

MEETING OF THE PARLIAMENT

Thursday 20 June 2002

Session 1

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Scottish Parliament

Thursday 20 June 2002

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

Railways

The Deputy Presiding Officer (Mr George Reid): I advise members that the Presiding Officer, at the request of the Scottish Executive, has this morning decided to take a ministerial statement on the HCI hospital at 12.30 pm. Section A of the business bulletin has been duly amended. Revised copies are available in the chamber.

The first item of business today is a debate on motion S1M-3229, in the name of Mr Kenny MacAskill, on railways in Scotland, and three amendments to the motion.

09:31

Mr Kenny MacAskill (Lothians) (SNP): Our rail network clearly has significant and continuing problems. No amount of spin can mask the underlying substance. Post the Hatfield derailment—never mind post the Potters Bar crash—there are major problems. Even more recent incidents on the Scottish rail network are evidence of a rail network that lacks investment and suffers from poor management and, often, mismanagement. Railtrack is a failed organisation. It was belatedly put into administration by new Labour and its demise was long overdue.

Action must now be taken to ensure that a safe and able driver is in the engine of the Scottish rail network. It is time for a Government to govern, we might think. It is time for the accountants to be replaced by transport officials. It is time for a Scottish Executive transport department that is more than Strathclyde Regional Council roads department writ large.

When it comes to spin about the railways, the Executive has never been shy about coming forward. Four years ago, with the publication of "Travel Choices for Scotland", new Labour was talking up what it would do for Scotland's railways. In that document, prior even to the opening of the Parliament, new Labour indicated that it would

"fulfil our manifesto commitment to free the potential in the restructured rail industry for passengers' benefit. In this way we shall deliver improvements in terms of fares, and quality and reliability of services, across Scotland".

It pledged a bold new vision for our rail network to match the bright new dawn of the Liberal

Democrat-Labour Executive.

The fine words and eloquence continue to this day. The latest Minister for Enterprise, Transport and Lifelong Learning said just a week ago that

"Scotland deserves a railway that is fit for the 21st century and we should not settle for anything less"—

although passengers on the west coast main line may settle for a train between Carlisle and Glasgow this week. He went on to say:

"We also want a railway network that is safe and accessible and that supports a dynamic modern economy, meets social needs and enhances our environment."

That is excellent. Who could possibly disagree?

We need the substance to match the spin. Railtrack went into tailspin. That was the ignominious demise of an ignorant policy that an ideologically driven Tory regime imposed on the railways. We must go back to the drawing board. We have an opportunity to start with a clean sheet and to make a fresh start for railways in Scotland.

The rail network in Scotland is relatively small, as rail networks go. Over 70 per cent of rail journeys are made on services that are run by one rail operator. Over 95 per cent of rail journeys start and finish within the boundaries of our land. What could be simpler than to make an Executive department a transport department, not a regional council roads department writ large?

Mr Murray Tosh (South of Scotland) (Con): Mr MacAskill talks specifically about a devolved railway network. How would he fund such a network in Scotland, given the extent to which private investment underpins the train operating companies?

Mr MacAskill: Mr Tosh is clearly missed on the Transport and the Environment Committee. Other members will be able to remind him that the likes of ScotRail said in evidence to that committee that the current funding method is byzantine, that it does not do us any favours and that we should ensure that funding goes directly into our railways through a publicly owned trust or ScotRail, rather than circumventively, by a back door, through Railtrack.

Eureka! An idea has come to mind. We will run our railways ourselves in our own country. That idea is so simple that we wonder why nobody has thought of it before. After all, just about every other country on the planet runs its own railways. Better late than never, the idea has dawned on the Scottish psyche.

That idea is no blatant nationalist propaganda. Who thought of it and who articulated it? First, transport experts such as Strathclyde Passenger Transport. Malcolm Reed, a transport guru whom the Executive—rightly—holds in high esteem, has

indicated that, unless we have control of our rail network, the investment will go south. SPT, which is a spawn of Strathclyde Labour, realises the need to seize control.

Secondly, the business community articulated the idea. Scottish Financial Enterprise—a pillar of the Scottish business establishment and hardly a nationalist fifth column—has produced a document that details the business community's need for a railway that is accountable to, and managed by, elected representatives in Scotland. It sees the business sense in operating to our own timetable.

The final group to articulate the idea was the train operators, such as the much-maligned ScotRail, which—to be fair—was until recently doing a very good job in difficult circumstances. I hope that the spot of local difficulty will pass and ScotRail will get back to its previous high standards. What did ScotRail say when it gave evidence to the Scottish Parliament? It said that the Scottish Executive could take over responsibility for the railway infrastructure, thus ensuring that it does not continue to lose out. The ScotRail submission continued:

"The Parliament or its Executive would act as an overarching Scottish Passenger Transport Authority coordinating the excellent work of existing bodies like SPT, WESTRANS, SESTRANS and other bodies such as the Highland Rail Partnership."

ScotRail is no narrow-minded nationalist organisation that seeks to build a Scottish totem. It is the Scottish arm of National Express Group plc, which is a multinational company with a multitude of portfolios in many nations. However, it sees the need for accountability, responsibility and control.

Mr Tosh: I assume that Mr MacAskill is the spokesman for the SNP, not for ScotRail. Does he accept that, within the devolved model for which ScotRail has argued, ScotRail would submit to United Kingdom regulation to ensure access for freight and intercity movements? Is the SNP now submitting to UK regulation?

Mr MacAskill: Much of the regulation that deals with our railways comes from European Union directives. We acknowledge that safety matters will be dealt with at the EU level. There are safety and transnational matters that would obviously best be dealt with on a UK basis. They could be dealt with by a cross-border authority with two equal partners, not with Scotland as a subservient partner that has no say, never mind no budget apart from the pocket money that it is given.

No wonder it is sung:

"We boast—then we cower,
We beg
For a piece of
What's already ours".

We boast. Oh aye, we do that. To see that,

members just need to look back at all the spin and all the eloquent statements by new Labour minister upon new Labour minister. Then we cower. "Run our own railways. Oh—we cannae do that. We're too wee." Then we beg for a piece of what is already ours. Cap in hand, off the Executive will go to the Strategic Rail Authority, seeking crumbs from the table.

Transport experts, transport operators and the business community see the need and know the benefit of running our railways. There are none so blind as those who will not see. Protestations about safety and cross-border traffic are inane. All over the European continent—never mind in different hemispheres—trains run transnationally and, in many instances, with greater safety than in Britain. However, we are told that crossing the border on the east coast or west coast main line is of such complexity that it is beyond the wit and competence of the Scottish Executive and its minions to operate and manage.

Tiny Luxembourg can run its railways, but the Liberal Democrat-Labour Executive cannot. Perhaps the minister could tell us why he is so incompetent and so incapable of doing what is taken for granted in small nations the world over. Is he the one who is incompetent and incapable—or is it his party or his party's colleagues? Is the problem his incapacity or is the problem congenital?

First we boast, then we cower, then we go cap in hand begging for a piece of what is already ours. Our rail network is suffering because it has been starved of investment. It is as clear as night follows day that all the major investment will go into the London and south-east network. The malaise will continue. The tragedy is that, for all that the Executive condemns the Tories, it would rather the Tories ran the railways than that the Executive itself took responsibility.

It is quite apt that Mr Tosh should mention safety. Just recently, we found out about the huge profits made by Jarvis, which is the firm that was responsible for track maintenance at Potters Bar and which was appointed as safety adviser to Network Rail. Sitting on the board of Jarvis and dining out as a corporate fat cat is Steven Norris. As a former Tory transport minister, Mr Norris is someone who is responsible for the privatisation of a public asset and the creation of the mess that became Railtrack. However, Lewis Macdonald and his colleagues in the Scottish Executive obviously think that Mr Norris is more capable than they are.

That might be the case, but not everyone in Scotland is as incompetent as Scottish ministers. If they cannot, others can. If they will not, we will. It is time to take control of the rail network in Scotland. It is time to take charge of our own affairs.

I move,

That the Parliament notes the ongoing problems for freight and commuters on the rail network in Scotland; welcomes the support within the transport and business community for responsibility for the rail network in Scotland to be devolved, and calls on the Scottish Executive to take full charge of the running and operation of the network in Scotland.

09:41

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): We recognise rail as a priority, but today's debate is about not only the rail industry in Scotland, but the devolution settlement within which that industry operates. We believe that devolution has brought new opportunities for Scotland's railways.

The Scottish Parliament and the Scottish Executive have a major role to play in addressing the consequences of the fragmentation and privatisation that occurred under the previous Tory Government. It is right that we should do that within a strategic framework that recognises the need for a coherent approach to the rail network in Great Britain as a whole. The extension of devolved powers that has already been achieved gives us the right tools to advance Scottish priorities within that framework.

Mr MacAskill has, not surprisingly, demanded further devolution. To set that demand in context, it is worth recognising the powers that have already been devolved. Before devolution, Scottish Office ministers had very limited powers over rail. Chief among those was the power to fund Strathclyde Passenger Transport to allow it to pay its share of the Scottish passenger railway franchise, which is operated by ScotRail. At the outset, the Scottish Executive inherited responsibility only for that part of the franchise. However, a package of measures to extend railway devolution was agreed in March 1998. Since then, especially over the past 15 months, Scottish ministers have acquired full responsibility for funding the Scottish passenger rail franchise. That transfer of powers and resources from the UK Department for Transport has more than doubled the Executive's railway budget.

Mr MacAskill: During the debate in Westminster, Henry McLeish made it clear that the Executive's powers would be significantly greater than those that have in fact been devolved. Scotland now has the ability to give directions and guidance, but only as long as they do not conflict with those that are given by the Secretary of State for Transport. Did not Mr McLeish pledge significantly greater powers, which could not have been superseded by those of the Department for Transport?

Lewis Macdonald: Mr MacAskill clearly

confuses two different sets of directions and guidance, so I am glad to have the opportunity to set him right and correct his misunderstanding. We are the sole issuer of directions and guidance for the Scottish passenger rail franchise. For cross-border franchises, such as those that are operated by Virgin and Great North Eastern Railway, we are one of two partners that can issue such guidance. The guidance that we issue on cross-border rail franchises must be taken into account alongside that of the Department for Transport.

The transfer of powers over the Scottish rail passenger franchise is now complete. A further transfer of resources was secured earlier this year, when we agreed to the reconfiguration of the existing ScotRail franchise in return for the consolidation of enhanced services into the franchise baseline. That means that Scottish ministers alone will issue directions and guidance for passenger services that begin and end in Scotland. We intend to do that from April 2004.

In addition, we appoint the chair of the rail passengers committee for Scotland and we have executive responsibility for freight facilities grants and, within scheme rules that are agreed across the UK, track access grants in Scotland. We are also able to award direct financial support for passenger rail services. As I have mentioned, we are also empowered, in partnership with the UK DFT, to issue guidance on cross-border passenger services.

That is not all. The Scottish Parliament has legislative competence for the rail responsibilities of Scotland's passenger transport authorities such as SPT. Following an order that was laid before both the Scottish and Westminster Parliaments within the past few weeks, the Scottish Parliament will acquire legislative competence for the promotion and construction of new railways in Scotland.

Far from being over-cautious about railway devolution, we have in fact taken forward an agenda that gives the Scottish Executive the lead on a wide range of railway matters. We have done that not to break up the British railway network, but to strike the right balance between the needs of rail travellers within Scotland and the integrity of the GB network as a whole.

Andrew Wilson (Central Scotland) (SNP): The minister has set in train the logic of devolution in some areas, so why does he not follow it through with the completion of devolution and seek power over the funding of the railways? Why is coherence across the UK so important despite the fact that we are losing out on so much money?

Lewis Macdonald: Coherence is indeed critical. Far from being a process of creeping devolution,

the logic of what I have set out is that we will continue to seek to achieve the correct balance between the needs of Scottish rail passengers—which will be met directly by Scottish ministers and so fall within the competence of the Scottish Parliament—and the integrity of the GB network. Achieving that balance will remain our guiding principle. Within that, our focus in coming months will be on getting the new Scottish passenger franchise right, rather than on seeking to revisit the devolution settlement the moment that it is completed.

Of course, we will continue to listen carefully to the views of other players in the industry. We listen to SPT, Scottish Financial Enterprise, the Rail Freight Group and those who are responsible for cross-border services. We listen to a range of views on the future ownership and management of the railway infrastructure in Scotland. The industry does not have a single view on that, but it has a shared ambition to secure the best result for Scotland's rail customers. We share that ambition.

On that basis, we will continue to work with those who have responsibility for the network as a whole to secure the best returns for Scottish travellers. We will work with Alistair Darling and the DFT. Above all, we will ensure that Scottish interests are fully represented and taken into account by Network Rail in the future management of the assets that presently belong to Railtrack, which is in administration. We will work with the Strategic Rail Authority on both infrastructure and service issues. In that context, I was pleased to welcome the SRA's new officer in Scotland at a rail industry reception that took place earlier this week only a few hundred yards from the chamber. Mike Connelly will work closely with my officials on the new rail passenger franchise. He will also no doubt ensure that the SRA is aware of our priorities in other areas.

We will continue to work with the Office of the Rail Regulator on the regulatory framework, with the Health and Safety Commission and with Her Majesty's railway inspectorate on rail safety, and with the British Transport Police on crime and security across the network. In our view, it would be absurd to break up those GB-wide regimes, which deal with regulation, health and safety and route crime on the east and west coast main lines. At the summing up of the debate, I will be interested to hear whether the SNP accepts the logic of GB-wide remits in all those areas.

The Executive's priorities are clear: to secure a long-term franchise from 2004 in the interests of Scottish passengers; to upgrade Waverley station; to take forward the best options for rail links to Glasgow and Edinburgh airports; and to continue to support the development of key Scottish rail projects, such as the Stirling to Alloa and Larkhall

to Milngavie routes, as well as the Aberdeen crossrail and the Borders railway. Those priorities will depend on working with a range of partners in both the public and private sectors. The projects will critically depend on our continuing our close working with the SRA and the DFT.

I urge the Parliament to support our priorities and our partnership approach. Members should reject any diversion that would reopen the devolution debate. I urge members to support the amendment in my name.

I move amendment S1M-3229.3, to leave out from "notes" to end and insert:

"welcomes the Executive's proposals in the transport delivery report *Scotland's Transport: Delivering Improvements* as the first steps in meeting the objective of a bigger, better and safer railway, and calls upon the Executive to continue to work closely with the Strategic Rail Authority in re-letting the Scottish passenger railway franchise and in developing a rail freight strategy for Scotland and, with Her Majesty's Government, to ensure that Railtrack's successor company delivers improved safety, growth and unity of purpose across the entire network."

09:49

David Mundell (South of Scotland) (Con):

Unlike in previous SNP debates on rail, today we have some evidence that Kenny MacAskill has some expertise in rail matters—namely, in derailing the political careers of his colleagues.

I always welcome the opportunity to debate Scotland's railways, but the SNP again has nothing new to say and nothing practical to offer to Scotland's hard-pressed rail travellers. It is perfectly legitimate, as part of the Transport and the Environment Committee's inquiry, for ScotRail witnesses to suggest other ways to run the rail industry in Scotland, but the manner in which the SNP seized on, distorted and politicised those remarks shows that its concern is with constitutional niceties, rather than with improving rail services for passengers and business users.

On today's performance, the SNP remains as irrelevant as ever to the stoic commuters from Fife who travel into Edinburgh and those who are crushed into the short trains on the Glasgow to Ayr line. Instead of structural change, we need a period of stability in the rail industry and, above all, the restoration of customer confidence. That has been badly damaged of late, not least by the drivers' action earlier this year. According to "National Rail Trends", overall passenger journeys decreased by 2 per cent between quarter 4 in 2000-01 and quarter 4 in 2001-02, and we still do not have a fully operational service.

Andrew Wilson: Does not Mr Mundell realise that stability equals decline for investment in the railways? When we last debated the railways, Mr

Tosh was gracious enough to acknowledge that the SNP had brought coherent opportunities and considered policy ideas to the debate. Why does not Mr Mundell accept that and debate those ideas on their merits, rather than cheapen what should be a serious debate?

David Mundell: I accept that the SNP has brought opportunism to the debate.

At least there is some variety in the message from the Labour party. In December 2000, Sarah Boyack told us that the newly formed Strategic Rail Authority would

“remove the obstacles within the current arrangements in order to provide a safe, punctual and better service.”—
[*Official Report*, 14 December 2000; Vol 9, c 978.]

In October 2001, we were told that putting Railtrack into administration and ending its private ownership would solve all the rail industry's difficulties, and that, by the way, not a penny of public money would be paid to Railtrack shareholders.

In January 2002, the message had changed and we were told that that great guy, Stephen Byers—so unfairly maligned by the Tories and the press—would sort out the UK rail industry. Where is he now? I do not doubt that he is checking the political allegiances of people who have expressed views that are contrary to the Scottish Executive's transport policies.

Now, we are told that the renewal of the ScotRail franchise will solve everything.

Bristow Muldoon (Livingston) (Lab): Will Mr Mundell remind us what happened to the careers of those who were responsible for privatising the rail industry?

David Mundell: It is clear from opinion polls that people do not believe Labour's message that all the problems of the rail industry lie at the Tories' door. People understand that Labour has been in power for five years and has achieved nothing in rail. For example, not a single inch of new track has been laid in Scotland since 1997.

The constant talk about the new franchise is as meaningless a soundbite as anything that we have heard in the past three debates on rail. It is time that the Scottish Executive learned that the public will not be conned into believing that there is a single magical solution to the difficulties that the rail industry faces.

The much-hyped transport delivery report was not even the plan that we were promised. How can that meaningless document, which promises everything but shows a route plan to nothing, create any confidence that the Scottish Executive can deliver the franchise in the timetable that it has set itself? The draft directions and guidance to the SRA from Scottish ministers were widely

criticised by the industry, which said that they were too vague and lacked the detail that is required to formulate a proper bid. Like the Scottish Executive, that document had no new ideas or vision. It contained no concrete plans for substantive investment in the rail industry.

The one point on which I agree with the SNP is that all that is unimportant when people can spin. This week is no different. The investment of £1 million in preparation for the Waverley station project was spun as if it was funding for undertaking the project. It was not made clear that no funding is in place for doing that. It is time for the Scottish Executive to produce plans for investment in the rail industry to make the improvements that passengers and rail freight operators badly need.

I move amendment S1M-3229.1, to leave out from “welcomes” to end and insert:

“expresses its concern that the Scottish Executive is presenting the renewal of the ScotRail franchise as a panacea for all the difficulties faced by Scotland's railways while offering no guarantees that it can deliver a new franchise within the specified timetable and calls on the Scottish Executive to focus on the immediate priorities for the development of Scotland's railways and as a first step to bring forward the detail of its financial contribution to the redevelopment of Waverley Station.”

09:55

Tommy Sheridan (Glasgow) (SSP): The debate is short, so I will keep my remarks brief. We agree 100 per cent with the motion that Kenny MacAskill has lodged on behalf of the Scottish National Party, which says that management responsibility for the railways in Scotland should rest with the Scottish Executive. It is a sad day when even ScotRail and Strathclyde Passenger Transport are more radical than new Labour.

I hope that the SNP supports our argument that ownership of the industry, whose management is the responsibility of the Scottish Executive, must be in public hands. That is why my amendment is important. It strengthens the SNP's motion and argues fundamentally that the rail industry should be run on the basis of maximising service and safety, not on the basis of maximising profit.

In the five years before privatisation of our railways, there were, sadly, eight deaths on our railways under the guardianship of British Rail. That is eight deaths too many. However, in the first five years of privatisation of our railways, there were 68 deaths on our railways. Privatisation of our railways is synonymous with fatality, accidents and the poor maintenance of our track.

In evidence to the Transport, Local Government and the Regions Select Committee, the rail unions said that, before privatisation, 31,000 workers were employed to maintain tracks in Britain. After

privatisation, only 15,000 workers are employed. That leads to fatalities. That is the problem with the ownership of the industry.

That is why I hope that the SNP will support my amendment and that perhaps some of the apparent socialists in new Labour who used to support public ownership will bring themselves to support it. We must send out a loud and clear message that the game is up for the privatisers in our public industries. No way, no longer, shall we allow essential public services to be run on the basis of maximising profit. It is time to put safety first. Safety will be put first only when the industry is in public hands, under democratic control and ownership and under the management and responsibility of the Parliament.

I move amendment S1M-3229.2, to insert at end:

"and commits itself to public ownership of the rail industry in line with the demands of the rail industry trade unions and the public as reflected clearly in opinion polls on a consistent basis, and further believes that the rail industry should be run on the basis of maximum safety and service, not private profit."

09:58

Nora Radcliffe (Gordon) (LD): The collapse of Railtrack plc put the future management of the rail network well and truly on the political agenda, but the problems of the network in Scotland will not be solved, or even more easily solved, simply by putting Scottish politicians exclusively in charge of the network. The nationalists are correct to identify some support for that in the transport industry and some business circles, but those views do not have general support and there are strong arguments against them.

Establishing a Scottish company to own and operate the rail infrastructure in Scotland might seem to simplify the system, but it would mean further fragmentation. It would be an unnecessary complication and would cause further delays and uncertainties.

Some difficult questions would have to be answered. Would a Scottish body operate in the UK regulatory framework? How would it be decided what debts would carry over from Railtrack to a Scottish body?

Mr John Swinney (North Tayside) (SNP): I would be grateful if Nora Radcliffe expanded on her point that, somehow, the establishment of distinctive Scottish management of the rail infrastructure in Scotland would lead to further delays.

Nora Radcliffe: That would happen because disaggregation would take time and trouble. I will expand on that. Would a Scottish body have sufficient potential to raise capital from the private

sector? Would we have a separate railway inspectorate? Would there be a separate rail accident investigation branch? If there were some form of vertical integration, what mechanism would ensure an absolutely fair allocation of capacity between all the network users—passenger-carrying and freight? There is no doubt that all those questions could be resolved, but is this the best way forward? It is much more sensible to see the rail network as at least a UK-wide entity, if not a Europe-wide entity. That need not preclude the network serving Scotland well.

Lewis Macdonald's amendment

"calls upon the Executive to continue to work closely with the Strategic Rail Authority in re-letting the Scottish passenger railway franchise and in developing a rail freight strategy".

Let us consider freight. Of the 6.24 million tonnes of freight that is uplifted in Scotland, more than half—56 per cent—is cross-border within the UK. A further 13 per cent is delivered outwith the UK, either through the channel tunnel or via a port, and 2.7 million tonnes of freight is delivered into Scotland from abroad. Freight operators require a strategic approach to rail that is not confined to Scotland and is not just UK-wide but international.

Christine Grahame (South of Scotland) (SNP): Does Nora Radcliffe support English Welsh & Scottish Railway, which wants to see the reinstatement of the Borders railway line as a central freight line through Scotland? That would be very useful, given the current problems on the west coast line.

Nora Radcliffe: I do not see any reason not to. I do not see that it is necessary to have a separate Scottish company to do that.

There must be consistent rail and shipping loading gauges and clearances for containers over a whole journey, from Coatbridge to Constantinople, or wherever. That consistency must be maintained along every metre of the route, or it is no use. EU directives will require inter-operability on all trans-European network routes.

Matters are not as simple as they might appear on the domestic passenger side either. Ninety-five per cent of rail traffic in Scotland may be described as solely domestic, but the remaining 5 per cent amounts to 2.6 million cross-border passenger journeys originating in Scotland and 2.9 million cross-border journeys into Scotland. Those are not inconsiderable numbers. Remember that many of those solely domestic passenger journeys will be on the Scottish part of a cross-border service. For example, my MSP colleagues travel back to Aberdeen on the GNER train from London.

The sensible option is to retain the railway network as an integrated whole. Liberal

Democrats support the concept of a not-for-profit trust, with one company being set up for the whole of the UK network, with appropriate Scottish representation on the board. We have been advocating that since February 2001. The Strategic Rail Authority should remain just that, but with a beefed-up office in Scotland to enhance its capability to liaise with Scottish ministers and to oversee what is happening in Scotland.

The system of rail infrastructure management and maintenance may need to be simplified and made more transparent, but breaking it up into English and Scottish components would be a massively complex process that we do not need. The railways need us to focus on how there can be more engineers—rather than a different set of politicians—looking after them.

10:03

Ms Sandra White (Glasgow) (SNP): As someone who left Glasgow this morning at half past 6 and did not arrive in Edinburgh until 8.45 am, I very much welcome the debate, not only on my behalf but on behalf of all the commuters who face the journey every day. If the underground has not broken down, something happens on the motorway and there is only a half-hourly service from Glasgow to Edinburgh. I ask the minister when we will get the 15-minute service back, because its absence is why we are all constantly delayed. Our transport system, not only the railways, is in a state of collapse.

I support the SNP motion and congratulate the transport and business communities on supporting the motion. We must take control of the rail industry if we are to do justice to the people who have voted us into this Parliament.

Consider the record of successive Governments. First there was a right-wing Tory Government and now we have a right-wing Labour Government, in both Edinburgh and London. Neither can be proud of the transport system that it has introduced. Stability and investment have been required, but all that we have seen is fragmentation and underinvestment. Private profit has been put before public service.

Members will know that for some time I have been campaigning for the implementation of the Glasgow airport direct rail link and crossrail. My colleagues will mention other schemes, such as the Borders rail link. We desperately need those schemes to be implemented.

There is growing consensus in this country that the way forward is for the Parliament to assume complete responsibility for the rail network in Scotland. The Scottish Government should join that consensus. It should take the powers and ensure that Scotland gets a fair deal in funding.

We must have control of the Scottish share of the Strategic Rail Authority moneys. I wrote a letter to the minister on 15 May, but unfortunately I have not received a reply. Malcolm Reed, the director of SPT, revealed that SPT has consistently been awarded approximately 50 per cent less per capita than each of the six passenger transport authorities in England. Scotland cannot afford to lose out on that cash. Let us consider a couple of examples. West Midlands Passenger Transport Authority, which serves a population of 2.5 million compared with the 2 million people in the SPT area, was awarded £50 million for 2002-03; SPT was awarded £28 million. In 2001-02, the WMPTA was awarded £47 million and SPT was awarded £16 million. Is that what the minister calls equality? I asked him that earlier. Is that fair or is it the price to be paid for having a Lib-Lab coalition that has no ambition?

If we had control of our railways and our finances, we could build the crossrail north-south link and many others. The Executive claims to be committed to tackling urban congestion, but it is failing to take the steps that would reduce congestion. Once again, the Lib-Lab coalition is strong on rhetoric and weak on action. We need the powers that any normal nation has to build a nation and a rail system that is fit for the 21st century. We need those powers to give our people the safe, fast and reliable service that they demand. I ask the Executive to support our motion.

10:06

Bristow Muldoon (Livingston) (Lab): If Sandra White is looking for a fair deal for Scotland in transport spend, perhaps she will consider the report on the budget that the Transport and the Environment Committee completed yesterday. The report identifies the fact that transport expenditure in Scotland is considerably above the UK average. She should perhaps refer to that before making ill-informed comments in the chamber.

The debate signals a lack of imagination on the part of the SNP. This is the third time in eight months that we have debated the issue—the chamber has already rejected the SNP's proposals twice. The choice of subject says more about the SNP's internal problems than about any genuine desire on its part to engage in the future of the rail industry.

I welcome Lewis Macdonald's amendment, which draws the debate back to the issues that are important to the industry. It refers to the transport delivery report, which contains many proposals that will develop a bigger role for rail in solving the transport challenges that we face. If the SNP were serious and wanted its proposals to be carefully

considered and analysed, the appropriate vehicle for that would be the current Transport and the Environment Committee inquiry. This debate is ill judged and ill timed.

Bruce Crawford (Mid Scotland and Fife) (SNP) *rose—*

Bristow Muldoon: I want to make some progress. I am limited for time.

Given that we are discussing the matter again, on the instigation of the SNP—*[Interruption.]* I appeal to the Presiding Officer to stop the barracking and ill-mannered behaviour from SNP members.

Bruce Crawford: Will the member give way?

Bristow Muldoon: No. I will address the issues.

Kenny MacAskill has given the impression that there is universal support for the SNP's proposals. That is not the case. He talks about the role of freight, but the freight operators are among the strongest opponents of the SNP's proposals. In evidence to the Transport and the Environment Committee, Graham Smith of EWS said:

"Anything that breaks down artificial barriers and boundaries must be helpful. I would much rather retain a UK integrated network in Scotland, England and Wales than create unnecessary boundaries as part of an autonomous Scottish network."

Andrew Wilson: What precisely does "integrated" mean in this context? Does it mean that Scotland gets investment or not?

Bristow Muldoon: Of course Scotland will get investment. There are clear indications from both the Scottish Executive and the Strategic Rail Authority about a range of investment projects in Scotland. I advise the SNP spokespeople to consider those documents before they come to the chamber to complain that Scotland will not get its fair share of investment.

At the same meeting, Jonathan Metcalfe of GNER stated:

"My preferred approach would be for a clear zone in Railtrack or Network Rail that focused on Scotland, with clearer transparency of funding. I would be cautious about separation."—*[Official Report, Transport and the Environment Committee; 6 June 2002, c 3224 and 3243.]*

Brian Johnson of Virgin Trains endorsed that view.

At a subsequent meeting, Kevin Lindsay of ASLEF commented:

"We do not want any further fragmentation of the railways ... I do not think that anyone could say that privatisation of the railway system has been a success, so to fragment it further would be a further disaster."—*[Official Report, Transport and the Environment Committee, 12 June 2002; c 3287.]*

Those statements prove that the industry is far from united behind the SNP's proposal.

Tommy Sheridan: Will the member give way?

The Presiding Officer (Sir David Steel): The member is in his last minute.

Bristow Muldoon: I will address the point that I think Tommy Sheridan wanted to make. Although Kevin Lindsay supports complete renationalisation of the rail industry, he welcomes the move towards establishing a not-for-profit company responsible for railway infrastructure as a step forward in the management of the industry.

The Presiding Officer has advised me that I am in my last minute, so I will come to a conclusion. Today's debate is a distraction from the rail industry's real problems. The real agenda is to improve safety, to enable the industry to expand and to enable it to play a bigger role in moving people and freight around Scotland. The framework that Labour has established—the Strategic Rail Authority and the new proposals for Network Rail—will allow those things to happen and allow Scotland to have the rail network and industry that it needs and deserves.

10:11

Colin Campbell (West of Scotland) (SNP): I point out to Bristow Muldoon that bringing together ScotRail and Railtrack in Scotland is not fragmentation, whatever else it may be.

I commute regularly from mid-Renfrewshire to Edinburgh.

Bristow Muldoon: Will the member give way?

Colin Campbell: I will take an intervention from Bristow Muldoon, even though he did not take one.

Bristow Muldoon: Will Colin Campbell clarify the SNP's proposal? He has spoken about bringing together ScotRail and Railtrack. Is he suggesting that we should have a privatised monopoly rail operator in Scotland, is he suggesting that we should have a separate railway in Scotland or does he not know what he is talking about?

Colin Campbell: We want to make the whole rail system accountable to the Parliament and to unify decision making here, instead of having two completely separate organisations that are required to spend an inordinate length of time talking to and negotiating with each other. A single management structure could take care of everything.

Speaking as a commuter—*[Laughter.]* If I were speaking as a computer, I would be more efficient. As a commuter who regularly travels to Edinburgh by train, I have come across some of the utter absurdities that result from the system's being run by two separate organisations. I will provide an

example that illustrates the problems at the level at which people encounter them. At Glasgow Central station, about 15 seconds before the departure of the train to Ayr, passengers may be informed that that train will now leave from platform 13, which is as far away as possible from the notice board. However, if people complain, they will be told by ScotRail officials that what has happened is the responsibility not of ScotRail, but of Railtrack. That shows how absurd it is to have two separate organisations involved in running the railways. Like the rest of the SNP, I believe that running regional networks—or national networks such as the Scottish network—as an entity makes far more sense.

On Tuesday evening, I attended a rail reception on behalf of the SNP. The plethora of organisations that are involved in running and using the railways were all represented at that reception. The proposition that services and infrastructure should be run together makes administrative and organisational sense.

Unfortunately, I was unable to take part in yesterday's debate on the Glasgow airport rail link. I do not want to revisit that debate in too much detail, but I note that Pauline McNeill referred to the fact that last week a £14 million car park was opened at Glasgow airport. I represented the SNP at that event. It is significant that we were informed that the car park would not be utilised fully for five years—unless a hotel were built next to it, in which case it would probably be fully utilised in three years. We are trying to encourage rail transport, but our plans for laying more track are late. At the same time, future provision for increased private transport is in place. That makes sense to the management of Glasgow airport and is a recognition of the inevitable, but at a strategic level—viewed nationally—the presence of the car park and the absence of a rail link send out all the wrong messages.

I take this opportunity to put on record my commitment to light rail transport. I hope that the transport options for Scotland as a whole will include a greater commitment to light rail transport, possibly sharing track with mainline rail transport. Light rail is more versatile, has the merit of lower capital cost and is proven to entice people from their cars.

My main concern is that, when decisions are made to lay track for links to Edinburgh and Glasgow airports, for crossrail or for any other project, the time that elapses between the decision's being made and the track's being laid should be as short as possible. Given the record of this Administration and its predecessor, I am not convinced that that is likely to be the case.

It has been suggested that we are indulging in a devolution debate. The devolution debate is

over—the independence debate is on.

10:15

Marilyn Livingstone (Kirkcaldy) (Lab): I am pleased to have the opportunity to speak in this morning's debate. Everyone agrees that transport is a key priority. That is why the biggest-ever investment in public transport—totalling £76 million—has been made to tackle congestion. Since the first award was made in 1999, more than £170 million has been made available. The rewards of that funding are being reaped.

Today we have heard that the SNP is not concerned with finding real solutions to the problems that face our transport systems. Once again, the SNP is seeking to chip away at the edges of the devolved settlement. We need a coherent strategy that advances Scottish priorities, through partnership working with the United Kingdom Government.

The Executive is working to improve railways in Scotland, through investment both by the Scottish Parliament and at UK level.

Tricia Marwick (Mid Scotland and Fife) (SNP): Marilyn Livingstone and I know full well what the railway system in Fife is like. Does she honestly believe that the investment that is being made in the Fife railway is satisfactory? Does she not think that we could do the job better here?

Marilyn Livingstone: Everyone agrees that improvements to the rail service are needed. Like Tricia Marwick, I travel on the Fife network every day. I have written continually to the Minister for Enterprise, Transport and Lifelong Learning about the need for improvements to be made to that network. Perhaps that is why there has been investment of £312,000 at Burntisland, of £1.5 million at Kirkcaldy and of £477,000 at Kinghorn. I do not say that more investment is not needed. However, we also need to consider strategically the way in which we deal with rail. The Executive is doing that. Such a strategic view can be taken only if Scotland works in partnership with the rest of the United Kingdom.

The Executive is working to improve railways in Scotland. We need more investment and that investment is being made. We want the whole journey experience to be improved. Customers want a safe and reliable rail service. No one would disagree that the rail issue is complex. Today we are dealing with the legacy of Tory privatisation of the railways in the mid-1990s, regardless of whether the Conservatives deny that.

This morning we have heard a great deal about safety on the railways. I ask the minister to consider overcrowding, which is a concern on the Fife lines and, I am sure, on other networks.

The route map for the future of transport in Scotland is welcome. The Executive report "Scotland's Transport: Delivering Improvements", which has been presented to the Parliament, discusses developments over the next 15 years. I welcome the decision to increase the overall capacity of the Scottish rail network through the redevelopment of Waverley station, which will improve services from Fife. Work should begin on that project in 2004.

The Executive is showing that our vision for improving public transport in Scotland is the strategic way forward. It is important to note that that vision is backed by public investment.

10:18

Euan Robson (Roxburgh and Berwickshire) (LD): I am grateful for the opportunity to say a few words on a constituency matter.

I welcome the recent announcement that the Scottish rail franchise will be enhanceable. That may be particularly helpful on the east coast main line, where my constituents would welcome the establishment of a local train service between Berwick-upon-Tweed and Edinburgh. That would entail opening a new station or stations in Berwickshire. We have the opportunity to promote such a development.

Railtrack informs me that three or four passing loops are required for freight on the section of line concerned. I hope that it will be possible to consider constructing a halt or station on a passing loop at, for example, Reston, where the local community is particularly keen on such a development. I appreciate that there are many technical problems to overcome—on track access and signalling, for example—but I do not believe that those are insuperable.

Christine Grahame: Will the member give way?

