

# **MEETING OF THE PARLIAMENT**

Thursday 24 June 2004

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2004.

Applications for reproduction should be made in writing to the Licensing Division,  
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ  
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate  
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The  
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now  
trading as The Stationery Office Ltd, which is responsible for printing and publishing  
Scottish Parliamentary Corporate Body publications.

---

# CONTENTS

Thursday 24 June 2004

## Debates

Col.

<b>CROSS-BORDER STUDENTS</b> .....	9485
<i>Statement—[Mr Jim Wallace].</i>	
The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace) .....	9485
<b>STANDING ORDERS</b> .....	9499
<i>Motion moved—[Iain Smith].</i>	
Iain Smith (North East Fife) (LD) .....	9499
Richard Baker (North East Scotland) (Lab) .....	9501
Mr Jamie McGrigor (Highlands and Islands) (Con) .....	9502
Iain Smith .....	9502
<b>BUDGET PROCESS 2005-06</b> .....	9503
<i>Motion moved—[Des McNulty].</i>	
Des McNulty (Clydebank and Milngavie) (Lab) .....	9503
Jim Mather (Highlands and Islands) (SNP) .....	9507
Mr Ted Brocklebank (Mid Scotland and Fife) (Con) .....	9511
Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD) .....	9513
Mark Ballard (Lothians) (Green) .....	9517
Richard Lochhead (North East Scotland) (SNP) .....	9519
Dr Elaine Murray (Dumfries) (Lab) .....	9521
John Swinburne (Central Scotland) (SSCUP) .....	9524
Brian Adam (Aberdeen North) (SNP) .....	9525
Tommy Sheridan (Glasgow) (SSP) .....	9527
Ms Wendy Alexander (Paisley North) (Lab) .....	9528
Mr David Davidson (North East Scotland) (Con) .....	9530
Alasdair Morgan (South of Scotland) (SNP) .....	9532
The Deputy Minister for Finance and Public Services (Tavish Scott) .....	9533
Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP) .....	9537
<b>FIRST MINISTER'S QUESTION TIME</b> .....	9540
<b>QUESTION TIME</b> .....	9552
<b>EFFICIENT GOVERNMENT</b> .....	9576
<i>Statement—[Mr Andy Kerr].</i>	
The Minister for Finance and Public Services (Mr Andy Kerr) .....	9576
<b>SCHOOL EDUCATION (MINISTERIAL POWERS AND INDEPENDENT SCHOOLS) (SCOTLAND) BILL: STAGE 1</b> .....	9590
<i>Motion moved—[Peter Peacock].</i>	
The Minister for Education and Young People (Peter Peacock) .....	9590
Brian Adam (Aberdeen North) (SNP) .....	9593
Lord James Douglas-Hamilton (Lothians) (Con) .....	9595
Robert Brown (Glasgow) (LD) .....	9597
Rhona Brankin (Midlothian) (Lab) .....	9599
Rob Gibson (Highlands and Islands) (SNP) .....	9601
Mr Brian Monteith (Mid Scotland and Fife) (Con) .....	9602
Mr Kenneth Macintosh (Eastwood) (Lab) .....	9603
Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD) .....	9605
Stewart Stevenson (Banff and Buchan) (SNP) .....	9607
Ms Rosemary Byrne (South of Scotland) (SSP) .....	9608
Dr Elaine Murray (Dumfries) (Lab) .....	9610
Murdo Fraser (Mid Scotland and Fife) (Con) .....	9612
Mr Adam Ingram (South of Scotland) (SNP) .....	9614
The Deputy Minister for Education and Young People (Euan Robson) .....	9615
<b>SCOTTISH PARLIAMENT BUILDING PROJECT (FRASER REPORT)</b> .....	9619
<i>Motion moved—[Murray Tosh].</i>	
<b>PARLIAMENTARY BUREAU MOTION</b> .....	9620
<i>Motion moved—[Patricia Ferguson].</i>	
<b>BUSINESS MOTION</b> .....	9621

