLean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAllion, Mr John (Dundee East) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 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)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Simpson, Dr Richard (Ochil) (Lab)  
 Smith, Iain (North-East Fife) (LD)  
 Smith, Mrs Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Thomson, Elaine (Aberdeen North) (Lab)  
 Wallace, Mr Jim (Orkney) (LD)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

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 Canavan, Dennis (Falkirk West)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Davidson, Mr David (North-East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Elder, Dorothy-Grace (Glasgow) (SNP)  
 Ewing, Dr Winnie (Highlands and Islands) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (South of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Mr Kenneth (Glasgow) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)  
 Harding, Mr Keith (Mid Scotland and Fife) (Con)  
 Harper, Robin (Lothians) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North-East Scotland) (Con)  
 Lochhead, Richard (North-East Scotland) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 MacDonald, Ms Margo (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 McGugan, Irene (North-East Scotland) (SNP)

McIntosh, Mrs Lyndsay (Central Scotland) (Con)  
 McLeod, Fiona (West of Scotland) (SNP)  
 McLetchie, David (Lothians) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)  
 Mundell, David (South of Scotland) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Quinan, Mr Lloyd (West of Scotland) (SNP)  
 Robison, Shona (North-East Scotland) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Sheridan, Tommy (Glasgow) (SSP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Tosh, Mr Murray (South of Scotland) (Con)  
 Ullrich, Kay (West of Scotland) (SNP)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Welsh, Mr Andrew (Angus) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)  
 Wilson, Andrew (Central Scotland) (SNP)  
 Young, John (West of Scotland) (Con)

**The Deputy Presiding Officer:** The result of the division is: For 64, Against 51, Abstentions 0.

*Motion, as amended, agreed to.*

*Resolved,*

That the Parliament, recognising the need for independent scrutiny of the handling of the foot-and-mouth disease outbreak, supports the participation of the Scottish Executive in the Royal Society Inquiry, the Anderson "Lessons Learnt" Inquiry and the Royal Society of Edinburgh Inquiry and believes that these inquiries provide ample opportunities for all interested parties to contribute to the process.

## Strategic Planning (Fife)

**The Deputy Presiding Officer (Mr Murray Tosh):** I ask members who are leaving the chamber to do so quickly and quietly.

The final item of business is a members' business debate on motion S1M-2404, in the name of Iain Smith, on strategic planning in Fife. The debate will be concluded without any question being put.

### *Motion debated,*

That the Parliament notes the strong opposition from Fife Council, residents and community councils in Fife to the proposals contained in the Scottish Executive's consultation document *Review of Strategic Planning* which would split Fife for strategic planning purposes between the cities of Dundee and Edinburgh; further notes that Fife Council is the only local authority area proposed to be split for strategic planning purposes; recognises that Fife Council shares boundaries with other major public sector agencies such as Scottish Enterprise Fife, Fife NHS Board and Kingdom of Fife Tourist Board which, together with its unique geography, make Fife ideally suited for strategic planning as a single unit, and therefore considers that the Scottish Executive should review its proposals in the light of the consultation and retain Fife as a single strategic planning area.

17:10

**Iain Smith (North-East Fife) (LD):** I thank members for the opportunity to hold the debate, particularly those who have stayed behind to participate.

No one should underestimate the importance of the planning system or the interest that it generates from individuals, community councils and local groups in constituencies such as North-East Fife. That area contains many of Scotland's outstanding historic and scenic features, including the ancient city of St Andrews, conservation villages such as Falkland and Ceres, the unique fishing villages of the East Neuk—which appear in members' calendars—coastal landscapes, the Lomond hills and the rural hinterland. Those features present challenges for our planning system. For example, we must balance the need to develop new tourist facilities with their environmental impact on the landscape and the traffic that they generate in towns and villages.

The existing structure and local plans provide an effective policy context in which to take planning decisions; without them, areas such as north-east Fife could become vulnerable to speculative planning pressures. For example, in recent years there has been a plethora of applications for new golf courses with hotel and leisure facilities around St Andrews. That new phenomenon was not identified in the existing structure and local plans, so the applications had to be determined on a first-

come-first-served basis and not as part of the overall planning framework, taking account of the landscape, environment and traffic implications.

That example illustrates that strategic planning issues are not confined to the four main cities, as was suggested in the Executive's consultation paper, entitled "Review of Strategic Planning". Strategic planning issues can be equally important for smaller communities. The proposals in the review are based on the concept of the city region. On structure plans, the document states:

"We propose that the higher tier of plan should concentrate on genuinely strategic issues which cross the boundaries of council areas."