Euan Robson: I applaud the work of the rail action group for the east of Scotland, which has successfully promoted the extension of train services in East Lothian and is keen to do the same in Berwickshire.

For example, a local station and a local service for Reston, instead of the present intercity service, would stimulate the development of east Berwickshire. That proposal is in the new Scottish Borders structure plan and would take pressure from south-east Edinburgh and East Lothian. It might also cut the costs of rail travel for my constituents. One constituent, Brian Patton, told me recently that the cost per mile of a day return between Edinburgh and Berwick is 11.75p, whereas the cost per mile between Edinburgh and Glasgow is 7.9p. We have an opportunity to make progress in this area and I welcome the

enhanceable franchise, which will benefit those proposals.

The Presiding Officer: I call Christine Grahame. You have three minutes.

10:21

Christine Grahame (South of Scotland) (SNP): I did not think that I would be called. Excellent.

The Presiding Officer: If you do not want to speak, it is not compulsory for you to do so.

Christine Grahame: If I had not wanted to speak, I would not have endeavoured to intervene during Euan Robson's speech. I know that he is campaigning, as I am, for the reopening of Reston railway station. I hope that the minister will provide limited funding for a feasibility study into the operation and viability of a station at Reston. That is all that is required for that part of the railway line—it is not as though a lot of funding is required.

My second point concerns the Borders railway line. I refer to the leaflet "Have Your Say: Edinburgh's New Transport Initiative". Apart from the fact that I do not know whether people in the Borders have received that leaflet, I have other concerns about it. In its middle pages, it refers to rail schemes and mentions the

"Borders rail line from Edinburgh to Galashiels".

However, under the heading "'Up-front' transport improvements", it says:

"Many publicly funded transport improvements will be put in place before 2006, and before any congestion charging scheme is introduced. These up-front improvements will include—"

The list in the leaflet does not include the Borders railway line. We know of the troubles with FirstBus in the Borders, so the omission of the Borders railway line from that list means that people who try to get into Edinburgh to work by private transport could be charged up to £2 a day. In the Borders area, wages are some £50 to £60 a week less than they are in the rest of Scotland. People are driven—"driven" being the operative word—to commute to Edinburgh.

I would like an assurance from the minister that efforts will be made to put money into the Borders railway line and to reinstate it before congestion charges get off the ground. There is no reason why the line cannot be operational before 2006. If the minister can spend £450 million on five miles of motorway, he can spend £100 million on reinstating a railway line in order to give people in the Borders access to jobs in Edinburgh and people in Edinburgh access to jobs in the Borders.

The Presiding Officer: We now come to the winding-up speeches, each of which will be three

minutes. I call Ian Jenkins first.

10:23

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): You took me by surprise, Presiding Officer—I did not realise that my speech would have to be so short.

We recognise the problems of the railway for commuters and freight operators. We also recognise that some potential stakeholders are uncomfortable with the present structure of the railway. However, as Bristow Muldoon said, and as he highlighted with extensive quotations, that view is not unanimous. As Nora Radcliffe indicated, the Liberal Democrats are in favour of a simplification of the system and of stronger scrutiny of Scottish rail matters. She also mentioned the not-for-profit trust for Railtrack.

It will come as no surprise that I want to mention the Borders railway, not just because I always like to punt the merits of that idea, but because the proposal helps to illustrate one of the issues behind the motion. The Parliament endorsed the principle of a Borders rail link from Edinburgh to Carlisle and, as Christine Grahame said, we have made progress on the proposal to take the line to the central Borders—whether to Galashiels, Tweedbank or Charlesfield. That type of development could perfectly well be wholly supervised in Scotland. Journeys would begin and end in Scotland, the way in which those journeys were organised would be handled in Scotland and scrutiny of the service would take place in Scotland.

That is not the whole picture, however, as we want to be able to travel by rail to Carlisle. A problem will arise if we take up the SNP's suggestion of establishing Scotland as a separate unit. A Scottish operation would stop short of the west coast and we would need to deal with people who would not be within our control in the way that those who worked for the Scottish operation that the SNP talks about would be. That would cut apart the network and the network needs to be seen as a whole.

Bruce Crawford: Will the member give way?

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

Ian Jenkins: I will give way.

The Presiding Officer: No, Mr Jenkins. You are in your last minute. You had only three minutes.

Ian Jenkins: Sorry, Presiding Officer.

I have made my point. The SNP's suggestion will lead to fragmentation, division and a cut in the network that would have to be tied up again. It would be uneconomical, a waste of time and, as

Nora Radcliffe said, complicated. The SNP's suggestion is not on.

10:25

Dennis Canavan (Falkirk West): There is undoubtedly a consensus among the people of Scotland about the need for massive improvements to be made to our rail services, including the establishment of rail links to areas such as the Borders as well as to the airports at Edinburgh, Glasgow and Aberdeen. However, extending the existing rail network is not the only issue. Existing services must be improved and electrification is one of the best ways in which to do that. Electrification offers huge advantages, such as shorter journey times and an end to the pollution that is caused by emissions from diesel engines.

Scotland is near the bottom of the European league, with only 23 per cent of our rail track being electrified. Nine years ago, a joint study by ScotRail and local authorities recommended the electrification of the line between Edinburgh and Glasgow Queen Street via Falkirk High. That is, or should be, Scotland's flagship line, as it links Scotland's capital city to Scotland's biggest city. Unfortunately, the service has recently got worse rather than better, with ScotRail's continuing failure to restore the quarter-hourly service. In the longer term, electrification would be the best way in which to improve that service, as it could cut the journey time from Glasgow to Edinburgh to 35 minutes. I give that as an example of a necessary improvement.

How do we achieve such essential improvements? The SNP motion calls on the Scottish Executive

"to take full charge of the running and operation of the network in Scotland."

Recently, even ScotRail has suggested that the Scottish Parliament should have more responsibility for the railways in Scotland. I go along with that, but the proposal for the Executive to take full charge of the running and operation of the network must involve public ownership. The privatisation of the railways has been an unmitigated disaster. There has been fragmentation, inadequate investment and deteriorating standards of reliability, punctuality and safety. Railtrack has had to be taken into administration and there are increasing demands by the general public for public ownership of the entire industry. Last week, *The Guardian* reported a recent ICM poll showing that 68 per cent of people were in favour of public ownership of the industry.

Under the existing franchise system, the Scottish Executive has only limited influence. I

repeat: the proposal for the Scottish Executive to take full charge of the running and operation of the network must involve public ownership. Tommy Sheridan's amendment is a logical extension of the SNP's motion. I urge SNP members, and any socialists left in the Labour party, to vote for his amendment, in order to try to ensure that the people of Scotland get the first-class railway service that they deserve.

10:29

Mr Murray Tosh (South of Scotland) (Con):

Andrew Wilson reminded the Parliament of my personal view that the railways might have been a suitable candidate for involvement in the devolved settlement. That remains my view. However, it is not my view that the constitutional arrangements that surround the railway industry are the most important of the issues that govern, affect or influence our railway network. The proper role for our railways is within a devolved, rather than an independent, context. I believe that what Colin Campbell said on that was quite wrong.

An important part of our rail service is the connection with cities south of the border. Our system is integrated with the UK railway system. It is important that the railway system is regulated on a UK basis. I emphasise for Kenny MacAskill's benefit that that is what regulations are about. We are not talking about European regulations on safety; we are talking about determining who gets access to the pathways and who gets the slots through. To that degree, it is critical—

Tommy Sheridan: That is the same with the roads.

Mr Tosh: It is not so hard to drive on the roads. People drive on at one end and come off at the other end. In a railway system, there must be agreement about who gets on, who goes off on to a loop, who is allowed to overtake, who is allowed to come in the opposite direction and when and where those things happen. Our intercity services will function only within a regulatory regime that applies to the whole United Kingdom.

Andrew Wilson: I agree with everything that Mr Tosh has said about regulations, but would not those regulations be best served from a Scottish perspective, with someone at the table making our case rather than all the decisions being made in London? Incidentally, I remind him that that is precisely what happens in every other country on earth.

Mr Tosh: I have only three minutes and I think that that was an unreasonably long point. I agree that regulations need to be a matter for negotiation, but I think that we are better negotiating within a UK context. What leverage would we have over an English Government about

a train running from London to Aberdeen? It is nonsense. This is the kind of area in which devolution can be made to work.

I am equally critical of the Executive amendment, which simply talks about renewing the passenger franchise. It will not be too difficult for the Executive to do that, as the policy context is already established within the overall UK approach. What is sadly lacking from the SNP motion and the Executive amendment is any grasp of the real issue, which is how we develop our railway industry and fund its progress.

This morning, we have not remotely talked about what the railway network is for and what purposes it will serve. Only David Mundell talked about development and increasing capacity and only Colin Campbell touched on the important interface between light rail and heavy rail as a means of resolving our urban transport problems. The debate has been about something that is going to happen anyway and about an obscure constitutional issue. It has not been about delivering railway services or railway expansion. I call on members to support Mr Mundell's amendment, because it grasps the important point that, to take the railway system forward, we must talk about capacity, regulation and investment.

10:32

Lewis Macdonald: As has been said in the debate, the Executive's priority is to get the best possible rail services in Scotland. We believe that the fundamental requirement for that to happen is for the rail industry to be enabled to enjoy a period of prolonged stability. That is why we support the balanced railway devolution settlement as it has been developed by the Executive and as it currently stands. We look forward to the establishment of a single network rail company for the entire rail network in Great Britain.

We have made clear the fact, which we do not apologise for, that our priority at this juncture is to deliver improved services for Scottish passengers when we take forward the new passenger franchise from April 2004. We have issued directions and guidance to provide the right framework for doing that. The Scottish rail passengers committee, Strathclyde Passenger Transport and others have very much welcomed the terms of the directions and guidance.

We are working daily with the Strategic Rail Authority; its new Scottish officer is based at the rail passengers committee in Glasgow. The SRA has expertise in letting franchises and will be responsible for letting all the franchises across Great Britain, including the one for Scottish rail passenger services. The authority will issue that franchise according to our directions and

guidance. It has indicated a timetable for the Scottish franchise and is confident that it can be delivered.

We will formally issue directions and guidance to the SRA early next month. Expressions of interest will be invited this summer. A detailed service specification will be issued, with an invitation to bid in the autumn of this year. Shortlisted bidders will be invited to submit their best and final offers in the spring of next year and a preferred bidder will be announced in autumn 2003. The new franchise will be awarded in spring 2004.

Mr Tosh: Can the minister clarify whether the negotiations on the franchise and the terms of the franchise will generate the investment to create the high-speed intercity service to which Sandra White referred, or will that be an add-on? Will we be discussing development and infrastructure priorities as later investments through special purpose vehicles?

Lewis Macdonald: The service specification, which will be issued this year prior to the invitation to bid, will be founded on the existing level of service across the network. However, as several members have said, the franchise can be enhanced. Those who make bids will be invited to offer a price for the specified services and to suggest alternative services if they can provide them at a comparable cost.

Bristow Muldoon: The minister said that the franchise can be enhanced. Will he indicate how the Executive will respond to the recommendations from the central Scotland transport corridor study for major rail projects such as a new line linking Edinburgh, Livingstone, Bathgate, Airdrie and Glasgow?

Lewis Macdonald: We have said that we will consider carefully the entire range of recommendations from the central Scotland transport corridor study, but specifically those that relate to public transport, which clearly include the recommendation for reopening the Airdrie to Bathgate line. Obviously, we will have to examine those recommendations in terms of their value for money and whether they can be delivered. However, it is our intention to develop such projects in a way that allows the passenger rail franchise to specify that, when such infrastructure improvements are in place, the successful operator will provide a certain level of service on that new infrastructure. Not only will it be possible to enhance services on existing infrastructure, but, under the terms of a long, 15 to 20-year franchise, it will be possible to enhance new infrastructure.

Fiona Hyslop (Lothians) (SNP): I am glad that Mr Muldoon mentioned the Airdrie to Bathgate line. The question is when the development will happen. That is the point of the debate—if we

have the control, we can speed up the implementation of changes and have the rail infrastructure that we need, including the Bathgate to Airdrie line, for which people have been crying out for years. We can do that sooner if we have control in Scotland. Does the minister not think that that makes sense?

Lewis Macdonald: There are a number of assumptions in what Fiona Hyslop has said, and I will conclude my speech by dealing with them. Andrew Wilson and others have implied that current arrangements cost Scotland in terms of infrastructure and investment, but they have failed to provide any evidence of that.

Our view is that a separate Scottish infrastructure company would require separate funding for upgrades to the east and west coast main lines and would mean that Scotland had to provide a significant amount of funding for upgrades to those lines north of the border. It would also mean that we would have to adapt to what is currently, as Railtrack Scotland made clear in its evidence to the Transport and the Environment Committee, a net loss-making operation. In other words, the track access charges that are raised in Scotland are not adequate to fund the necessary maintenance and repair work.

The argument about other European countries ignores the fact that the European Union is facing serious difficulties in ensuring inter-operability among the European rail networks. To go for a smaller and separate rail network at a time when the rest of Europe is seeking a more unified approach is clearly to go in the wrong direction.

We live in a single island and the case for a GB rail system is that it will greatly strengthen safety, growth and unity of purpose within the network. Our ambition is to provide the best possible rail service for the people of Scotland. We believe that we can best do that by acting on Scottish passenger rail interests and freight interests within the context of a GB rail network.

The Presiding Officer: I now call Andrew Wilson.

10:38

Andrew Wilson (Central Scotland) (SNP): Thank you, Presiding Officer. You will notice with interest, I am sure, that I appear as number 5 on the SNP's speakers list for the debate. I am not happy about the habit.

Tommy Sheridan: I thought that Andrew Wilson was number 8.

Andrew Wilson: It could have been much worse.

This is a key debate about the future and the performance of Scotland, which lines up much as did the old debate between those who were for a Scottish Parliament and those who took the Tory stance against the Scottish Parliament. This time, however, the Tories, Liberals and the Labour party are on the same side, blocking Scotland's control of its own affairs. My view—and my contention and summation—is that the burden of proof lies as much with those who stand against progress as it does with those of us who want to prove that progress is possible. The status quo in so many aspects of our government, but particularly with regard to the railway, has delivered utter mediocrity and total underperformance.

The Labour-Conservative view is that the issue is the stability and coherence of the UK network. The minister made a classic reference to the integrity of the GB network. That point cuts to the chase of the debate, as that integrity, coherence and stability have delivered woeful underinvestment, a safety performance that would be unacceptable anywhere in the world, the collapse of private institutions that should be performing and a wholesale loss of confidence in Britain's and Scotland's railway network. In other words, the status quo has delivered transport decline and chaos. I contend that the combination of a complete lack of vision and confidence and an obsession with not recognising the need for Scotland to progress constitutionally is diminishing the case that the London parties can put and leaves them in an unsustainable position.

The SNP's case is simple. It starts with the observation that the situation with regard to the railways is not right. The minister must accept a fact of which even dogs in the street—not normally known for their knowledge of railway transport—are aware: the railways of Scotland are underperforming and the people who use them are greatly frustrated. In light of his comments, I point out to him that there is a proven record of underinvestment. In England, 25 cities are lined up to receive investment in light rail transport, whereas the number in Scotland stands at a terrific zero. The lion's share of investment will go south under any UK structure—those are not my words, but the words of Sir Alastair Morton, the outgoing chairman of the Strategic Rail Authority.

Lewis Macdonald: Does Andrew Wilson accept that the initiatives that are under way to address the public transport system in Edinburgh and the links to Glasgow and Edinburgh airports may well involve investment in light rail infrastructure?

Andrew Wilson: I am delighted to recognise that there is activity. I would be surprised if there were none. My point is that our share is totally disproportionate to that of other places in the UK. The reason for that is simple: the greatest volume

of passengers is in the south of England—that is not a whinge but a recognition of reality—and anyone who wants a return on their investment will go where the market is. That is an inevitable part of life within the centralised UK.

Our options are to thole that situation or to do something about it. The best way of doing something about it is by taking control of our funding and trying to make the best of a difficult market context. Scotland inevitably loses out under the current system of investment, so we must devolve funding control to Scotland to enable us to target our own priorities. We must set up a not-for-profit public trust to run the railway network in the public interest and under public control, so that we can access investment and target it on Scotland's needs. The idea of a public trust was developed by the SNP; although it was initially condemned by Labour, it now appears to be the model that Labour wants to implement across the UK. However, our point is that investment should be focused on Scotland.

The thrust of our coherent, considered approach, which is backed up by research and academic opinion, has been welcomed by most reasonable people in the debate, even by those who might not agree with all its details. Strathclyde Passenger Transport has agreed with some of the principles, as have Scottish Financial Enterprise and ScotRail, as Kenny MacAskill said. What is the Conservative-Liberal-Labour case? It is the Tosh-Jenkins-Foulkes consensus that, if railways go over a border, they have to be controlled centrally. Do they appreciate that roads go over borders as well? I have travelled on a railway line between Belfast and Dublin. Such arrangements are possible. Countries co-operate with one another and negotiate for the best result for their situation. However, a country that is at the negotiating table has a better chance of getting a favourable result than one whose voice is represented by someone else.

Mr Tosh: I recognise that trains cross frontiers. [*Applause.*] I am sorry, but Mr Wilson is caricaturing everyone else's position in the debate. No one is saying that trains cannot cross frontiers. The point is that, in a devolved context, it is perfectly possible for Scotland to be able to negotiate pathways and routes. What leverage would an independent Scotland have in negotiations with the UK Government?

Andrew Wilson: It would be possible for Scotland to negotiate pathways and routes in a devolved context, but our observation is that that is not happening. However, independence would empower Scotland at the negotiating table. That is a simple observation.

The fudge of the ministerial position is amusing, given the debates of the past couple of weeks.

The minister appears to have swallowed wholesale the classic ministerial brief from the civil service against any policy idea: there is a correct balance to be struck; there are too many legal difficulties; the idea would be administratively complex. That is straight out of the annals of “Yes Minister”. I think that Sir Humphrey stalks the corridors of the Scottish Executive in a way that Jack McConnell is less than comfortable with.

Nora Radcliffe’s argument seems to be that, although she accepts that the railways are dreadful, it is too much hassle to do anything about them. That is unacceptable. If devolution is about anything, it is about Scots taking control of their own affairs. Our point is not about breaking up the union. We are asking why, if we trust Scotland so far, we do not trust it the whole way. We will still travel across the border in trains, but we will be empowered to ensure that our railway system is properly invested in, is properly looked after and gives everyone across the European network the chance to travel here in comfort.

There are people who say, “This far and no further,” and there are those of us who will not accept the mediocrity of our current situation. The simple truth is that the Scottish Executive has to up its game. Scotland deserves better. The railway industry is critical to our economy and to our quality of life. We cannot wait any longer for UK institutions to deliver, because we have already waited and they have not delivered. Let the scales fall from a few eyes in the chamber. If we control the roads of Scotland, why do we not control the railways of Scotland? The issue is as simple as that. The burden of proof is with the opposition as much as it is with those of us who want progress. Right is on our side and we have the momentum.

Public Infrastructure Investment

The Presiding Officer (Sir David Steel): We move to consider the second debate of the morning, motion S1M-3228, in the name of Alasdair Morgan, on investment in public infrastructure, and two amendments. Members who wish to participate should indicate that now. It is helpful to whoever is in the chair for deciding on times.

10:46

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I welcome the ministers to the debate. It is interesting to note that finance is more important and more complex than transport, as it justifies the presence of two ministers rather than one.

The Minister for Education and Young People (Cathy Jamieson): There are three ministers present.

Alasdair Morgan: I referred to the ministers who are taking part in the debate, although I am willing to be surprised.

No one doubts the appalling state of Scotland’s infrastructure, a legacy of years of Tory rule from Westminster and Labour dominance in Scotland. Such are the allegedly enormous benefits of the union that placed Scotland in the United Kingdom—benefits that the Tory party still tries to extol—that, as we enter the 21st century, Scotland has a crumbling infrastructure in all its most important elements.

Our school buildings have an enormous backlog of maintenance and, in many cases, they are a disincentive to education. Many hospitals are fit only for the medicine of a previous era. Our transport system, both by road and by rail, is a definite hindrance to the economic development of our country and a constant source of complaint from business. The list continues through every sector in which the public has a right to expect public investment.

The report to which my motion refers, prepared by Audit Scotland for the Accounts Commission, deals with the use of private finance initiatives in Scotland’s schools, an area where the backlog of infrastructure investment was such that, just over a year ago, we had an estimated bill for urgent repairs of £2 billion. The report “Taking the initiative—Using PFI contracts to renew council schools” concentrates on six PFI contracts designed to replace old and unsuitable school buildings with new build.

The Scottish National Party shares the desire for new schools to replace the crumbling

infrastructure: the leaky roofs, the cold, draughty classrooms in winter and the overheated greenhouses in summer. We accept that new schools give a better learning environment for pupils and a better working environment for teachers. Overall, they contribute greatly to a better educational experience.

To state that is to state the obvious, yet it must be said because, too often, the proponents of PFI seem to advance the notion that the simple existence of new schools is by definition a justification of a PFI. They glow with pride when they hear a headmaster or a pupil tell them how grateful they are to have moved from their old building to the bright, shiny, new replacement.

That is not the issue. The issue is whether the method used to provide the new building was the best possible one available under the circumstances, whether the cost of providing that building was the most judicious use of public finance and whether other methods could have procured the same results in infrastructure improvement, but at a lower cost to the public purse.

There are parts of the report where there is some common ground between the SNP and the Executive. The report says that the use of PFI to provide new schools has delivered real benefits in terms of project management, risk transfer and financial control. We in the SNP accept that, in some cases, the implementation of PFI, the intense effort that is required to draw up contracts and the disciplines that are imposed by the contractual relationships between the various parties may well have concentrated the minds of the purchasers on precisely what it was that they wanted in their contracts.

In many cases, it may well have been that the activities of professional project managers were superior to those of the people potentially available from within the public sector, especially in cases where the management of projects of the size of some recent PFI contracts was an activity with which they were not familiar and in which they could not have been so skilled. However, it is a far cry from those occasional improvements to the tendency among some of the proponents of PFI to act as if there was no such thing as a public sector project that came in on time or on budget, and as if all such projects were doomed, if not to failure then to being disastrous in terms of time or cost control.

Many members are connected with local authorities and will, quite correctly, argue that that is not the case. Moreover, many of us know that, on the contrary, the involvement of the private sector is no guarantee that projects will run on time or on budget, even when they are within the control of the private sector. Indeed, the Audit

Scotland report recognises the danger of relying on an image of public procurement when that may not be true. It says:

"The danger is that decisions in favour of PFI procurement may be driven by stereotypes of poorly performing alternatives rather than good evidence of demonstrable benefit."

Although the report said that PFI had delivered real benefits, it added that there were also disbenefits and that

"The benefits available from PFI are not necessarily unique to PFI. Other forms of procurement could potentially secure many of the benefits identified".

We do not believe that the benefits outweigh the huge costs and disbenefits associated with PFI.

David Mundell (South of Scotland) (Con): If that is what the SNP believes, why does the SNP group on Dumfries and Galloway Council not resign from that council's administration rather than pressing ahead with a PFI for schools?

Alasdair Morgan: There are two points on that. First, the member will note that the SNP put forward, and had accepted, an amendment whereby Dumfries and Galloway Council would consider other options, including a trust. Secondly, if the Executive insists that the money is available only under the condition of going down a PFI route, then SNP—and Conservative—councillors anywhere in the country have little choice in the matter.

What are the extra costs associated with PFI projects? I hope that members' eyes do not glaze over when I talk about the public service comparator, or PSC. It is a device that is used to compare the costs quoted by the actual PFI tenderer against the likely costs of a non-existent public service option for the construction or project in question. On its analysis of the six existing contracts, Audit Scotland stated:

"the main elements of costs underlying the PFI option are higher than the equivalent forecast costs under the PSC. Thus in five cases out of six the PFI construction costs were higher than the PSC, and in all six cases the operating costs of the PFI option were higher than the PSC."

Even using the comparator, the public service option came out cheaper nearly all the time. Why on earth did the PFI option still win every time?

Audit Scotland's report continued:

"In most cases the risk adjustment tipped the balance back in favour of the PFI option".

What is the risk adjustment, which rides up, like the cavalry, to save the day for the PFI wagon train? It is a figure that is inserted to try to account for the alleged transfer of risk from the public sector to the private sector as a result of the PFI deal. Risk assessment relates to potential

problems that might arise in projects yet to be commenced. It is not an exact science. As Audit Scotland says in the strange language that we expect of public servants, there is an "inherent uncertainty and subjectivity" in the process.

I am reminded of the story about the reply that someone would get from a consultant if he was asked what two plus two was—"What would you like it to be?" Some of the comments that Audit Scotland made on the risk calculations for individual cases give the game away. For example:

"It is arguable whether school operations are subject to risks of a similar magnitude".

In another case, referring to a design risk adjustment against a council undertaking the work itself, the report said:

"the council's track record in completing other new schools in recent years had not given rise to significant adverse construction cost variances".

The risk assessment assumed that those adverse construction cost variances were actually happening.

Audit Scotland concluded:

"Without stronger evidence than available in this case it is not easy to accept that school operating costs are subject to risks of such a magnitude."

In other words, the risk transfer had been exaggerated. Yet it is only by virtue of that risk adjustment that the projects analysed would have been tipped from being more cost-effective under the public sector to being marginally more cost-effective under the private sector. In other words, it was a fiddle.

David McLetchie (Lothians) (Con): Does the member acknowledge that there were substantial elements of risk in the costs of that traditional procurement project known as the Holyrood building—so beloved of us all—and that those risks have come home to roost, and indeed are financial realities that the taxpayers are paying for? Will he acknowledge that the other building in Edinburgh of a similar scale that is being built under private finance, namely, the new Edinburgh royal infirmary, came in on time and on budget and is servicing the patients for whom it was intended?

Alasdair Morgan: If Mr McLetchie is saying that every public contract goes pear-shaped and that every private contract is fine, that is great—although I would point him to the example of the channel tunnel, which Mr Tosh apparently does not believe exists.

If Audit Scotland's comments were not enough to convince members that the scales are being somewhat arbitrarily and unfairly weighted in these calculations, it is Audit Scotland's consideration of

the relative cost of borrowing that sets the seal on the Executive's decisions and suggests that there has been a fiddle. The fact is that the public sector can borrow at much lower rates than the private sector. Nobody argues about that. The difference can vary, but it is about 2.5 per cent to 4 per cent cheaper for the public sector.

The Minister for Finance and Public Services (Mr Andy Kerr): On average.

Alasdair Morgan: Yes—on average, clearly. Despite that, the technique used for the PSC ignores that difference in costs. It uses instead an imputed cost of capital that bears no relation to the reality of the market.

Mr Kerr: Under that scenario, who is securing the risk of the money that is lent?

Alasdair Morgan: In which case?

Mr Kerr: In the case of Public Works Loan Board money that is lent to local authorities, who secures the risk, and who secures the risk in the case of money borrowed for a PFI project?

Alasdair Morgan: Clearly, the public secures the risk. If the minister is assuming that every public sector project is doomed to absolute failure, that is fine. The reason that the public sector can borrow at such a low level of interest is because the public has so many projects that it can spread the risk over them all.

The Audit Scotland report continues:

"the use of an imputed cost of capital measure rather than actual financing costs is justified by reference to wider economic considerations, under which it can be argued that financing costs do not have any role in public sector investment appraisal. The level of public spending as a whole is a macroeconomic decision".

And so it goes on. This a land where black is white, where dear is cheap and where Gordon Brown decides what goes. It is Gordon Brown who makes the macroeconomic decisions. It is he who is effectively saying that financing costs do not have any role in public sector investment appraisal. I do not know of any member who thinks that financing costs could not have a role in their own personal finances. Apparently, however, we are meant to swallow that idea in making public versus private comparisons.

Audit Scotland said:

"The consequence is that the cost of capital included in the PSC costing is currently some 2.5% to 3% higher than a council would actually pay if they borrowed to finance such a project."

On the basis of that ridiculous calculation we are meant to believe that PFI offers better value for money. A child looking after his piggy bank would be better placed to come to a sound financial conclusion than the people who dreamed up that kind of comparison or, as the deputy comptroller of

the National Audit Office south of the border described it, "this pseudo-scientific mumbo-jumbo".

How much extra cost is involved in the projects that have been considered? Audit Scotland estimates that the extra costs of borrowing private capital add between £0.2 million and £0.3 million per year for each £10 million that is invested. That amounts to £8 million a year alone over the six projects that have been investigated, even at the lower end of Audit Scotland's estimate of the extra cost. That is £8 million each year for the next 30 years. That is some price to pay for adherence to the PFI dogma. Precisely the same analysis applies to all PFI projects whether in education, water or the health service. The taxpayer will bear the costs for the next 25 or 30 years.

The point is that there are alternatives. For some time the SNP has been putting forward the option of public service trusts. They would achieve the Government's aims of getting borrowing out of the public sector borrowing requirement and they would deliver borrowing rates that are almost identical to public sector borrowing, as opposed to the much higher borrowing levels in private sector finance.

It is interesting to note that councils and Government are coming round to that argument. There are projects in which the Government has floated the idea of using such trusts. Railtrack is one of the more interesting examples.

We are gratified that the Government has taken up our proposals. We are disappointed only that so much time and money were wasted before that happened. Even the trusts are only an extra resource, in addition to public borrowing by traditional methods. We are glad that, at long last, the Government appears to be moving towards a more logical system for public authorities' borrowing capital.

Existing PFI contracts might have delivered new schools, but they have delivered them at excess cost, for which we and our children will be paying for the next 30 years. The Audit Scotland report gives the Executive a chance to change tack. I hope that it takes advantage of that.

I move,

That the Parliament notes the recommendations of the Audit Scotland/Accounts Commission report on Private Finance Initiative (PFI) procurement in schools, *Taking the Initiative - Using PFI contracts to renew council schools*, and believes that PFI has proved to be a costly experiment, that local authorities and other public bodies should be free to use traditional public procurement and that, where "off balance sheet" solutions are desirable or necessary, these should be on a not for profit basis through bodies such as not for profit trusts and community trusts.

11:01

The Minister for Finance and Public Services (Mr Andy Kerr):

I welcome the opportunity that the nationalists have given us to debate yet again the tremendous progress that has been made on modernising Scotland's infrastructure to the benefit of 64,000 pupils in 80 schools throughout Scotland; to the benefit of the national health service patients in the central belt, for whom 2,884 beds have been provided; and to the benefit of our environment, as waste schemes have provided cleaner coastal waters and reductions in landfill. Those benefits have been brought about through our securing additional resources through public-private partnerships and private finance initiatives.

We have heard a lot of discussion that PPP is the only show in town. Payments under PPP are only 2 per cent of the Scottish Executive block and 10 per cent of our capital programme. To suggest that we are hide-bound by PPP as the only route for public sector investment is just nonsense. Ninety per cent of our capital comes under the traditional method. We have confidence in our public sector partners and we deliver daily on projects. It is absolute nonsense to suggest that PPP projects are all that we do.

I am saddened by the fact that in these debates we focus only on the financial route, not the conclusion. The public sector comparator does not reflect what Alasdair Morgan says that it reflects. It takes on board the capital costs of the project, the life-cycle maintenance provisions of the project and the facilities management aspects of the project. That is completely different from traditional procurement.

I was in local government as we chopped the budgets for fixing the roof in the depots and as we did not fix the windows in the schools because we could not cope with the demands and the pressure that our infrastructure was creating. Through PPP we are locking in, over 30 years, a first-class asset that will return to the public sector after those 30 years. We are also unlocking the resources that would otherwise have been spent on projects, and we are spending them on the infrastructure on which Alasdair Morgan wants us to spend them.

Capital allocations to local authorities have gone up by 39 per cent and allocations to health have gone up by a similar amount. We are investing in the traditional routes of providing capital to support our infrastructure, but we are using a novel system to do that.

Andrew Wilson (Central Scotland) (SNP): I am grateful to the minister for giving way. We can understand why the Minister for Finance and Public Services does not like to debate finance—that is understood all round. Does the minister accept the conclusions of the Accounts

Commission's report, which proves beyond all peradventure that PFI capital borrowing is more expensive than are the traditional methods?

Mr Kerr: I disagree with the member and I will come back to that point later on. I note the member's point about his having come fifth in the list and I am glad that he is here this morning. I am continually saddened by the fact that when the Executive and I focus on new schools, the infrastructure that has been provided for patients in our health service and the new transport that we are providing, all the SNP can do is talk down those improvements for petty political point scoring.

On the day that the SNP launched its proposal of public sector trusts, most of the financial sector in Scotland and beyond dismissed it. For the SNP to accuse the Executive of creeping privatisation when, over the past four years, we have increased the public sector spend in Scotland from £16 billion to £22 billion and the number of public servants in Scotland by 16,000, shows that it has the agenda all wrong. We are investing in the public sector and we are using other mechanisms by which to add to that investment. As I said, 2 per cent of our block goes to payments for PPP and 10 per cent of our infrastructure costs relate to that.

Bruce Crawford (Mid Scotland and Fife) (SNP): I thank the minister for allowing me to intervene. Why is it okay for local trusts to build swimming pools when it is not okay for them to build schools?

Mr Kerr: They can in the models that we are developing. We are happy to engage with trusts in the models that are coming through. We are engaging with local authorities. The Executive has supported the Argyll and Bute Council model for 12 months—its development is part of the process that we are going through just now. That is not to suggest that we are locking away ideas and potential. We are happy to discuss the options, but the SNP's option simply does not work.

Michael Russell (South of Scotland) (SNP): Will the minister give way?

Mr Kerr: No. I have to make some progress, with all due respect, and I wish to move on.

The Executive's investments are making a real difference. We are not hide-bound by the strategy that the SNP deploys. It is incredible that yesterday the SNP put the disabled people of Scotland second to independence and this morning it has put the school pupils of Scotland second to independence. That is an absolute disgrace.

The 80 new schools and the £500 million of new money that we have put into public infrastructure

are what counts. I am a parent and it is important for me that when my children go to school they are in a warm and dry environment. That cannot be dismissed, as Alasdair Morgan tried to do. Those schools are making a real difference in society. The head teacher at All Saints Secondary School in Glasgow says that truancy is down, achievements are up and the school is getting placing requests. Parents in Glasgow were leaving in their droves because of the state of the schools. We have reversed that trend in three years instead of in 30 years and that is the real step change. If the SNP could get over its determination to undermine the work of the Executive, it would accept some of the positive benefits that projects have brought.

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

Mr Kerr: I have given way plenty of times. I do not intend to do so again. I have only a few minutes left.

PPP harnesses change and modernisation. I was brought up in the public sector. I know its strengths; I know what it can do well and what it can do very well. I also understand and accept that other people have good ideas that can benefit the infrastructure of Scotland and I am willing to embrace those ideas if they provide value for money and compare with the public sector comparator. They do so on every occasion.

Some sad people throughout Scotland do not understand all the things that we get excited about, such as PSC and value for money. If the general householder in Scottish who is paying a mortgage had the opportunity to lock away the care and maintenance of their property for 30 years, I suspect that they would look closely at that opportunity. There would be an extra cost, but they would not have to go to B&Q every Saturday in order to paint, wallpaper and do their plumbing repairs. They would lock away all the risk, which is the point that Alasdair Morgan failed to respond to when I intervened earlier.

The SNP is willing to take on risk through the public sector. We are willing to use a well-modelled calculation, which develops as projects go on. Let us not forget that the Accounts Commission's report relates to early PFI/PPP projects. We have moved on a long way since those projects were first developed. We now work more intensively on how we carry out the process for PPP models.

Alasdair Morgan: Will the minister give way?

Mr Kerr: I will take the intervention in just a minute.

We are learning the lessons of the early models and we are incorporating them into what we are

doing. We are using standard contracts and we are reducing the high input costs at the start of contracts. Of course, as Alasdair Morgan said, interest rates have changed considerably since the projects were first mooted. The lessons from the Accounts Commission's report, which is out of date, have been learned and we continue to learn from the early projects. We have reduced the gap that exists in the SNP's traditional way of doing calculations. The projects still stand in value-for-money terms.

Alasdair Morgan: The minister cannot have it both ways. At the beginning of his speech, he spent a long time telling us how much normal capital was being given to local authorities, saying that there had been a huge increase. Is he saying that all that capital is being invested at huge risk?