*Motion moved—[Patricia Ferguson]—and agreed to.*

<b>POINTS OF ORDER</b> .....	9622
<b>DECISION TIME</b> .....	9624
<b>EDUCATION FOR PEACE</b> .....	9627
<i>Motion debated—[Chris Ballance].</i>	
Chris Ballance (South of Scotland) (Green) .....	9627
Elaine Smith (Coatbridge and Chryston) (Lab) .....	9629
Linda Fabiani (Central Scotland) (SNP) .....	9631
Lord James Douglas-Hamilton (Lothians) (Con) .....	9633
Eleanor Scott (Highlands and Islands) (Green) .....	9634
Ms Rosemary Byrne (South of Scotland) (SSP) .....	9636
David Mundell (South of Scotland) (Con) .....	9636
John Swinburne (Central Scotland) (SSCUP) .....	9638
Robin Harper (Lothians) (Green) .....	9638
The Deputy Minister for Education and Young People (Euan Robson) .....	9640

## **Oral Answers**

**Col.**

<b>FIRST MINISTER'S QUESTION TIME</b> .....	9540
Cabinet (Meetings) .....	9541
Planning System (Third-party Right of Appeal) .....	9549
Prime Minister (Meetings) .....	9540
Scottish Prison Service (Senior Management) .....	9547
Secretary of State for Scotland (Meetings) .....	9545
<b>QUESTION TIME</b>	
<b>SCOTTISH EXECUTIVE</b> .....	9552
<b>EDUCATION AND YOUNG PEOPLE, TOURISM, CULTURE AND SPORT</b> .....	9552
Culture Commission .....	9559
Education Projects (Transition from Primary to Secondary School) .....	9558
Film Locations (Ayrshire) .....	9552
Publishing Industry .....	9554
School Rolls .....	9557
Schools (Class Sizes) .....	9553
Schools (Scots Language Teaching) .....	9556
<b>FINANCE AND PUBLIC SERVICES AND COMMUNITIES</b> .....	9560
Affordable Housing .....	9562
Antisocial Behaviour (Light and Noise Nuisance) .....	9562
Green-belt Land .....	9565
Homelessness etc (Scotland) Act 2003 (Implementation) .....	9566
Residential Properties (Fuel Poverty and Energy Wastage) .....	9560
<b>GENERAL QUESTIONS</b> .....	9567
Children (Physical Punishment) .....	9568
Christmas Day and New Year's Day Trading (Scotland) Bill .....	9571
Renewable Energy .....	9574
ScotRail Franchise .....	9572
Small Businesses (Support) .....	9571
United Kingdom Fishing Industry .....	9567
Waste Water Treatment Plants (Odour Emissions) .....	9569

---

## Scottish Parliament

*Thursday 24 June 2004*

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

### Cross-border Students

**The Presiding Officer (Mr George Reid):** Good morning. The first item of business is a statement by Jim Wallace on future arrangements for cross-border students. The minister will take questions at the end of his statement. There should be no interventions.

09:30

**The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace):** I would like to make a statement on cross-border student issues arising from the proposed implementation of variable fees in England from the academic year 2006-07.

The Executive led the way in upholding the principle of free university tuition. I am immensely proud that we abolished tuition fees for eligible full-time Scottish and European Union students in Scotland as one of our first acts.

Before I explain the future arrangements for cross-border students starting courses from 2006, I confirm that the threshold for repayment of income-contingent student loans will increase to £15,000 from April 2005. Loans will be repaid at the same rate—9 per cent of income above the threshold—and that will apply to all student loan borrowers who are supported under the current loan system, which was introduced in 1998-99, including those who are already in repayment.

I turn now to the subject of today's statement, which is one that we were asked to address by both the Enterprise and Culture Committee's Scottish solutions report and our own phase 3 higher education review. Two related issues emerged from those inquiries. First, how should Scottish students be assisted with the costs of higher fees in England from 2006? Secondly, could higher fees south of the border stimulate more students from elsewhere in the United Kingdom to apply for places at Scottish higher education institutions?