It goes on to state that

"we propose that strategic development plans be prepared only for the 4 largest cities and their hinterlands ... We believe that only in city regions are there genuinely strategic planning issues which require to be addressed across local authority boundaries".

That approach is flawed in several respects: it does not recognise that strategic issues apply outwith city areas; it does not recognise that all local authorities are not the same—for example, compare Clackmannanshire Council with the Highland Council; it does not recognise that the absence of a strategic planning framework outwith city areas might affect the development potential in those areas and put more pressure on cities as a result; and it does not recognise that it might lead to planning policy vacuums of the type that I mentioned earlier, which can result in inappropriate development. Finally, it does not recognise the importance of the local element in development control plans, and ensuring that public confidence in the planning process is maintained.

I want to focus on the specific situation in Fife. Fife is a unique part of Scotland, bounded in the north by the Firth of Tay and in the south by the Firth of Forth. It has the considerable advantages of having a council, a health board, a local enterprise company, a tourist board and police and fire services sharing coterminous boundaries. There is no doubt that Fifers such as me share a common identity, and we are proud of our kingdom. There is therefore a geographic, political, administrative and community cohesiveness to Fife that enables effective and sensible community and land use planning.

Over the past few decades, Fife has experienced more than its fair share of problems, following the decline of the traditional industries—coal mining and shipbuilding in the south and west and agriculture and fishing in the north-east. Addressing those problems has required co-ordinated action by various public bodies in Fife—an effort that has been greatly assisted by the fact that they share the same boundaries. Strategic



planning has also assisted that process by identifying environmental, transport and employment policies to encourage the types of development that Fife needs for economic recovery.

Although it is not perfect, the present system has served Fife well. It has been able to take account of the pressures that are caused by Fife's proximity to the cities of Edinburgh and Dundee—for example, by improving transport links and building new housing developments. The Executive's "Review of Strategic Planning" could sweep that system away. Under that review, Fife would no longer be a unified strategic planning area; instead, it would be split between the city areas of Dundee and Edinburgh.

As I travel to Edinburgh every day by train from my home in Ladybank, I am well aware of the importance of Edinburgh as a place of work for people from Fife. I also appreciate the fact that development in cities can have a huge impact on the hinterland. For example, the viability of local shops can be damaged when a new supermarket is opened. I appreciate as well that those of us who live in rural areas can benefit from the cultural and leisure facilities that are provided in cities.

There is therefore clearly a need to ensure effective co-operation between local authorities on issues of mutual interest such as transport, retail and industrial development and environmental impact. However, as Fife Council concludes in its response to the consultation paper:

"there are no demonstrable advantages for Fife in the proposals."

Indeed, there are a number of disadvantages. There are also practical problems: how, for instance, would we determine which parts of Fife were in the Edinburgh area and which were in the Dundee area? There are overlaps. Some areas might be excluded from the process altogether, which would leave Fife with a confused patchwork of planning policies.

The city area planning proposals would inevitably be focused primarily on the bridgehead areas, sucking in resources and ignoring the needs of large parts of Fife. In particular, the proposals would seriously undermine the effectiveness of community planning in Fife. Community planning cannot be divorced from land use planning. Where and how public services are provided—whether they be hospitals, schools, leisure facilities, housing, shops, public transport, business and industrial developments and so on—are crucial factors in community planning and are all linked with land use.

In Fife, there has been a massive rejection of the Executive's proposals, not only from Fife Council but from community councils and

hundreds of individuals. Of the 315 responses to the Executive's consultation paper, more than 150 referred to Fife, virtually all of which were opposed to the plans. I have received nearly 200 letters from constituents objecting to the proposals, each of which I have forwarded to the minister. I have organised a petition that supports keeping Fife as a strategic planning area and urges the Scottish Parliament to reject proposals to split strategic planning for Fife between Dundee and Edinburgh. It has already been signed by more than 2,000 people. That demonstrates the strength of feeling on the issue.

Clearly, some of the problem stems from the fear that there is a hidden agenda to break Fife up, a proposal that was overwhelmingly rejected in the 1970s. I accept that that is not the intention but, inevitably, there will be pressure for some of the services that are provided on a Fife-wide basis to be provided instead on the basis of the city areas, for example, those to do with economic development, tourism and health.

The consultation paper states that

"all development plans should take a long perspective (15 years minimum) and that they should be site specific for strategic land releases."