Mr Kerr: No. Mr Morgan simply fails—or deliberately fails—to understand the processes involved. A project is first assessed for value for money by the local authority or whoever it happens to be. Only after that assessment is it measured against the PSC. That is when the decision is made on which funding route to take. That is what happened in the NHS: four projects went ahead by taking the traditional funding route that the public sector has always used; and four projects, after having been assessed and then measured against the PSC—taking account of the locked-in maintenance for 30 years, the risk being transferred to the private sector and the benefits of the whole process—were delivered by taking the new route of PPP.

People have talked about PPP being the only available option. Until PFI/PPP came along, the only option was the traditional route. That is why we have such difficulty with the current infrastructure in Scotland. The infrastructure requires a step change. I would like to resource that step change through the public sector, but we simply cannot afford to do so. If the SNP is suggesting that we raise taxes to the levels that would meet the public infrastructure costs, I would like to hear its tax policies for the next election.

The processes of PPP/PFI bring in additional money to the Scottish block, allowing capital investment to take place. That is how we will deliver for the people of Scotland. In these debates we seem to forget what the Executive is really interested in. Yes, value for money is important and, yes, we must ensure that projects measure up against the PSC but, more important, we must provide beds and hospitals and first-class facilities for our school pupils. Those are the things that matter to the people of Scotland.

The hospital at Hairmyres is a much-derided project, but I will tell members of one of the benefits of that project: instead of the 24 different sites of the old hospital that I used to use, my

family and my constituents can now use the first-class—world-class—facility that is the new Hairmyres hospital. That is the real benefit of PPP.

I move amendment S1M-3228.2, to leave out from “notes” to end and insert:

“recognises, in developing Scotland's infrastructure, the real progress being made through a balanced and sustained investment programme and the vital contribution which public private partnerships have made already in modernising Scotland's infrastructure and public services, and welcomes the Executive's intention to continue to encourage such partnerships, as part of a range of funding options, wherever and whenever they present themselves as providing the best value solution.”

11:12

Mr David Davidson (North-East Scotland) (Con): I will start by making a statement that I think we can all agree with: the priority of Government and Opposition parties must be to improve public services in Scotland and to seek innovative, cost-effective solutions to do that. PFI, or PPP as it is now, was a Conservative initiative from 1992 and it offers just such solutions.

Critics of such schemes often base their objections on private companies making a profit. However, such criticisms ignore the fact that contractors that are involved in purely public sector capital programmes will also make a profit. The profit incentive puts pressure on companies to perform. To argue against that implies that inefficiency in the public sector does not matter, as if money grows on trees.

Brian Adam: Will the member give way?

Mr Davidson: In a moment.

PFI provides one option to address the need for infrastructure improvement. It is not the only game in town and it is fraudulent to say that it is. As a tool, it brings in new resources and new disciplines and it delivers capital projects early. It also removes risk. It is strange that the SNP never considers the opportunity costs of either no delivery or postponed delivery.

The early PFI projects have given us a chance to learn and to refine. The minister is right about that. From the very beginning of PFI, we have consistently said that we would have to learn from the process and refine it. If we consider other commentators, and not just the ones that Alasdair Morgan quotes, we find that the gap is narrowing on costings, even on the finance side.

Brian Adam: I am delighted that Mr Davidson concedes that there is a gap and that the gap does not favour private industry. Will he confirm that private sector finance adds a significant cost and that objective people such as the National Audit Office and our own Accounts Commission and Audit Scotland confirm that a significant cost

has not been taken into account in considerations of the PSC and PFI?

Mr Davidson: Mr Adam has not been listening. We have learned from the Audit Scotland report. If Mr Adam looks at the new information, he will learn that the gap is narrowing. His party does not put a value on the delivery of affordable services that are on time and up front and that have a built-in lifetime cost.

The minister referred to his time in local government. In the past, local government tended to go for the cheapest option. We now witness the dereliction in schools and public buildings, especially in Labour local authority areas. The authorities have often ended up paying the price of constant alterations to specifications during delivery. With the new discipline, such problems have gone. The knowledge and experience that are available benefit public investment in this country.

Even during the Finance Committee's inquiry into such issues, the SNP was threatening to release a minority report. I have no objection to that, but I hope that—

Brian Adam: What evidence have you got to say that?

Mr Davidson: I was at the Finance Committee meeting last week.

I hope that, as part of the committee's inquiry, the SNP will supply evidence on how its trust idea would work. We need real costings and not just the notional figures that we hear all the time. There is an ideological opposition to PFI, and the weird idea that anything in the public sector is wonderful and anything in the private sector is inherently bad.

I have spoken about figures, but let us look at some of the facts about what the SNP does around the country. In Angus, the leader Rob Murray admitted that, without PFI, Angus would not get the A92. He did not seem to have any problem with that project. In Aberdeenshire, a £35-million PPP for school modernisation has all-party support. In Banff and Buchan, Mr Stevenson's constituency, all the SNP councillors voted in support of PPP. They did so happily and with no problems at all. It is not for me to mention hypocrisy in any shape or form, but we have already heard about SNP councillors in Mr Morgan's area of Dumfries and Galloway. It seems that the SNP has one story here in the chamber but that, on the ground, its guys just go with the flow, because they have no real opposition to the plans at all.

Stewart Stevenson (Banff and Buchan) (SNP): The answer is very simple. If we are denied options other than PFI/PPP for finance in

local government, what does Mr Davidson believe we should do?

Mr Davidson: The answer to that is that the SNP should come up with some solid and workable solution that can be put into the melting pot so that the Parliament can consider it.

Michael Russell: Let us hear from the minister.

Mr Kerr rose—

Mr Davidson: Yes, I thought that he wanted to come in.

Mr Kerr: I was invited to come in by Mike Russell. I am not sure where he appeared on the SNP's lists of candidates, but he has an important contribution to make.

We have increased local authority capital allowances by 40 per cent and we are about to give local authorities a prudential scheme that will allow them to borrow the amounts that they wish. We have also brought in all the school budget improvement schemes that Cathy Jamieson has mentioned before. There are plenty of options.

Mr Davidson: Thank you for that. I am always glad of a bit of support from the minister. In my amendment, I welcome the Executive's adoption of our scheme. We are very pleased about it.

Mr Morgan's statistics are very selective; I can be just as selective back. PricewaterhouseCoopers reported on a survey of 27 PPP projects. It received feedback from the public and private sectors and from service users. People were overwhelmingly pleased that they had better facilities, better environments and more comfortable and better hospitals that let professionals do their jobs better and apply their professional skills.

The Arthur Andersen/London School of Economics survey showed that, in certain circumstances, the public sector was beaten by PFIs by an average of 17 per cent on efficiency.

Alastair MacNish, the Accounts Commission chairman said:

"The evidence is that PFI is delivering real and very practical benefits and the Commission welcomes this. The scale and impact of some of the projects is unprecedented and it is good that ... the PFI providers are delivering new schools and services effectively and on time."

The controller of audit and deputy Auditor General Ronnie Hinds said:

"PFI has undoubtedly produced benefits in terms of better management of large construction projects for new and refurbished schools."

My colleagues will deal with health, transport and so on. As I have said before, I welcome the conversion of new Labour to our innovative approach. However, we have to ask what we are

supposed to be doing in this chamber—having a slagging match or seeking to deliver good and effective services for the people of Scotland by any means that are affordable and effective. Public investment must always be based on value for money, which must acknowledge the early delivery of quality projects and the benefit that that brings.

The SNP remains the troglodyte party in the Scottish Parliament, steeped in the outdated ideology of centralism, state control and hatred of the private sector. Indeed, the SNP displays a fear of partnership, which is a way of harnessing the strengths of the private and voluntary sector for the public good. That is the only way that Scotland can move on. Today, we have heard nothing new or substantive. We have been treated to yet another display of hypocritical cant from the SNP.

I move amendment S1M-3228.1, to leave out from “the recommendations” to end and insert:

“the Audit Scotland/Accounts Commission report on Private Finance Initiative procurement in schools, *Taking the Initiative – Using PFI contracts to renew council schools*; welcomes the availability of such schemes which enable local authorities and public bodies to work in partnership with the private sector to deliver much needed capital projects early and in a cost-effective manner utilising private sector risk management and construction contract expertise, and further welcomes the Scottish Executive’s support for this innovative approach.”

11:20

Robert Brown (Glasgow) (LD): I begin by thanking the SNP for choosing the topic for debate. It is a major debate and at its heart is one of the most significant issues that faces the Parliament: the chronic underfunding of public capital assets in Scotland and more broadly throughout the UK. That underfunding has taken place largely under the disastrous and short-sighted stewardship of the Conservatives, but has continued to a considerable extent under the current Labour Government. Hospitals, railways, schools, houses, water and sewerage infrastructure and leisure facilities have all been allowed to crumble before our eyes. The neglect of our public capital assets can only be described as criminal.

Let me state the position of the Liberal Democrats in broad terms.

Phil Gallie (South of Scotland) (Con): Will the member give way?

Robert Brown: I hope that Phil Gallie will allow me to get into my speech a wee bit before I take an intervention.

We have no particular philosophical commitment to either nationalised or privatised provision. We regard economics as a means to an end, not as

an end in itself. Our commitment, which we are prepared to back by higher taxation where necessary, is to high-quality public services that are universally accessible. Indeed, that is our guiding principle. Other people tie their colours to the rather dubious masts of particular economic theories of public service provision.

In 1999 we criticised PFI on best-value grounds and because the public would not own the assets at the end of the contract periods. We have always found it hard to understand why Gordon Brown has stuck so rigidly to the artificial constraints of the public sector borrowing requirement, rather than adopt the more sensible tests that are used by many of our European colleagues. In the partnership agreement, the Liberal Democrats obtained significant improvements in PFI/PPP in Scotland. Nevertheless, as has been said, councils and health boards have been forced into PFI/PPP by Treasury restrictions, rather than because that was demonstrably the best way in which to access capital.

Brian Adam: Could Mr Brown tell us what specific improvements to PFI/PPP the Liberal Democrats secured under the alliance agreement with the Labour party?

Robert Brown: Two things moved forward; one related to the ownership of assets at the end of contracts and the other related to the test of best value and how that was applied. As some people have said, it is a developing concept and the matter has been taken on board and improved as we have gone on.

In 1999, our manifesto called for the use of community partnership trusts. We are pleased to see that concept being developed—as Andy Kerr mentioned—by Paul Coleshill, who is an economist and Liberal Democrat councillor, into the non-profit distributing organisation model that Argyll and Bute Council has put forward for its schools.

The Audit Scotland report identifies, as the SNP recognises, that the cost of private finance is higher than the cost of public sector finance. I have to say, in agreement with the SNP, that the differential of 2.5 to 4 per cent is not peanuts and must be acknowledged as being significant. The report also recognises that the PFI schools procurement process is expensive. However, the central issue is the quality and effectiveness of the end result. Will the minister confirm that, in future projects, the extra cost of private finance will be taken into account in project assessment? It is worrying that the Audit Scotland report says that the actual cost of debt financing

“is not included in the comparison”

and that that is

“a relevant if not necessarily decisive factor in testing ... a PFI contract.”

Let me make a comparison. Glasgow's large stock of council housing was built using traditional public sector low-cost capital. There are many arguments about stock transfer, but it is undisputed that the stock as it stands is, as a whole, virtually worthless. In other words, the lower interest charges that have been paid over many years are relatively small beer in the overall scheme of things. Much more significant are issues of management, long-termism, effective use of funds and whole-life maintenance.

Andrew Wilson: I thank Robert Brown for allowing me to intervene, given that I entered the chamber after he had begun his speech. However, he has missed the point. Just because the cost of capital is low does not mean that it has released money for investment. The point is that the debt has constrained reinvestment in Glasgow city housing, which means that the stock is in an appalling state. The best way to guarantee more investment is to lower the cost and focus it.

Robert Brown: No. Andrew Wilson has missed the point. That is only one aspect of the issue. The biggest and most overwhelming feature has been bad management of Glasgow's housing stock over many years. That dwarfs the issue of the interest charges to which we have referred. That problem can be found in many sectors of public sector capital provision over many years.

Audit Scotland also recognises that PFI has provided real benefits. It has delivered the service reliably, rapidly and broadly within cost and it has promoted best value. The report notes that PFI school contracts transfer risk, offer superior technical solutions and encourage innovation and that they focus on service and outcomes. However, the report notes that those benefits are not necessarily unique to PFI. The report also identified the downsides: new buildings inevitably cost more than old buildings, inadequate funding may reduce service levels and revenue resources are tied up for 30 years.

We need an end to the PFI/PPP monopoly and we need to introduce alternative procurement models, such as the Argyll and Bute model—the minister talked about that model in favourable terms—against which PPP options can be measured. Audit Scotland and the Local Government Committee recommended that PPP should compete with alternative models. The Audit Scotland report is a valuable, dispassionate and independent contribution to the debate on PFI, but it is a pity that the SNP has been prepared blatantly to quote selectively from it, rather than consider the report's general thrust and recommendations.

What is the SNP's position? It seems that the SNP is against private profit. John Swinney, one of the few figures in the senior ranks of that party to survive the night of the long claymores, has called repeatedly for the “madness” of building schools and hospitals for private profit to be ended. I find it difficult to understand why private profit from hospitals and schools is bad, but private profit from house-building is good. What does the ostensibly business-friendly wing of the SNP think of all that? Is the SNP against builders making profits when they build hospitals and schools? How come the SNP's much-vaunted and rather curious Scottish public sector trust is intended to attract private finance to fund such building?

Fiona Hyslop (Lothians) (SNP): Will the member give way?

Robert Brown: If it is to answer that particular point, I will give way.

The Deputy Presiding Officer (Mr Murray Tosh): No, Mr Brown—you are in your final minute.

Robert Brown: Sorry. Is the Scottish public service trust good private finance that has been washed clean by the pure milk of nationalism? There is a yawning gap between the SNP's protosocialist rhetoric and the reality of its policy.

Let us discuss the current bids for school refurbishment throughout Scotland. The motion does not say it, but it is clear that the SNP wants to halt a decision on those bids in order to review PPP. Those projects could improve the fabric of school buildings for more than 200,000 children. They are publicly maintained school buildings with a maintenance backlog of £1.3 billion in the public sector. In effect, the SNP would condemn children to continue their education and staff to continue working in cramped and run-down accommodation—draughty school huts—for the sake of its prejudices and because it cannot take a balanced view of the Audit Scotland report.

The state of Scotland's schools requires action now. We must not hold up the current batch of proposals while we fight over the delivery vehicle, which is a means to an end, not an end in itself. I support the Executive amendment.

The Deputy Presiding Officer: We move to open debate.

11:29

Michael Russell (South of Scotland) (SNP): The speech that we have just heard gives the lie to the myth that the Liberals are the honest and interesting people of Scottish politics. We have heard a dishonest misrepresentation of the SNP's position. Robert Brown's speech echoed the position of Mr Davidson and Mr Kerr.

Mr Davidson *rose—*

Michael Russell: Please sit down.

The SNP is committed to public services in Scotland. We want the best that we can provide and we could provide many more services under the plans that the SNP proposes. The Tory party began to do so and the Labour party has continued to pour excess profits into the pockets of developers, rather than put it into books, equipment and the future of our children. That is the simple fact.

Mr Kerr: Whatever model it chooses to use, who would build schools under an SNP Administration? Would they build the schools for nothing?

Michael Russell: The same people would build the schools as are building them now, but they would not build them for excess profits. [*Laughter.*] This is fascinating: the huge laugh is that the parties that are sitting across the chamber are locked into a private sector model that makes prisoners of them. They cannot think their way through the difficulty that they are in. However, it is fortunate that there is a party that can.

Robert Brown: Will the member give way?

Michael Russell: I do not think that Mr Brown should be inflicted on members again.

There are two considerable problems that we have to address today. Indeed, there are many more problems. Mr Morgan's masterful approach to the issue outlined all those problems. I am always happy to come second to Mr Morgan because he is a man who knows what he is talking about. [MEMBERS: "You are fourth."] Members must take my words at face value.

There are two key problems. One is the attrition of education budgets. One of the most fascinating figures in the Audit Commission report shows that 24 per cent of the non-staff education budget in Glasgow is being spent on the cost of PFI projects. That means that the amount of money that is available for education in Glasgow is declining and will continue to decline.

Des McNulty (Clydebank and Milngavie) (Lab): Will the member take an intervention?

Michael Russell: No. We will listen to Mr McNulty when he speaks later.

Later in the debate, Fiona Hyslop will go into the decline in the amount of money that is available, but the reality is that the money that is available for education is being squeezed not just in Glasgow, but in councils throughout Scotland. The inevitable result of PFI is that less money, rather than more, is available for education, which leads to school closures and poorer education.

There is also an extraordinary policy constraint within PPP and PFI projects. That is illustrated on page 52 of the Audit Commission's report. There are many complex issues around risk, but the real risk in education is being taken by the councils. PFI/PPP contracts tie the councils to issues of demand for service and volume usage, and to changes to requirements and service specifications. That sounds very technical and does not sound very interesting. However, it means that for 25 years, councils that are involved in PFI/PPP projects cannot improve education through their policies because their policy options are constrained solidly by contract. We are not just mortgaging our future; we are closing down the options for improving public services in Scotland.

The Parliament must think imaginatively. We have to think creatively about the future. I noticed that there has been praise for the Argyll and Bute model. It is interesting that there has been praise for a model that has been developed, although we have not yet heard an announcement from the Scottish Executive about when that model will be implemented. I hope that we might hear about that later today.

Iain Smith (North-East Fife) (LD): Will the member give way?

Michael Russell: No thank you.

I believe that everyone in the chamber wants better public services. The SNP is saying—others should listen—that we could get even better public services if, in the words of the Chancellor of the Exchequer, we are prudent in how we go about it. Prudence will give Scotland more than will the incompetence of the current administration and its ideological masters.

The Deputy Presiding Officer: Now that everyone has registered their intentions, I ask members to stick to a four-minute limit because time is tight.

11:33

Des McNulty (Clydebank and Milngavie) (Lab): One of the characteristics of debates on PFI and PPP is that members evade the real issues. We heard a copybook example of that from Mike Russell.

There are issues about PPP/PFI and alternative systems of procurement. There are issues about the transparency of the model, about accountability and about the revenue effect. However, misquoting and misrepresenting the figures in the Audit Scotland report does not take us even an inch forward.

Members should look at headings in part 3 of the report "PFI schools and value for money". The report says:

"The evidence to date on key deliverables is positive ... There are substantial benefits from schools PFI compared to traditional procurement ... There is innovation and fresh thinking ... There are improved relationships and better partnership working in some cases ... There is better risk management"

and

"There is strong financial control."

All those things are said in the report, but no account is taken of those dimensions by the SNP.

The report says other things and we have to address those issues. The Finance Committee is considering a range of issues surrounding PFI/PPP and how we progress it alongside traditional procurement. An attitude of "two legs bad, four legs good" gets us nowhere but, all too often, that is what we hear from the SNP.

The big picture is important. Mike Russell should be aware that, in Glasgow, £280 million has been spent on new schools that now exist. That is a substantial advantage to parents, pupils and teachers. I quote Tom McDonald from the *Flourish* of April 2002. Mr McDonald is the head teacher of All Saints Secondary School, one of the schools that the Finance Committee went to visit. He said:

"Moving into a state of the art facility has provided a massive boost to morale for everyone: staff, pupils, parents and the whole community. The feel-good factor is high and everyone has an extra spring in their step. The contrast between an under-maintained, badly lit, leaking building and our new campus, where the facilities are amongst the best is terrific. It underlines the importance education should have in society and it strengthens the place of Catholic education in the city."

Those are very positive things.

Michael Russell: Will the member give way?

Des McNulty: No. Sit down.

The SNP's approach represents the fact that John Swinney has found the philosopher's stone. He has found a way to get new money out of thin air, that has no cost or is cheaper than can be found in the marketplace.

Andrew Wilson rose—

Des McNulty: I see that the sorcerer's apprentice is standing up.

Let us be clear. It might be the case that non-profit trusts might be able to secure funds at rates that are marginally more advantageous than the rates that are available in the private sector. However, that would only be the case on the basis that the Government would underwrite the debts. Liability for any failure of the trust would fall to the trustees. Who will the trustees be?

The SNP suggests setting up a quango to oversee the development of public funding in Scotland.

Andrew Wilson: Will the member take an intervention?

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

Des McNulty: The reality is that putting a trust in place would not necessarily bring anything to the innovation process. It would operate as an intermediary and accountability through local authorities would be lost because that quango would decide where the money was coming from. It would do nothing but borrow. It would have no positive impact on the efficiency of the buildings or on risk transfer.

The SNP must explain and demonstrate more clearly how the trusts would work. It has not been able to do that and there is no track record or evidence. The SNP has not even clarified the concept. I am not saying that the SNP cannot do that, but until it does I do not think that it has much to contribute.

11:38

David McLetchie (Lothians) (Con): Today's debate is another depressing example of the SNP's dogmatic opposition to the use of private finance, despite all the evidence of the benefits that it can bring in terms of new investment in school buildings, hospitals and roads.

This is of course, the same SNP that Mr Wilson constantly tells us is now a pro-enterprise party. However, his new status as number 5 tells us all that we need to know about what his party colleagues think of that proposition.

We all know that the default mode of the SNP is a hostility to the private sector that would be worthy of Tommy Sheridan. It is not an attitude that is likely to win friends in Scotland's business community. The SNP thinks that the public sector must be kept pure and untainted by contamination by the private sector. In the debate on the powers of the Parliament that took place a few weeks ago, Mr Swinney said:

"We want to ensure that money that should be spent on our hospital wards does not provide the profits of private shareholders."—[*Official Report*, 2 May 2002; c 11480.]

However, when that statement is analysed, we can see how ludicrous it is. Does it mean that drugs companies will not be allowed to make a profit on drugs that are supplied to the national health service in the SNP's socialist republic? Does it mean that companies that supply medical equipment to our hospitals are not allowed to make a profit? As Mr Brown asked in his speech, what about the builders, the plumbers, the joiners and the electricians who all play their part in building and maintaining the infrastructure of our hospitals and schools? Are not they allowed to

make a profit? Just where does the SNP draw the line?

Andrew Wilson: I point out that in Central Scotland the SNP got five times as many representatives as David McLetchie's party got, which should tell him something.

We are not against companies selling to the public sector at a profit; we are against excess profit. How is it that the banks can make 3 per cent profit over and above the public sector comparator, yet the Conservatives accept that as a good use of money?

David McLetchie: I would love to hear Mr Wilson's definition of excess profits. Let us analyse that. The comparisons that have been made demonstrate that there are many instances in which the PFI/PPP model provides a better standard of building and service than the traditional method does. I do not see why we should be so dogmatically opposed to one option and favour another.

As I have said on numerous occasions, no one particularly cares that general practitioners in the NHS are private contractors who usually own their own surgeries. People are concerned about the standard of health services that they receive, rather than about who owns the bricks and mortar.

The SNP motion refers to not-for-profit trusts.

Fiona Hyslop: Will the member give way?

David McLetchie: I am sorry, but I must move on.

In some cases, a not-for-profit trust might be a suitable model, but if the SNP is so in favour of not-for-profit trusts, why is it so hostile to the involvement of the independent sector in the provision of health services? After all, I observe that BUPA is a not-for-profit organisation. The fact is that the SNP wants not-for-profit trusts in a not-for-profit Scotland, which is why its policies would impoverish Scotland.

For taking the biscuit in terms of hypocrisy, the Liberal Democrats, rather than the SNP, win the prize on this issue. Their manifesto in the last Scottish Parliament election was called "Raising the Standard", but it should have been called "Double Standards". Time and again we have heard Liberal Democrats say one thing in the chamber, but the opposite in constituencies and councils throughout Scotland.

Their approach to PFI is typical. Only last week in the Parliament, in the Conservatives' education debate, the Deputy Minister for Education and Young People, Nicol Stephen, boasted about the use of private finance in new investment. He said:

"Do not allow dogma to block the major new investment that so many of our schools need so desperately."—*[Official Report, 13 June 2002; c 12684.]*

In Edinburgh, the council's Labour administration has been given the go-ahead to use private finance to build 14 new schools and to refurbish four others, but Mr Stephen's Liberal Democrat colleagues on the council say that that represents the privatisation of city schools. We lodged a question to the Executive asking whether the PPP scheme for schools in Edinburgh was a form of privatisation. Back came the response from Mr Kerr, who said emphatically that such schemes are not a form of privatisation—they are long-term contractual arrangements for the provision of public assets and related services. Mr Kerr is absolutely right, but it is not the Scottish Conservatives he must educate, but his Liberal Democrat partners.

When it comes to improving the infrastructure of Scotland, neither the SNP nor the Liberal Democrats has a clue. Mr Kerr talked about lessons learned. Labour has learned the Tory lessons and we commend it for that. There are many other good ideas where they came from.

11:43

Fiona Hyslop (Lothians) (SNP): I want to talk about the practical problems of PFI and the drive for profit, and to offer some practical solutions. We are getting to the nub of the debate. The Government's argument is that if we do not have PFI, there will be no investment. That is absolute nonsense. The problem is that there are constraints. PFI is a straitjacket—at the end of the day Gordon Brown decides. He holds the purse strings and that is what limits and restricts the Parliament in what it can do in financing.

I will address what is happening in West Lothian. A series of West Lothian schools are being built under PPP. The primary school at Linlithgow Bridge, which was promised 20 years ago by Lothian Regional Council, is finally being delivered. It is interesting that, because of the tight margins in the PPP project, there is no spare capacity for after-school clubs, so a local hall is being used, from which the local pensioners are being moved in order to ensure that there is enough space for after-school clubs. If we took a commonsense approach to investment, we would make sure that we had the facilities that are needed.

A second example is Low Port Primary School. It has submitted a planning application to have some of its facing turned from stone into wood. Why is it doing that? Because it must save time and money. Members should think about the maintenance costs. That is an example of pushing to make sure that profits are achieved on time. Life-cycle maintenance will deprive us of investment. The extra cost of the PFI projects is equivalent to £18 million. The extra money that we

must pay in interest and capital should be spent on teachers and books. We are storing up problems for the future. Everybody knows that such projects are more expensive.

Another example is Armadale Academy, which was left out of the PPP project. It desperately needs refurbishment and window replacement. A letter from the school board to the education authority states:

"The School Board were, equally, horrified to learn ... that increased and unexpected costs in relation to PPP1 were diverting capital money from exactly those schools who were assured that they would benefit from their exclusion from that project. If this is the case then this is scandalous. These schools have benefited in terms of facilities and accommodation from their inclusion in PPP1 and, now, are draining scarce resources away from those schools, such as Armadale, who desperately require improved school accommodation."

If that is happening in year one of the PPP, imagine what will happen in years 15 or 16. The problem with PPP is that it will drain resources.

Two years ago we had a debate in the Parliament on practical solutions for investment—the SNP offered several solutions. PFI is ideologically driven, because it is constrained by the borrowing rules that Gordon Brown insists on at Westminster. David McLetchie said that the new Edinburgh royal infirmary is not costing us any money. If he had read the report of the pan-Lothian review group, he would know that we are now facing strategic change deductions—1 per cent cuts in health services throughout Lothian—to pay for the excess cost of the PFI project at ERI.

Bristow Muldoon (Livingston) (Lab): Will the member give way?

The Deputy Presiding Officer: No.

Fiona Hyslop: That is a case of extra costs for private profit, which is affecting Lothian health services across the board.

We offered the Executive practical solutions two years ago. We raised five points. We called on Gordon Brown to open up the £60 billion war chest. That was done. We called for increased freedom for local authorities to borrow the money that they need. The SNP offered that solution two years ago, but only now is it being considered. We called for relaxation of the 75 per cent claw-back rule. That has not yet been done, but it should be. Two years ago we asked the Executive to abolish section 94 consents, but only now is that being considered. Finally, we called on the Executive to set up feasibility studies into the replacement of PFI schemes by public service trusts. I am glad that some councils in Scotland are doing that. We could do with a bit of leadership and direction from the Executive. It has not provided those, but the SNP will. We will provide the solutions; the Executive creates the problems.

11:47

Pauline McNeill (Glasgow Kelvin) (Lab): The debate is about how we as a nation construct, repair and refurbish the buildings—schools, hospitals or even prisons—that house our public services. We know that there has been a lack of investment in school repair and building programmes and because of that we are trying to catch up. How much of that should be a cost to the public purse and will we seek private capital to maximise our ability to deliver? The SNP seems to have accepted in principle the argument that we cannot do everything from our block grant, and that some private investment is needed.

Balancing the nation's resources against priorities is the difficult bit of government, but that is precisely what the Executive is doing. Our Minister for Finance and Public Services has said that 90 per cent of capital comes from public funds, so we are arguing about 10 per cent of the capital and the ways in which we can get value for money from the private sector.

The SNP seems to support Labour's priority of mass repair, building and refurbishment of public sector buildings, but given that we are embarking upon a mass project, a variety of funding methods should be used. The SNP has not addressed the fact that it is not public capital for one school that has to be benchmarked against PPP, but public capital for several schools. It would be helpful to know how much of the Scottish block grant the SNP would spend on new schools.

In my constituency of Glasgow Kelvin, Glasgow City Council has done an excellent job of refurbishing and modernising many school buildings, which is difficult to do, given the age of some of the buildings. At Hillhead High School, pupils used to have to walk outside to change classrooms, but now they do not. Teachers and pupils have, however, complained that they could have had more say in the design of the school. The lesson needs to be learned that teachers and pupils need to be involved in projects so that they are happy with the overall result.

There are more public sector buildings in my constituency that I want to mention. Glasgow royal infirmary's new maternity hospital was built entirely from public money, as were the new-build facilities at Gartnavel hospital and the new medical school at Glasgow royal infirmary. We should never lose sight of the amount of public money that is going into new buildings. In fact, PPP is not the only game in town, and I am pleased to have heard the Minister for Finance and Public Services say that.

The issue that needs to be resolved about PPPs is the continuation of the two-tier work force that penalises low-paid workers. I particularly welcome the First Minister's statement that he will, in

partnership with the trade unions, end the two-tier work force; I know that important discussions are going on. There are still domestics and portering staff at the new Hairmyres hospital who receive no sick pay and who have no pension scheme and who still earn £4.10 an hour, regardless of whether they have worked for one month or 10 years. That phenomenon is not peculiar to PPP; it is also a phenomenon of the private sector and it needs to be tackled now.

There has always been discrimination against blue-collar staff compared with the treatment of professional staff. In the health service in particular, blue-collar workers have lost parity with their professional colleagues in relation to pension schemes, pay and conditions of service. That has been done so that private companies can make and maximise profit. There must be stricter guidelines on what private companies can do under PPP contracts. That must be done not only in relation to conditions of employment, but in relation to the numbers of staff that we need to clean our hospitals and schools. We will always have to learn lessons from what we do.

For the future, we must continue to allow a variety of options to fund our public sector infrastructure, whether we use PPP or another model. I was pleased to hear the minister say that the Executive will continue to consider other models and that PPP cannot be the only solution. Labour will continue to deliver on new schools, but it is important to remember that the public look to the Parliament to ensure that quality of service is delivered in the public sector.

11:52

Andrew Wilson (Central Scotland) (SNP): Public infrastructure investment is clearly a key part of our nation's performance. It is a measure of our wealth and quality of life. It is a measure of the coherence of our political leadership and of the ability of the government system to deliver nationally and locally. It is evident from looking around Scotland that the system is not delivering. Roads are potholed and there are no completions to the network. Schools are a national disgrace; hospitals likewise. Housing, prisons, the water supply and everything else are in dire need of investment.

Roughly speaking, we are presently investing in public service capital investment a sixth of the share of the economy that we were investing in 1970, and the situation is getting worse. A combination of the Barnett squeeze and lack of borrowing powers in Scotland is placing a squeeze on public service investment. There has been a crisis in our schools that the Government has had to address, and the quick fix has been a PFI scheme that has made Scotland Europe's PFI

capital. Yes, we all want new schools and, yes, people will enjoy the fact that new schools are delivered, but the point of the debate and of what the Accounts Commission for Scotland has said is that such an approach is bad government. The long-term costs will beggar future investment. That will leave us back here in 10 to 15 years' time in an even worse position.

Services are diminished now. The schools that are provided are less adequate than they could be and the services that are delivered are not as good as they could be. Since PFI started, it has been argued in the abstract that the mechanisms that used to deliver the public service comparator hidden from public scrutiny have now been opened up by the National Audit Office in England and the Accounts Commission for Scotland. That reveals that the present situation is unsustainable. Capital provision should be brought in at the lowest possible cost, but the page on schools in the Accounts Commission's document shows that Falkirk Council is being charged twice the mortgage rate that is paid to private banks. That is what I object to. I object not to people using good enterprise to make the best for themselves, but to people ripping off the public sector for excessive private profit.

I once earned a meagre living as an economist for the Royal Bank of Scotland. The profits made by that bank were excessive, and it is now the third most profitable bank on earth. The Royal Bank of Scotland knew, and most of the people involved in the private sector know, that the profits are excessive and unacceptable. Our job across the political spectrum is to protect the taxpayer from excessive private profiteering. I argue that the ideology and dogma of the McLetchie-Kerr axis—behind a policy that is just not working—is failing Scotland badly. In an ebullient but content-free speech, the minister failed to rebut the points that were made by Alasdair Morgan and other members. Capital is more expensive by the PFI route and the minister must prove where the private sector efficiencies can come.

Ben Wallace (North-East Scotland) (Con): Given Andrew Wilson's concern about the protection of the public, will he tell us who should be protected from the politicians who run the Holyrood project, who think that they can do a better job than the private sector?

Andrew Wilson: I do not quite square that circle, but I shall give Ben Wallace credit for one point. Even Sir David Steel, in his measured contributions to the debate, has pointed out that the Holyrood project illustrates the fact that Scotland has no borrowing powers. We therefore have a ridiculous situation, echoed in Pauline McNeill's comments, in which we are paying for capital investment out of current revenue funding.

That is absolutely nonsensical.

Scotland needs to equip the minister to do what he said. I think that the cat is out of the bag; the minister said that he would prefer to finance projects through the traditional route. We need to use the best possible mechanism. It is silly to say that we cannot do that and that therefore PFI is the best route. If we equip Scotland with borrowing powers, we can place before policy makers the range of options that will get the best deal for the public sector. The Orwellian doublespeak of Labour's criticism of SNP proposals is unacceptable. We need a range of options so that we can get the best possible investment into our public service infrastructure. In the short term, we should use a not-for-profit trust to pool the resources of the public sector and get the lowest possible costs. In that way, we can begin to win back some public faith not just in politicians but in the ability of the government system in Scotland to turn round the mediocre performance of Scotland and start to make the nation proud of itself again.

11:56

Ben Wallace (North-East Scotland) (Con): I speak today, as one of the health spokesmen for the Conservative party, to point out the benefits that PFI has brought to people on the ground. Eight of the major hospital projects that are being built and delivered in Scotland are based on PFI, and four of them are entirely PFI projects. In fact, most of them originated under the Conservatives. Hairmyres hospital, for example, was given business approval in 1994. I would not go so far as to say that it is a lie to claim that eight new hospitals are being built under new Labour, but perhaps "economical with the truth" is the phrase that should be used. In fact, only the Royal Aberdeen children's hospital was given business case approval after the general election in 1997.

Right now, people are getting the health care that they need because of PFI. I speak to patients and professionals and all the people who use the hospital services of the NHS in Scotland. They are concerned about getting treated on time. They are concerned about getting the right treatment with the most modern equipment that they can possibly get. That is what concerns them—not PFI and not different projects proposed by the SNP, but whether they will get treated in time. For patients in the health service, time matters.

Brian Adam: Will Mr Wallace concede that, if we were able to do things cheaper and therefore able to provide more services, PFI might not be the best route?

Ben Wallace: I do not think that we would be able to deliver eight major projects in a oner any cheaper or any quicker under any alternative

system, so I will not concede that point. As has been pointed out, there is a value in getting things delivered as soon as possible. That matters to people who wait for diagnostics and who, if they have to wait for more modern equipment to be provided, may be in a worse state of health further down the line. There is a lot of value in time in health care, and it is important to point that out.

We should also remember that a lot of propaganda has been put out, mainly by the SNP, against PFI. Who could forget Nicola Sturgeon, whom I remember only in my nightmares these days, turning up at a new PFI hospital in the west of Scotland—I think that it was Hairmyres hospital—where she pointed out that the leaking light was the fault of PFI? That was irresponsible to the patients using the service and the staff who were delighted with their new facility. There will be teething problems in every new building, whether it is one of the brand new buildings that are being built in Leith or the new Scottish Parliament. A leaking light does not make the whole project a problem caused by the private sector or whoever built it. It is extremely irresponsible to disappoint people who are just pleased to be in a new hospital with new machinery and who see that they are being valued by Government.