When I addressed the chamber in March, after publication of our phase 3 higher education review, I made it clear that our absolute priority would be to ensure that Scotland-domiciled students are not disadvantaged as a result of Westminster's proposals. At that time, I also gave an undertaking to inform Parliament of our response to the phase 3 review before the

autumn. Further announcements affecting the sector will follow the spending review later in the summer. However, today I am announcing two sets of related changes that will protect Scotland-domiciled students wherever they choose to study and which will take effect from 2006-07.

The first deals with the position of students from Scotland who wish to study in England. Following the changes that the United Kingdom Government is proposing, from 2006-07 Scottish students who go to England will have to pay any variable fees associated with the courses that they choose to study. I can announce today that the Executive will provide those students with a subsidised student loan to cover their whole tuition fee cost up to £3,000 a year.

We are conscious that providing support for fees and living costs in the form of a student loan will mean that some Scots studying in England will risk building up high levels of debt. To reduce that risk, we will also be greatly improving the bursaries that are available to that group. Currently, bursaries stand at just over £500. We will replace up to £2,000 of the student loan for living costs with a means-tested bursary. Students whose parents earn up to £20,000 or whose spouse earns up to £18,000 will receive the maximum bursary, and some bursary will still be available up to income of around £30,000.

This is the best possible package of measures that the Executive can put in place for Scottish students for whom study in England is the preferred choice. Because of European law constraints, we cannot entirely shelter that group from the changes in England. As many will already be aware, if we were to pay the fees for those Scottish students, we would also have to pay the fees for every European Union student at an English university. However, with full loans for fees and better bursaries, we are ensuring that the healthy flow of Scots into universities elsewhere in the United Kingdom can continue.

That takes me to the second element of the package that is being announced today. Non-Scots UK students who choose to study here are already asked to pay a fee of £1,125 per year. With the usual uplifts for inflation, that figure would stand at about £1,200 in 2006-07, so courses in Scotland could become a much cheaper alternative, and so the pressure on places here could increase significantly, to the detriment of Scottish applicants. Early indications, such as this year's 12 per cent increase in applications from UK students to study in Scotland, highlight clearly the risk that we face if we do nothing. I am absolutely clear that doing nothing is not an option.

Of course, the issue is difficult. Tough choices have had to be made, and I can assure members

that the decisions that have been taken have not been arrived at lightly. In our deliberations, I have never lost sight of the fact that my first responsibility is to protect the interests of Scotland-domiciled students. My Cabinet colleagues and I have discounted quotas in our universities based on domicile—indeed, I am not aware of any serious advocates of that approach—so the obvious and sensible alternative is to bring the cost of study for non-Scottish UK students closer to what they will be charged elsewhere.

The chamber should be in absolutely no doubt that the change that we are proposing will not affect those eligible Scottish and European Union students who study full time in Scotland and who presently face no tuition fee. All those students who have benefited from our abolition of fees in Scotland will continue to benefit from it. Absolutely nothing will change for that group of students. Because of the changes made by this Executive, they will continue to pay absolutely nothing for their tuition.

However, from 2006 we will increase the current flat-rate fee payable by other full-time students—mainly those from elsewhere in the United Kingdom—by more than inflation. By how much will depend on the final decisions taken in England. With different English universities able to charge different fees for different courses—anything from zero to £3,000 per annum—offset by a potentially complicated range of institutional bursaries, the final position south of the border will not be clear until at least the end of the year. That makes it impossible for ministers to determine precisely what increase we will put in place, but I want to give members a clear indication of the fee range that we are considering.

We will be guided by certain clear principles. For example, there is no desire to make the overall fee cost of four-year courses in Scotland more expensive than the cost of three-year courses in England. We will take that into account in setting the level of fee. We have no desire to make the overall cost of Scottish universities more expensive than the cost of their English counterparts. However, the new fee should be sufficiently high to influence demand. At this stage, our best estimate is that we will raise the existing annual flat-rate fee by between around £500 and £700, so that the overall figure in 2006-07 will be in the range of £1,700 to £1,900. For the benefit of members, a fuller document explaining the proposals in more detail has been placed in the Scottish Parliament information centre.