While I agree that strategic planning, by definition, should be long-term, I believe that it must respond quickly to changing circumstances and new pressures, such as the golf developments that I referred to. More important, however, there needs to be a sense of ownership of development plans if the communities that they cover are to retain faith in the planning process. The idea that a significant development site could be imposed on a community in Fife to meet the interests of Dundee or Edinburgh is not likely to preserve faith in the planning system, which is already seen as being too pro-developer and remote.

When I first wrote to the developer to raise my objections to the proposals in July, Lewis Macdonald, who was the relevant minister at the time, replied, stating:

"The consultation exercise does, however, merely provide a starting point for the consideration of new structure plan arrangements. Well argued cases for additional areas to be added will be considered before any firm decisions are made ... I can assure you that all responses will be taken into account before any final decision is reached."

I hope that the Deputy Minister for Social Justice will confirm tonight that she has received well-argued cases not just from Fife Council but from others, such as the Highland Council, Perth and Kinross Council and Angus Council, as well as from hundreds of individuals. I hope that, in the light of those responses, she will withdraw the plans and ensure that Fife can continue to develop proposals for land use that meet the strategic and

community needs of Fife.

17:19

**Marilyn Livingstone (Kirkcaldy) (Lab):** I welcome this opportunity to focus on the implications of the "Review of Strategic Planning" consultation document. I thank Iain Smith for securing this debate and for allowing Fife MSPs to voice their opinions publicly.

The document's wide-ranging proposals for reforming strategic planning have, quite rightly, caused considerable concern in Fife. It was no surprise to me to find out that around half the responses to the consultation paper were about the implications for Fife.

Removing strategic planning powers from a coterminous region such as Fife, whose boundaries are used to administer local government services, economic redevelopment, the national health service and tourist support, is a move that fails to understand the importance of the integration of planning and developing infrastructure services and sustainability. It is worth mentioning that Fife Council is the only local authority area that is proposed to be split for strategic planning purposes.

The review of the planning system is needed, but many of the key recommendations that are made in the consultation document would serve only to set back the planning system in Fife. Integrating strategic planning with community and land use planning should, as Iain Smith said, be the main priority for any proposed reforms to the system. The proposals in the consultation document fail on that front by taking away and centralising controls for strategic planning.

The case for Fife's planning independence goes way beyond the strong traditional identity of the kingdom of Fife and focuses on how the economy develops and expands. Increasing the influence of Edinburgh and Dundee over the kingdom will only serve to refocus much development away from Fife and take away the kingdom's ability to compete on an equal footing with regions and cities in Scotland, the United Kingdom and throughout the European Union.

One of the most successful recent developments in Fife is the very aptly named Rosyth ferry. That project was brought to Fife by partnership working between all the agencies in Fife and Government. Balancing national and strategic needs with regional flexibility is key to developing the planning system in Scotland, but the consultation proposals serve only to tip the balance towards national rather than regional needs.

I have tried to concentrate on Fife as whole. My

constituency sits in the centre of Fife. For my constituency, there is a fear that the pull of the two cities would mean that we would end up in no-man's land with lots of resources being pulled to the two ends of Fife, particularly the bridgehead. If all Fife is to be economically successful, we must pull together successfully.

I echo the responses made by Iain Smith, Fife Council, the Fife communities and the communities' representatives. I impress upon the minister the importance of Fife remaining a strategic planning authority. She should think again about how a greater balance and efficiency in planning systems can be created for the benefit of every city, town, region and village in Scotland.

Fighting for Fife is not a new activity for many of us. As Iain Smith said, there is a fear that the proposals are the thin end of the wedge. I know that that is not the intention, but the minister must know that it is the fear. For communities such as mine, it is important to know that it is not the case. I would like to hear what the minister has to say on that.

Like Iain Smith, I wrote to the previous minister and had reassurances that the views of those in Fife would be taken on board. In the light of the huge swell of opinion in Fife, I hope that the minister will reassure us on that.

Scott Barrie is in the chamber. He and I—we are both Fife members—continually row about our respective football clubs. I know that Scott will mention that in his speech. Even though Raith Rovers and Dunfermline fans sometimes differ on football, we pull together as a Fife community. That happened when we were a mining community and when we had to move and change our economic development strategies to suit the needs of the people of Fife.

I ask the minister to take the motion on board.

**The Deputy Presiding Officer:** Marilyn Livingstone and Scott Barrie should probably compromise on Cowdenbeath.

17:24

**Tricia Marwick (Mid Scotland and Fife) (SNP):** Presiding Officer, I am glad that you did not talk about the rivalry between Cowdenbeath and East Fife and some of the insults that are thrown back and forward between fans. I refuse to enter into that debate.