David McLetchie is right to point out that a double-standard propaganda war is being carried out by my Liberal Democrat colleagues to my left. In my constituency, Sir Robert Smith, the Liberal Democrat candidate, told the residents of Stonehaven that they would have to pay for the new PFI hospital. Three months later, once he was elected, he opened the new PFI hospital. None of us will ever be fooled by the Liberal Democrats' position on PFI. We are yet to see what they can achieve. I doubt that they achieved their demands to the Executive in the partnership for government negotiations. I suspect that the matter that we are discussing was hardly even raised. They were much more concerned about getting ministerial posts and how to get out of the tuition fees fudge.

The SNP has got things wrong. PFI is needed and is producing a good health infrastructure. There can be improvements in how contracts and their details are negotiated—I concede that that process is on-going. We need to ensure that we always take the best approach, but we should not block things with dogma and give people no alternative.

The Deputy Presiding Officer: I call on Tom McCabe, who will be followed by Stewart Stevenson. I ask both members to restrict their contributions to three minutes, as time is tight.

12:01

Mr Tom McCabe (Hamilton South) (Lab): Anybody can see that it has been a bad week for the SNP—that is a plain statement of fact. Perhaps in a charitable moment, it might be thought that the SNP could be excused for looking for a diversion, but coming to the Parliament and condemning the provision of new hospitals and schools is hardly the best way to do that.

Yet again, SNP members have come to the Parliament to carp, complain and distort not only the findings of the Accounts Commission on PPPs, but the daily experience of people in Scotland. Apparently, for Andrew Wilson, the route to success is to paint Scotland as a dark and bleak place where nothing—schools, hospitals, water services or transport—works. The SNP's route to success is to talk down Scotland.

Why do SNP members behave in that way? The answer is straightforward. The SNP is not an Opposition and its members do not know how to oppose. There is evidence of that in SNP councils in Scotland. SNP councils that promote PPPs and explain their benefits to their electorates find themselves condemned in the Parliament by their own party. They must wonder who tore up the rule book.

The SNP stuns parents, teachers and pupils throughout Scotland when it condemns the provision of new schools. It stuns and exasperates patients and professionals in the health service when it condemns the provision of new hospitals. When evidence of success is presented, the SNP goes into denial. Last week, the best that it could manage was to get a few old friends and a well-known newspaper to distort the outcome of the Accounts Commission's inquiry into PPPs.

Michael Russell: Will the member give way?

The Deputy Presiding Officer: The member has only one minute left.

Mr McCabe: I ask Mike Russell to sit down, as I am going to be nice to him.

Last week, I detected the hand of skilful operators such as Mr Russell, who would seek to intervene. What thanks does Mr Russell get? He is pushed even further down the list of the SNP's candidates. He is one of the SNP's best operators and one of its most effective advocates in the Parliament, but he is rewarded by being shoved down the list of candidates. That is how the SNP rewards people who try to help it. Such treatment is shabby and disgraceful and is evident from how it tries to distort the realities of public provision in Scotland in 2002. What are Scottish voters supposed to make of a party that cannot rejoice at more than 70 education projects? What are they supposed to think when old and demoralising

health buildings are replaced by new hospitals? I will tell colleagues what they will think—I appreciate the time that the Presiding Officer is giving me. It will not matter how often John Swinney pretends to be Mr Angry or how often Alex Salmond dons a red wig and a tartan bunnet: the last thing that voters will do is vote for the SNP.

12:04

Stewart Stevenson (Banff and Buchan) (SNP): I note that Mr McCabe has been moved from the front benches to the back benches, but he would not wish me to comment unduly on that. On behalf of Mr Russell, I thank Mr McCabe. Mr Russell will be happy to pass on the cheque shortly.

Did I hear an echo of 1979 in Tom McCabe's speech? Should we rejoice, rejoice, rejoice? Darrin Grimsey is a partner in PWC—it is strange how often that company comes up in this context—and is based in Australia. He speaks about Scottish conditions with some liberality. He said that the Tories promoted PFI as

"a preferred procurement method—a position which did not change with the incoming Labour administration".

Not much changes.

We do not condemn new schools—we condemn the waste of the £8 million that my colleague Alasdair Morgan mentioned. That money could build more new schools and SNP members would welcome that. We might even use the word "rejoice".

Des McNulty made some interesting comments about trusts. *[Interruption.]* I know that I have exaggerated there, but I will deal with his comments for the sake of debate. He said that trusts may be marginally cheaper, but they have no effect on the running of operation. That is good news. If trusts have no effect on operation, we can use them to reduce costs.

I want to turn to costs. Some figures are beginning to leak into the public domain—for example, in the prisons, the figures are 7.05 per cent for Pucklechurch Custodial, 7.05 per cent for Medomsley, 8.04 per cent for Moreton, 7.05 per cent for Lowdham Grange and 7.05 per cent for Kilmarnock. Alternatively, if the company that runs Kilmarnock prison rather than the holding company is considered, the figure is over 8.5 per cent. Those differences are interesting.

There is another interesting issue relating to Kilmarnock prison that is at the heart of PFI projects. We are not even sure where the risk that is associated with the projects—which often justifies the high interest rates—lies. The annual accounts of Kilmarnock Prison Services state that

the PFI asset is being transferred to the Home Office. We have been told that that is wrong, but apparently it is. The Scottish Prison Service is involved. That seemed mysterious, so I spoke to the financial director of Premier Custodial Group Ltd in the past couple of days. He said that the company no longer carries substantial rewards or responsibility to have that fixed asset on its accounts. In many ways, that method of cloaking finance in a mystery inside a PFI leaves us in the dark over what is happening.

We could get money for much less. We should separate off the finance from the delivery of the services and from the building of the buildings and not confuse people about costs.

The Deputy Presiding Officer: That takes us to winding-up speeches. Iain Smith has four minutes. I remind him that time is very tight.

12:08

Iain Smith (North-East Fife) (LD): The debate has focused on the past rather than looked ahead to the future. That is particularly true of Alasdair Morgan's opening speech, in which he selectively quoted parts of the Accounts Commission's report that backed up the SNP's preconceived prejudices about PFI and PPP projects. He did not look to the future and he did not consider the lessons that can be learned from the Accounts Commission's report and how we can improve the operation of PFIs and PPPs and provide better value for money in the future. Furthermore, he did not bother to propose any other models of funding, despite the fact that the SNP always wants to talk about them.

The SNP's motion mentions different models of funding, but we were not given any information about how they would operate. That was disappointing. There were no thoughts about other innovations in Alasdair Morgan's speech. If he is so confident that PPPs are such bad value for money compared with traditional procurement or other routes, I do not know why he and the SNP feel the need to ban consideration of them. Local authorities and hospital boards should be able to consider options and find out whether those are best value for money. The SNP simply says that we cannot even consider such options.

The Liberal Democrats believe that councils should be free to examine a range of funding options for projects, from traditional procurement methods to, for example, not-for-profit options such as those that are being developed in Argyll and Bute on the basis of Liberal Democrat proposals. Councils should be able to examine new models that have not yet been considered. Why should they not be considered? PFI and PPP options should be considered. Decisions should be made on what provides the best facilities in the

best time at the best value for money and not on how projects are funded.

The SNP approach would stop councils from examining all those options and would limit opportunities to develop their facilities. In fact, Mike Russell wants to stop the present round of bids completely, including Argyll and Bute Council's not-for-profit trust. He said in his speech that the Executive has not made an announcement on that project. It has not, but on 13 June, he said that he wanted to halt all announcements on the present bids. He does not want to hear the Executive's response to Argyll and Bute Council's bid.

Traditional procurement has not served public buildings well. That is one of the issues that we must bear in mind. Part of the reason for the huge backlog in repairs to our public sector buildings is that traditional procurement does not address the long-term issues. In that model, we build the building and then forget about it. We come back 20 years later and discover that we have forgotten to maintain the building adequately. That is a big issue.

Traditional procurement does not serve some projects well. In my constituency, we have Bell Baxter High School, which is a split-site school and has one very old building. I know it well. I was there as a pupil, starting in 1972. It is an appalling building. The Minister for Education and Young People visited it a few months ago and saw for herself how awful it is. It has taken years and years for the refurbishment of Bell Baxter to enable that split site to be closed and the children to be housed in a single building. Even when that happens, which will—I hope—be at the end of next summer, the pupils will still have to use facilities at the old school.

Traditional procurement has failed Bell Baxter because it has not allowed the building to be developed as quickly as it could have been. The result of that is that the old school site still cannot be reused for a new primary school, which is also required in Cupar. The old school is still in business. The additional costs of maintenance, heating and of the additional teachers who are required for a split-site school, as well as the additional equipment and duplication are still incurred because the traditional procurement method has failed to allow Bell Baxter to be redeveloped.

We must get away from the sterile ideological argument about whether public is best or private is best. We need to develop a range of innovative options for capital investment for our councils and public bodies. They need to be able to invest in our public services in a way that provides the best services for the public, using the best option that is available for a particular project to provide the best

value for money. I urge members to reject the SNP's narrow-minded motion.

12:12

Phil Gallie (South of Scotland) (Con): When I saw the topic of the debate a few days ago, it created an element of excitement. The SNP has it right: it is proper that the Parliament should consider important issues such as the public infrastructure in Scotland. However, the narrowness of the SNP's motion disappointed me and made the debate futile. I am disappointed that the SNP has concentrated so much on the private finance initiative, or whatever new term members like to call it by. Everyone has picked up on that issue and that is the way that the debate has gone. This is a lost opportunity for Scotland. We should have been talking about the overall infrastructure. Andrew Wilson, just for a few moments, mentioned some of the issues. Stewart Stevenson, by concentrating on prisons at the end of the open debate opened up another aspect.

Scotland has a good infrastructure on which to build. The previous Conservative Government—and the present Government to some degree—created telephone networks and information technology systems that have allowed the whole of Scotland to participate in a new, international environment that offers great opportunity for those who want to promote Scotland and create wealth and prosperity in the land. We find improvements in other areas also. The road infrastructure improved dramatically between 1979 and 1997. That was important for the jobs that are so badly needed in Scotland.

PFI is only one small element in the funding of that infrastructure. I welcome the fact that Andy Kerr has seen the light. I listened intently to his comments, all of which I had heard before. I heard them between 1992 and 1997, when Tory ministers were trying to educate the Houses of Parliament that PFI was an option that local authorities and other public sector bodies could use to provide the public sector services that are needed to set up infrastructure.

I was disappointed with Alasdair Morgan's initial foray into the topic, in which he once again suggested that all that the Conservatives did in the past was destroy the range of options. However, Andy Kerr gave the lie to Alasdair Morgan's argument by pointing out that, of all the public sector capital expenditure in Scotland, only 10 per cent goes down the PFI channel.

The debate would have been much better served if members had concentrated on the other means of public investment. The SNP provided one option, which was for public service trusts, but we need to consider other ways of finding funding

to provide the services that we require.

David McLetchie rightly mentioned the Scottish Parliament building project, in which the public sector has got things totally wrong. The way in which the specifications were laid out—indeed, everything about that task—shows all that is bad about public sector involvement. If the project had been a PFI and the specification had not included such a tight time schedule, we might have benefited by avoiding the massive escalation in the costs of the building.

The debate is too important to centre on narrow political objectives. We must look at the wider scene. I hope that the minister's response to the debate will widen out to deal with investment in the prison service, in housing and in other aspects of public infrastructure. Perhaps he could look back to the Tory investment programme of the 1980s, when we put a lot of money into repairs and maintenance programmes for our older housing. That was an important infrastructural change, which ministers should consider when they are looking at future value for public money.

12:16

The Deputy Minister for Finance and Public Services (Peter Peacock): A great many good arguments have been made by colleagues on the Executive side of the chamber. Those were started off by Andy Kerr and continued by Des McNulty, who made a very effective speech. The speeches that were made by Robert Brown, Iain Smith, Tom McCabe and Pauline McNeill all added to the flavour and quality of the debate.

Not only do we have a growing programme of capital investment in Scotland's infrastructure covering all the sectors that Phil Gallie mentioned, but that portfolio of investment is part of a balanced programme of capital investment. The Executive has no ideological barriers about securing the necessary investment in Scotland's infrastructure, such as in schools and hospitals, provided that such investment secures best value. As is proper, we are balancing the opportunities that are available to us through PPP with conventional procurement, which still accounts for 90 per cent of all the capital investment that goes into our infrastructure in Scotland.

We are also achieving that balance through things such as local trust models and mutual models of investment. As Andy Kerr described, we are supporting Argyll and Bute Council to develop a local trust model along with Partnerships UK. The prudential scheme that is to be introduced and the abolition of the requirement for consents under section 94 of the Local Government (Scotland) Act 1973 will give local authorities much more choice in how they proceed with

capital investment. That will provide access to investment for all the sectors of our economy, including health, education, roads, water and sewerage. We will achieve outcomes for people across Scotland of the kind that have been achieved in education, where 64,000 pupils now have access to first-class facilities that they would not have had but for the use of private finance in public infrastructure.

Several SNP members made points about the horrors of private sector profits and, as they described it, excess profit. However, they were not prepared to define the difference between profit and excess profit.

Alasdair Morgan: Will the minister give way?

Peter Peacock: If Alasdair Morgan will let me develop this point, I will give way after that.

The SNP members tried to portray the use of private sector resources in the public sector as something new, but that is not the case. Who built all our schools, hospitals, roads and drainage systems over the past century, if not private firms? Who were some of the richest people in this country over the past century, if not those who built our infrastructure? Vast profits were made at the expense of the public purse. However, the crucial difference between the past and the present is that, whereas the risk and the maintenance responsibilities used to remain with the public purse, things are much better today, because we can now transfer that risk to the private sector. The risk that is transferred is not some notional or alleged risk but the actual risk. The private sector now has to carry responsibility for building repairs and for the mistakes that it makes—we have all seen such mistakes in the public sector in the past. The private sector is required to maintain the buildings for public use.

PPP has had the great advantage of making the whole-life cost of a building—not only the cost of capital, but the cost of capital plus the costs of repair and maintenance over a prolonged period—visible up front when the asset is secured. That secures much better value for the public. That is a step forward from the past, when public infrastructure was secured and then left to crumble after construction.

Alasdair Morgan: The minister threw his hands up in horror at the concept of excess profit. I remind him that Gordon Brown in 1997—I realise that the deputy minister did not belong to the same party as the chancellor at that time—used the concept of excess profit to justify the windfall tax, which paid for the new deal. More recently, Gordon Brown used that concept to levy an extra tax on the oil industry.

Peter Peacock: My complaint with the SNP is that it does not define the difference between profit

and excess profit. Fiona Hyslop said that she was against not excess profit, but private profit—full stop. Thankfully, PPPs have taken us beyond the bad old days when the public procured and the capital asset depreciated through lack of investment. We are engaging the private sector on different terms from those that were used in the past and on terms that are more beneficial to the public purse.

Alasdair Morgan's point about PPPs displays the contradictions in the SNP about the matter. The SNP is riddled with contradictions. Its plans for public service trusts do not work. They do not shift the risk from the public sector, because ministers must act as guarantors for the risk. That means that the risk remains with the public sector and is not shifted off the balance sheet. That means a cost to the Scottish budget. As usual, the SNP is silent on the source of that money. Which other public sector projects would the SNP ditch to finance additional infrastructure? How much more tax would it raise to finance the gaps that it would leave? We look forward to hearing about that when the SNP sums up.

The SNP takes a selective approach to the private sector, because even in its own trust model, it plans to use private finance to construct and fund projects. The SNP says that it opposes PPPs, yet it plans to—and does—use them. During the limited number of times that the SNP has been trusted with any form of power in Scotland, it has used PPPs. Before it was kicked out from Moray Council, the SNP there used a PPP to finance IT in schools. Highland Council's education, culture and sport committee has an SNP chairman and uses a PPP not only for schools, but for IT. That gentleman went to London—that most reviled place in the minds of SNP members, except that of its exiled leader—to collect a prize for the best PPP project in the UK.

Perth and Kinross Council, of which Bruce Crawford—who has now returned to the chamber—was leader before the SNP was kicked out, used a PFI to finance a new council building. That was used not even for front-line services, but for a new administrative block.

We heard from David Davidson how Angus Council uses private finance for roads. In opposition on Aberdeenshire Council, the SNP still supports the council in moving forward. In Falkirk, the SNP supported the procurement of schools. We should watch not what the SNP says, but what it does. The evidence is perfectly apparent.

Of course, Fergus Ewing suffered a recent embarrassment. He wrote to a minister to support Highland Council's bid for a PPP while Mike Russell, the SNP's education spokesperson, was saying that such things had to be stopped. Fergus Ewing was supporting the chairman of Highland

Council's education, culture and sport committee—the same SNP councillor who went to London to receive a prize for the best PPP in Britain. Now Mike Russell has instructed Fergus Ewing and that SNP councillor to stop that schools project and no longer to support it.

What a shambles the SNP is. It lets its old-style dogma, prejudices and ideology stop children and communities from obtaining new schools. That is why the people of Scotland will continue to trust the Executive on such important matters.

The Deputy Presiding Officer: I call Brian Adam to wind up for the SNP. You are entitled to 10 minutes, but we would be grateful if you could shave a couple of minutes off that as we are running behind.

12:24

Brian Adam (North-East Scotland) (SNP): I might be able to help.

It was spectacular hypocrisy from the deputy minister, who represents the Highlands and Islands, to suggest that the SNP has more than one position on this matter. He and his colleagues went into the election telling us that they were going to do something about the Skye bridge scandal, but what has happened? Nothing. The bridge is the most spectacular failure of PFI and nothing has been done to redress that. The Executive continues to refuse to give figures for buying out the contract. When will the Executive—in particular Mr Kerr—answer the people of the Highlands, who deserve to know why it has reneged on its promises? Labour candidates promised that they would put the Skye bridge back in the public sector and get rid of the tolls, but they have not done so. That is one of the ways in which PFI got off to an extremely bad start. We are now in the position where assets are no longer left in the hands of the private contractors, but excess profits that are made because of changes in interest rates still fall to the developer and not to the public purse. Perhaps we are beginning to see a change in that.

The Accounts Commission report identifies a series of cases in which all the benefits accrue to the private sector and all the risks accrue to the public sector. The Executive has admitted today that there is merit in the not-for-profit trust route. However, until now, the Executive has not approved applications to use that route. It is high time that it did so. The Executive and Des McNulty, the convener of the Finance Committee, have admitted that financial benefits can come from the not-for-profit trust route. Those benefits can be applied to provide more public services, better public services and a greater range of public services, through improvements in the

infrastructure. It is high time that the Executive accepts that that is the case. If that route is cheaper now, it was cheaper in the past. It is now time for the Executive to accept that the argument about public service trusts is valid. The risks that are associated with such trusts are virtually nil.

Des McNulty: Brian Adam and I have wandered round Scotland over the past six months or so, looking at projects where the benefits of PFI/PPP are manifest. Can Brian Adam demonstrate anywhere in Scotland where a not-for-profit trust has delivered anything like that? Why has the SNP not been able to flesh out its argument for not-for-profit trusts? I am not opposed to them, but the SNP has not said what they are or how they would work.

Brian Adam: That is because at every turn the Executive has blocked any opportunity for trusts to be set up. The only benefit that can be demonstrated is the provision of new services. Those services have been restricted by the Executive, as it has allowed excess profits, which are identified in the Accounts Commission report, and that has restricted the amount of work that can be done.

In addition, there are affordability arguments. Mr Kerr and his colleagues have today referred several times to the fact that 90 per cent of public procurement is through traditional routes. I would like to see exactly where that 90 per cent has been spent.

Cathy Jamieson *rose*—

Brian Adam: Just a minute. Let me develop my point.

It is certainly not the case that 90 per cent of public procurement in the local authority sector has been through traditional routes. Great attempts have been made to play up the fact that many PFI projects have happened in local government, which is true. Traditional routes certainly do not account for 90 per cent of public procurement. I would be delighted to hear from Mr Kerr if he wants to give us the details. I suspect that the figure is arrived at because PFI/PPP does not work unless there is a £10 million budget. A substantial amount of what is bought, in terms of capital, comes at a figure much lower than that. I think that the Executive is aggregating up all the small amounts to arrive at the figure of 90 per cent, but if there is another explanation I would be delighted to hear it.

Cathy Jamieson: Will Brian Adam take an intervention?

Brian Adam: No thank you.

I would like to know what proportion of items over £10 million have been acquired through PFI/PPP.

We have seen that the public sector comparator is deeply flawed. There is evidence that anything between 2.5 per cent to 4 per cent is built in and fixed against the private sector comparator.

I do not believe that the case for PFI/PPP has been made in any way.

We have been accused of holding an ideological position on this issue. However, the ideology is to be found solely on the Labour benches. We are trying to provide better value for money through a system that has been proven to be cheaper. The convener of the Finance Committee conceded that, although he is not prepared to concede that the Government ought to allow not-for-profit trusts to be set up so that we can produce the evidence. The evidence that under PFI risks are transferred to the private sector is inconclusive, to say the least. The ultimate risk taker is the public purse, because if any PFI scheme fails, the public sector must still provide the service and all of us must pay for that.

I commend the motion to the Parliament.

Business Motion

The Presiding Officer (Sir David Steel): The next item of business is consideration of business motion S1M-3230, in the name of Patricia Ferguson.

Motion moved,

That the Parliament agrees—

(a) the following programme of business—

Wednesday 26 June 2002

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Committee of the Whole Parliament: Stage 2 of the University of St Andrews (Postgraduate Medical Degrees) Bill

followed by Stage 3 Debate on University of St Andrews (Postgraduate Medical Degrees) Bill

followed by Executive Debate on Action on Waiting and Delayed Discharge

followed by Motion on Police Reform Bill – UK Legislation

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 27 June 2002

9.30 am Parliamentary Bureau Motions

followed by Stage 3 Debate on Scottish Parliamentary Standards Commissioner Bill

followed by Finance Committee Debate on its Report on Stage 1 of the 2003/04 Budget Process

followed by Business Motion

followed by Motions on appointment of Scottish Public Services Ombudsman and Deputy Ombudsmen

2.30 pm Question Time

3.10 pm First Minister's Question Time

3.30 pm Executive Debate on Better Communities in Scotland: Closing the Gap

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

(b) that Stage 1 of the Title Conditions (Scotland) Bill be completed by 21 November 2002; and

(c) that the Justice 1 Committee reports to the Justice 2 Committee by 2 September 2002 on the Sheriff Court Fees Amendment Order 2002 (SSI 2002/269), the Court of Session etc. Fees Amendment Order 2002 (SSI 2002/270), the Act of Sederunt (Fees of Solicitors in the Sheriff Court) (Amendment No.2) 2002 (SSI 2002/274), the Act of

Sederunt (Fees of Witnesses and Shorthand Writers in the Sheriff Court) (Amendment) 2002 (SSI 2002/280) and the Gaming Act (Variation of Fees) (Scotland) Order 2002 (SSI 2002/281).—[*Euan Robson.*]

The Presiding Officer: Fiona Hyslop has asked to speak against the motion.

12:31

Fiona Hyslop (Lothians) (SNP): Next week we are due to consider a Sewel motion on the Police Reform Bill, which will introduce much needed amendments to legislation dealing with sex offender orders. It is in everyone's interest that we take responsibility for closing the loophole that exists. The issue is how we do that.

My office contacted the parliamentary authorities at Westminster to find out the time scale for consideration of the Police Reform Bill. The bill originated in the House of Lords and is presently in committee in the House of Commons. The bill is due to complete its committee stage either this week or next. It must then be debated at third reading before being sent back to the House of Lords. I understand that the amendments that will close the loophole to which I referred may not be made until some time in October. Even then, the bill will have to receive royal assent before coming into force.

I would like to make a suggestion to the chamber, which I am prepared to discuss constructively with other business managers at next week's meeting of the Parliamentary Bureau. Would it be possible for the Scottish Parliament to legislate on and take responsibility for the changes that are proposed? We discuss many issues, some of which are less serious than closing loopholes in the legislation that deals with sex offender orders. I respectfully request support from other business managers for revisiting this issue at next week's meeting of the Parliamentary Bureau. We could consider a bill during the first week in September, to ensure that we deliver the changes that we need to make to legislation in Scotland before Westminster does the same for the rest of the UK.

12:33

The Minister for Parliamentary Business (Patricia Ferguson): There is some inconsistency in the line that the SNP is taking on Sewel motions. Last week we considered a business motion that proposed that the chamber debate a Sewel motion, and that business motion was taken without demur. The Sewel motion was agreed to yesterday, with abstentions from SNP members. Those abstentions were on a bill that will allow the carriage in private hire vehicles of guide dogs for the blind and assistance dogs for people hard of hearing.

Fiona Hyslop posed an interesting question. She said that the issue was how we make the amendments that are proposed in the Police Reform Bill. The Executive knows how it wants to make those amendments. It wants to make them quickly—which is why we have attached them to this piece of Westminster legislation—and it wants to make them consistently, so that Scotland is not out of step with the rest of the UK. If legislation is made separately, in separate places, at different times, with recesses intervening, it is likely that we will end up with legislation that is inconsistent across the UK.

If the Parliament agrees to the proposed Sewel motion, we will have the opportunity to close a very important loophole.

Roseanna Cunningham (Perth) (SNP): Westminster will have the opportunity to do that, not us.

Patricia Ferguson: Let us get matters straight—if we agree to the Sewel motion, we will give Westminster the opportunity to introduce a provision that will allow us to close this loophole across the UK. We will not be abdicating responsibility, but ensuring that everyone in the UK has the same protection under the law. That may not be important to the SNP, but it is important to the rest of the chamber.

The Presiding Officer: The question is, that motion S1M-3230, in the name of Patricia Ferguson, be agreed to. Are we agreed?

Members: Yes.

The Presiding Officer: Did someone say no? [*Interruption.*] No. In that case, the motion is agreed to. [*Interruption.*] Order. I ask members to settle down, as we are losing time.

Motion agreed to.

HCI (Clydebank)

The Presiding Officer (Sir David Steel): The next item of business is a statement by Malcolm Chisholm on the Health Care International hospital at Clydebank. *[Interruption.]* Order. Please let us have silence. The minister will take questions at the end of the statement and therefore there should be no interventions during it.

12:35

The Minister for Health and Community Care (Malcolm Chisholm): Since 1999, the Executive has worked in partnership with national health service staff to improve health and health services for all the people of Scotland, ending the internal market, supporting front-line staff, and increasing investment after years of neglect. Over the next five years, we will increase investment in health and health services by a further 50 per cent.

Our task now is to make best use of those extra resources to speed up the reform of the NHS in Scotland and to turn it into a modern, patient-focused service that achieves world-class standards of care. The drive to tackle waiting and reduce delays has been top of our priorities. Nothing is more important to the patient, and nothing impacts more on their experience of the health service.

We have made progress in equipping the NHS to reduce waiting. Extra doctors and nurses have been recruited, and next year capital investment in buildings and equipment will be double that invested in 1997. Seven out of our eight new hospital developments—the largest building programme in the history of NHS Scotland—are open in full or in part. In January, I announced the creation of the first-ever national waiting times unit. The new unit is at the heart of the health department and was created to bring added focus and central co-ordination to our drive to tackle waiting. The unit's task is to identify spare capacity in the public and private sectors that could be used more effectively to tackle unacceptably long waiting times. As a result, in the past year we have reduced by more than 10,000 the number of patients across Scotland who are waiting for in-patient treatment, concentrating on those who have waited longest. The number of patients who waited more than six months for in-patient treatment has been reduced by 6 per cent in the past year.

We have made real progress, but that progress has been neither universal nor as fast as either the public or we would like. Too many patients are still waiting too long for treatment. Maximum waiting times, especially for priority conditions such as heart disease and cancer, must be cut, not just in some but in all parts of the country.

Today, I can announce a proposal for one of the most significant new developments in the recent history of the NHS in Scotland. That development will boost the capacity of the NHS to tackle long waiting times; step up the reform and redesign of services; strengthen the NHS work force with additional experienced staff; and bring another world-class health care facility into the NHS family.

Earlier this year, we were approached by the Abu Dhabi Investment Company, which owns the private HCI hospital. Despite the hospital's world-class facilities, the original intention for the hospital has not been commercially realised and its current owners do not wish to continue the business. Quite simply, without a change of ownership and direction, the hospital would face closure. Clearly the loss of the facility would be a major blow to the economy in Clydebank and surrounding areas. It would also put the jobs of many health care professionals in jeopardy and it could remove a valuable source of additional capacity for the NHS.

I can announce to Parliament today that we have entered into detailed negotiations to purchase the entire HCI hospital facility for the national health service in Scotland. That pragmatic decision has been taken to step up investment and reform, to support patient care and to protect Scottish jobs. It is not an attack on the private sector. As we have consistently stated, the private sector has been, and will continue to be, a partner of the NHS in delivering patient care. Our decision to buy the hospital is about saving services for Scotland and opening up new opportunities for the development of patient care in the NHS.

We propose to transform the HCI facility into Scotland's national waiting times centre. We plan to use its world-class facilities to help drive down waiting times, not just for one part of the country but for all parts of the country, particularly targeting those waiting longest for treatment. An early initiative will involve HCI working closely with cardiac centres across Scotland to ensure that cardiac surgery waiting times continue to show significant reductions. The centre will also focus its resources on reducing maximum waiting times for hip-and-knee replacement, cataract surgery, general surgery, plastic surgery and diagnostics.

As well as the additional activity in elective surgery, we will use the diagnostic capacity available within the facility to complement local action plans to reduce waiting times—for example, through the use of the extensive endoscopy and investigative facilities. Last year, HCI carried out some 2,500 procedures for patients. It is our intention to double that figure to 5,000 within the first year of operation for the NHS. Working alongside and complementing existing NHS services, the centre will help us to sustain Scotland's performance at the head of the UK

league table for waiting times.

Of course, acquiring such a high-quality asset comes at a price. I can confirm today that, subject to the finalisation of details, we will acquire the whole of the facility, including a fully functioning, 52-bed acute elective facility; six functioning operating theatres; magnetic resonance imaging and computed tomography scanning; an on-site hotel for patients and relatives, and space for expansion.

Today I can confirm to Parliament that we have agreed a price of £37.5 million for the land, building and its equipment, subject to the completion of the necessary due diligence. The cost of building a 60,000 sq m hospital, including equipment, at today's prices would be four or five times as much as the agreed price. We have tested the financial case for the investment and it represents exceptional value for money for the NHS.

In addition to acquiring world-class facilities, we want to retain the services of the highly skilled staff who work within the HCI facility, including around 10 consultant doctors and over 100 nurses. I want to send a strong message to those staff today that we want them to join—in many cases to rejoin—the NHS family.

I want to take the opportunity to make it absolutely clear that we see the proposed purchase of the HCI facility in a national rather than a west of Scotland context. The purchase of the HCI facility for the NHS will not be a factor in Greater Glasgow's review of acute health services for the city. Similarly, it will be for those running the NHS in Argyll and Clyde, in partnership with local people, to decide the best structure for the delivery of acute health services in their future plans.

On completion of a deal, it is our intention to create a special health board to ensure proper management of and accountability for the facility. Interim management arrangements and a project management team will also be put in place, as soon as a deal is completed, to oversee the transformation from a private hospital to a national NHS resource.

Our vision for the long-term development of the HCI facility does not end there. The purchase of the HCI facility gives us the potential for developments in a range of other areas in addition to reducing waiting times. For example, the spare capacity within the facility will be an invaluable additional safety net for the NHS in terms of planning and preparing for winter pressures. In addition, alongside the range of health organisations that already rent space within the facility, including NHS 24's west of Scotland call centre, we will explore the scope for other health

projects to use the facility as a high-technology proving ground for innovative ways of working.

The need to reduce maximum waiting times, however, is the driving force of our national effort and the new centre at Clydebank will be in the vanguard of that effort. It will be an exemplar facility that the people of Scotland can be proud of. The facility will also require a new name, in keeping with its new role as a truly national asset. Before a final name is chosen, we will seek the input of staff and the public during the coming weeks.

This is a hugely important development for the NHS and for patients in Scotland. I am convinced that it will be warmly welcomed, not just in Clydebank and the surrounding area because of the obvious economic benefits, but right across the country and throughout the chamber. This is a good deal for the NHS, for the taxpayer and for all the members of the health care team at HCI whose jobs were under threat. This is a deal that will help to keep us at the forefront of waiting times performance in the UK. Above all, it is a great deal for patients and for Scotland.

Nicola Sturgeon (Glasgow) (SNP): I thank the minister for his statement.

As the minister knows, the SNP has consistently argued for more beds in the national health service and I am glad that, at last, the minister appears to be coming round to our way of thinking. However, the minister's statement is an almost farcical attempt to provide a solution to a problem that is entirely of the Government's making.

Is it not the case that the need to purchase 52 beds from the private sector at a cost of £37.5 million—that is a staggering three quarters of a million pounds for each bed—is proof positive that Labour's policy of deliberately closing 800 acute beds across Scotland over the past five years was misguided and deeply damaging to the NHS? Will the minister admit that the Labour Government's bed-cutting policy has caused the record rise in the length of time that patients are waiting for hospital treatment that was announced last month and that today's statement is little more than a panicked reaction from a Government that is running out of excuses for its abject failure to deliver speedier treatment for patients across Scotland?

Malcolm Chisholm: Nicola Sturgeon should discuss beds with clinicians and front-line staff because I do not think that they share her analysis of the situation. Where numbers of beds have been cut—and acute beds have not been cut dramatically—it is as a result of changes in clinical practice, shifts to day surgery and the movement of long-stay patients into the community, which I hope Nicola Sturgeon supports. The key issue is

to have the right beds in the right place—Nicola Sturgeon should reflect that we are not only buying beds, we are buying a hospital with all its equipment and facilities. She should also reflect that 52 will be the starting number of beds. There will be no break in treatment provision. We will double the number of patients who will receive care in the first year. The member knows full well that there is far more space in that hospital than the 52 beds to which she refers. Even those 52 beds, without the rest of the building, pass the economic evaluation test to which I referred.

The Presiding Officer: There are a large number of requests to speak. There is no chance of granting them all, but the shorter the questions, the more can be asked.

Mary Scanlon (Highlands and Islands) (Con): It is interesting that the Minister for Health and Community Care says that there are 52 beds. There are also six operating theatres, MRI and CT scanners and an increase in the use of diagnostic equipment. As a member of the Health and Community Care Committee, I have heard much evidence this week and last from cancer patients and cancer centres. Why has the minister's ideological opposition to HCI prevented patients from using the facility for many years? The failure of admissions is a clear admission of the minister's failure. Patients in Scotland today face a longer wait for treatment and a longer wait to see a consultant; the waiting lists have increased and fewer patients are being treated. Nonetheless, we welcome the full use of that first-class health facility for patients throughout Scotland. It could have been in use for many years. We regret that patients in Scotland have had to suffer and languish on waiting lists because of the Executive's opposition to HCI, with a health minister more concerned with the health of the state rather than the state of our health.

First, why was the Clydebank facility considered to be at the margins of health care when it was privately owned, while it is considered to be at the centre of health care now that it is publicly owned? Perhaps today's announcement comes as a result of the ticking off that Malcolm Chisholm got from Alan Milburn at the weekend for his lack of vision.

Secondly, given the shortages of key NHS staff and the minister's plan to extend services and access to HCI, will the transfer of new staff not simply lead to shortages in existing NHS hospitals? Will today's statement result in the closure of other hospitals in greater Glasgow?

Malcolm Chisholm: There were a lot of issues there. I will start by making it clear that there is no ideological opposition to the private sector. Indeed, since we took over at the end of November last year, in the first three months of this year, 2,000 operations were carried out there

on the private sector. That gives the lie to that notion. This is not an ideological decision; it is a pragmatic one. We believe that what matters is what works. If we had not acted in this way, it is clear that HCI would not have been working—because it would have been closed.

The subject of waiting was central to Mary Scanlon's contribution. She said that waiting lists have increased, although all of Scotland knows that they came down to a record extent at the end of May. She said that the incidence of long waits for treatment was up, but the number is down over the past year. There is an issue about the median waiting time, which we will discuss during next week's debate.

We have taken a whole series of actions in order to increase staff capacity. In the first instance, it will be the existing staff who will work at the facility and, now that it is an NHS facility, we will be very careful about where any additional staff come from. The number of staff will grow up gradually, and the increase in the number of staff coming on stream will help to deal with that.