I take this opportunity to set out some of the main points that flow from this announcement. As I have said, there is absolutely no question of individual institutions being able to set their own

fees. There will continue to be a national flat-rate figure. We do not want the changes to affect part-time students who have to pay their own tuition fees, so only full-timers will be affected. We do not want the changes to affect any students who began their courses before 2006-07, so only students who begin in or after 2006-07 will be affected. Neither will the changes impact on overseas students who are already subject to separate, full-cost fee arrangements. We will consider over the coming months whether there are other categories of student from among those who are currently self-funded who might need to be sheltered from the changes.

We would not go down this route if it created a counterproductive incentive for individual institutions to recruit students from other parts of the United Kingdom. To avoid that, we will be rebalancing the existing funding streams to institutions through the Scottish Higher Education Funding Council and the Student Awards Agency for Scotland, so that where a student comes from will continue to be irrelevant to institutions in respect of the package of funding that they receive. We will work with Universities Scotland to ensure that the changes to underlying funding streams are made in a transparent way, so that the sector can be confident that the overall resources that are available to it for teaching are not being reduced.

Under the current Quigley agreement, the Executive pays for the fourth-year fees of eligible non-Scotland-domiciled UK students to remove the possible disincentive of an extra year's worth of fees for those students. I now propose to abolish the Quigley arrangement for students who start a course from 2006-07. However, the principle underlying Quigley is an important one, and we will factor in the fee cost for the extra year of study in Scotland when fixing the new fee level.

One other issue that we wish to examine was raised in the Calman report, which was published earlier this month, and in the evidence of the British Medical Association to the Enterprise and Culture Committee's inquiry. Professor Calman highlighted the fact that around half of our medical students already come from outwith Scotland. He noted that the changes in fee levels in England might make the difficulty of recruiting sufficient numbers of graduates to the national health service in Scotland worse. Therefore, as part of the consideration of the implementation of the changes, we will examine the case for setting—exceptionally—a separate, higher flat-rate fee for medicine.

The two changes that I am announcing today are closely linked, because helping Scottish students with the higher fees that they will be charged by English universities will carry a cost for

the Scottish budget. Therefore, as a critical component of the package, we intend to ensure that the first call on the extra revenue that is generated by increasing the fee levels for non-Scots who come here will be on meeting that extra cost. I have agreed with my Cabinet colleagues that any surplus over and above what is needed for that purpose will become a pooled resource for the Scottish higher education sector as a whole.

Today, my officials are writing to the main organisations that represent students, universities and colleges with an invitation to join an implementation group, together with the funding councils and SAAS. I will ask the group to examine the detailed issues, including administrative issues and the potential for categories of students to be exempt, with the aim of such points being resolved by the end of the year at the latest.

The decisions have not been easy, but I firmly believe that they are the right way forward in the management of cross-border student flows following the changes that we expect in England in two years' time. I believe that the package is a balanced and measured response that unashamedly puts Scotland-domiciled students at its heart, protecting their opportunities and safeguarding their choices, and I commend it to the Parliament.

**The Presiding Officer:** Mr Wallace will take questions on the issues raised in his statement. I will allow about 20 minutes.

**Brian Adam (Aberdeen North) (SNP):** I thank the minister for his courtesy in providing an advance copy of the statement. I welcome the changes that are on offer but I have some questions. I am disappointed that the minister perpetuates the myth that the charging of fees to students has been abolished. In reality, whether he calls it an endowment or whatever, students are charged to go to university.

On the detail of the minister's statement, I welcome the fact that he is to address the difficulty with medical schools in Scotland. I look forward to hearing detail on the level of charge that will protect the national health service in Scotland.