I welcome the opportunity to contribute to the debate and I thank Iain Smith for introducing it. As well as being consulted about the Scottish Executive's proposals, Fife Council consulted the community in Fife and community councils and other organisations the length and breadth of Scotland. It wrote:

"The outcome of that consultation has yet again reaffirmed a very strong Fife identity and a recognition that any consideration of strategic issues, such as the economy, environment, transport and housing were by no means confined to Scotland's city regions. The consultation reinforced the community view that it was necessary to have a strategic plan for Fife given the scale and diversity of the area."

It is a feature of debates about Fife—whether about Fife railways or proposals for strategic planning—that we get MSPs from all parties in the chamber uniting. The one thing that ministers will see in the chamber is all Fife MSPs, regardless of their political party, fighting for Fife. That is one of the features of our expressing concerns on behalf of the whole of Fife.

I have been at public meetings from Tayport to Dunfermline and points in between. What comes across clearly is that any decision to remove the strategic planning responsibility from Fife Council would be to the detriment of Fife. The pull of Edinburgh and Dundee will result not only in a loss of autonomy in Fife, but in a loss of identity in Fife. That is a great concern.

On the outcome of a decision such as is suggested, the council says:

"It is considered likely that Fife's needs would be subsumed into a city dominated agenda. The regeneration issues which are socio-economically and geographically central to Fife would be peripheral to the new strategic planning areas. Locally-significant concentrations of deprivation and exclusion would require to compete for resources with deprived areas outside Fife. There is deep and universal concern amongst communities in Fife that they would be swallowed up in such a larger planning overview, contrary to the principles of subsidiarity."

It is important to recognise, as Marilyn Livingstone and Iain Smith said, that Fife Council has the same boundaries as all its strategic partners: Scottish Enterprise Fife, Fife NHS Board and the Kingdom of Fife Tourist Board. Those are the circumstances in which Fife can develop its services, and they must continue to apply. The very idea that Fife may be split up and subsumed into two strategic planning authorities in Dundee and Edinburgh, with the wee bit in the middle just left to rot, is totally and absolutely unacceptable. I think that the minister is getting a flavour of the debate, and we hope that she will come forward with something positive at the end of it.

We also need to consider the fact that Fife is one of the largest local authorities in Scotland in terms of population. Indeed, Fife is greater in population than either Dundee City or the City of Edinburgh. Given that, it makes sense for Fife to remain a large unit.

Marilyn Livingstone raised the matter of the Rosyth ferry. Certainly it is well named.

**Scott Barrie (Dunfermline West) (Lab):** I was wondering whether Trish Marwick was going to

mention that. Can I take it that she will support me and other Fife colleagues in opposing her party's transport spokesperson's proposal to rename the Rosyth ferry port?

**Tricia Marwick:** Mr MacAskill speaks as a Lothian and Edinburgh MSP, not as a Fife MSP. If he had been speaking as a Fifer, I am sure that he would never have said what he did. Mr MacAskill is entitled to his views, as I am to mine, and it is my view that Rosyth will need to be marketed carefully. I am sure that we can do that, saying something along the lines of, "Rosyth: a few minutes from the historic Forth bridge, which will take you into the city of Edinburgh." Whatever marketing has to be done, the Rosyth ferry name should remain as it is. On that issue, as on others, Fife MSPs speak as one.

17:30

**Scott Barrie (Dunfermline West) (Lab):** I welcome this debate and thank Iain Smith for lodging his motion. As members know only too well, I appreciate any opportunity to talk about the interests of Fife. Clearly, this issue falls into that category.

The terms of Iain Smith's motion are correct. Fife is in an almost unique position in Scotland—it may, indeed, be unique—in having a council boundary that is basically unchanged from county council days. I was not old enough to participate in the fight for Fife campaign of the early 1970s, but I remember it from my primary school days. At that time it was proposed that North East Fife district would be grouped with the newly formed Tayside Regional Council and that Kirkcaldy and Dunfermline districts would be grouped with the newly formed Forthside regional council. Fifers fought that suggestion and won. We ended up with a Lothian Regional Council, a Fife Regional Council and Tayside Regional Council covering a reduced area, but that is not the issue that we are discussing today.

Today's debate is about proposals in the strategic planning review to split Fife for strategic planning purposes. Unfortunately, not least because of some political mischief making, too many people in Fife believe that there is a proposal to split Fife into two, full stop. As I have said, such a proposal was resisted in 1973. It was resisted again in my constituency in 1995, when the Tories redrew the local government map. Then, the proposal was to group Falkirk and Clackmannanshire, splitting them from a supposedly more Tory-leaning Stirling. Of course, that assumption turned out to be wrong. As Falkirk and Clackmannanshire did not have a common boundary, the only way in which they could logically be grouped together was by using the community of Kincardine, with its bridge, to link

them. In a consultative ballot organised by Kincardine community council, more than 90 per cent of local residents in Kincardine expressed the wish to remain in Fife.