On cancer, I think that Mary Scanlon should, in the interests of balance, also report all the many positive comments that have been made to the Health and Community Care Committee during its last two meetings about both the investment in and implementation of the cancer strategy.

Robert Brown (Glasgow) (LD): On behalf of the Liberal Democrats, I welcome what must be the health care bargain of the century.

I have two points to make. First, could the minister clarify that the Scottish Executive is not taking over any residual liabilities for redundancy payments or anything else of that sort related to the existing commitments of the HCI facility?

Secondly, to take up the point about staff, and against the background of the serious problem with the recruitment of nurses in greater Glasgow, not least for the Victoria infirmary, can the minister indicate what steps are being taken to find the additional staff—the nurses, consultants and doctors—who will be required not so much to continue the work at HCI Clydebank, but to double the number of operations to be carried out there, as the minister has indicated will happen in the next year? That is a very challenging target.

Malcolm Chisholm: On the latter point, let me make it clear that the existing capacity can deal with the 5,000 operations to which I referred—in other words, the number of operations can be doubled with the existing staff. Beyond that, and in time, extra staff would be required.

A hundred nurses are working at the hospital already, and they can certainly cope with the 5,000 operations. Aside from that, we have an

action plan for nurses, which has been widely welcomed and which is being implemented now. Members will know about the various actions being taken. I will not go through them all now, but I remind members of the return-to-practice courses and of the 250 extra nurses—over and above the additional number that has already been factored in—who are starting training this year. There is a lot of activity around the training of more nurses.

On Robert Brown's earlier point, we will not have residual liabilities, and I do not envisage there being very much of an issue of redundancy payments, given that staff will be coming to the facility.

Des McNulty (Clydebank and Milngavie) (Lab): As constituency member for Clydebank and Milngavie, I warmly welcome the announcement, which is a huge boost for Clydebank, not just for the 300 people who work at HCI at the minute, but for the substantially greater number of people who will come to work there in future. The announcement will have a significant impact on the speed of diagnosis and treatment throughout Scotland. The minister has had the courage to take over a ready-made facility and put it rapidly to use. That is an example of pragmatism in the best sense.

Would the minister agree that the SNP's sour-faced response to taking the HCI hospital into public ownership gives the lie to its claim to be in favour of public provision? This is a positive move as far as the people of Clydebank are concerned.

I have said to Nicola Sturgeon before that the people of Clydebank will not forget her attitude, or that of her party, and I shall remind her about it from now until May.

The Presiding Officer: Order. This is not a debate. The member must ask a question.

Des McNulty: Will the minister confirm that the potential capacity of the hospital is substantially more than 52 beds? The building is of a significant size and we must understand its potential. I thank the minister for listening to representations from me and from my colleague Tony Worthington. I am prepared to campaign for the hospital to be called "St Malcolm's".

Malcolm Chisholm: I was going to say that I would begin with the last point, but I meant to refer to the penultimate point. The hospital is definitely an investment for the long term. As I made clear, the starting point will be 52 beds running at full capacity. There is a lot of scope to extend the capacity way beyond that in years to come.

I welcome Des McNulty's comments. I am sure that he is speaking for his constituents for whom the project started as an employment issue, which

is an important dimension. The key issue is that it will, as Des McNulty said, affect the speed of diagnosis and treatment. I will leave the people of Scotland to make their own judgment about the SNP's response.

Dennis Canavan (Falkirk West): Now that a total of well over £140 million of public money has been spent on HCI over the past decade or so, can we have an assurance that today's announcement will not lead to a decrease in the money that is available for NHS projects in other areas, such as a new general hospital to serve the people of the Forth valley on the site of the old Royal Scottish National hospital, which is one of the options that the local health board is actively considering?

Malcolm Chisholm: There are two important financial issues in that. Public assistance was provided in various forms, not to the sum that Dennis Canavan mentioned—

Dennis Canavan: The sum came from a parliamentary answer in the House of Commons.

Malcolm Chisholm: I do not want to go into the details of that. Let us accept that public money was provided, without disagreeing about the details of it.

The important point to make is that the company that received that money originally went into receivership within three months. People should understand that the Abu Dhabi Investment Company, the current owners, did not receive the public money to which Dennis Canavan referred.

I want to make it clear that buying the hospital will not be a call on the extra money from the budget, for the simple reason that that money does not come on stream until next April. I am sure that members realise that. I was berated last week for not spending that money before next April, but it will not come on stream before then. The cost will be met from end-year flexibility. It will not be a call on other services; other services will not be affected. Andy Kerr will make a detailed announcement about the use of EYF next week.

Jackie Baillie (Dumbarton) (Lab): I welcome the minister's statement on the acquisition of HCI for the NHS. I understand from his statement that the existing capacity is 52 beds, but that overall capacity is substantially higher. Is it his intention to increase the capacity slowly and if so, over what time scale? Will he clarify how he will ensure that there will be minimal or no impact on local acute services provision, particularly with the movement of staff? The minister will be aware of my long-standing support for the Vale of Leven hospital, which is the neighbouring hospital to HCI. We need to be sure that the benefit of HCI is not counterbalanced by any negative effect on the Vale of Leven hospital.

Malcolm Chisholm: On the first point, I envisage that the capacity will increase steadily rather than suddenly. In that sense there will not be any immediate effect on surrounding health care facilities. I envisage that the expansion will take place in tandem with the planned expansion of the medical work force. I understand Jackie Baillie's concerns about the situation in Argyll and Clyde NHS Board and, as I indicated, it is up to the local health system, in full consultation with local people, to make their proposals on that.

Shona Robison (North-East Scotland) (SNP): The minister has mentioned a number of times that there is space for expansion. He has given us a little detail, but will he give us more? What does he envisage as the final bed capacity at HCI? When will that be achieved? How will the hospital be staffed?

Malcolm Chisholm: Things will happen gradually. I am not going to say that every bit of space in HCI will be used for beds. Of course, NHS 24 is already using the hospital for its very important new service. Clearly, there is potential for more elective surgery, in particular, to be done. I have also indicated the possibility of innovative health projects as part of our redesign work in the delivery of health care. Things will build up incrementally and members would not expect me to have a blueprint for exactly what will happen in every year over the next 10 years. That is not the way in which health planning and redesign happen. There has been a significant increase this year and there is potential for a great deal more.

Others have come up with ideas that I am quite sympathetic to—for example, if teams of clinicians come from other countries, HCI could be an ideal site for them to work. That possibility can certainly be explored. There has been an immediate gain and there will be many more exciting possibilities over the next few years.

Mr Kenneth Macintosh (Eastwood) (Lab): I welcome the minister's announcement and I thank him for accepting a commonsense suggestion that reflects the needs and wishes of local people and for putting that suggestion into practice. I also welcome his reassurance that the money will come from end-year flexibility and will not impact on other health budgets. Will the minister take a similar approach to acute hospital needs south of the river and ensure that he takes the same commonsense approach to the needs of the population there when considering the future of the Victoria hospital in particular?

Malcolm Chisholm: I congratulate Ken Macintosh on getting in a question about his local hospitals, about which he is rightly concerned and interested. I am sure that he will know that any proposals on the issue that he raises are matters in the first instance for Greater Glasgow Health

Board. I know that it will reach its conclusions soon. Mr Macintosh would not expect me to pre-empt its recommendations this afternoon.

Ben Wallace (North-East Scotland) (Con): What a way to run a health service. A minister who opposed the building of HCI in the first place has moved to a car-boot sale panic buy to plug the gaps in the provision of his health policies. Will the minister answer three questions? Were there any other bidders for HCI and was it put out to tender? Will the Scottish Executive take on HCI's accrued debt of £82 million? How will the services of the present staff be used: will the minister pay them at their current rate, will they be forced into the NHS or will they be asked to leave?

Malcolm Chisholm: Ben Wallace should know a little bit about commercial transactions—or perhaps not. If he reflects, he will realise that the question of whether there were any other bidders is one for the investment company and not for me. Obviously, that company will know whether there were other bidders or not.

We knew that the hospital was going to close. Everybody in Scotland should be clear that the hospital was going to close unless we tried to buy it. We will not have to deal with £82 million of debt: the money that we will have to pay is the money that I have indicated today.

The staff will transfer with their existing terms and conditions. Their conditions may improve because they will move to NHS terms and conditions. However, there will be no detriment in that change.

Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab): I welcome the minister's statement and I am pleased that he agrees with members on these benches that what matters is what works. He mentioned the need to boost capacity to reduce waiting times. Will he acknowledge the key role that same-day hospitals play in improving diagnostic speeds and treatment outcomes? Will he consider complementing today's statement by committing himself to making early progress on approval of the business case for the North Glasgow University Hospitals NHS Trust facility in my colleague Paul Martin's constituency, which serves the people of my constituency?

Malcolm Chisholm: Brian Fitzpatrick's point illustrates what I was saying about changes in clinical practice and shifts to day surgery. Obviously he realises how an ambulatory care and diagnostic unit in north-east Glasgow could have a beneficial effect on diagnostic outcomes and the speed of treatment. I shall be considering that in the round when I receive the greater Glasgow proposals. I have a positive attitude to the proposal for an ACAD unit at Stobhill, because I know what benefit it would bring to local people.

The Presiding Officer: Although we are well over time, I will take one more question.

Fiona McLeod (West of Scotland) (SNP): Des McNulty raised the question of local jobs, but as the minister has answered further questions it is clear that those jobs are receding into the future. When can we expect the expansion in Clydebank? When that expansion takes place, will the minister ensure that recruitment is targeted in Clydebank?

Malcolm Chisholm: That was the jobs question from a different angle, but it still requires an answer. Everyone will welcome the fact that in the first instance the jobs will be preserved. If I were not standing here making this announcement, many people in Clydebank would be receiving redundancy notices very soon. That is the main point on jobs. I also hold out the prospect of an increase in the number of jobs in due course. That is good news for Clydebank today and good news for Clydebank tomorrow.

13:06

Meeting suspended until 14:30.

14:30

On resuming—

Question Time

SCOTTISH EXECUTIVE

Schools (Milk)

1. Pauline McNeill (Glasgow Kelvin) (Lab): To ask the Scottish Executive what the estimated cost would be of providing milk to every nursery and primary school child. (S10-5378)

The Deputy Minister for Education and Young People (Nicol Stephen): The Scottish Executive estimates that the annual cost of providing milk to every child in the categories suggested in the question would be approximately £7.5 million per year.

Pauline McNeill: Many experts say that many problems are associated with milk intake, particularly for children who have allergies. Evidence shows that dehydration can make children sluggish and that water is less problematic than milk. Will the minister consider the recommendation of the expert panel on school meals to make available free fresh, chilled drinking water in the dining room and to provide children with access to water throughout the day?

Nicol Stephen: That is one of the important recommendations that were made by the expert panel on school meals. The panel's interim report was made available to members of the Scottish Parliament this week and a consultation on the panel's recommendations will take place during the summer. Ministers want to present their response to the proposals as quickly as possible.

It is clear that, alongside the provision of milk, the provision of water for young people is important, as is the provision of fresh fruit. Schemes that have introduced fresh fruit into our schools have been extremely successful.

Mr John McAllion (Dundee East) (Lab): Does the minister accept that the cost of £7.5 million to the Executive is as nothing compared with the savings that will be made because of the huge health gains that will be achieved by issuing free fruit, free milk and free water to children? If the Executive is seriously considering such a step, why does it not go the whole hog and introduce free school meals, which would make an invaluable contribution to the health of the nation and save the national health service millions of pounds in the future?

Nicol Stephen: There are health gains to be made in relation to the quality and quantity of food that is provided in our schools. That is partly why

ministers asked for the expert panel to be established and it is partly why we take its recommendations so seriously. It is important to emphasise that the expert panel does not recommend free school meals; it recommends the targeting of our resources to make the most effective impact, especially on children from the most disadvantaged backgrounds.

Child Prostitution

2. Scott Barrie (Dunfermline West) (Lab): To ask the Scottish Executive what action is being taken to protect children at risk of abuse through prostitution. (S10-5392)

The Minister for Education and Young People (Cathy Jamieson): The abuse of children through prostitution is often a hidden problem. We need to raise awareness of the issue. At present, the needs of those children will often be considered through the children's hearings system. We have established a working group to consider support for children, guidance for professionals and effective early intervention to prevent abuse and exploitation.

Scott Barrie: I thank the minister for her response and know that she will welcome to the Parliament pupils, staff and parents from St Margaret's Primary School in my constituency.

The minister will be aware of the work that Barnardo's has done on child prostitution and she will know of the reports, "No Son of Mine!" and "Whose Daughter Next?", which highlight the issue of male and female child prostitution. Does she agree that the issue must be examined in the context of effective child protection work? Will she assure me that her department and the justice department are working collaboratively to ensure that young runaways and other vulnerable youngsters are adequately protected and that adults who sexually exploit those youngsters will be vigorously prosecuted?

Cathy Jamieson: I join Scott Barrie in welcoming all the children and parents who are here today. I am always delighted to welcome young people to the Parliament.

I take child prostitution extremely seriously. It is a serious form of child abuse. The Executive's work will focus on the needs of young people and seek to ensure that young people are not lured into child prostitution. My department will liaise closely with the justice department in ensuring that appropriate sanctions are taken against those who abuse children in that way. I warmly welcome the work that Barnardo's has done on this issue and I look forward to continuing to working with it.

Ms Margo MacDonald (Lothians) (SNP): Is the minister aware of the practical elimination of child prostitution in respect of girls that resulted from the

establishment of a tolerance zone in Edinburgh? If I am successful in lodging an amendment to the Civic Government (Scotland) Act 1982, to allow local authorities to do legally what Edinburgh did successfully but informally, will the minister look kindly on that measure?

Cathy Jamieson: I would be interested to hear more about Margo MacDonald's proposals, as, I am sure, would the working group. I want to make it absolutely clear that I have no tolerance for child prostitution and no tolerance for the adults who try to lure vulnerable young people into that kind of situation. We need to take very hard action on anyone who does that.

Dorothy-Grace Elder (Glasgow) (Ind): I am heartened by what the minister has said. Will she pledge to increase police patrols of streets and parks so that more police are available to look out for those children? Will she also be mindful of the language she uses? Those children should not be called child prostitutes; they are abused children. The men who abuse them are not clients, as in the case of adult prostitution, but low-down paedophiles.

Cathy Jamieson: I hope that the language I have used today gave that reassurance, but for the avoidance of doubt I will repeat what I said. The people who use child prostitutes are child abusers and the children who are involved in those situations are victims. We should take the appropriate action to avoid young people being lured into that situation. We should also support them when they are so lured and take very, very strong action to deal with those who abuse young people in that way.

Nursery Education (Qualified Teachers)

3. Margaret Jamieson (Kilmarnock and Loudoun) (Lab): To ask the Scottish Executive whether it will comment on the appropriateness of its recent guidance on nursery education, which states that pre-school centres are no longer required to include a qualified nursery teacher on the staff register. (S10-5399)

The Minister for Education and Young People (Cathy Jamieson): The Executive recognises that significant changes have occurred in recent years in the way early education is managed and resourced. The guidance was drawn up to reflect those changes and the need for flexibility, taking account of the skills of all staff involved in meeting children's needs. Trained teachers will continue to play a vital part in early education as part of a broader team.

Margaret Jamieson: I thank the minister for her reference to the team nature of nursery education. Will she advise the chamber of the current position in negotiations on the career and pay structure of nursery nurses?

Cathy Jamieson: Margaret Jamieson takes a keen interest in this issue and is aware that, as the pay and conditions of nursery nurses remain the responsibility of employers, the Executive cannot intervene directly in negotiations. That said, I met Unison in February and wrote subsequently to the Convention of Scottish Local Authorities to set out the Executive's commitment to the early years work force. I understand that, following a meeting of the Scottish joint council on 7 June, Unison agreed to participate in the short-term working party that has been set up to consider these issues. That development is welcome.

Irene McGugan (North-East Scotland) (SNP): What is the evidence or research on which the Executive based its proposals to remove the requirement for the inclusion of nursery teachers in pre-school centres. Will the minister set out the consultation process that took place in advance of the decision?

Cathy Jamieson: The member should be aware of the extensive consultation that took place around the issuing of the guidance. It is important to recognise that pre-five education has changed considerably. The schools code, which set the ratio of one nursery teacher for every 20 nursery pupils, was established in the year of my birth. There have been significant improvements since that time. Indeed, nursery and pre-five education has changed in the past few years.

It is important that we recognise that a range of professionals can provide an input into nursery education. I do not want the role of teachers to be diminished, but it is important to note that roles have changed and that different roles can now be played by other professionals.

Rhona Brankin (Midlothian) (Lab): Given the importance of pre-school years for children's learning, will the minister give an assurance that existing quality assurance procedures, in which Her Majesty's inspectors of schools go into nursery schools, will continue to be used in future inspections?

Cathy Jamieson: I am pleased to reassure Rhona Brankin that the role of Her Majesty's Inspectorate of Education in this respect will not diminish. Indeed, under the Regulation of Care (Scotland) Act 2001, HMIE has a very clear role in collaborating with the Care Commission to inspect the pre-school sector. A recently published report has shown how well that sector is delivering for children and young people. I want to record the fact that that is the result of our political commitment to invest resources in the pre-five sector. I should add that we have also delivered a nursery place for every three and four-year-old.

Special Educational Needs

4. Johann Lamont (Glasgow Pollok) (Lab): To ask the Scottish Executive what progress has been made with the mainstreaming of children and young people with special educational needs under the Standards in Scotland's Schools etc Act 2000. (S1O-5397)

The Minister for Education and Young People (Cathy Jamieson): On 5 April 2002, the Scottish Executive issued guidance to inform education authorities that the legislation on mainstreaming children and young people with special educational needs will come into effect from 1 August 2003. As a result, authorities are expected to be planning now to ensure that they are in a position to implement the terms of the legislation from that date.

Johann Lamont: Is the minister aware that some families of children and young people with special educational needs have expressed concerns about the difficulties of securing appropriately supported mainstream places? Will she confirm the Scottish Executive's support for this important aspect of social justice and equality? Furthermore, will she outline how the process is being monitored and the steps that are being taken to ensure that the experience of young people with special educational needs and their families is being recorded and addressed?

Cathy Jamieson: It is important to recognise that we are concerned with a child's best interests. Not only will we continue to support that very important principle, we are examining the resources that are required to back it up. As Johann Lamont is aware, our current practice is to monitor that process and to ensure that each young person's needs are appropriately assessed. We also want to consider future legislation to make changes to the record of needs. That will make it easier for young people and their families to receive the correct packages of support and to have them implemented in the mainstream setting.

Phil Gallie (South of Scotland) (Con): What contact has the minister had with parents who have found it extremely difficult to establish records of needs with local authority education departments? What special steps does she intend to take about the early identification of dyslexia in young children?

Cathy Jamieson: I have already answered Phil Gallie's first question about our plans to improve the position of young people with additional support needs. We are in the process of consulting various authorities and relevant interest groups on how best to take that forward. Dyslexia is a very important area in that respect. As we are identifying young people's needs earlier, it is important to establish a package of measures that

allows the correct support mechanisms to be put in place. I recently spoke on the issue at a conference. I am happy to provide Mr Gallie with further information on how we propose to develop our approach.

Christine Grahame (South of Scotland) (SNP): The minister is aware that, with the commencement of these provisions under the Standards in Scotland's Schools etc Act 2000, the presumption that children with special needs will attend their local school will fall in their favour, except in special circumstances. Given that local authorities are already finding education budgets strained, will she reconsider allocating central funding to children with special needs to ensure that that money is rucksacked? In that way, the money will follow the child to whichever local authority is responsible for the school they attend, thus ensuring service delivery. Just now, children are facing particular obstacles because of financing. The minister will remember that I have asked this question before.

Cathy Jamieson: I know that Christine Grahame has already mentioned rucksacking—or, to put it another way, ring fencing money for particular children. I have made it clear to her that local authorities should have the option of taking children's particular needs into account and developing the most suitable local services. As the member is aware, that issue is important in rural areas.

I want to make it absolutely clear that there is no suggestion that young people who require to remain in particular forms of special education will be forced into a mainstream setting. I know that some parents are concerned that that will happen. The important thing is to find out what works in the child's best interests. We are determined to make that happen.

Means Warrants (Strathclyde)

5. Bill Aitken (Glasgow) (Con): To ask the Scottish Executive what steps it will take to assist the chief constable of Strathclyde police force in reducing the outstanding numbers of means warrants. (S1O-5359)

The Deputy Minister for Justice (Dr Richard Simpson): The chief constable of Strathclyde Police has not indicated to the Executive that his force is in need of any such assistance. Although the execution of warrants is a matter for chief constables, we are always prepared to discuss ways of improving the administration of justice.

Bill Aitken: The issue of 25,920 unpaid fines is obviously of concern. Will the minister consider an approach to the appropriate agencies to enable fines to be deducted from salaries and benefits? Will he also consider increasing the custodial

alternatives to more realistic levels?

Dr Simpson: Let me put this in perspective for members. Some 70 per cent of cases are fixed penalties and most will be actioned in due course. At present, the courts may apply to the Department for Work and Pensions to make a deduction from the personal allowance of a single claimant. Decisions on whether a fine should be repaid in that way are for that department to decide. Regarding the fine, the courts are required to take into account the circumstances of the individual. The number of outstanding fines has been reduced by 33 per cent in the sheriff courts and by 41 per cent in the district courts, and the number of fixed penalties has been reduced by 50 per cent. Therefore, this is a diminishing problem.

Methadone

6. Brian Adam (North-East Scotland) (SNP): To ask the Scottish Executive whether the methadone treatment programme for opiate addiction has been successful. (S1O-5374)

The Deputy Minister for Justice (Dr Richard Simpson): The benefits of prescribing methadone are well established in the research literature. They include improvements to the general health of drug misusers, who no longer inject illegal drugs; stabilisation of chaotic lifestyles, with consequent improvements to social and family life; and reduced criminal activity.

Brian Adam: Although all those benefits are welcome, does the minister share my concern that very few of those who are on methadone eventually come off it? Is he aware that, for example, in Grampian there are 910 patients on supervised methadone and 228 who are receiving treatment at home and that, of those, in the current year only about 70 have been weaned off methadone or are receiving small doses? Does he think that the range of treatments that are available for opiate addiction is giving people enough opportunity to rid themselves of the addiction?

Dr Simpson: In some areas, some clinicians have a tendency to prescribe lower doses than are necessary to eliminate the cravings of drug addicts. It is important that stabilisation of the individual is achieved first; beyond that, it is important that we move people on. That is why, in Aberdeen the other day, we announced another £10 million from the new opportunities fund to provide education and skills training to move people on—and off addiction, which is undoubtedly the next step.

Trish Godman (West Renfrewshire) (Lab): Does the minister agree that the methadone programme alone is not enough, that rehabilitation is the key and that we should be encouraging

councils, voluntary organisations and others to support addicts through counselling and in their communities so that they can live a healthy life and engage in training and work?

Dr Simpson: The member is absolutely correct to say that rehabilitation is vital. Last night, I launched the Fife NHS addiction services in Kirkcaldy. What impressed me about those services is the degree to which they have integrated the methadone treatment to which Mr Adam referred and the rehabilitation to which Trish Godman referred. Only through partnership and by integrating the services will we achieve a return to normal life for addicts. Each service is crucial in playing its part.

Mr David Davidson (North-East Scotland) (Con): In my previous job, as a pharmacist, I used to provide methadone support services to users. I can tell the minister that, quite simply, most people who go on to it do not come off. Can the minister tell us exactly what he and the health department have suggested should be researched, how that will be implemented and when it will be delivered? The problem has gone on for far too long.

Dr Simpson: The effective interventions unit in the health department, with which I work closely, is about to publish a study on the effectiveness of opiate services in Scotland. That study has been completed and will be published shortly. It comes on the back of a publication from Grampian—the region that the member represents—by the University of Aberdeen's health services research unit, which demonstrates the effectiveness of methadone as a stabilisation method. We are working on that.

The Presiding Officer (Sir David Steel): Question number 7 has been withdrawn.

Occupational Health Services

8. Janis Hughes (Glasgow Rutherglen) (Lab): To ask the Scottish Executive what work it is undertaking to improve occupational health services. (S10-5387)

The Deputy Minister for Health and Community Care (Mr Frank McAveety): Starting in 2000-01, £500,000 a year has been set aside for three years to achieve the aims of the occupational health and safety strategy for NHS Scotland staff that is set out in "Towards a Safer Healthier Workplace". A system of peer audit and review is being established. That will help to benchmark service provision, promote good practice throughout the occupational health and safety community, and lead to improvement in occupational health and safety services across Scotland.

Janis Hughes: Will the minister assure me that the occupational health strategy will be about

prevention and providing a positive service to staff who seek health assistance, and that it will not simply be a tool for managers to use in absence management procedures?

Mr McAveety: I am happy to give the member that assurance. We are committed to doubling the number of businesses that are participating in the Scotland's health at work scheme. We will focus particularly on small and medium enterprises, as small organisations are often less sensitive to dealing with the loss of staff through ill health. It is important that we support staff to get back to work, because the economic costs for individuals and the community of their not doing so are extensive. We are keen to move forward on this issue.

Police (Funding)

9. Michael Matheson (Central Scotland) (SNP): To ask the Scottish Executive what action is being taken to ensure adequate funding of the police service. (S10-5363)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): Funding for the Scottish police service is currently at record levels. The Executive is in regular dialogue with the Association of Chief Police Officers in Scotland about funding requirements.

Michael Matheson: Is the minister aware of the Edmund Davis blip and of the fact that police budgets are under increasing pressure because of the need to make pension payments? Does he recognise that pension payments will absorb the increase in central Government grant to the police from 2001-02 to 2003-04? Will the minister assure the chamber that the recruitment of new officers will keep pace with the increasing number of retirements? Is he prepared to review the central Government grant to the police, to ensure that they are able to invest in the service, instead of just funding pensions?

Mr Wallace: I am aware of what Mr Matheson calls the Edmund Davis blip—the increase in recruitment north and south of the border around 1974—and its implications for pensions. The matter is being considered as part of the current spending review. As the member is probably aware, both in this financial year and last year the Executive has provided local authorities with the sums that chief police officers have requested for policing. As a result, figures from the end of March this year showed that police numbers in Scotland were at record levels.

Dr Sylvia Jackson (Stirling) (Lab): Does the minister agree that Central Scotland police should be commended for its high detection rates? In the Stirling area, the detection rate stands at 70 per cent, which is the highest in Scotland. Does the minister agree that Central Scotland police should

also be commended for its partnership working with communities?

Mr Wallace: I take the opportunity to commend Central Scotland police in the chamber, just as I did in April at an event at the millennium wheel in Falkirk to mark the first anniversary of the launch of the safer central campaign. The efforts that Central Scotland police are making to engage with local communities are paying dividends. The same applies to the initiative that the chief constable of Central Scotland police has taken to recruit more special constables—not to substitute for, but to supplement the work that the police force is doing.

Robert Brown (Glasgow) (LD): I want to ask about the efficiency of spending. Are chief constables controlling adequately the amount of time that police officers spend on court duty? Is there adequate provision for the deployment of police officers on the streets, particularly in community policing?

Mr Wallace: As Mr Brown indicates, the deployment of police officers is a matter for chief constables. However, a number of initiatives are under way. For example, the capital expenditure that is funding the first phase of development of new, centralised call-handling facilities is allowing police officers to be freed up to undertake front-line duties. The Criminal Justice (Scotland) Bill, which is currently before the Parliament, contains further measures that will assist in that regard. The bill would empower in a limited way civilian staff such as turnkeys and prison escorts, freeing up more police officers for front-line duties. I look forward greatly to the report on police visibility by Her Majesty's chief inspector of constabulary for Scotland, which will appear later this year.

Magistrates (ECHR Training)

10. Mr Lloyd Quinan (West of Scotland) (SNP): To ask the Scottish Executive what training in European convention on human rights legal issues is provided to magistrates. (S10-5354)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): When the Human Rights Act 1998 was introduced, clerks of district courts received training materials from the Judicial Studies Board's ECHR working group and attended training events sponsored by the District Courts Association. In turn, justices of the peace have benefited from local ECHR training provided by clerks and from national training events sponsored by the District Courts Association. It is the responsibility of local authorities to fund and provide training to justices of the peace.

Mr Quinan: I thank the minister for his reply. However, does he agree that it is somewhat inappropriate that magistrates in district courts are forced to borrow law books from defence counsel

when they make judgments, and that that is a corruption of our judicial system? Does he agree that we need magistrates who are properly trained in ECHR issues, particularly those that throw up so-called devolution issues?

Mr Wallace: I learned at a very early age, when I was a law student, that one should always treat legal text books with care and that, first and foremost, one should look at the publication date. I am sure that magistrates also know well enough to do that. I reiterate my point: training has been provided at both local and national levels and the Judicial Studies Board has produced materials on the ECHR. Those materials have been made available to clerks and passed on to justices.

Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab): Does the Deputy First Minister agree that those who framed the convention and the 1998 act sought to embed respect for rights and responsibilities in our constitution and throughout Europe, as part of a collective response to the Holocaust? Will he consider the necessity of rolling out the good practice that is already established within the Crown Office, the Procurator Fiscal Service and the district courts? That good practice recognises that victims have rights and responsibilities, and that accused persons also have rights and responsibilities, not least to the courts that they come before and the victims of the crimes in respect of which they appear.

Mr Wallace: I endorse Mr Fitzpatrick's comments. It is important that we remember that the ECHR was drawn up in 1950, in the aftermath of the Holocaust and Nazi tyranny and at a time when half of Europe was subject to communist tyranny. The convention embodies basic rights that protect the interests of both the accused and victims. Obviously, a balance between rights and responsibilities has been provided for under the convention and I entirely agree that it is a good bedrock on which our justice system can reflect, now that it has been incorporated into our domestic law.

Phil Gallie (South of Scotland) (Con): Does the minister agree that Britain had a good human rights record before the convention was incorporated into our domestic law under the Scotland Act 1998? Would he like to offer an idea of the costs that are involved in training on ECHR issues?

Mr Wallace: I cannot give Mr Gallie the amount involved off the top of my head. Britain had, and has, a good human rights record, but that is no cause for complacency. The important point about the incorporation of the ECHR into our domestic law is that those rights have been brought home and can be enforced and accessed by people in their domestic courts. For example, one can go to

Stirling sheriff court, rather than having to go to Strabourgh, to enforce those rights. I am sure that that saves, rather than incurs, expense. Those rights are no longer available only to those who could afford the expense and who could afford to wait.

The Presiding Officer: Question 11 has been withdrawn.

Diet and Health (Children)

12. Sarah Boyack (Edinburgh Central) (Lab):

To ask the Scottish Executive what steps are being taken to improve the diet and health of children and young people from lower income families. (S10-5393)

The Deputy Minister for Health and Community Care (Mrs Mary Mulligan): "Eating for Health: a Diet Action Plan for Scotland" prioritises children and inequalities. The plan is supported by actions from "Towards a Healthier Scotland" and "Our National Health: A plan for action, a plan for change". The health improvement fund also prioritises children's health and diet.

Sarah Boyack: I thank the minister for her reply. Does she agree that, given the increasing centralisation of the major retail industries and the difficulty of accessing affordable, high-quality, local food, food co-operatives—such as that based in Dumbiedykes in my constituency, which is run by volunteers on a limited budget—provide a vital service? Will the minister consider supporting groups such as the Edinburgh community food initiative, which works with nine food co-operatives in Edinburgh to source locally grown and, where possible, organic products?

Mrs Mulligan: I am aware of the Dumbiedykes Food Co-op, and I commend the work that it does within that locality. We are always anxious to support the aim of making a wide range of foods available to as many people as possible. I suggest to Sarah Boyack that the co-operative should contact the Scottish diet project, to investigate whether the project could assist with sourcing locally produced and organic foods.

Richard Lochhead (North-East Scotland) (SNP): Is the minister aware that the publicly funded youth initiative, the Young Scot card, allows young people to use the card to get a free burger at McDonald's restaurants and discounts from other fast-food chains? Does the minister think that that is a sensible use of public funds? Will the minister investigate the policy adopted by Young Scot, given that the Health Education Board for Scotland sits on the board of the Young Scot initiative? Does the minister think that that Young Scot policy helps to promote healthy lifestyles for our young people?

Mrs Mulligan: I am aware that promoting healthy lifestyles to young people is not the easiest task. I was not aware that burgers were being offered on the Young Scot card. We would need to discuss that with the Young Scot initiative, because the issue is about ensuring not only that young people have a choice, but that they make the right choice. However, we need to do that in collaboration with young people and not just dictate to them.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Does the minister agree that improving the diet and health of children and young people from all family income groups, not just from lower income groups, is important? The issue crosses family incomes from the lower end to the top end, right across the piece.

Mrs Mulligan: Child health is a priority for the Executive. We are considering a number of measures to improve children's health—such as improving the health of new-born babies by initiating breast-feeding projects—so that patterns can be built that will benefit them throughout their lives.

Social Inclusion

The Presiding Officer: I point out that question 13 is about social inclusion.

13. Ms Margo MacDonald (Lothians) (SNP): I was prepared to be guided by you, Presiding Officer, on whether I should declare a vested interest.

To ask the Scottish Executive whether its policy on social inclusion is meeting its targets. (S10-5381)

The Deputy Minister for Social Justice (Hugh Henry): From the events of the past few days, I know that social inclusion is a concept that Margo MacDonald understands. However, the practice of social inclusion clearly causes problems for the leadership of the Scottish National Party.

The Executive provides comprehensive details of progress towards its social justice milestones in the social justice annual report. The 2001 annual report, which was published in November last year, revealed a drop in the percentage of children living in workless households; overall levels of unemployment in Scotland down to their lowest in almost two decades; a further increase in the percentage of lone parents in employment; more women breast-feeding their babies; and fewer pregnant women smoking.

Ms MacDonald: Some of the targets—and outcomes—are admirable and I agree with them. However, I wonder whether the minister will take kindly a warning from me that many of those targets are being undermined by the inability of the

national health service to deliver the support and throughcare that is required for many people with disabilities. For example, constituents of mine have found, as post-polio syndrome sufferers, that the new way of throughputting therapy in the new Edinburgh royal infirmary means that they do not have the on-going care that would allow them to take a full part in normal social activity, which they want to do.

Hugh Henry: The provision of physiotherapy services is something that the Minister for Health and Community Care takes seriously. There have been significant improvements in support structures across the NHS in Scotland since 1997, particularly since the creation of the Scottish Parliament in 1999. We will reflect on Ms MacDonald's comments, which fit closely with the Executive's determination to improve overall levels of health provision in Scotland.

Lord James Douglas-Hamilton (Lothians) (Con): Does the minister agree that it is desirable to have not only a policy on social inclusion, but accompanying openness, transparency and accountability? Is the minister aware that, following the discovery of an internal police report, the front page of the *Edinburgh Evening News* contains allegations to the effect that almost 50 per cent of certain crimes are not being recorded properly? Will the minister invite the Minister for Justice to make a full-scale, nationwide inquiry into the reporting of crime figures, if that reported practice has arisen—with regard to social inclusion?

The Presiding Officer: A very prudent afterthought.

Hugh Henry: The member's last comment certainly helped to clarify matters.

We would take seriously any abuse of public funds. Mechanisms are in place in social inclusion partnerships and other organisations to ensure that funds and resources are being used appropriately. If there is any evidence of fraudulent or criminal activity, it should be dealt with rigorously and vigorously by those who are responsible for doing so. There should be no tolerance of abuse of resources that are needed in poorer communities.

Workers' Rights

14. Tommy Sheridan (Glasgow) (SSP): To ask the Scottish Executive whether public sector workers' wages, conditions and pension rights will be fully protected under any private finance initiative or public-private partnership transfers to the private sector. (S1O-5388)

The Minister for Finance and Public Services (Mr Andy Kerr): The rights of staff transferring from the public to the private sector in PFI or PPP

schemes are protected by the Transfer of Undertakings (Protection of Employment) Regulations—TUPE—which stipulate that, in the event of a transfer of an undertaking, the employees transfer with their existing terms and conditions intact. The regulations are applied comprehensively in all PFI and PPP schemes in Scotland.

Pension provision is not covered in the TUPE regulations, but common practice in Scotland is to provide protection for pensions on what is called a broadly comparable basis. In addition, local government employees are able to retain access to the local government pension scheme by virtue of the Local Government Pension Scheme (Scotland) (Amendment) Regulations 2000 (SSI 2000/199).

Tommy Sheridan: Does the minister accept that his answer is misleading? He knows that, under secondary transfers after the commencement of PPP and PFI projects, workers' wages, conditions and pension rights are not protected, which is why the organised trade union movement in this country is opposed to the idea. The fact is that low-paid workers are paying for the profits of the private financiers who are trying to privatise our public services.

Will the minister join me in condemning his Government, which, in 1998, at a meeting of the European Council of Ministers, voted against pension rights being included in the TUPE regulations?

Mr Kerr: What I will do is recognise the £2.8 billion of additional investment that has come to Scotland by way of PPP and PFI schemes and which has delivered 80 schools for 64,000 pupils and health services for thousands of people throughout the central belt of Scotland.

In addition, I point out that I listen to and engage with the trade union movement, which is why I have set up a working group with the Scottish Trades Union Congress to deal with the issue of the two-tier work force. I hope that that work will take in some of the concerns that have been expressed by the organised labour and trade union movement, for which I have great respect.

Pauline McNeill (Glasgow Kelvin) (Lab): Will the minister confirm that he is making steady progress in his talks with the trade unions to ensure protections for all workers in relation to pension schemes, and that other public sector workers who work in non-private hospitals who had already been subject to a drop in their conditions will also benefit from the talks as the minister is working to ensure that pension schemes and other rights will be applicable to them?

Mr Kerr: That is the purpose of the talks. Best

value means having a well-trained, well-motivated and well-paid work force. Our discussions with the STUC are aimed at delivering that. The matters are complex and we have made a lot of effort to try to seek a solution to the problems. We expect to report to the Parliament on the issue by autumn this year.

Donald Gorrie (Central Scotland) (LD): Will the minister accept that the private sector workers in the private prison in Kilmarnock have worse pension conditions than similar public sector workers have? Will the minister assure us that no change in the way in which public services are delivered will be based on reducing the quality of life of fairly low-paid employees?

Mr Kerr: As I said to Mr Sheridan, common practice in Scotland, which is reflected in guidance, is that pension schemes in the private sector should be broadly comparable with those in the public sector. In the discussions on the PPP and PFI schemes that I mentioned, I have to deal with the issue of the two-tier work force, which would include the matters raised by the member.

Andrew Wilson (Central Scotland) (SNP): Does the minister agree that, by hammering workers' rights and conditions, the PPP projects have demotivated people in the public sector? Will he therefore undertake to consider the matter that Mr Sheridan asked about in order to ensure that public service workers are protected and motivated?

Mr Kerr: The research done by the Amicus trade union shows that many workers expressed the view that, under the changed arrangements, they are well-managed, well-motivated and well-paid. However, that is not always the case, which is why I am engaged in discussions with the STUC. To talk down these matters in the way that Andrew Wilson continues to do only does a disservice to Scottish public servants and, indeed, to his party.

The Presiding Officer: Before we turn to First Minister's question time, I think that the Parliament would like to give a warm welcome to the First Minister and the Deputy First Minister of Northern Ireland, David Trimble and Mark Durkan, who are with us today. *[Applause.]* I would like to say how much the Presiding Officers and clerks of the three devolved institutions are looking forward to meeting in Belfast next week.

I invite the Parliament to welcome a large group of members of Parliament and mayors from Catalonia, who are also with us today. *[Applause.]*

First Minister's Question Time

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-1982)

The First Minister (Mr Jack McConnell): I echo your remarks, Presiding Officer. We all admire the work that is being done by David Trimble and Mark Durkan to bring about normal democratic government in Northern Ireland.

The Cabinet will discuss youth crime and other important issues next week.

Mr Swinney: I associate the Scottish National Party with the First Minister's welcome to David Trimble and Mark Durkan.

I will quote to the First Minister a letter from an elderly constituent that was received by one of my colleagues. The lady writes about waiting times. She says:

"I have cataract in both eyes. I have completely lost the sight in one eye and the other is deteriorating very quickly."

The lady has been told that

"The waiting time for routine appointments is approximately 70 weeks".

She has also been told that the waiting time for treatment could be a further 28 weeks. That is 98 weeks in total—nearly two years. How does that square with the First Minister's statement of 30 May that no patient in Scotland waits more than 12 months for treatment?

The First Minister: Mr Swinney, as ever, distorts the figures on out-patient and in-patient waiting times. I share his concerns—as I am sure does every member in the chamber—about the length of time that people have to wait for cataract operations. I agree that those waiting times have to come down.

We are taking initiatives—such as the one that was announced by Malcolm Chisholm this morning—to ensure that we in Scotland have the best-quality health facilities. It is deplorable that the Scottish nationalist party could not bring itself to welcome that new development earlier today, and I challenge Mr Swinney to do so now.

Mr Swinney: Such initiatives are a bit rich when we consider that they come from a Government that has already cut the number of acute beds in Scotland by 800. It is a bit late for the First Minister on that matter.

The First Minister's words are all carefully chosen. He is going round the country pledging to people that they will not have to wait 12 months for

treatment but, in a letter from the general manager of Hairmyres hospital, the lady whose letter I quoted has been told that her wait will last 98 weeks. Why does not the First Minister tell people the truth about the health service?

The First Minister: As Mr Swinney knows, there is a difference between in-patient and out-patient operations. I take it that his answer to my challenge is no. [*Interruption.*] Members who think that serious issues—particularly elderly people who are in need of cataract operations—can become merely the subject of abuse and shouting in the chamber are very wrong.

I take it that Mr Swinney's response is that he does not welcome the fact that there is now a new public hospital in Scotland that will deal with the waiting times to which he referred. Go on, Mr Swinney—welcome that announcement.

Mr Swinney: I am just waiting for the First Minister to own up to the fact that he has cut capacity in the health service during all the years in which he has been in office. If the First Minister wants to know about his carefully chosen words, I will read them to him. He said:

"Nearly 4 per cent of all patients in England are waiting more than 12 months for in-patient treatment. In Scotland no patients are waiting that long."

Since he came to office, the First Minister has been caught with closed waiting lists and with reclassified waiting lists—now he has been caught deceiving the public on waiting times. Is it true that the First Minister cannot be trusted on health?

The First Minister: What a load of absolute rubbish. It was absolutely clear at the time that those waiting time statistics were about in-patient waiting times. It is absolutely right that that was made absolutely clear on that day. Mr Swinney failed that day to welcome the fact that waiting times were coming down. He failed to welcome the fact that the longest waiting times were coming down. He has failed to welcome any good new development in the health service in the past six months and yet again today he fails to welcome the fact that we have a hospital that will carry out 5,000 more operations in the health service in Scotland. He should congratulate Malcolm Chisholm—[*Interruption.*]

The Presiding Officer (Sir David Steel): Order.

The First Minister: Thank you, Presiding Officer. Mr Swinney should congratulate Malcolm Chisholm today on his successful negotiation for a hospital facility that is worth £200 million, but which the Executive has bought for £37.5 million. Five thousand more operations will be performed and many people, including elderly people in Scotland, will be very grateful as a result.

Prime Minister (Meetings)

2. David McLetchie (Lothians) (Con): To ask the First Minister when he next plans to meet the Prime Minister and what issues he intends to raise with him. (S1F-1983)

The First Minister (Mr Jack McConnell): I expect to meet the Prime Minister in an hour, when I will ask him what he thought of the new school that he opened in Glasgow today.

David McLetchie: I thank the First Minister for that up-to-the-minute answer.

When the First Minister and the Prime Minister have got round to celebrating yet another private finance initiative—an inspired Tory idea for improving public services in Scotland—I wonder whether, given that the Prime Minister is the head of the civil service, they might get round to discussing the recent weekend row over the recruitment of 40 policy advisers, which produced a rather unseemly squabble that reflected no particular credit on the First Minister.

The First Minister may claim to have been unaware of that particular recruitment campaign, but is he aware that in this financial year, the cost of administration in Scotland will have risen by £67 million since 1999, and that there are more than 600 more civil servants in Scotland today than there were in 1999? Will he tell me how many more civil servants the Scottish Executive intends to employ and whether it is true that the total will soon number 5,000?

The First Minister: Well, well, well—civil service jobs in Scotland. The Government in 1992 was a Conservative Government and there were 54,000 civil servants in Scotland. The number of civil servants in Scotland today is 44,000. Nobody in the chamber needs to take any lessons from the Conservative party about civil service jobs in Scotland. The current civil service recruitment exercises are well within budget, well within the right numbers and compare favourably to the record of the Conservatives when they were in Government. I hope that David McLetchie will admit that today.

David McLetchie: I will admit that the First Minister is a genius at distorting figures, because he knows well that the numbers to which he referred were subject to substantial reclassification as a result of many jobs going out of the public sector and into the private sector. [*Interruption.*]

The Presiding Officer: Order.

David McLetchie: I am talking about the core staff who service the Scottish Executive, whose number has risen from approximately 3,500 to 4,300 in the past four years. That number, according to the former adviser to the First Minister's predecessor, is projected to rise to

5,000 before long.

The fact of the matter is that not only do we have many more civil servants advising the First Minister and his bloated team of ministers, but we have four times the number of ministers that we had in 1999. We have five times the number of special advisers and, of course, we have spent seven times more on the Holyrood parliament building than we were told we would spend. Far from presiding over a fitter and better-equipped Government, the Executive has presided over an explosion in the amount of taxpayers' money that the Executive spends on itself. Does not that just go to show that the First Minister's claim of doing "less better" is a totally meaningless soundbite?

The First Minister: Not at all. Let us look at a more recent example. I accept that Mr McLetchie's party might have wanted to reduce the number of civil service jobs in the mid-1990s, but let us look at the record immediately before the new Government took over in 1997. There were not 44,000 civil servant jobs in Scotland, as there are today, but 46,000. The figure was high even at the end of the previous Conservative Government. Those numbers are accurate.

I want to make one point very clear to Mr McLetchie. The jobs that I am most concerned about in Scotland are the jobs of the people in Dumfries to whom I spoke on Monday about boosting tourism in Dumfries, and the jobs that Iain Gray was discussing with Scottish businesses this morning at a Scottish Council for Development and Industry seminar on ensuring that we have more exports to, and trade with, China. Those are the sorts of jobs that really matter—jobs for businesses in Scotland, jobs in tourism and jobs in a new hospital, which Mr McLetchie was able to welcome this morning even if the SNP was not. Those are the sorts of jobs that matter and those are the jobs that we will continue to prioritise.

Alex Neil (Central Scotland) (SNP): Does not the First Minister think it ridiculous that civil servants who work for the Scottish Executive report to Tony Blair and Sir Richard Wilson in Downing Street, rather than to him?

The First Minister: I was going to say that I hope that Alex Neil is never First Minister, although I may hope that he gets another position. I hope that he is never First Minister because he should know, after having been a member of the Parliament for three years, that civil servants in Scotland report to me. They might be part of the UK civil service, but they report to me.

Free Personal Care

3. Mrs Margaret Smith (Edinburgh West) (LD): To ask the First Minister whether all local authorities are on track to deliver free personal

and nursing care on 1 July 2002. (S1F-1990)

The First Minister (Mr Jack McConnell): All the necessary legislation and regulations are now in place for free personal care to be provided for people at home, as from 1 July. For people in care homes, full guidance has been issued about payments, eligibility and contracts, to which local authorities are working closely. I have no reason to believe that any local authority will fail to meet the implementation date, but we will continue to monitor the situation and to provide support and guidance as required.

Mrs Smith: Is the First Minister aware, or concerned, that Glasgow City Council has stated its fear that it does not have enough cash to meet the needs of pensioners' free personal care? Is he aware that colleagues have received correspondence from constituents in Fife that states that they have been told to expect lengthy waits—as long as until September or October—before they will be assessed or, indeed, receive payments? Will he assure me that any delay in the receipt of payments will be resolved as quickly as possible? Will he confirm that payments to individuals in care homes will be backdated?

The First Minister: The rules, as agreed by the Parliament, will be properly and fully implemented. I hope that local authorities are able to complete all assessments as quickly as possible. We have set them a difficult challenge to meet the timetable. However, that was the right thing to do and we are providing every support and assistance that we can.

Nicola Sturgeon (Glasgow) (SNP): The First Minister will recall that the three-month delay in implementing free personal care was in order to allow all assessments to take place. Will the First Minister therefore tell us why, less than two weeks before 1 July, thousands of elderly people all over Scotland still await assessment? Will he confirm that one of the reasons for that is the Scottish Executive's delay in publishing and issuing guidance to local authorities? More important, will he today give an absolute guarantee that, by 1 July, all eligible elderly people will have been assessed and be in receipt of free personal care?

The First Minister: I try to avoid being personal, but I have to say that I was disappointed by Nicola Sturgeon's response this morning when she failed to welcome the new hospital in Clydebank. I am also disappointed that she seeks, in this way, to run down the scheme that was agreed in the Parliament. The nationalist party might want the scheme to fail, but it will not. The timetable was ambitious but it is largely being met. People in Scotland's local authorities are working extremely hard to ensure that that happens. It would be right and proper for us to thank and congratulate them, rather than denigrating their work as the

nationalists have done today.

Scottish Executive (Policy Analysts)

4. Bill Aitken (Glasgow) (Con): To ask the First Minister why the Scottish Executive is increasing the number of policy analysts it employs. (S1F-1989)

The First Minister (Mr Jack McConnell): Departments estimate that over the next 12 to 18 months there will be a need for a few additional posts. All such posts will be funded within existing resources.

Bill Aitken: Now that peace has broken out between the First Minister and the permanent secretary, may I draw his attention to the Scottish ministerial code. Section 5.1 states, *inter alia*, that

“Civil servants paid from public funds should not be used for party political purposes.”

Will the First Minister give a categorical assurance that those who are appointed to the new posts will work for the general public good and not for the selfish political and partisan interests of the Labour and Liberal parties?

The First Minister: Yes.

Fiona Hyslop (Lothians) (SNP): It is clear from the U-turns and climbdowns over the policy analyst adverts that the First Minister is not in control of the civil service. Given that it is clear under section 51 of the Scotland Act 1998 that Tony Blair is in charge of the civil service, will the First Minister tell us what his limited delegated responsibilities are? When he next sees Tony Blair, in an hour's time, will the First Minister argue the case for a Scottish civil service to be controlled by the Scottish Parliament?

The First Minister: Here we see the hidden agenda of the past week. No, I will not. The UK civil service has a reputation for independence and quality that is almost second to none in the world. Scottish civil servants are proud to be part of that. As part of their daily work, they report directly to Scottish ministers and it is right and proper that they do so. Ms Hyslop might want to politicise them, but I do not.

Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab): Will the First Minister, for the benefit of those who might not share the processes of the Labour party in forming their manifesto—recognising that the Conservative party will have no difficulty in producing a manifesto that delivers nothing for Scotland and that the nationalists might at some stage attach a budget to their manifesto—agree that the Labour party's manifesto will be delivered and implemented by the Labour party—

The Presiding Officer: Order. The First Minister does not answer questions as leader of the Labour

party—he answers questions as the First Minister. We move to question 5.

Euro 2008

5. Dr Sylvia Jackson (Stirling) (Lab): To ask the First Minister what progress is being made on the bid for the European football championships in 2008. (S1F-1987)

The First Minister (Mr Jack McConnell): We are making excellent progress on our joint bid with Ireland. The Scottish Football Association and the Football Association of Ireland made their presentation to the Union of European Football Associations in Geneva yesterday and it was well received. Last Friday, the Prime Minister offered his enthusiastic support for the Scotland-Ireland bid.

Dr Jackson: How will a successful bid benefit not just the cities that host the games, but other cities and towns throughout Scotland, which are included in the bid as training venues and which might serve as bases for players and fans alike?

The First Minister: Many benefits could arise from the bid. If the bid is successful, I hope that the initial benefits of the games and the tournament will be shared throughout Scotland. That is why we have been particularly keen to involve the clubs in the north-east of Scotland as part of the bidding process.

We also need to maximise the benefits of the bid in other ways by promoting Scotland before, during and after the tournament. We must promote Scotland to tourists and so gain benefits from the beds that will be used and money that will be spent by the people who come with the supporters. We must ensure that many communities throughout Scotland allow local facilities to be used as training grounds and local hotels to be used for teams, their supporters and other people attending the tournament. If we can share those positive aspects throughout Scotland and in Ireland, the benefits of the tournament will last for a long time.

Mr Brian Monteith (Mid Scotland and Fife) (Con): The Euro 2008 bid is crucial. Given that the First Minister's choice for the world cup—Paraguay—has now been knocked out, will he tell us whether he will support England in the world cup in return for England's generous support for our bid for Euro 2008?

The First Minister: We might have the support of the Prime Minister but we do not yet have the support of the English Football Association—perhaps it could become a negotiating counter overnight. We should all have sympathy for the underdogs and I wish all the underdogs well over the weekend.

Dennis Canavan (Falkirk West): Will the First Minister congratulate Ireland on its magnificent performance in the world cup?

Will he also congratulate Bertie Ahern on his re-election? We hope that his re-election will help to make the Euro 2008 bid successful and that it will help to ensure that association football is recognised in Scotland and Ireland as one of the greatest international sports—a sport that is capable of building and consolidating great friendships between the people of Scotland and Ireland and all the nations of the world.

The First Minister: I have already congratulated Bertie Ahern. I am also delighted to congratulate Mary Harney on her re-appointment as deputy. The Government of Ireland will work closely with us on the bid over the coming years, and will continue to work with us if we are successful in winning the European football championships.

The success of the world cup in recent weeks has shown what a difference such a tournament can make to the countries where that tournament is held. It can also make a difference to the atmosphere around the world, with countries getting to know each other better and playing competitively while expanding understanding across the globe.

I certainly congratulate Ireland on the way in which—in the absence of our fantastic Scottish supporters—its supporters have represented Scotland and Ireland, and our bid, so well in Korea and Japan.

School Meals (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Mr Murray Tosh): I invite those members who are leaving the chamber to do so as quickly and quietly as possible. The debate is tight for time. We have motion S1M-3223, in the name of Tommy Sheridan, on the general principles of the School Meals (Scotland) Bill. I invite those members who wish to speak in the debate to press their request-to-speak buttons now. I invite all members who are called to speak to do so as quickly as possible in the interests of allowing the participation of as many members as possible.

15:32

Tommy Sheridan (Glasgow) (SSP): The proposal now before the Parliament is to deliver a free, healthy and nutritious meal, including milk and water, to every child attending a local authority-managed school in Scotland. It is the most radical and potentially far-reaching anti-poverty and pro-health measure that the Parliament has discussed in its three-year history.

The School Meals (Scotland) Bill represents a significant, radical and visionary investment in the dietary health of all our children. It will eradicate once and for all the horrible stigma so visibly attached to our current free school meals service. Finland and Sweden are reaping the benefits of such an investment in relation to improved health and educational achievement.

The journey to today's debate has been long but very rewarding. Two years ago, the Child Poverty Action Group Scotland committed itself to sponsoring the measure: the delivery of a universal school meals service with high nutritional standards, which is designed to ensure that every child who lives in poverty receives at least one healthy meal per day. We have visited more than 20 schools in eight different local authority areas and organised more than 100 meetings.

The school meals service was butchered by the Thatcher Government, which was determined to destroy the ethos of collective provision and universal delivery, because it is associated with the ideology of socialism. Socialism is about many things, but the collective provision of essential services to all citizens lies at its heart. The School Meals (Scotland) Bill has generated huge support from many who are not socialists, but anyone who calls himself or herself a socialist and votes against the bill is a hypocrite, a phoney or both.

We do not means test children to allow them access to schools. We do not means test children to allow them access to hospitals. We do not

means test children to allow them access to libraries. It is a disgrace that we means test children in relation to school meals. From the age of five, we divide and label kids according to the income of their parents. The apologists for such divisive behaviour euphemistically call it targeting. Those who are able to think for themselves and who are not worried about their own political careers, are honest enough to call it what it is—means testing.

The CPAG has campaigned tenaciously for the bill. Danny Phillips, the group's policy director in Scotland, deserves appropriate recognition. Over recent weeks we have heard from new Labour MSPs about the shortcomings of the bill—how it will not end stigma or improve children's health, and how the continued use of means testing, under the guise of targeting, is the best approach.

Perhaps the supporters of the free school meals bill are isolated. Perhaps we should bow to the superior wisdom of the new Labour, Liberal and Tory benches. However, the current targeting is not just morally wrong, but practically inefficient. More than 120,000 poor Scottish children either do not qualify for or do not claim free school meals. Of those, 40,000 are in Glasgow. New Labour members from Glasgow who oppose the bill should be particularly ashamed.

Johann Lamont (Glasgow Pollok) (Lab): Will the member give way?

Tommy Sheridan: It is not the supporters of the free school meals bill who are isolated; it is the opponents. It is those who would willingly continue to condemn thousands of children to the stigma of the separate queues, the separate canteens, the different coloured tickets or the metal tokens, all of which are shameful badges of poverty. Instead of a radical and fundamental overhaul of the school meals service in Scotland to raise the nutritional content by law and deliver a healthy choice free to every child, the new Labour-Liberal Executive wants to offer platitudes and crumbs. The opponents of the free school meals bill are isolated and suffering from a severe lack of political vision.

"The bill can be seen as one practical way of addressing the scourge of child poverty ... There is little point in providing a free school meals service unless it is tasty, attractive and nutritious, but there is little benefit in enforcing such standards unless there is a mechanism of delivery which maximises the take up amongst children. That mechanism is universally free school meals. The free school meals bill is both visionary and achievable."

Those are the words of public health expert Dr David Player, the former director of the Health Education Board for Scotland and of the Health Education Council for England and Wales, a lifelong Labour party member who is disgusted at the Labour party's opposition to the bill.

Unison is the largest union in Scotland and its members currently deliver the free school meals service. They are 100 per cent behind the bill because it

"Tackles poverty and social exclusion ... Removes the stigma of free meals"

and

"Establishes a child's right to a free, healthy and nutritious meal."

One Plus is the largest lone-parent organisation in the UK. Its support for the bill is based on working with low-income, lone-parent families and on research with parents and children. In its evidence it stated:

"One Plus supports free school meal provision for all children in Scotland ... We do so because it would end the poor-house stigma that those currently eligible feel, and also because we recognize the right of all children to be guaranteed at least one hot, nutritious meal a day."

NCH Scotland backs the bill because it believes it is visionary and practical. The British Medical Association has added its powerful voice in support of the free school meals bill:

"The British Medical Association is happy to support this bill which could have a considerable impact on public health by giving all children access to a healthy diet."

The teaching unions in Scotland—the Educational Institute of Scotland and the Scottish Secondary Teachers Association—support the bill.

Johann Lamont: Will the member give way?

Tommy Sheridan: The Scottish Low Pay Unit supports the bill. Shelter Scotland, the Scottish Local Government Forum Against Poverty, West Glasgow Against Poverty, Dundee Anti Poverty Forum, Edinburgh Community Food Initiative, Govan Law Centre, Irvine and District Poverty Action Group, Scottish Out of School Care Network, the Poverty Alliance, the Scottish Trades Union Congress youth committee, the Strathclyde After School Care Association, the UK Public Health Association and the STUC women's committee all support the bill. Indeed, the STUC women's committee presented a petition with 10,000 signatures from across Scotland in support of the bill.

The STUC discussed the bill at its conference in April and 47 trade union affiliates, with a combined membership of more than 625,000 Scottish workers, passed it unanimously. The STUC sees it as a way to

"improve child health and welfare in a holistic way. It will tackle poverty and social exclusion."

It went on to state that the principle of universality is essential.

Of course, not everyone is prepared to support the bill. The most recent organisations to sign up

to it, only yesterday, were the church and nation committee of the Church of Scotland and Capability Scotland, which represents children with disabilities. However, Labour is not prepared to support the bill. Its contempt for the bill, and indeed for the parliamentary process itself, is now exposed for all to see in its own Labour party briefing for this debate.

New Labour's briefing for this debate reveals that new Labour decided to vote against the bill not yesterday, not last week, not last month, but last September. Labour decided to vote against the bill without hearing a shred of evidence. It decided to vote against the bill even before its own expert panel was established. It decided to vote against the bill even before hearing today's debate. That is why I refuse to give way to any Labour member in this debate. They have already made up their minds as far as the bill is concerned. *[Applause.]*

The Deputy Presiding Officer: Order. It is not appropriate for those in the public gallery to interrupt, to applaud or to call out in the course of debates. I ask those in the public gallery to respect the rule of this chamber that everyone is heard in silence. Mr Sheridan, you have a minute to conclude your speech.

Tommy Sheridan: I congratulate John McAllion and Alex Neil for the critical role that they have played in co-sponsoring the bill, and I thank Mike Dailly of the Govan Law Centre for writing it. I applaud the SNP and the Green party for backing the bill, and I thank Dennis Canavan, Donald Gorrie and Elaine Smith for their support. No Tory has backed the bill, but that is consistent with the Tories' opposition to collective provision and universality. They have lined up with new Labour to vote down the bill. Not so long ago, Labour would proudly have backed such an anti-poverty and pro-health measure as the School Meals (Scotland) Bill. Labour used to condemn Thatcher as the milk snatcher, but now it clings to the Thatcherite philosophy of means testing the children of Scotland.

The supporters of the bill see the annual cost of £174 million not as a burden but as an investment in the future health of our children. It represents less than 1 per cent of next year's £22,000 million budget. Is £1.60 per child in Scotland too much to ask? I ask members to listen to Dr David Player's powerful statement in support of the bill. He said:

"If the Parliament passes this bill, it will be a powerful statement of Scotland's confidence in its future and its determination to invest in our children. This is a chance our Parliament must not miss. We owe it to the health of our children and the future of our country."

I appeal to members to put the tackling of child poverty, stigma and poor diet before the instructions of their party bosses. This is a chance

that our Parliament must not miss. We owe it to the health of our children and the future of our country.

I move,

That the Parliament agrees to the general principles of the School Meals (Scotland) Bill.

15:43

The Deputy Minister for Education and Young People (Nicol Stephen): I welcome the opportunity to debate the School Meals (Scotland) Bill this afternoon. I know that a great deal of hard work has already gone into it, not only by MSPs but by many others.

I sense that this afternoon's debate may not be totally consensual. In my view, however, there is a lot of common ground. We all want to improve the diet of children in Scotland, to ensure that every school meal is nutritious and well balanced, to increase the number of young people taking school meals and to take action to stamp out stigma. We all agree that the status quo is not good enough.

Scotland's health statistics too often make it the unhealthy person of Europe. That means that too many of our children are the unhealthy young people of Europe. To turn that around, we are taking action on more than one front. Two weeks ago, I helped Malcolm Chisholm to launch the report of the physical activity task force. The decline in physical activity among our young people, particularly from the age of nine or 10 and particularly among young girls, is alarming and has direct health consequences.

Improved nutrition is not simply about school lunches. The Scottish diet action plan is a far-reaching strategy to improve Scotland's diet and its main focus is on young people. A great deal of excellent work is being done to support breakfast clubs and provide fruit in schools, for example. We need to look at what works best. It is clear that diet is of central importance and school meals can play a vital role. Too often at present, the quality and quantity of school meals are inadequate.

Ministers' concerns on those matters led to the food in schools conference in May last year. In November, we announced an expert panel to consider the issue. An early copy of the expert panel's interim report was made available to MSPs and others on Tuesday. The report builds on the common ground that unites us. The expert panel and the bill aim to improve the health of Scotland's children by providing nutritional standards; identifying the need to provide milk and water in our schools; tackling the stigma that is attached to free school meals; and taking account of special dietary needs, whether medical, cultural or racial. We disagree not about ends but about means.

We need to find the best way of winning those benefits and that means judging how to invest to make the greatest improvements. That takes us to the core of the argument.

Ms Margo MacDonald (Lothians) (SNP): The minister referred to finding the best way. Will he explain whether his objection to the way that was outlined by Tommy Sheridan is that, at £174 million per annum, it will cost too much money or that it is the wrong way to collect that money? I suggest to the minister that there is a simple way of doing that: the notional value of £1.60 could be put on each school meal that is provided and that could be reclaimed in tax from parents who can afford to pay it.

Nicol Stephen: Margo MacDonald suggests a novel scheme, which does not relate to the contents of the bill that we are discussing. However, we are always interested in considering new proposals.

The matter concerns judgment—that is the key to the right solution. The core of the argument, and the reason that the Scottish ministers and the Education, Culture and Sport Committee recommend that the Parliament should not support the bill at stage 1, relates to the judgment that we want to focus resources to make certain that we do more to help children from the poorest families.

Around one in five children who are entitled to free school meals does not take them—that represents around 40,000 young people in Scotland, which is far too many. However, stigma is not the only reason, or even the main reason, why those young people turn their backs on free school meals. Research shows that the quality of food, the size of portions and the whole school meal experience are among the key factors. I say to Tommy Sheridan that, unless he seriously proposes compulsory universal provision with no pupil or parental choice, what he proposes would not reach all those pupils either.

Alex Neil (Central Scotland) (SNP): In the minister's evidence to the Education, Culture and Sport Committee, he said that there was no proof of any causal link between the take-up of school meals and whether they were universally available. Has the minister read the research by Dr David Player, which shows that in those parts of Sweden that have reverted to charges for school meals, uptake has fallen and the health of children has deteriorated? Will he study that evidence, as it provides proof that, despite his evidence, there is a clear correlation between the universality of free school meals and their impact on health?

Nicol Stephen: I have little time left, but I am always prepared to consider research evidence. Indeed, the whole thrust of the Executive's

approach is to consider what works best. I would be happy to consider any evidence.

It is the judgment of the Scottish ministers that the best way to move forward is to focus resources to make certain that we do more to help children from the poorest families. I am not going to argue against the principle of universality today. Some of the Parliament's most significant achievements—the abolition of tuition fees and the introduction of free personal care for the elderly, for example—have involved universal provision.

However, I intend to mention resources. Free school meals for all would cost roughly £170 million per year in extra revenue costs alone. We do not have that £170 million per year and if we did, I do not believe that many parents or pupils in Scotland's schools would want us to spend it all on free school meals above other health and education priorities. Most parents would want resources to be targeted on the children who need them most.

I accept that that is a judgment, but it is the sort of judgment that ministers and members of the Parliament must be honest and open about making. That is why I firmly believe that the expert panel's recommendations, which demand a fundamental overhaul of the current system of school meals, as well as targeted additional resources, offer the best way ahead.

The panel has made wide-ranging and substantial recommendations. I would like to thank its chairman, Michael O'Neill, and the other panel members for their hard work. The recommendations include: the introduction of Scottish nutritional standards for all school meals, which should be monitored locally and nationally; larger portion sizes; the provision of milk and water; the tackling of the problem of stigma through the use of technology and other initiatives; improvement in the presentation of school meals and the dining environment; and action to increase the uptake of all school meals. That represents a big agenda for action.

Scottish ministers welcome the report and have authorised the panel to proceed to consultation on the recommendations.

Dennis Canavan (Falkirk West): Will the minister give way?

Nicol Stephen: No. I am about to close and I have already run over time.

We have already announced our commitment, through the modernising government fund, to a project for the development and use of smart cards in every local authority in Scotland. The initial application of the cards will be as young persons' cards and the use of smart cards for school meals across Scotland will become one of

the development priorities. More needs to be done and, after consultation, ministers will consider the expert panel's final report in the autumn.

I finish with the simple pledge that ministers are determined to make radical improvements to school meals in Scotland. The bill's supporters have raised issues of major importance that the Scottish Executive and, I believe, the Parliament are determined to tackle, but the bill is not the way to do it.

15:52

Michael Russell (South of Scotland) (SNP): We should say at the outset what the bill is about and what it is not about. It is about children's health, it is about eliminating poverty and it is about social progress in Scotland. It is not about the reputation of the Scottish Executive or Tommy Sheridan's wounded feelings. If we could take both of those out of the way, we might have a real debate.

I am sorry that Nicol Stephen is in the chamber, not because I do not like him, but because members of the Education, Culture and Sport Committee know him as the minister for hopeless causes. Whenever there is a problem in the Executive or a difficulty to be overcome, he is the one who is sent out to bat.

Alex Neil: He is a Liberal Democrat.

Michael Russell: Indeed, he is a Liberal Democrat and Liberal Democrats are, by definition, champions of hopeless causes and hopeless clauses.

The situation is serious. I am a member of the Education, Culture and Sport Committee, which considered the bill. I want to begin by paying tribute to members of that committee. I do not accept that there were closed minds on that committee, as Mr Sheridan claimed. There were issues to be discussed and considerable evidence was taken. The committee's eventual decision that the bill should not proceed, from which I dissented, was the wrong decision, but I do not attribute that to malice on the part of any member of the committee. We should make that clear at the outset.

The committee was presented with a badly flawed and badly drafted bill. The bill is not, as Mr Sheridan at times tried to make it during the committee's consideration of it, a battering ram for his views. It simply does not yet measure up to the standards of a piece of legislation that would require detailed implementation. I do not want to sound like Wittgenstein by just going in for linguistic analysis. However, the bill seeks to have a nutritious free meal served to all children in the middle of the day, but it fails to define nutrition,

meals, children or free. The only binding definition that is to be found in the bill is of "the middle of the day". That means that if the bill were to be implemented, schools who served the meal one minute late would break the law. A bill that does that is a badly drafted bill. We should have had a better-drafted bill to debate in the Parliament.

No attempt was made to address some of the cost implications of the bill, a fact that was mentioned in all the evidence that was taken on the bill. The cost implications are there and they cannot be taken away by magic. The costs do not simply have revenue implications; capital implications are also involved. No one has talked about the capital implications, but people will realise, after thinking for even a moment on the subject, that it would be impossible to serve the number of meals that would be required in Scotland without very substantial changes to the infrastructure of Scotland's schools.

The Education, Culture and Sport Committee and the Health and Community Care Committee were presented with a bill that was difficult to take forward. I understand those who, at the end of the day, sympathetic as they are of the need to change Scotland's health and improve the health of its children, felt that they could not support the bill. However, my colleagues and I have reached a different decision. We have decided that it is possible to build on the bill to do some important things. I will list five of them, some of which are recommendations in the report that the Education, Culture and Sport Committee made to the Executive. We will need legislation to achieve them.

First, we need to do something about the provision of water and milk. Mr Sheridan has a strong point in that respect. His argument is that, when children cannot have access to free water in schools in the 21st century, we have to ask ourselves what sort of society we live in. Although some schools provide water, many do not. Secondly, the SNP has a long-standing policy of ensuring that fruit and berries are provided in schools. The policy is based on good practice elsewhere and it would be possible to build on it.

Thirdly, we are desperately in need of a definition of nutrition in schools. Scotland is vastly out of step with other European countries in failing to define nutrition. Fourthly, those who listened to "Good Morning Scotland" this morning would have heard that free school meals are provided in Finland partly because of the communal experience that they provide schools to sit down and eat together as a community. We can learn from that and it is something that we could put into legislation.

Finally, we could use the bill to ban some bad practices such as the reliance of schools on

revenue from fizzy-drink machines to sponsor school cafeterias and canteens. I am sorry that the minister rejected that proposal on the radio this morning.

The bill could be used to move forward. The SNP has addressed the question in terms that are similar to those in which the church and nation committee of the Church of Scotland addressed it. I assure the Presiding Officer that I am concluding on this point. The church—

Johann Lamont: Will the member give way?

Michael Russell: No. I am about to finish, otherwise I would take the member's point.

The church and nation committee wrote that it believes

"that the Bill currently before the Scottish Parliament is seeking laudable objectives and should be supported - and certainly it should be given the consideration that moving to Stage 2 would allow."

I ask the chamber to do just that. Let us do the job that Scotland sent us here to do. Let us consider in detail what we could do with the raw material of the bill. Let us move to stage 2. The SNP will support Mr Sheridan's motion in those terms.

15:58

Mr Brian Monteith (Mid Scotland and Fife) (Con): I congratulate Mr Sheridan on introducing the bill. I do not question his motives: I believe that he is sincere in seeking relief of poverty and trying to improve the nutrition of Scottish schoolchildren.

As some members may be able to guess, I enjoyed school meals. Despite my support for schoolchildren having good, nutritious school meals—or school dinners, as they are more appropriately called in Scotland—the Conservatives will not support Mr Sheridan's bill.

Dennis Canavan: Surprise, surprise.

Mr Monteith: It may not be a surprise, but our decision is the result of the evidence that has been taken. The Conservatives are not against universal benefits. Members in the chamber and those sitting in the public gallery will be well aware that the Conservative group in the Scottish Parliament has supported the introduction of universal benefits in Scotland and continues to do so. We reject the bill because it will not achieve its stated aims, and it will not do so because it is inherently patronising. This afternoon, I shall seek to explain why.