Fife is a diverse area. I cannot pretend that the places that I represent are socially or economically identical to some of the places that Iain Smith represents—our constituencies are at opposite ends of Fife—but we both know, as do others in the chamber, that Fife retains a particular identity. I may dislike Raith Rovers Football Club—that is probably an understatement—but I applaud to the chant, “If you’re proud to be a Fifer, clap your hands,” which is heard every Saturday at East End Park and sums up how all of us in Fife feel. We may have our petty rivalries and differences when talking among ourselves, but once attacked from outwith we group together and become a very prickly bunch.

That is not to say that people in Fife have no understanding of what is happening. As has already been said, and as I want to make quite clear, we know that this debate is not about splitting Fife into two. It is about a proposal—and only a proposal—to split Fife for strategic planning purposes. Unfortunately, because of the way in which that proposal has been represented in Fife—however that has happened—this has become almost a fight for Fife mark two, with people believing that Fife may end up being split into two separate bits.

Fife Council, MSPs and community groups have all made their views clear. Like everyone else, last August I wrote to Lewis Macdonald to give my view on the proposal. I hope that the Executive will reflect seriously on the almost unanimous view that is being expressed in Fife. I hope that when she sums up, the minister will reassure the 349,200 people who live in Fife that whatever happens to strategic planning functions, there is no plan to split up Fife for other purposes. I ask her to reassure those people that council services such as education, social work and, in particular, concessionary fares will continue to be administered by the same Fife Council that has administered them very effectively, for all the people of Fife, for such a long time.

17:34

**Mr Keith Harding (Mid Scotland and Fife) (Con):** I congratulate Iain Smith on securing today’s debate, which is of great importance to the kingdom of Fife.

This is an issue in which I, like Iain Smith, have taken a considerable interest in recent weeks, through contact with Fife Council and, as the minister will know, parliamentary questions. The depth of local interest in the matter is shown in

those questions, which also give a measure of how controversial are the Executive’s plans to split Fife for strategic planning purposes. From the answers, I know that more than 150 responses have been received from Fife on the Executive’s consultation paper, “Review of Strategic Planning”. That figure contrasts considerably with four responses from Stirling, five from Perth and Kinross and two from Clackmannanshire. That alone shows the hornets’ nest that the Executive’s proposal has stirred up. Given that level of local concern, I strongly encourage a rethink.

Fife Council is clear that it wishes to remain a distinct strategic planning authority, although that should not prevent it from taking a wider view with neighbouring strategic planning areas—effective co-operation already takes place with adjacent authorities. The Executive has only recently pushed through the legislation to link transport planning in southern Fife to Edinburgh and the Lothians through its revised Forth bridge joint board, which has new powers to address transport issues that are wider than the maintenance of the bridge.

If the requirement is to take account of an extension of housing or business land needs in the city areas of Edinburgh and Dundee, that can be achieved easily through the Executive’s national planning policy statements. The co-operation that is required for planning transport links is already in place and a dispersal of housing and business would help to maintain and improve the quality of life in Fife and the adjacent city regions. That does not require two plans for Fife—it simply requires wider consideration of what is needed when the policies on which Fife would draw up its strategic plan are determined.

Removal of Fife’s strategic planning role would also work against the Executive’s policies on community planning. It is clear that Fife Council already has strong links and coterminous boundaries with Scottish Enterprise Fife, Fife NHS Board and the Kingdom of Fife Tourist Board, to name the key, but not sole, organisations. Fife also has an integral identity, as can be seen from the consultation responses. Ministers meddle with that at their peril.

I agree with Fife Council that

“there are no demonstrable advantages for Fife in the proposals.”

If the minister considers carefully the issues that have been raised in the debate, I am sure that she will come to the same conclusions.

It is in the interests of effective local community and land use planning that Fife should remain distinct and able to address its own internal issues. I look forward to a change in emphasis from the minister so that Fife can remain a single

strategic planning authority.

17:34

**Helen Eadie (Dunfermline East) (Lab):** Presiding Officer, you mentioned Cowdenbeath, which is in my constituency—I compliment you on your taste in football teams.

**The Deputy Presiding Officer:** My comments were contingent purely on the debate between Dunfermline Athletic and Raith Rovers.

**Helen Eadie:** I have watched only one quality football match in my life—Real Madrid v Eintracht Frankfurt. I confess that I have never watched Cowdenbeath play, although I can refer members to a good publication on the subject.

**Tricia Marwick:** Shame.

**Scott Barrie:** What an admission.

**Helen Eadie:** I know—I will soon fix that. A good book that says much about the subject is “Donald Dewar Ate My Hamster” by a journalist from *The Herald*, who speaks very highly of Cowdenbeath.

I turn to the strategic planning consultation. I compliment Iain Smith on his work on securing the debate—it is never easy to secure a members’ business debate. I share Tricia Marwick’s view that there is unanimous support in the chamber for the motion. Although I am not a Fifer—it is time for confessions—it is said that

“It is better to meddle wi the deil than wi the bairns o Falkirk.”

The minister had better watch out.

My purpose in showing solidarity with Iain Smith, Marilyn Livingstone and Scott Barrie is to underline the strong opposition that is evident throughout the communities that I represent. As earlier speakers said, many constituents regard the proposals as turning the clock back to the 1970s when a major political battle was fought. Although I was not around at that time, I know that it was thought that that would have a deleterious effect on the Fife economy. Local people have a strong perception that the battle is here again. Irrespective of the fine detail in the Executive’s consultation document, local people believe that the proposal is the thin edge of the wedge.

As Iain Smith said, the debate is not about what the document says—it is about local people’s perception of the longer term. As a local authority, Fife Council’s strategic planning has been particularly effective in developing economic and social strategies, as other members have said. The great strength of Fife Council has been its ability to develop both economic and social strategies within its planning framework.

Altering that present pattern of planning

potentially sends a message to local government that the Scottish Executive wants to suck up powers into the centre for the minister. The issue raises questions about subsidiarity and flexibility. The Parliament has tried hard to avoid sucking up powers from local government and has tried to strengthen local government’s powers. I hope that we will continue with that approach.

Fife Council can justifiably argue that it is one of the few councils in Scotland that has been able to develop effectively in a planning context. As Iain Smith said, that is because the council’s boundaries are coterminous with the police board, the health board, the enterprise agency and many other agencies. To attack that planning system will be perceived by all as the first step in dismantling the kingdom of Fife—I am not sure whether anyone other than Iain Smith has referred to the kingdom so far. I shall not repeat the reasons that Iain Smith gave for retaining Fife as one entity, but we must not diminish those boundaries, which still exist and are still powerful.

Let me turn to the notion of partnership. Fife has always embraced the notion of overlapping circles, by which I mean that the council has always worked constructively in whatever partnerships it has been involved, such as those with authorities in Tayside or Edinburgh or with the authorities to the west in Falkirk and Stirling. Indeed, Fife Council helped to lead the establishment of the transport partnerships that Keith Harding mentioned. Fife Council was in the lead in trying to develop the south-east Scotland transport partnership, which has become crucial. As Keith Harding also mentioned, through the Transport (Scotland) Act 2001, Fife Council helped to secure representation on the board that deals with the Forth bridge. Fife has been among Scotland’s pioneers in developing the partnership approach through its European work. In its work with the North Sea Commission and the Conference of Peripheral Maritime Regions, Fife sought to develop the notion of spatial planning at European level long before spatial planning became the vogue in the UK.

I strongly urge the Executive to dismiss any notion of splitting Fife’s planning capabilities. I urge the Executive to work with agencies such as the south-east Scotland transport partnership to develop a strategy to support appropriate planning developments. I hope that the Executive will not engage in any actions that might adversely impact on the business confidence and investment capabilities that have arisen through Fife Council’s sterling work and that of all the councillors who serve the communities throughout Fife. I hope that the minister will support our views.

17:42

**The Deputy Minister for Social Justice (Ms Margaret Curran):** Given that I will be on record, I should be careful how I say this, but I did not realise that the Parliament's association with the F-factor would come through Fife. Everyone has talked about a fighting Fife, but I think that "fearsome" is the word that I am quickly learning. Life in the ministerial ranks is indeed lonely. I feel as though I have been ganged up on tonight.

To be more serious, I congratulate Iain Smith on securing tonight's debate. I have listened carefully to what has been said. As I am sure members can imagine, Fife has been on my agenda since I took over the planning brief. I am considering the issues in great depth. I reassure members that there will be further discussions on this subject and that I hear what people are saying.

Let me go through the text of my speech, so that we can put on record where we are with respect to this subject. I am sure that the debate will be ongoing. Members will be aware that the reasons for conducting the review include the fact that the context within which development plans are prepared has changed in the 30 years since the statutory basis for our current system was established. Obviously, there is now a Scottish Parliament and a single tier of local government.