The bill sets out to ensure that Scotland's schoolchildren receive a nutritious meal that will be free of charge, to ensure universal take-up and the removal of stigma. On the basis of the evidence that the Education, Culture and Sport

Committee has taken and the 20 or more visits that I have made to schools over the past three years, I believe that the balance of the argument is against the provision of free school meals.

As members have touched on finance, it is appropriate that I, too, should mention it. Although £175 million is no small amount, it would be worth spending if it enabled us to achieve our aims—but as well as current costs, there is a capital element to take into account.

It takes two sittings for McLaren High School, for example, which is under Stirling Council's control, to provide meals for only half the school. To provide everyone with a free meal, the school would have to double the time for sittings or enlarge the dining hall. In other words, either a capital cost would be incurred or the available learning time for schoolchildren at school would be affected. Moreover, if the time for break—which is now generally 40 minutes, not an hour—were extended, greater monitoring of school pupils would be required. That, too, would have cost implications.

There is a substantial lack of capacity in Scottish schools. Even if the mention of cost is thought flippant, we would need to work out how to apply the money if we committed ourselves to spending £175 million.

Although people are concerned about and have made great play of stigma, evidence of it is essentially hearsay. We received scant evidence about the form it takes and its prevalence. When the committee visited Leith Academy, we found that any stigma around school meals attached not to those who receive free meals, but to eating meals in general.

People have choices. Schoolchildren are customers; they are not just people who should be told what to do. They decide what to eat. If they do not want a particular meal, they will go elsewhere. One can take a horse to water, but one cannot make that horse drink. Despite the beautiful canteen and the nutritious food at Leith Academy, pupils choose to have chips and nothing else but grated cheese. Whether meals were free or not, the broccoli, spaghetti bolognese and salads were not touched.

The point is that children will make their own choices. Because of that, the application of additional costs and the state's intervention in order to provide free school meals will not meet the desired goal. As a result, I do not believe that the bill is worthy of support.

16:04

Cathy Peattie (Falkirk East) (Lab): I thank the bill's supporters for stimulating debate on this very important subject. I also want to thank

organisations such as the Child Poverty Action Group and the Women's Scottish Trades Union Congress, which did so much to build support for action on school meals.

However, I disagree with the conclusion that has manifested itself in the bill and endorse the Education, Culture and Sport Committee's report. Approximately 20 per cent of school-age children in Scotland qualify for free school meals, but one in five do not take up the entitlement. In some areas, that figure rises to more than 50 per cent.

We need to tackle the problem of the stigma that is attached to free school meals, where it exists. There are other reasons why children do not take up free school meals: cultural and peer group pressure; poor quality of food and service; and overcrowding and queues. Notably, the uptake of free school meals is relatively high in primary schools and lower in secondary schools. Teenagers choose to go elsewhere. Even if free school meals were provided universally, many would still choose to go elsewhere, including those who currently refuse to take up their entitlement.

We must address choice and consider how we can improve nutritional standards—not just in school meals, but in all aspects of young people's diets. The status quo is not acceptable. The bill has started an important debate, but there are other means that are likely to be more successful in achieving the best from the resources that are available—for example breakfast clubs, making water free and readily available, providing access to milk and making cheap or free fruit available. The message from local authorities is clear: if more money is available, it should be spent on things to augment education and eating habits and to develop a whole-school approach to healthy eating. That should extend through new community schools in a cross-cutting approach, linking health services, local authorities and the voluntary sector and promoting healthy eating in the wider community.

The bill's objectives of improving nutrition and health are laudable. I want to see improvements in nutritional standards and the uptake of school meals, but the committee and I believe that the bill is not workable. It would be possible to pursue it—as Mike Russell said—and amend it at stage 2, but I do not believe that that would be the best way forward. The bill would not achieve what it seeks to achieve and it would probably be counterproductive. My fear is that the bill would undermine our ability to pursue other initiatives, which are embodied in the committee's recommendations. Free potable water should be available in all schools; free milk should be made available; the use of commercial soft drinks machines should be discouraged; the stigma of free school meals must be addressed and a

system of adequately financed swipe cards should be investigated; nutritional standards should be set according to nutrient-based guidelines, rather than food group guidelines; and there should be robust monitoring of the system, including what the school meal consumers—the children themselves—think of the system.

Those recommendations are broadly in line with the interim recommendations of the expert panel on nutrition, which were published this week. The panel believes that the provision of milk is satisfactory, but the committee is asking it to re-examine that. We also want the expert panel to take account of our recommendations and we intend to scrutinise their progress and implementation.

Those recommendations are a better way forward. We should not let the simplistic appeal of free school meals get in the way of a more considered approach that is more likely to tackle the real problems that the bill's supporters say they are concerned about. If members really care, they will accept the conclusions of the report and reject the bill at this stage. That will allow us to get on with the job of tackling the problems that we all agree need to be addressed. *[Interruption.]*

The Deputy Presiding Officer: I remind members of the public that the rules governing their attendance here include a requirement that they respect their surroundings and behave in an orderly manner and that they are silent when proceedings are under way. I ask members of the public to respect our proceedings and allow the debate to continue.

We move to the open part of the debate. There are 24 minutes available and 12 members have requested to speak. I therefore apologise in advance. If members speak for three minutes, most of those who have asked to speak will be called.

16:09

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): The debate on how young people can benefit from school meals is one to which I bring many years of experience. For a period in the 1970s, I was employed as a school meals cook in Irvine, Kilmarnock and Stewarton. For those who want to say it—yes, I was a dinner lady. I was therefore very interested when the Health and Community Care Committee, of which I am a member, took evidence as the secondary committee in the scrutiny of the bill.

The health of future generations is very important. Through the introduction of breakfast clubs and wrap-around care, we have an opportunity to provide different services to young people and their families. Community schools

deliver a holistic approach to education and learning in an environment that encompasses health and well-being. The bill's pursuit of compulsory school meals bears no relationship to what we all want to achieve for young people: the opportunity to introduce them to foods that are nutritious and attractive, and that provide them with a basis for healthy eating in the future.

Our nursery schools have embraced healthy eating by using their snack time to develop the taste buds of the very young. Experimenting with taste and texture is part of those children's education. As many mothers will testify, children's expressions when they first encounter new foods can be a source of much pleasure. Such experimentation will provide the basis for building a healthier population, by establishing dietary behaviours for the future. Specific targeting achieves better results in the long term. A free school meal would provide only 12 per cent of a child's daily food intake: it would not provide the basis for changing habits.

The Health and Community Care Committee did not receive any evidence in support of the principles of the bill from public health and medical professionals. Ian Young of the Health Education Board for Scotland stated that there is no evidence that the universal provision of free school meals has a benefit to health. Gillian Kynoch stated:

"School meals ... have great potential to put into children's diets foods that are not present, or not present in adequate quantities. I refer specifically to fruit and vegetables."

She also said:

"school meals are the weakest link in that whole-school-day approach. ... sorting out school meals is a high priority of the Scottish Executive."—[*Official Report, Health and Community Care Committee*, 8 May 2002; c 2660-61.]

Labour members are serious in their desire to improve the health of Scotland. We have the opportunity to build on the initiatives that are already under way by investing in the recommendations that are made in the interim report of the expert panel on school meals. The scatter-gun approach that Mr Sheridan has taken in the bill would not allow us to do that.

16:12

Nicola Sturgeon (Glasgow) (SNP): I am happy to speak in support of the bill. I do so as someone who was initially sceptical about it, because of the concerns that Mike Russell has articulated and because I had doubts that the bill would be anything other than a subsidy for the better-off. However, during several weeks of evidence to the Health and Community Care Committee—unlike Margaret Jamieson, I listened to all the evidence that the committee received—I was persuaded that the principles that underlie the bill are worthy

of support.

Mrs Margaret Smith (Edinburgh West) (LD): Will the member give way?

Nicola Sturgeon: Not at the moment—my time is limited.

We should not kill off the bill today, for three reasons. First, considerable stigma is still associated with the current system of free school meals. Believe it or not, some schools still operate systems that segregate children who are entitled to free school meals from children who are not. Others are more enlightened and have introduced advances such as swipe cards. However, the Health and Community Care Committee heard evidence that there is a cash limit on the cards of children who receive free school meals, so they can afford to buy only certain things while their friends have an unlimited choice. As we heard from young people who gave evidence to the Health and Community Care Committee, stigma is the biggest single reason that so many people who are currently entitled to free school meals do not take up that entitlement.

The second reason is very compelling. In Scotland today, 100,000 children whose parents are at work, but on very low incomes, are not entitled to free school meals. In many cases, the cost of meals is prohibitive for those families.

Finally, whether we like it or not, bad diet is a fact of Scottish life. People living in poverty do not have a choice—healthy food is often not affordable. However, many people who can afford the healthy option—including many in this chamber—choose not to take it.

If we are to change our culture, we must start with young people. If the Scottish Parliament were to give every child in Scotland access to a nutritious meal every day, regardless of ability to pay, that would be a statement of intent by the Parliament that it is serious about improving the health of tomorrow's generation. That approach has delivered some success in other countries.

As Mike Russell ably pointed out, the bill is far from perfect. It is not well drafted and it does not contain key definitions. For example, it does not define "nutritious".

Johann Lamont: Will the member give way?

Nicola Sturgeon: I am in my last minute.

We all know that unless the food that is delivered in schools is nutritious, of good quality and attractive to children, making food free will be pointless.

The defects in the bill can be rectified, if given a chance, at stage 2. Those defects are not reasons for rejecting the principle that underlies the bill—free universal access for all children to nutritious

food every day. In 21st century Scotland, we should do more than aspire to that principle. In the Parliament, we should take steps to ensure that it is delivered.

16:16

Jackie Baillie (Dumbarton) (Lab): Like many members in the chamber, I have considerable sympathy with the aims of the bill. Tackling poverty, reducing the stigma that is associated with free school meals and improving nutritional standards are all principles that I support. The fundamental problem that the Education, Culture and Sport Committee had with the bill is not whether we agree about where we want to get to—we agree about that—but whether the bill is the best way of getting there. I will give practical and philosophical reasons for that view.

I paraphrase Aneurin Bevan, who once said that socialism is the language of priorities. Tackling poverty, and child poverty in particular, is a priority for the Parliament, the Executive and the First Minister. We know that a clear, causal link exists between poverty and ill health and that it can affect children's life chances and opportunities. The question, therefore, is whether we should target resources at those who are in most need, or whether we should spread the jam thinly.

The estimated cost of £174 million simply covers the cost of extending the existing school meals service to all children. It does not cover improvements to nutritional standards, so it would not make a significant difference to the health of our poorest children. The bill would simply extend a patchy, and sometimes bad, service to all children. Not one penny of that £174 million would go to those who are in receipt of free school meals and not one child in those circumstances would directly benefit. Is that really what we want? I believe that if we target the poorest, most disadvantaged children, we will achieve the best results in improving health and tackling poverty.

The committee heard, and received, substantial evidence on the bill. Although we did not agree that the bill should proceed to stage 2, we do not find the status quo acceptable. The committee highlighted several recommendations: nutritional standards should be improved for all our children; free milk should be reintroduced, particularly for our youngest children; the stigma of free school meals should be tackled; and drinking water should be made readily available. Those recommendations will, if taken together, make a difference to the nutrition of our young people.

The committee felt that the bill fails to address a number of practical problems. As I am running out of time, I will mention only one—the behaviour of children. The children to whom we spoke, and to

whom others who support the bill spoke, tell us that they do not take school meals for a variety of reasons, such as long queues, the environment in which meals are taken, the attractiveness of the meals and the choice of foods.

I recall a conversation that I had with a schoolchild in Edinburgh. She said that she liked the idea of free school meals and that the Parliament should support free school meals, but when I asked her whether she would take free school meals her response was, "No way. I hate staying in school at lunch time."

We may share the intentions behind the bill, but we do not agree about the way in which they should be achieved. If we want to tackle poverty—which is what the bill seeks to do—we must target our resources more effectively at those who are in most need.

16:19

Alex Neil (Central Scotland) (SNP): I will first take up what Brian Monteith said about there being no evidence on the issue of stigma. That might be the case in Fettes College and George Heriot's School, but it is not the case throughout the education system. I suggest that Brian Monteith, before he speaks as an education spokesman—

Mr Monteith *rose*—

Alex Neil: No, sit down Mr Monteith. I have only three minutes.

Mr Monteith: Mr Neil is misquoting me.

Alex Neil: Mr Monteith should read the bill's policy memorandum, which contains the research evidence from the education department that proves without any question that there is indeed major stigma relating to the current system of administration of school meals.

Secondly, I want to correct a word that I am sure that Margaret Jamieson used inadvertently. She described the bill as introducing "compulsory" school meals. They would not be compulsory. They would be free and it would be up to each child whether they wanted to accept the free school meal.

Johann Lamont *rose*—

Alex Neil: Unfortunately, I have only three minutes.

Can I say also that the word "cost" has been used a lot. It is estimated, not by Tommy Sheridan, Alex Neil or John McAllion but by the Executive, that the cost of providing universal free school meals would be £174 million a year. The Education, Culture and Sport Committee made the point that that figure does not include capital costs.

That is a fair point, but it would cost £23 million to introduce swipe-card technology. That money could be better spent on bigger and better school kitchens and bigger and better school dining facilities for children.

On the claim that there is no money to fund universal free school meals, the Executive last year had an end-of-year surplus of around £700 million—the money is there. Angus MacKay said at a press conference that there would be a surplus the following year of £1 billion. We have just had an additional windfall tax from oil of £7 billion. Why not use some of that money for the children of Scotland?

In any case, “cost” is the wrong word. The School Meals (Scotland) Bill represents an investment in the future. The Scottish Parliament information centre and others have published research that shows that the cost of obesity to the health system in Scotland is £150 million a year. If we introduce nutritious free school meals, as Scandinavian countries have done, we will make a major saving, reduce the level of obesity and, for those who are worried about the money, reduce the cost of obesity to the health service.

I must make my final point now. Unfortunately, three minutes is a nonsense for a debate of this kind. It is no wonder that Parliament’s reputation is so poor outside.

Instead of worrying about stupid things such as high hedges bills, we should pass the School Meals (Scotland) Bill to prove that Parliament can begin to realise the dreams and expectations of the people of Scotland, who supported the creation of Parliament.

16:23

Mrs Margaret Smith (Edinburgh West) (LD): I will begin by addressing the shameful slur on colleagues that was made by Nicola Sturgeon. I testify to the fact that Nicola Sturgeon was not present to listen to all the evidence that was given to the Health and Community Care Committee. In fact, she was not present, to some extent, to hear the evidence of the bill’s supporters. Unlike Ms Sturgeon today—she has left the chamber—and during the Health and Community Care Committee’s evidence-taking sessions, the deputy convener of the committee was present throughout all the evidence. I do not think that any of us achieve anything by having a pot shot at colleagues.

Michael Russell: As the member has just done.

Mrs Smith: I have just taken the opportunity to address what is a downright lie.

The Deputy Presiding Officer: Order.

Mrs Smith: As the secondary committee, the Health and Community Care Committee considered whether there was evidence that the implementation of universal free school meals would lead to health benefits. The Health Education Board for Scotland, the Public Health Institute of Scotland, the Food Standards Agency and others told us that there was no available research evidence that linked universal free school meals with improved health outcomes.

We heard from supporters of the bill of anecdotal evidence from Finland and other Scandinavian countries that health had improved there partly as a result of a free school meals component but that there had been improvements in overall health from several different health-improvement schemes. Indeed, Dr Player says in the report “The case for the School Meals (Scotland) Bill”:

“No one would suggest that this is due entirely to free school meals. However, the health committee, in trying to get evidence on whether or not uptake would be increased by free school meals or indeed whether or not this was an effective health intervention policy, found that there was a paucity of evidence.”

Partly as a result of that, the committee said that we would welcome a pilot scheme to look specifically at the evidence, which we believe to be lacking. On balance, we believe that the bill would result in an increase in uptake and, despite some of the evidence that we took, that it would be a positive health intervention. However, we also believe that many of the aspects that have been raised by members today, such as time constraints, individual choice and the quality of the eating environment and the food, would have a large part to play in uptake.

We agreed that there was a need to tackle obesity, which is a universal problem.

Michael Russell: Will the member give way?

Mrs Smith: No, I have to make progress.

We must bring in nutritional standards and monitor them. That is why we welcome the Executive’s “Hungry for Success” interim report.

The committee is strongly opposed to the siting of vending machines selling fizzy drinks in schools and we make a plea for consistency from the Executive if we are to have an effective whole-school approach.

We were deeply angered by the evidence given by One Plus and others that demonstrated that, in this day and age, Scottish schools still operate systems that perpetuate stigma and have different canteens for people who are getting free school meals. That is totally unacceptable and repugnant to the committee.

We believe that, if the nutritional standards outlined in the expert panel's report become a reality in the next two years, that will go a long way towards increasing the uptake of school meals and will represent only part of a substantial overhaul of the school meals system, which we would welcome.

I call on the minister to think carefully about the Health and Community Care Committee's pilot scheme recommendation. Some people—not necessarily all of whom were in favour of the bill as it stood—told us that, particularly in primary schools, evidence of the sort that could be gathered by the pilot schemes could teach us something if we could get our hands on it, which we patently did not when we took evidence on this bill.

16:27

Johann Lamont (Glasgow Pollok) (Lab): I welcome the opportunity to speak in this serious debate.

It has been suggested that MSPs are lacking in courage and have been bullied by their party bosses. Sometimes, however, courage is about taking on the hard debates and looking beyond what are apparently easy answers. I tell Mr Sheridan that I am not intimidated by my party bosses and I will not be intimidated by the party boss of the SSP either.

This is a complex debate and those who support the bill do not have a monopoly on concern for young people—indeed, it is deeply insulting to suggest that that is the case.

We need to examine the issues of nutritional standards, the grounds on which people qualify for free school meals and what can be bought with free school meals tickets. That does not mean that we have to support the bill. The supporters of the bill have consistently conflated two separate issues: nutritious meals and the fostering of good eating habits; and the universal provision of nutritious food. The result is that the debate collapses into a position that states that, in order to provide nutritious meals, they have to be free and that those who do not support the universal provision of free school meals wish to deny children the right to improved nutrition. That is a false and unhelpful characterisation.

We are talking about significant costs. As a mother and an ex-school teacher, I believe that, even if we had an unlimited budget, I would always be able to argue that other areas of expenditure relating to schools and communities and the links between home and school have more of an impact on health, social inclusion and the range of issues that make school an unhappy place for too many of our children than school

meals do. A conservative estimate of the cost of the proposal is £174 million, which would pay for about 6,000 teachers and not one brown penny of it would go to children who already get free school meals. It seems perverse to propose to direct that money away from the poorer areas of Glasgow and towards the better-off Glaswegians and away from the unhealthiest city in Scotland towards the healthier areas in Scotland.

The bill is predicated on universality, which is what the SNP must confront. In my 20 years in teaching—10 years of which were spent with some of the most marginalised, vulnerable and often ridiculed children—I heard children speaking frankly about their problems but not one ever told me that the reason they did not come to school was that they were having a free school dinner.

I accept that stigma might still be a problem. Many of my ex-pupils had to deal with differences that made life difficult for them and, along with supportive adults, strove to disguise those differences. However, the stigma of free school meals is easy to address and eradicate through swipe cards, through strict rules for staff strictly enforced and through considering what the value of a free school meal will buy. I do not accept that the level of funding that is proposed to go to the better off should be allocated to address a problem that, where it exists, can so easily be sorted.

There are those who, in seeking to present free school meals as a universal benefit, disregard the fact that they are not a universal need. I know that to my cost, as my own daughter will not eat a school meal. If I get £500 a year to give her a school meal, she will still not take it. Therefore, the bill will not address the question of stigma for her classmates and for her school.

We need to examine children's eating habits and choices. We should not ignore the fact that many families and children cannot cope with sitting in a dining room, which is often a place where bullying goes on.

It is possible to address nutritional standards and to consider thresholds for qualification and what can be brought about through that. It is also possible to allocate moneys to address the need to develop a school ethos according to which children are not stigmatised because of their family circumstances, proper home-school links are developed and youngsters are challenged to be more welcoming and open in their attitude to their schoolmates.

I urge members not to support the bill, but to carry on the fight to ensure that nutritional standards and the non-stigmatisation of children in our schools are priorities in the Parliament and elsewhere.

The Deputy Presiding Officer: I call Elaine Smith and ask her to be brief so that I can also fit in a brief contribution from Mary Scanlon.

16:31

Elaine Smith (Coatbridge and Chryston) (Lab): We are debating a co-sponsored member's bill that has cross-party support. The ownership of it and responsibility for its future now lie with every MSP. The proposal to provide universal free nutritious school meals has attracted immense support throughout civic Scotland and from the wider Labour and trade union movement. Just this week, it has been supported in a report by Dr David Player. Unfortunately, the lead committee failed to recommend that the bill proceed to stage 2.

Some of the Education, Culture and Sport Committee's conclusions are questionable, for a number of reasons. One is that the Health and Community Care Committee, which fed in evidence to the process, concluded in its report that it

"would welcome a pilot scheme".

However, the Education, Culture and Sport Committee did not take that up in its recommendations. Neither the Health and Community Care Committee nor the Education, Culture and Sport Committee took formal oral evidence from children and young people. I think that natural justice should dictate that the bill must proceed to stage 2 to ensure that our children are heard on an issue that directly affects their rights as individual, valued members of our society.

The Education, Culture and Sport Committee's report also contains contradictions, although I do not have time to go into those. Of the witnesses who did not support the bill, two withdrew statements and one was supposedly representing Glasgow City Council. However, the council took a view on the matter only on 6 June. The council said that it was open to debate on the principle of free school meals. Its evidence could be crucial, given that it operates universal free breakfast clubs and the universal free provision of fruit. Unfortunately, if the bill is voted down today, the council will not be able to engage in the debate.

The Education, Culture and Sport Committee stated that there was no consensus as to whether the general principles of the bill should be supported, so how on earth could it recommend against it? The arguments in favour of the bill are decisive. The arguments against are centred around resources and an underlying move away from the socialist principle of universality to the new terminology of "targeting", which is designed to disguise what it really is: means testing.

Even if members believe that means testing is fundamentally right, they are only benefiting the poorest of the poor. Universal benefits that have been introduced by the Parliament include free nursery places and free personal care for the elderly. Why is giving universal free nursery places to better-off families and free personal care to better-off pensioners—which is paid for from taxation—okay, whereas investing in the future health and well-being of children via universal free school meals is not?

The universal provision of free school meals would take less than 1 per cent of the budget. We heard a statement today about the purchase of the Health Care International hospital, which is to be paid for out of end-year flexibility. I think that we can afford the bill. As a society, we should be collectively investing in our future, which is our children.

I finish with a quote from Dr David Player. He stated:

"We can afford to fund free school meals for every child. Millions of pounds could be saved every year by a healthier working population, which has benefited from healthy free school meals in the formative years. Universal benefits such as school meals for all are cost effective to administer. The cost in sickness and early death through bad diet is too high."

The Deputy Presiding Officer: I can give Mary Scanlon just two minutes.

16:34

Mary Scanlon (Highlands and Islands) (Con): We can all agree that children should receive a nutritious meal, and we can all support the elimination of stigma. I am sure that we would all agree with the conventional wisdom that nutritious meals undoubtedly yield health benefits.

The point is that school meals are not always nutritious. The stigma associated with free school meals that children experience could be overcome quite easily with better management of the system.

In evidence from the Public Health Institute of Scotland, we heard that there was no evidence that the universal provision of free school meals will benefit health. In their submissions to the Health and Community Care Committee, Glasgow City Council and Angus Council were not in favour of the bill. A survey from One Plus on why children do not take school meals found that 5 per cent of children go to the shops, 14 per cent go home, 30 per cent like packed lunches, 33 per cent dislike school meals and 16 per cent cannot afford them. Given the fact that 16 per cent of children said that their choice was related to cost, we may conclude that only 16 per cent may benefit from free school meals.

We welcome the underlying principles and the key and guiding recommendations of the expert panel. We welcome particularly the setting out of Scottish nutritional standards. We would welcome also the monitoring and implementation of those standards and the maximisation of anonymity for recipients of free school meals. It is also within the guidelines that schools should not overtly promote food or drink with a high fat and sugar content. We welcome the refurbishment of dining rooms and other recommendations.

Is it not sad that money has been spent to allow an expert panel to make recommendations with which we all agree, when all that was needed was for the Executive to heed the publication "Eating for Health: a Diet Action Plan for Scotland", which the then health minister, Lord James Douglas-Hamilton, issued in 1996? After five years of Labour, we have recommendations that that document contained six years ago.

Elaine Smith: On a point of order, Presiding Officer. Is it in order for Mary Scanlon to say that Glasgow City Council did not support the bill, when I have its minutes here, which outline what I said earlier on?

The Deputy Presiding Officer: That is a matter of political dispute, not a matter for the Presiding Officer.

We come to the closing speeches. I apologise to the five members who wanted to speak but whom I did not call.

16:37

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): The bill has focused attention on important issues that have been on the agenda in any case, but which have now been given more prominence. It is important that we are considering the bill in a week in which we have been discussing the report of the physical activity task force and have debated sport in schools and in which we now see the interim report of the expert group on school meals. Nicol Stephen listed other initiatives that have been introduced. In the education debate, we are asking ourselves whether we are doing properly for youngsters what we should be doing in our schools.

The bill, together with those other areas of discussion, deals with some of the biggest issues that we face. Those include huge health issues such as nutrition and the importance of exercise and issues of poverty, equal opportunities and social inclusion. There is no doubt that the sponsors of the bill have made us think and have helped us to see more clearly the pivotal role that the provision of food in schools can play in the shaping of our children's future.

We have to decide today whether we support the principles of the bill. Several principles are involved. The first aims to secure high nutritional standards and to increase the uptake of school meals. We support that and we welcome the report of the task force, which seems to advance that case.

A second strand of the bill asks us to examine the criteria for eligibility for free school meals. Further discussion of that might well be valuable and, although it might touch on reserved matters, there is a debate to be had about eligibility.

Thirdly, the bill seeks to work against the stigma that is attached to the uptake of free school meals. In the Education, Culture and Sport Committee we agreed unanimously that that must be attacked strongly by whatever means available, including smart cards. As the expert panel report outlined, there must be determined efforts on the part of local authorities to be much more sensitive to the problems that are associated with unsubtle and insensitive methods of issuing tickets or vouchers for free school meals to youngsters.

We come to the principle of universality. The committee has made recommendations on the free availability of drinking water and milk throughout the school day. However, we felt unable to go along with the proposals to give free meals to all school pupils in all local authority schools in Scotland. We fear that such a provision might be wasteful. We suspect that it might be ineffective in securing a proportionate uptake of free school meals, although it would result in some uptake. We feel that it would not provide best value for the amount of money that it would take to implement in both capital and revenue terms. The capital part is hugely important.

Dorothy-Grace Elder (Glasgow) (Ind): Will the member take an intervention?

Ian Jenkins: I am sorry, but I do not have much time.

I am not against universal provision in service areas of this sort, but my view of this particular proposal is coloured by personal experience. I remember taking youngsters away on school trips and all of them being given free packed lunches. They used to open those lunches, not look at them properly, take the chicken leg and the cheese and then throw away the fruit. Every day we had to take piles and piles of fruit and bread back to the centre that we were working from. Such systems are not good value for money; they do not work.

I also remember, as a principal teacher of English, getting about £10 per pupil per year to run the English department; the bill would give £300 per year to people who can afford to pay for their school meals. The balance is wrong. The bill is not the only way to do things, and it is not the best

way of using that amount of money.

Mike Russell's position seems to me to be dancing on the head of a pin. He is willing to skirt around the principle of universality, saying that we can tweak it later. If we all vote for the bill today, we will have accepted the principle of universality. Any later tweaking would be against the principles of the bill that we had passed. I do not believe that we can go in that direction. I will close with that—*[Interruption.]*

The Deputy Presiding Officer (Mr George Reid): Order. People have been warned before that we will not have interventions from the public gallery. That is not allowed under our rules.

16:41

Murdo Fraser (Mid Scotland and Fife) (Con): Scottish Conservatives oppose this bill—not because we do not think that it is well-intentioned or because we think that the motivation behind it is anything other than genuine, but because we do not feel that providing free school meals to all pupils is the way to achieve the desired results.

I want to deal with the question of stigma. I have to correct Alex Neil, who would not take an intervention from Brian Monteith. Brian Monteith did not say that there was no evidence of stigma, but that there was scant evidence of stigma. Even if we—

Alex Neil: Will the member take an intervention?

Murdo Fraser: No, thank you. Alex Neil had the chance to make a point and he got it wrong. Will he please sit down?

Even if we acknowledge the point that stigma can be attached to receiving free school meals, that can be dealt with by the use of swipe cards, as a number of members have said. A similar system operated when I was at school. Every Monday, we went to collect our dinner tickets at the school office. Only the school office knew whether we paid for them or got them free. Swipe cards are simply an update of that system.

In written evidence, SNP-controlled Angus Council said:

"Whether it is necessary to provide free school meals for all pupils in order to remove that possible stigma is highly debatable."

Many schools do not have the capacity to offer free school meals for all; there would not be the space in the canteens. There would be huge capital costs and horrendous queues that would put people off. I took school meals for many years, but I eventually gave up because I was fed up queuing for 25 minutes and seeing my whole lunch time taken up. Others around me had eaten

their packed lunch before I had even sat down. The prospect of queuing will not make school meals attractive to pupils, which is the whole object.

It is all very well providing nutritious meals free, but what guarantee is there that kids will eat them? Near my office in Blairgowrie, I often see kids from the high school out and about at lunch time. The school canteen provides affordable nutritious meals but, even so, the most popular destination at lunch time is the chippy and the most popular meals are chips on a roll, chips and cheese or chips and curry sauce, all with a can of juice. That is hardly a healthy option, but do the sponsors of the bill really think that, if they provide school meals free, all kids will eat them?

At lunch time, I met a party of kids from St Margaret's Primary School in Dunfermline and we talked about this debate. I asked them whether, if fruit were provided free at school, they would eat it. The answer was no. You can take a horse to water but you can't make it drink. We can provide free school meals, but how many kids will eat them? I suspect that the majority of kids would still get pocket money from their parents and go to the local takeaway or chippy, where they can buy the food that they like. Throughout this debate, we have heard from members that their own kids will not eat school meals.

The only way in which the plan would work would be if kids were forced to stay on the school premises at lunch time and were banned from bringing in any food with them. I do not see the sponsors of the bill proposing that—although, interestingly enough, independent boarding schools have that option.

The evidence from SNP-controlled Angus Council was against providing free school meals. I suggest that SNP members listen to Angus Council. It is far better to provide school meals in a competitive environment, in which pupils have choice, than in a monopolistic system where all are driven down the same road.

The Conservatives are committed to improving the health and social well-being of Scotland's young people. However, we seriously doubt that the bill will achieve those objectives. We agree with the findings of the Education, Culture and Sport Committee that providing a universal service is not the best use of limited resources. For the reasons that my colleagues and I have set out, we will not support the bill.

16:45

Shona Robison (North-East Scotland) (SNP): For the record, the Health and Community Care Committee took evidence on 8 May and 15 May. Both Nicola Sturgeon and I were present for all the

oral evidence during those meetings. Perhaps the convener of the Health and Community Care Committee would like to take the opportunity to withdraw her remarks.

Mrs Margaret Smith: I will not withdraw the remark, because I know for a fact that Nicola Sturgeon was not in her seat on that occasion.

Nicola Sturgeon: I was at the toilet.

Shona Robison: Well—

Mrs Smith: I remember thinking at the time that she had been away long enough to send a press release. That is what I thought that she was doing—[*Interruption.*]

The Deputy Presiding Officer: Order.

Shona Robison: Perhaps Margaret Smith should check the *Official Report* before making such comments in the chamber. I have the *Official Report* here and it says that Nicola Sturgeon and I were present for all that evidence.

Mrs Smith: On a point of order. As far as I am aware, the minutes of any meeting simply say that someone was present at a meeting. I did not say that Nicola Sturgeon was not present at the meeting. I said that Nicola Sturgeon was not there to hear all the evidence that was given. That is not the same thing.

Nicola Sturgeon: What about you?

Mrs Smith: I was there actually, apart from going to the toilet once. I did not say—[*Interruption.*]

The Deputy Presiding Officer: Order. I do not regard that as a point of order. I suggest that Ms Robison continues and talks to the substance of the issue that is before the Parliament.

Shona Robison: Unlike some, Nicola Sturgeon and I took on board the evidence that we heard. We did not make up our minds before hearing the evidence. Like many others, I was not totally convinced at first and needed to be persuaded. The weight of evidence that was presented to the Health and Community Care Committee has persuaded me to support the bill at stage 1, despite the reservations that I share with Michael Russell.

Johann Lamont: Will the member give way?

Shona Robison: No.

Nineteen organisations support the bill and the Health and Community Care Committee heard from several of them. For example, One Plus gave persuasive evidence about the stigma surrounding free school meals. Are we really to believe that all those organisations that gave evidence are wrong and that the Executive is right? That is not credible. Even those who gave evidence against

the bill agreed, when pressed, that free school meals would have a health benefit. The question was whether that health benefit was proportionate to the cost. That is important, because if we accept that there would be a health benefit, the debate is about not the benefit, but whether it would be proportionate to the cost. That is a different matter, because it means that we must estimate how to put a value on our children's health. Perhaps we should have heard more about that this afternoon. How do we put a value on our children's health?

We all agree that Scotland's health record is appalling. We need look only at the rising levels of childhood obesity and diabetes—current estimates are that the rate of obesity could double by 2030. If we all accept that the diet of our children is appalling, we must prepare for the repercussions of heart disease and cancer in later life.

How do we change our appalling health record? We need to change eating habits fundamentally. The report by David Player studies the experience of Sweden and Finland, which had the same dietary and health problems as Scotland. He says that the provision of free school meals

"has provided an ideal vehicle for educating the Scandinavian palate in favour of healthy eating."

That is important, because we need to educate our children's palates away from unhealthy foods. The resulting uptake of free schools meals in those countries is high and the nutritional content is controlled, which is an important factor. The benefits can be seen in children from all socioeconomic backgrounds.

No one is arguing that, on their own, free school meals would transform Scotland's health record. However, there is strong evidence to suggest that it could contribute to doing just that. If we are serious about improving public health, we have to start somewhere, and I think that we should give the bill the benefit of our support at this stage so that we can improve on it.

16:50

The Deputy Minister for Health and Community Care (Mrs Mary Mulligan): During today's debate, we have heard much agreement. As Cathy Peattie and Jackie Baillie said, the status quo is not acceptable. The debate has emphasised a number of core issues that are important to everyone in the chamber. All of us have the health of our children at heart. All of us want to make certain that the children who are most in need receive the assistance to which they are entitled. All of us acknowledge the power of early intervention in children's lives to influence their health in later life and to establish good eating patterns. Along with the BMA, we endorse

the idea that schools are central to influencing the eating habits of the next generation.

However, schools do not exist in a vacuum. We cannot concentrate solely on schools if we want to bring about a sea change in Scotland's culture as it applies to food. What happens outside of school, in our communities and workplaces, must reinforce the good work that is going on inside the school.

Although the Executive agrees with a number of the bill's objectives, we cannot support it because we disagree on some fundamental issues. We do not accept that the proposed legislation is necessary to address the health or poverty issues that are raised by Mr Sheridan and his colleagues. The provision of free school meals is only one of many measures that we are taking to abolish child poverty in Scotland.

Dennis Canavan: Will the minister take an intervention?

Mrs Mulligan: Will the member give me a minute to get going?

We also do not accept that universal provision of free school meals is an effective way in which to achieve our goals of improvements in the diet and health of Scottish children, and at the same time to target inequalities.

Dennis Canavan: Any MSP can leave the debate and go to the wee room at the back of the chamber and get a free orange, apple, bottle of water, cup of tea or coffee, biscuit or a free banana. How on earth can we justify universal provision of food for MSPs and deny it to the schoolchildren of Scotland?

Mrs Mulligan: I should have known better.

It is simply not enough to throw free food at children and expect that to make a difference in their future health. Free school meals will not guarantee increased uptake. We need to provide a high-quality and attractive service that children and young people will actively choose in preference to the alternatives.

Many members have referred to stigma. We agree whole-heartedly that indiscreet or insensitive practices that draw attention to or stigmatise children who receive free school meals have no place in a modern society. We are already supporting the further development of cashless and card-based systems to continue to drive forward that change. Nicola Sturgeon mentioned the limits on smart cards in particular. That is something that we must continue to discuss with the schools and families involved.

However unacceptable stigma might be, it is not the main reason why children do not take free school meals. The plain fact is that in many cases

the food is simply not attractive or sufficient. That is why we want to make improvements to the quality and quantity of school lunches. The expert panel has recommended nutrient-based standards, including the provision of milk and water, supported by robust local and national monitoring arrangements.

There are a number of other reasons why children do not take school meals. Children might have other things to do at lunch times, or the dining room environment might be uncomfortable, noisy or involve long queues. We want children to be able to choose for themselves. Again, I welcome the expert panel's considered thinking and recommendation on those issues. We owe it to our children to ensure that school lunches are an appealing prospect and, for as many as possible, part of everyday life at school. The bill as it stands does not address the multifaceted issues that currently keep school children out of the dining room at lunch time.

As Margo MacDonald said, the issue is not just cost—£170 million is a lot of money—but the fact that free school meals alone would not establish healthy eating patterns or improve health generally.

Mike Russell, in his usual fudging speech, mentioned water, fruit and berries, nutrition, communal experience and sponsorship. I agree that those are matters that we want to take forward, but they do not need legislation. Education in Scottish schools operates through guidance, not legislation.

The Scottish Executive remains committed to a fair society and improving health. Social justice is something to be built, not bought. The needy families of Scotland will not be best served by expensive gestures, but rather by effective targeted interventions set in the context of coherent national policies. Health improvements for all children need more than one expensive gesture. That is why the Scottish Executive does not support the bill. I urge the rest of Parliament not to support it either.

16:56

Mr John McAllion (Dundee East) (Lab): There have been many fine speeches in this debate. I was delighted that Elaine Smith was called during the debate, because it means that there is at least one Labour speaker with whom I can agree in this wind-up speech. Despite the many fine contributions to the debate, the debate could never be worthy of its subject, because it has been truncated and squeezed into just one and a half hours, with just 24 minutes for back-bench speeches. It is unworthy of the bill to treat it in that way.

The bill has been described by many nutritionists and health experts as visionary, bold, radical and achievable. It has generated mass support across the country, as we have heard during the debate. It has sometimes been written off by its opponents as unimaginative but, in reality, it has captured the imagination and hearts of the Scottish people. The length of the debate is unworthy of the bill. It seems that the Parliament is sometimes embarrassed by what it is doing to kill off the bill. It wants to do so quickly and quietly and as unnoticed as possible. That should be a matter of deep regret for everyone in this Parliament.

I will deal with some of the speeches. Nicol Stephen argued that he does not disagree with our end; it is the means of getting to that end with which he disagrees. Sometimes the means matter. Take the issue of nutritional standards. Our bill would require Scottish ministers to define nutritional standards, and would require education authorities to provide school meals that meet those nutritional standards. The expert panel, which is the Executive's great white hope, recommended Scottish nutritional standards for school lunches, but they are just recommendations. The group said that education authorities should meet the standards, and that education authorities should have the standards in place by 2006. No "must", no requirement, no statutory effect. Like Pontius Pilate, the expert panel is washing its hands of any responsibility to ensure that the standards are applied in Scotland. That is not good enough for Scotland in the 21st century.

Others, such as Cathy Peattie, argued that we would be much better trying to achieve our ends through initiatives such as breakfast clubs. Gillian Kynoch, the Executive's food tsar, told the Health and Community Care Committee that breakfast clubs could only ever be a supplement to and never a substitute for the provision of a nutritious school lunch, which she described as the "cornerstone" and an "absolute priority" if we are to improve diet and children's health in this country.

In any case, we are not being offered free breakfast clubs in return for free school lunches. The reality is that the Executive is setting up a £0.25 million challenge fund, which will tell local authorities the concentration of the poor and deprived within their areas, so that they can compete with one another for a wholly inadequate sum of money, in the knowledge that some of them will get nothing at all. A challenge fund is not the way to target the poor.

Jackie Baillie quoted Nye Bevan. That is fine, but she did not quote Nye Bevan's lifelong detestation of the means test, which he fought all his life. Nye Bevan was once threatened with

expulsion from the parliamentary Labour party for tabling amendments to end the means testing of old people. Were he here this afternoon, I have no doubt which side of the debate he would be arguing for.

Other members have said that we cannot legislate for children's behaviour. We have never claimed that universal benefits free at the point of use are compulsory. Nobody is compelled to use the national health service. Nobody is compelled to send their children to state schools. Nobody is compelled to take child benefit. However, when a benefit is made universal and free, it is surprising how many people take advantage of it. That is the way to help the poor—by making benefits universal and free, not by means testing. People should understand that.

Margaret Jamieson argued that Ian Young said that there is no evidence to support the principles of the bill. What Ian Young actually said is that nobody has been looking for any evidence. That is why there is no evidence to support the bill. No research has ever been conducted into what the bill aims to do.

Margaret Jamieson also argued that specific targeting will always, in the long run, be the best means of helping the poor. Well, in the long run we are all dead, but the targeting that goes on just now is not the best way of helping the poor. What about the 80,000 children from families of the working poor? Those who are in receipt of working families tax credit have no entitlement to free school meals. What about the 70 per cent of children living in families with disability, who, as Capability Scotland told us this morning, have no entitlement to free school meals? What about the 40,000 children in Scotland who are entitled but who, because of the stigma, do not go for free school meals? Do not tell me that targeting is the best way to help the poor, because it has never been the best way to help the poor and never will be. Targeting is means testing and there is nothing else to be said about it.

Why do we argue that the best way of ending stigma is to make something universal and free at the point of use? We argue for that because that is the best way. Nobody feels stigmatised when they go to hospital or to school or to pick up their child benefit, but there is every kind of stigma attached to being means tested to qualify for a benefit that is for the poor and the poor alone. That is the reality and members should ask the people who are at the rough end of means testing what they think about it. All the smart cards in the world will not change that reality. At £23 million, the cost of introducing smart cards must make them the most expensive fig leaves ever produced to cover the consciences of those who would like to delude themselves that there can be means testing

without branding and humiliating the poor. That can never be achieved, and if socialists do not recognise that in the 21st century they will either never recognise it or they will never be socialists.

I turn to the cost. I know that £170 million is a lot of money. However, as others have argued, end-year flexibility covers that sum easily, so it is not a sum that the Parliament cannot afford. That cost should be seen not as a present burden, but as an investment in the future of our children's health and the future health of the nation. The Health and Community Care Committee took evidence from a series of health experts who warned of a tidal wave of health problems 10 to 15 years down the line, with obesity levels doubling over the next 10 years. In fact, Professor Phil Hanlon of the Public Health Institute of Scotland called for a dramatic shift in current policy because the status quo was not good enough. He described the bill as a bold attempt to bring about that shift. That is what the bill is. It is a brave and imaginative measure, which, in combination with other measures, will attempt to tackle head on the chronic dietary and health problems that Scotland has suffered from for far too long. In the process, it will make Scotland into a different kind of country in the 21st century to the one it was in the 20th century—a Scotland where the means test, like its predecessor, the poor law, has been consigned to the dustbin of history.

That is the vision. The means testers among us will never accept that, because they have swallowed whole the core Thatcherite nostrum of less taxes for the rich and means testing for the poor as two sides of the same coin. Every time we take a decision not to vary the rate of income tax in this Parliament, or to support the Government in Westminster not increasing the higher rate of income tax, we support a direct and massive subsidy to the best-off in this country, which does nothing for the poor. That is why the bill is so important. If the price of not taxing the rich is to means test the poor, that is a price that I am not prepared to pay.

Professor Hanlon told the Health and Community Care Committee that, at the end of the day, the universal provision of free school meals is not a decision for the experts. It is not something that the experts can tell us or advise us to do. It is a political judgment and it is down to the political judgment of everybody sitting in this Parliament this afternoon. Forty years ago, Sweden and Finland had the vision to make that political judgment. They are now reaping the rewards. Let us have the courage to do the same—future generations of Scots will thank us for doing so.

Parliamentary Bureau Motions

17:04

The Deputy Presiding Officer (Mr George Reid): The next item of business is consideration of four Parliamentary Bureau motions. The questions on the motions will be put at decision time.

Motions moved,

That the Parliament agrees that the following instruments be approved—

the draft Community Care (Assessment of Needs) (Scotland) Regulations 2002;

the draft Community Care (Personal Care and Nursing Care) (Scotland) Regulations 2002;

the draft Criminal Justice Act 1988 (Offensive Weapons) Amendment (Scotland) Order 2002;

the draft Advice and Assistance (Financial Conditions) (Scotland) (No 2) Regulations 2002;

the draft Civil Legal Aid (Financial Conditions) (Scotland) (No 2) Regulations 2002; and

the Local Government Finance (Scotland) (No 2) Order 2002 (SSI 2002/230).

That the Parliament directs that under Rule 11.8.3 any division at Stage 2 of the University of St. Andrews (Postgraduate Medical Degrees) Bill shall be taken using the electronic voting system.

That the Parliament agrees that Rules 9.5.3B, 9.7.9 and 9.8.3 of the Standing Orders be suspended for the purposes of the University of St. Andrews (Postgraduate Medical Degrees) Bill.

That the Parliament agrees that the Local Government Committee is designated as Lead Committee in consideration of the Dog Fouling (Scotland) Bill and that the Justice 1 and 2 Committees be secondary committees.—
[Euan Robson.]

Decision Time

17:05

The Deputy Presiding Officer (Mr George Reid): There are 12 questions to be put as a result of today's business.

The first question is, that amendment S1M-3229.3, in the name of Lewis Macdonald, which seeks to amend motion S1M-3229, in the name of Kenny MacAskill, on railways in Scotland, 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)
 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)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahan, 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)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (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)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (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)
 Wallace, Ben (North-East Scotland) (Con)
 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) (Grn)
 McAllion, Mr John (Dundee East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)

The Deputy Presiding Officer: The result of the division is: For 60, Against 47, Abstentions 3.

Amendment agreed to.

The Deputy Presiding Officer: As amendment S1M-3229.3 has been agreed to, amendment S1M-3229.1, in the name of David Mundell, and amendment S1M-3229.2, in the name of Tommy Sheridan, fall.

The next question is, that motion S1M-3229, in the name of Kenny MacAskill, on railways in Scotland, as amended, 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)
 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)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
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 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacDonald, Ms Margo (Lothians) (SNP)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McLeish, Henry (Central Fife) (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)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (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)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (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)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Elder, Dorothy-Grace (Glasgow) (Ind)
 Harper, Robin (Lothians) (Grn)
 McAllion, Mr John (Dundee East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)

The Deputy Presiding Officer: The result of the division is: For 61, Against 46, Abstentions 4.

Motion, as amended, agreed to.

Resolved,

That the Parliament welcomes the Executive's proposals in the transport delivery report *Scotland's Transport: Delivering Improvements* as the first steps in meeting the objective of a bigger, better and safer railway, and calls upon the Executive to continue to work closely with the Strategic Rail Authority in re-letting the Scottish passenger railway franchise and in developing a rail freight strategy for Scotland and, with Her Majesty's Government, to ensure that Railtrack's successor company delivers improved safety, growth and unity of purpose across the entire network.

The Deputy Presiding Officer: The next question is, that amendment S1M-3228.2, in the name of Andy Kerr, which seeks to amend motion S1M-3228, in the name of Alasdair Morgan, on investment in public infrastructure, 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)
 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)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McLeish, Henry (Central Fife) (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)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (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) (Ind)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (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)
 Wallace, Ben (North-East Scotland) (Con)
 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) (Grn)
 McAllion, Mr John (Dundee East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)

The Deputy Presiding Officer: The result of the division is: For 60, Against 48, Abstentions 3.

Amendment agreed to.

The Deputy Presiding Officer: As amendment S1M-3228.2 has been agreed to, amendment S1M-3228.1, in the name of David Davidson, falls.

The next question is, that motion S1M-3228, in the name of Alasdair Morgan, on investment in public infrastructure, as amended, 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)
 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)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McLeish, Henry (Central Fife) (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)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (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)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (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)
 Wallace, Ben (North-East Scotland) (Con)
 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) (Grn)
 McAllion, Mr John (Dundee East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)

The Deputy Presiding Officer: The result of the division is: For 60, Against 47, Abstentions 3.

Motion, as amended, agreed to.

Resolved,

That the Parliament recognises, in developing Scotland's infrastructure, the real progress being made through a balanced and sustained investment programme and the vital contribution which public private partnerships have made already in modernising Scotland's infrastructure and public services, and welcomes the Executive's intention to continue to encourage such partnerships, as part of a range of funding options, wherever and whenever they present themselves as providing the best value solution.

The Deputy Presiding Officer: The next question is, that motion S1M-3223, in the name of Tommy Sheridan, on the general principles of the School Meals (Scotland) Bill, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harper, Robin (Lothians) (Gm)
 Hyslop, Fiona (Lothians) (SNP)
 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)
 McAllion, Mr John (Dundee East) (Lab)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeish, Henry (Central Fife) (Lab)
 McLetchie, David (Lothians) (Con)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 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)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Young, John (West of Scotland) (Con)

The Deputy Presiding Officer: The result of the division is: For 37, Against 74, Abstentions 0.

Motion disagreed to.

[*Interruption.*]

The Deputy Presiding Officer: Order. [Interruption.] Order! I suspend the meeting of the Parliament for 10 minutes.

17:11

Meeting suspended.

17:18

On resuming—

The Deputy Presiding Officer: I very much regret that it was necessary to suspend the Parliament. The Scottish Parliament is an open Parliament; it is a participative Parliament. The Scottish Parliament is not a public meeting. I expect courtesy from members of the public in the gallery and no attempt to influence members in their designated work in this place.

We move on to the next question. The question is, that motion S1M-3231, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on the approval of Scottish statutory instruments, be agreed to.

Motion agreed to.

That the Parliament agrees that the following instruments be approved—

the draft Community Care (Assessment of Needs) (Scotland) Regulations 2002;

the draft Community Care (Personal Care and Nursing Care) (Scotland) Regulations 2002;

the draft Criminal Justice Act 1988 (Offensive Weapons) Amendment (Scotland) Order 2002;

the draft Advice and Assistance (Financial Conditions) (Scotland) (No 2) Regulations 2002;

the draft Civil Legal Aid (Financial Conditions) (Scotland) (No 2) Regulations 2002; and

the Local Government Finance (Scotland) (No 2) Order 2002 (SSI 2002/230).

The Deputy Presiding Officer: The next question is, that motion S1M-3233, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on electronic voting in relation to the University of St Andrews (Postgraduate Medical Degrees) Bill, be agreed to.

Motion agreed to.

That the Parliament directs that under Rule 11.8.3 any division at Stage 2 of the University of St. Andrews (Postgraduate Medical Degrees) Bill shall be taken using the electronic voting system.

The Deputy Presiding Officer: The next question is, that motion S1M-3234, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on suspension of standing orders in relation to the University of St Andrews (Postgraduate Medical Degrees) Bill, be agreed to.

Motion agreed to.

That the Parliament agrees that Rules 9.5.3B, 9.7.9 and 9.8.3 of the Standing Orders be suspended for the purposes of the University of St. Andrews (Postgraduate Medical Degrees) Bill.

The Deputy Presiding Officer: The final question is, that motion S1M-3235, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on the designation of lead committees, be agreed to.

Motion agreed to.

That the Parliament agrees that the Local Government Committee is designated as Lead Committee in consideration of the Dog Fouling (Scotland) Bill and that the Justice 1 and 2 Committees be secondary committees.

Foot-and-mouth Recovery Plan (Dumfries and Galloway)

The Deputy Presiding Officer (Mr George Reid): If we are all sitting comfortably, we can begin.

The final item of business today is a member's business debate on motion S1M-3171, in the name of David Mundell, on VisitScotland funding of Dumfries and Galloway Tourist Board foot-and-mouth recovery plan. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes with extreme concern the failure of VisitScotland to allocate the necessary £280,000 to fund the second year of the foot-and-mouth recovery plan prepared by Dumfries and Galloway Tourist Board; believes that funds allocated nationally to VisitScotland by the Scottish Executive to help the tourist industry recover from the foot-and-mouth disease outbreak should be targeted on those areas most affected by the disease, and considers that the Scottish Executive should enter into urgent dialogue with VisitScotland to review their funding allocation to the board in the expectation that the necessary funding will be made available to support the Board's foot-and-mouth recovery plan which has already had considerable success in its first year.

17:20

David Mundell (South of Scotland) (Con): First of all, I pass on my good wishes to my fellow south of Scotland MSP, Adam Ingram, who had a heart attack today. He is recovering well. Adam was a signatory to the motion and has shown a great deal of interest in the aftermath of the foot-and-mouth crisis.

I welcome the chance to introduce the motion for debate tonight. Although the particular topic is important, I hope that the debate will give us the opportunity to reflect on the awful experience that last year's outbreak brought to every single person who was caught up in it, in Dumfries and Galloway, the Borders and elsewhere in the UK.

The Royal Highland Show goes ahead today and it is a tribute to the fortitude, resolve and sheer strength of character of many of the farmers who lost stock that we see them at the show, restocked, presenting their animals in show categories. Despite the fact that times are so difficult in agriculture, those farmers are looking forward as they develop their agricultural businesses.

As members have often pointed out, however, the foot-and-mouth crisis affected not only agriculture, but all related trades and services. Indeed, some of the people who suffered most were self-employed contractors. Of course, the crisis affected shops and everyone involved in providing local services, but it had a particularly

hard effect on the tourism industry. Along with the Borders, Dumfries and Galloway was thrust into the centre of the public spotlight at a time when—as everyone accepts—there was great confusion over whether people were to be allowed into the countryside or whether they were to be restricted in their access. Night after night, people saw pyres burning on television. They were told in graphic detail of culls and related activities, and the national media were not kind in publishing stories with headlines such as “Valley of Death”. That particular story highlighted the Moffat area, where I live.

Throughout that time, the local tourist board and the tourist industry itself showed great stoicism. Although many benefited from some crisis-related activities, many attractions and businesses, particularly in the west of Dumfries and Galloway, suffered very badly. The full extent of that financial suffering is only now becoming known.

That is why the loan scheme that Scottish Enterprise Dumfries and Galloway introduced has been taken up by so many tourist businesses. The worst-affected businesses were those that had been innovative, that had invested and that had borrowed money. In particular, I have always felt for the people who were new to the tourist industry when the crisis struck.

Members from all parties across the chamber argued for the Scottish Executive to give appropriate support to Dumfries and Galloway and the Borders. In general, all the parties representing the south of Scotland were able to work together towards what we thought was a commitment from the Scottish Executive to provide the necessary support, not only for agriculture, but for tourism as it recovers.

The purpose of tonight's debate is to highlight the fact that we feel that we have been let down in one aspect and that the spirit of and intention behind the funding that the Scottish Executive made available to VisitScotland for foot-and-mouth recovery are not being followed through. Despite the fact that VisitScotland funded the first phase of the tourist board's three-year plan for marketing Dumfries and Galloway—a plan that it knew about and had seen—and despite having seen the success of that first year's funding in aiding recovery, it has now declined to pay over £280,000 for each of the next two years to Dumfries and Galloway Tourist Board from the £4 million that the Scottish Executive allocated to VisitScotland for foot-and-mouth recovery.

Not only can the local tourist board not complete its three-year plan, which will mean that the money that has already been spent on the first phase will have been wasted; it will not be able to attract matched funding from Europe and other agencies for its activities.

Various efforts have been made to lobby VisitScotland—so far, to no avail. Therefore, not because it is a party political issue, but because I am a representative of Dumfries and Galloway, I felt that it was necessary to bring the issue before the Parliament. I hope that tonight's debate, in which members can set out the rationale for our argument and, I hope, secure ministerial support for it, will persuade VisitScotland to change its mind. I also hope that, when Mr Philip Riddle, the chief executive of VisitScotland, next week follows through his offer to meet local representatives, he will tell us not that VisitScotland is to stick dogmatically to its original decision, but that it has seen the error of its ways, that the decision that has been made is not the right one and that VisitScotland will go ahead with the allocation of the necessary funds.

This is a cross-party effort. I was awoken this morning by the sound of Dr Murray speaking in my ear—not because she was in my house, but because she was on the local radio—saying how strongly she felt and that she very much hoped that VisitScotland was not using Dumfries and Galloway Tourist Board as a political football in an attempt to leverage more funds from the Scottish Executive. Rather, she hoped that VisitScotland was considering the decision objectively. I also read in yesterday's local press the headline:

"First Minister pledges help for tourism".

Indeed, Mr McConnell is quoted as saying:

"I am absolutely determined the Dumfries and Galloway area gets at least the resources it was expecting for tourism purposes. I will go back and I will ask the questions I have been asked to ask. If any action is required it will be taken."

I am sure that, after visiting Dumfries and Galloway, Mr McConnell will know that the £300,000 that is being paid by the Scottish Executive's environment and rural affairs department to fund an eco-tourism project in the area is nothing to do with promoting the area and is not, in any shape or form, the equivalent of the £280,000 that we believe is due from VisitScotland. Those are completely separate pots of money. I am sure that the Deputy Minister for Tourism, Culture and Sport is aware of that and I hope that there has been no attempt to brief her otherwise.

Nor is it the case that Dumfries and Galloway Tourist Board will receive any meaningful extra resource in its role as the lead area tourist board in developing the freedom of Scotland product group. That, too, is a red herring and I hope that the minister will not waste time in rehearsing those claims, but will use her wind-up speech, in her unique position as a representative of one of the constituencies that is affected, to endorse the legitimacy of this call for additional funding for Dumfries and Galloway Tourist Board so that we

can complete the recovery from foot-and-mouth disease.

17:29

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): As David Mundell says, tourism is a very important industry in Dumfries and Galloway. It is the single most important industry in Scotland. Opinions differ about whether it is the most important or the second most important industry in Dumfries and Galloway, but it is pretty near the top of the list. As David Mundell implied, tourism has an impact on many other businesses that would not categorise themselves as specifically tourism-related. Interestingly, it is one of the main routes of diversification for people in the agricultural sector who want either to get out of agriculture or at least to hedge their bets and bolster their agricultural income, which, as we all know, is subject to ups and downs—mostly downs.

In an attempt to recover from the ravages of foot-and-mouth disease, which effectively closed off Dumfries and Galloway not just from England but from the rest of Scotland, Dumfries and Galloway Tourist Board put together a coherent recovery plan. As far as we can tell—the board has the evidence, which it has evaluated in a sensible and rigorous way—the recovery plan has been very successful. The board's advertising campaigns in the north-east of England, in Glasgow and on the buses have brought a significant number of visitors back to Dumfries and Galloway. We have all been gratified by the number of people who have returned to the area in the spring and in what so far passes for the summer.

However, we cannot rely on that trend continuing. The board has planned a coherent strategy that was to last for three years. It has also planned what it intends to do with the rest of its budget. It is not the case that money that the board will not now receive for the remaining two phases of the plan can be taken from somewhere else. The board made its plan on the basis that the money for the next two years would be forthcoming. It believed that it had been promised the money, but now it seems that that money will not come.

We are talking about fairly small sums of money—sums that form a negligible proportion of the Scottish Executive's budget and that are small even compared with the overall budget of VisitScotland.

I am glad that David Mundell referred to the sum that has been made available for eco-tourism, which is almost the same as the amount required to fund the foot-and-mouth recovery plan. We

have been told that the eco-tourism money is in some way a substitute for the money that the board is seeking, but it is not the same thing. An eco-tourism scheme that has hardly gone beyond the evaluation stage cannot be equated with a scheme that exists to encourage and foster a mature industry. Neither does the eco-tourism scheme accord with the belief of Dumfries and Galloway Tourist Board that the region should play to its strengths by focusing on the strong niche markets that have been identified.

When the foot-and-mouth crisis occurred, Dumfries and Galloway and—to a lesser extent—the Borders held the line for the rest of Scotland. All of the pain was borne in Dumfries and Galloway—physical pain, emotional pain and financial pain. Real pain was inflicted on the people and industries of Dumfries and Galloway. They deserve no less than to have the recovery plan that they have been promised brought to fruition. They will feel betrayed if the money for that plan is not forthcoming.

17:32

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): Although the motion mentions Dumfries and Galloway Tourist Board specifically, I hope that David Mundell and the minister will recognise that the issue that we are debating is also relevant to the funding of Scottish Borders Tourist Board.

The minister will recall that I contacted the Scottish Executive environment and rural affairs department some months ago, when this problem first came to my attention. I know that in recent weeks there have been further contacts between the department and Scottish Borders Tourist Board.

One of my first concerns was that the absence of second-year funding might make it impossible for Scottish Borders Tourist Board to draw down European funding that was dependent on matching funds. I understand that to some extent that problem has been solved. Nevertheless, it is more than unfortunate that Scottish Borders Tourist Board and Dumfries and Galloway Tourist Board had clear and reasonable grounds to hope and expect that second-year funding of more than £200,000—in the case of Scottish Borders Tourist Board—would be forthcoming. The two boards became aware that that would not be the case only late in the day, when marketing initiatives were on the stocks and ready to go.

Scottish Borders Tourist Board is very successful in promoting niche markets and in targeting groups in the short breaks market. However, such marketing requires high-quality and well-directed promotion schemes. It needs to

be planned well ahead.

The first tranche of money was spent early and effectively, after the foot-and-mouth outbreak had decimated the tourism industry in the Borders throughout the spring and summer months of 2001. Strenuous efforts were made to compensate for that at the back end of the season.

The second tranche, which will now not be delivered, would have been invaluable in reinforcing the message in the new tourist season. The effects of foot-and-mouth disease cannot be overcome during the back end of one tourist season. A plan was in place and there was an expectation that funding would be made available. The Executive told us that VisitScotland had been given money to fund recovery from foot-and-mouth.

I recognise that VisitScotland was not allocated as much funding as it expected. The body made a strategic decision that generic advertising for the whole of Scotland represented the best value for the industry as a whole. However, it is unfortunate that more generous funding was not made available to VisitScotland in an important recovery year. I regret the fact that even the money that was given was not passed on to those two authorities in the manner expected.

I hope that ministers will endeavour to draw any extra money that can be found in the Scottish block towards the tourism industry, which is so important to our economy. I also hope that the ministers and the ATBs, which work with VisitScotland, will try to squeeze out of VisitScotland whatever money is left in its budget in order to draw that money towards the two ATBs.

My final plea is to ministers and to VisitScotland. I want them to discuss the issues that have been raised in the debate and to do whatever they can, with whatever funds are available, to recognise the unique way in which Dumfries and Galloway and the Borders were affected by the foot-and-mouth outbreak, as Alasdair Morgan said. I urge them to look for ways to direct funding for particular projects or niche marketing exercises towards the ATBs. Both the ATBs have worked hard to overcome massive difficulties and they deserve our full support.

17:35

Alex Fergusson (South of Scotland) (Con): As previous speakers have already graphically explained, this time last year Dumfries and Galloway was a virtual wasteland. A region that was famed for its livestock was almost denuded of it, as the aftermath of foot-and-mouth revealed its stark legacy. I described the area at the time as resembling a green desert, and that is almost exactly what it was: mile upon mile of empty fields

where normally sheep and dairy and beef cattle roam in abundance. The area even seemed to be emptied of people, as the hundreds—if not thousands—who had come to assist in the cull left, but were not replaced by the holidaymakers who normally come at this time of year. In other words, those who did not usually come went, and those who usually came did not. At the time, there was a strange, eerie feeling, and it was a strange, eerie place to live in.

Even during those darkest of hours, the talk was of recovery. Farmers whose livestock had been culled planned restocking programmes; those whose livestock had not been culled had to plan a survival strategy, as, in many ways, they may have been the financial victims of foot-and-mouth.

The tourism industry, which is so vital to that region and to the Borders—to which Ian Jenkins rightly drew attention—wondered how it could survive a season that might never happen. In fact, it was a non-season, during which the industry's only lifelines were the offer of £5,000 interest-free loans from the enterprise company and a nine-month rates relief package from the council. The latter was a genuinely meaningful measure, but the former was a measure that was grasped because of desperation. Even as I speak, businesses are having to repay those loans, although some of them are still struggling to survive, never mind repay loans.

All the while, the message from the chamber, in countless ministerial speeches, was that Dumfries and Galloway would be treated as a special case. The then First Minister once bravely mentioned consequential compensation before those words were expunged from his dictionary. The message came across loud and clear: if people planned their strategies, the Executive would help them. To be fair, I do not doubt that some £25 million left the Executive's coffers in the direction of foot-and-mouth recovery. It is a tragedy that so little of that money reached the coalface, but that is the subject of another debate.

True to the modern ideal of working in partnership, the local council, the enterprise company, the tourist board and the Federation of Small Businesses produced a three-year recovery plan. Part of that plan involved a three-year tourism recovery strategy that was carefully designed to target the domestic short-break market in the hope of bringing about an autumn recovery last year, to be followed by a further two years of specifically targeted marketing. The amount of money involved was hardly huge. At the time, we described the situation as one in which tourism in Dumfries and Galloway had 90 per cent of the foot-and-mouth problem, but received only 10 per cent of the funding. Nonetheless, the three-year plan was put in place and it is important to

note that the plan was approved and agreed by VisitScotland.

Euan Robson (Roxburgh and Berwickshire) (LD): Alex Fergusson made a fundamental point. It had been everyone's understanding that VisitScotland had approved—or at least was well aware of—the three-year programme, and that, at the time, it recognised the continuing need to rekindle the tourism industry. Does he agree that that is why it is so regrettable that VisitScotland has not delivered the funding to the ATBs in the way they had anticipated?

Alex Fergusson: The member is absolutely correct. I do not doubt that that argument is fundamental to the debate and to the motion. The fact that the plan was approved and agreed is important.

The plan was a great success, in that for every £1 spent on the campaign, £6.50 was brought back into the local economy. Alasdair Morgan rightly touched on that point. All those in the industry began to be buoyed up by the thought that perhaps they had the future that, at one time, they believed might not exist.

The obvious response by VisitScotland would surely have been to increase the funding in the wake of such success. The funding was a pitiful £280,000 for this year. However, VisitScotland's reaction was not to increase the funding. The funding was not cut by 10 or 15 per cent; it was cut off altogether. Is it any wonder that local reaction to that is one of utter devastation, that the talk is of betrayal and distrust and that the thinking is that this most rural of regions has been let down yet again by urban decision makers?

VisitScotland says that it can spend the money better, but can it prove a return of six and a half to one on its centralised schemes? VisitScotland will blame the Executive for cutting funding from £12 million to £4 million. The Executive will say, no doubt, that the distribution of VisitScotland's funding is a matter for that organisation. I inform members that the tourist operators of Dumfries and Galloway, and probably the Borders, do not care who is to blame or about the political niceties of the situation. They want the £280,000 that they were promised—I use that word advisedly—only last year in the wake of the greatest economic disaster that the region has ever seen.

The local tourist board once used a slogan that suggested that Dumfries and Galloway was Scotland's forgotten region. It is time that VisitScotland's short memory was reawakened by the Executive and that its promise was kept. I hope that the minister can tell us that the Executive will undertake here and now to ensure that VisitScotland honours its promise and that Dumfries and Galloway region is remembered

again as the special case that it undoubtedly deserves to be. I support the motion.

17:41

The Deputy Minister for Tourism, Culture and Sport (Dr Elaine Murray): I would like to start by associating myself with the remarks of David Mundell in respect of our colleague Adam Ingram who, I am sorry to learn, has been taken ill today. I hope that Mr Morgan will transmit to him all our good wishes for a speedy recovery.

I am grateful to Mr Mundell for securing this debate. It enables me to talk a bit about discussions that have been taking place on the matter. Obviously, as a local member in Dumfries and Galloway who was heavily involved, like other members from the region, in the foot-and-mouth crisis, it is sometimes difficult to look back and think how recently all that happened and how devastating it was to so many people in so many industries. It is a mark of the extraordinary fortitude of the people of Dumfries and Galloway and the Borders that they were able to pick themselves up, recover and work with a vision of a future, when it would have been so easy to slide down into the depths of despair.

I have met with several of the local stakeholder partners during the past few weeks and my colleague Mike Watson met with Dumfries and Galloway Tourist Board on 20 May. As members will know, the First Minister visited the region on Monday and took the opportunity to meet with Norma Hart, the chief executive of Dumfries and Galloway Tourist Board, and Norma Findlay. He received a copy of a detailed analysis of how they spent last year's allocation, which totalled—when all partners were taken into consideration—something like £1.6 million. I am grateful to Mike Watson and the First Minister for the attention that they have given to the representations that they received on the matter and for bearing with my many complaints on the issue.

I would not like members to go away with the idea that I do not support what VisitScotland is doing in terms of product-based marketing, because I think that there are many values to places such as Dumfries and Galloway in an approach that looks at a particular strength of Scotland, whether that be hill walking, wildlife tourism or arts and heritage tourism. There is a particular strength in that type of marketing because it flags up what Scotland is good at and, by advertising the product, benefits those regions that might be less well known. For example, Dumfries and Galloway might be less well known for hill walking than the Highlands. We in the south of Scotland know of and appreciate the strengths of our region, but other people may not know about them. Product-based marketing gives the

opportunity for those strengths to be flagged up.

The First Minister made an announcement in Dumfries on Monday about the eco-tourism co-ordinator. As David Mundell rightly said, the funding comes from rural development department money from last year. The eco-tourism project is aimed particularly at helping farmers to diversify into tourism. Therefore, the money will be available for grants to promote an eco-tourism product. We want to enable people to diversify and enable farmers to become involved in environmental discussions. The initiative is not the same as niche market tourism; it is a different project. I am grateful to the rural development department for making available that money, which was disbursed through VisitScotland. I am sure that that project will bear great fruit and I was grateful that the First Minister took the time to launch it.

There is an increasing interest in eco-tourism. Although another area tourist board will take the lead on the niche marketing of eco-tourism, it is important that we develop it in Dumfries and Galloway for reasons that include the fact that we have the biggest wetland area in Scotland and therefore have a particular product that we can advertise.

Tourism is one of Scotland's most important industries, accounting for £4 billion of expenditure and 200,000 tourism related jobs, which make up around 8 per cent of the work force. Of course, it is much more important in rural areas such as Dumfries and Galloway, where it accounts for more than 11 per cent of employment. One of the ironies of the foot-and-mouth disease outbreak was that Dumfries and Galloway's two most important industries, agriculture and tourism, were both badly affected.

From the conversations that I have had with colleagues, I know that Scottish ministers recognise that Dumfries and Galloway and the Borders were particularly badly affected by the outbreak. That is one of the reasons why a lot of money was put into the area last year, including £1.65 million from the Scottish Tourist Board, which I believe has been put to good use. I was impressed with the detailed analysis that Dumfries and Galloway area tourist board has made of the money that has been allocated.

Alex Fergusson: The minister accepts that that money has been wisely spent, but does she accept that it was part of a planned three-year programme of identification of markets and that it must be followed up or else the £1.6 million that was spent last year will be good money down the drain?

Dr Murray: I am coming to a point that might be of interest to the member.

Mike Watson and I have listened to the views that have been expressed to us and have considered them carefully. As I said, Mike Watson and the First Minister have met the ATB and have listened to what Norma Hart said. All of us, including VisitScotland, are agreed that the Dumfries and Galloway foot-and-mouth disease recovery plan should be funded from additional resources that we will endeavour to make available through VisitScotland. We want to do that and we will make sure that it happens. That will enable the area tourist board to proceed with additional marketing to follow through the work that was undertaken last year and earlier this year.

Ian Jenkins: Would the minister repeat what she has just said, but include the Borders this time?

Dr Murray: Mike Watson and I have been able to examine the detailed report that was provided by the Dumfries and Galloway area tourist board. If the Borders area tourist board could provide us with similar written evidence, we will give it the same sort of consideration.

It is important to build on what has already been achieved and I hope to see the benefit of the continued recovery of tourism in Dumfries and Galloway. That recovery has already been good, but I strongly believe that additional support is required to enable the recovery to continue and allow the region to get to the point that it would have been at if the foot-and-mouth disease outbreak had never happened.

I am convinced that VisitScotland's approach of product-based marketing will bring dividends for this country and for the less well known remote and rural areas. That will provide an opportunity to showcase and benefit the south of Scotland, which I still firmly believe does not get the credit and recognition that it should in tourism.

I hope that members will be reassured that we have taken the subject very seriously. I am very grateful for the support that has been offered to me on this matter by my colleague Mike Watson and by the First Minister. We will be doing our utmost to enable the recovery in Dumfries and Galloway to continue.

Meeting closed at 17:50.

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