At present, Scotland has 17 structure plan areas, which vary in size from the grouping of the eight local authorities in the Glasgow conurbation to individual councils such as Falkirk. There is a growing feeling that those differences do not reflect Scotland's geographic realities in the 21<sup>st</sup> century and that many plans are not up to date. We need a system that provides clarity of strategic direction and brings with it a commitment to act to ensure economic confidence and stability.

Some plans are out of date and fail to give clear guidance on the scale and location of future development and redevelopment. Obviously, that is a major concern to the development industry and to local communities, which are looking for greater certainty about the long-term future of their area. Local communities want to be included and involved in the discussion.

Some of the current structure plan areas do not reflect either current, or likely future, geographical realities. Some are, indeed, too small. The public have high expectations for the planning system but are concerned about the transparency and accountability of the current arrangements. The Executive is taking action on a number of fronts to address such concerns.

Our planning system is not working as well as it should. Many people have made that point. Before we published our consultation paper in June, officials discussed the issues with a wide range of

interests, including Fife Council and Scottish Enterprise Fife. Lewis Macdonald launched the consultation paper on 15 June and the consultation period ran until 31 October. Officials continued to discuss the proposals with interested parties throughout that period. Those discussions included a joint meeting with Fife Council and Scottish Enterprise Fife. As I am sure members are aware, Lewis Macdonald met the Convention of Scottish Local Authorities planning members network, at which meeting Fife Council was represented. Considerable support has come for the open and inclusive approach that we have taken and, indeed, for our specific proposals.

We propose that the current Scotland-wide requirement for structure plans and local plans, which results in two-tier development plans, should be dropped. We believe that in many parts of Scotland there are few, if any, strategic land use, planning and development issues with a strong locational dimension. Outwith the four city regions, travel-to-work areas and housing market areas are, essentially, local.

There may be controversial local issues, but the fact that an issue is controversial does not necessarily make it strategic. Structure planning was introduced as a means of guiding large-scale population growth and economic expansion, but small scale and incremental pressure is very much the norm in much of rural Scotland today.

However, in some parts of Scotland, planning issues are genuinely strategic—by which I mean issues that are big in scale and that transcend council boundaries. That is why we have proposed that strategic plans should be prepared for each of Scotland's four major cities and their hinterlands. We stopped short of proposing where the boundaries of the resulting city regions should lie, but we have invited comment on the matter.

**Iain Smith:** I am a little concerned about the thrust of what the minister is saying. A possible consequence of what is being proposed is that, in areas that do not have structure plans, local plans will have to cover bigger areas. Councils will become fearful that local plans will not cover big enough areas to deal with all the strategic issues that they want to deal with, such as housing allocations. Has the minister given any thought to the possibility that local plans will become less local if the Executive gets rid of structure plans?

**Ms Curran:** The issue is still out to consultation and I will come back to it. I assure Mr Smith that, if submissions came in that told us that what we proposed would not work or would be unwieldy, we would consider them. However, I am not convinced that what Mr Smith suggests would necessarily happen or that we would disempower communities and not allow them proper influence in the planning process. Given the point that I

made about the need to distinguish between local and strategic, I am not convinced that we would not have a proper and locally based planning system. As yet, I am not persuaded of the case that Mr Smith makes, but I would consider any evidence.

Many people—Fife Council included—appear to have concluded that we intend not only to include parts of Fife, or all of Fife, in Dundee and Edinburgh city regions, but to divest Fife Council of elements of its planning powers. Indeed, some have gone as far as to suggest that our proposal is a harbinger of something else. I categorically assure those who have expressed such concerns that our proposal is not a harbinger of something else.

Obviously, I am not as familiar with Fife as other members in the chamber tonight are. I dare not suggest otherwise—if I did, I am sure that I would be sorted out. However, I know that Fife's geography is unique and that Fife fills the space between two of our major cities, Dundee and Edinburgh. No other council area does that. I understand some of the history of the kingdom, although I had not understood the fighting Fife culture. I will certainly take those points on board. However, such considerations do not mean that joint working with Dundee and Edinburgh is not appropriate.

Let me stress that the review is not about local authority reorganisation and that Fife Council will remain a planning authority, just as it is now. I also emphasise that the consultation exercise is genuine. The Executive has always said that it will listen to alternative proposals. I guarantee that I will continue to listen to the arguments that are raised.

**Marilyn Livingstone:** Does the minister accept that the kingdom of Fife is currently undertaking much work in partnership with both cities and that that works very well? The imposition of the new system could in some ways put up boundaries. If something is working well, as it is in Fife, why break it? Does the minister accept that much work is being done, as various members have mentioned this evening?

**Ms Curran:** In all sincerity, I have to say that the contrary argument applies. Evidence that people work well together makes me think that there is an argument to support the proposals. We want to encourage that kind of partnership working.

**Mr Harding:** Will the minister give way?

**Ms Curran:** I have a lot of text to get through, so this must be the final intervention.

**Mr Harding:** Some of the concern in Fife relates to the fact that, if the council has to deal with Dundee and Edinburgh, it will never be in a

position to control a vote and so will lose out. People are concerned that Fife will be submerged by the two huge cities.

**Ms Curran:** I understand that that is the argument that has been made in some of the submissions. I have considered the arguments in the submissions, although not their detail. As yet, I am not particularly persuaded by that argument. The evidence from Glasgow, where there is wider working within the conurbation, shows that it does not apply. In theory, it is an argument against partnership working, which causes me some concern. That is not to say that I have concluded that I am not prepared to hear that argument advanced. However, in principle, I do not consider it to be an argument against the proposal. We need to encourage joint working as a culture. In this case, it seems to me that it is in Fife's interest to put in place a wider arrangement to control broader, more strategic issues.

**Mr Harding** rose—

**Ms Curran:** Please bear with me as I continue my speech. I am sure that we will have a further debate on the issue.

If we decide to take forward the city region strategic development plans and conclude that parts or all of Fife should lie within the boundaries of the city regions of Dundee and Edinburgh, partnership working will have to be in place to prepare the strategic development plans that address those strategic issues that go beyond the boundaries of Fife Council. I must say that I think that to do that would be in the interests of Fife. In essence, the plans will focus on employment, housing, the environment and transport, which are issues that must be considered in the wider geographic context. We need to get into broader and more strategic discussions. That approach should be looked on not as a dilution of planning powers, but rather as an opportunity to influence beneficially the way in which Dundee, Edinburgh and their respective hinterlands develop in the coming years and how they impact on the interests of Fife.

**Tricia Marwick:** Will the minister give way?

**Ms Curran:** I am sorry, but I must move on. If Tricia Marwick has points to raise with me, I will be happy to deal with them later.

The briefing that the Royal Town Planning Institute circulated to MSPs yesterday emphasised the point that the proposals present Fife with an opportunity.

I should point out that the councils that work with Glasgow in preparing the Glasgow and the Clyde valley structure plan are not campaigning to be released from the joint working arrangements that apply, as they see working together as being in

their interests. On that basis, I cannot grasp the principle that working together is somehow not in the interests of others. As yet, I am not persuaded why Fife should feel uncomfortable about the idea of working with other councils to prepare strategic development plans if that is the outcome of our deliberations.

Iain Smith made a significant point when he said that defining city regions is not necessarily a straightforward solution. We have to be careful that we get it right. Accordingly, I am pleased to announce that we will shortly commission research on defining city regions. We will publish the outputs from that research in the late spring.

Let me speak briefly about our time scale for taking the review forward. Members already know a great deal about the responses to our consultation. The responses are being analysed by an independent planning consultant. We expect to receive his report, which we will publish along with a comprehensive digest of all the responses, around the end of January. We hope to be in a position to make an announcement about the way forward in late spring.

As members know, the consultation period ended on 31 October 2001 and we expect a report by the end of January 2002. We intend to hold a seminar on 22 January, to which interested parties have already been invited, to give feedback on the consultation. As I said, I will publish an overview of the comments received in the consultation in the spring. The timetable of changes will depend on what needs to be done. Some changes can be made by administrative means or secondary legislation, but some will require primary legislation. I cannot provide members with a firm date for a planning bill, but I hope that it will be early in the next session of Parliament, although obviously we cannot give any guarantees about that.

In conclusion, we should remind ourselves of the overall context. The current statutory basis for development plans is 30 years old and things have to be changed. We now have a Scottish Parliament and we have unitary local authorities rather than a two-tier local government structure. Some plans are out of date and fail to serve the central purpose of guiding future developments. Public expectations of the planning system call into question the transparency and accountability of the current arrangements. In essence, we have a planning system that is not working as well as it should, either for the development industry or for communities. The consultation provides a starting point for consideration of the new strategic planning arrangements. We have not closed our minds to the well-argued cases for additional areas to be added or to the arguments that have been raised in this debate—I reassure members of

that. The argument will be straightforward and we will still consider the basic principles of what was in our review paper.

*Meeting closed at 17:56.*



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