I am a little concerned about the minister's suggested flat-rate fee for UK students who are not Scotland-domiciled. The figures show that the bulk of such students are, obviously, from England and that they attend a limited number of our higher education institutions. Although many of them come here as their first choice, some come here as their second choice. If Oxford and Cambridge charge £3,000 per year and Edinburgh, St Andrews, Aberdeen or Glasgow charge £500 per year, there will not be sufficient disincentive, which will cause access to places for Scotland-domiciled

students on courses in Scotland to be squeezed. Will the minister assure us that there will not be an even higher level of applications from disappointed students from England who cannot get into their universities of choice south of the border and who then squeeze out Scotland-domiciled students?

**Mr Wallace:** I am grateful to Mr Adam for the general welcome that he has given to the proposals. I reiterate the fact that tuition is free for Scotland-domiciled students who attend Scottish HEIs for their first degree. Mr Adam will recall that, as a result of an act of this Parliament, the graduate endowment is ring fenced for support for future generations of students.

I take Mr Adam's point about cross-border flows of English students to Scottish universities—that concern was flagged up by the Enterprise and Culture Committee as well as by our phase 3 review and is one of the key drivers for my announcement today. I might have misunderstood Mr Adam's question, or he might have misunderstood what I said, but it is not a question of Edinburgh or St Andrews charging £500 as opposed to Oxbridge charging £3,000. I said that the increase would be in the range of £500 to £700, so the likely charge will be somewhere between £1,700 and £1,900, but we must wait until we have a better picture of what is happening south of the border. It is unlikely that every university will charge £3,000 for every course, but we must wait and see what picture emerges. That is why I cannot give an exact figure. Also, as I said, we have to factor in the fact that there are four-year degree courses in Scotland. I do not believe that charging the full £3,000 would be the right thing to do.

When we set the fee level, we will take into account the factors that I have mentioned. I assure Mr Adam that one of our considerations will be the fact that although we do not want a substantial increase in the number of students from outwith Scotland, it is equally important for our universities to have students from other parts of the United Kingdom and we do not want to cut off that flow. That is the challenge that we have. The matter is inexact, but the best evidence that we have suggests that we should pitch the fee at a level that allows the cross-border flows that have benefited our universities but which does not lead to Scottish students being denied places because of an excessive number of students coming from south of the border.

**Murdo Fraser (Mid Scotland and Fife) (Con):** I welcome the Deputy First Minister's statement and I am obliged to him for providing me with an advance copy. As he knows, we have been pressing for answers to the issues for some time and we were told that we would get them in early summer. It does not feel like early summer today,

but technically I think that it is.

I welcome the Deputy First Minister's attempt to address the serious issues, which are, I accept, not of the Scottish Executive's making. However, I fear that the solution that is being proposed today might create more problems than it solves. I have four questions to put to the Deputy First Minister.

First, the Executive proposes to subsidise the student loans that are provided to Scottish students who go to English universities to pay their fees. Does the Deputy First Minister accept that, in effect, Scottish taxpayers will subsidise English universities? Does he accept that Scottish universities will find it bizarre that money will go from the Scottish budget into the coffers of English universities even though the Scottish sector already faces disadvantage due to the additional income scheme that is being created for their competitor institutions south of the border, with all the implications that it has?

Secondly, on the converse situation, as there will be a fixed fee in Scotland but variable fees south of the border, does the Deputy First Minister accept that in some cases Scottish universities might be more expensive than their English counterparts? Does he accept that there will therefore be a disincentive for English students to come to some Scottish institutions, perhaps those lower down the scale?

Thirdly, English students who come to Scottish universities will, uniquely, have to pay higher fees than Scottish or EU students. Only the English students in a lecture room will pay the higher level of fees. What message does the Deputy First Minister think that that sends to students in England about Scotland as a place to study? Is not the message entirely at odds with the strategy, outlined in the fresh talent initiative, to encourage talented young people from outwith Scotland to study here and to stay on after they have graduated?

Finally, is it not the case that the problems that the Executive is struggling with have been caused entirely by the UK Labour Government forcing through an unpopular policy without considering its likely impact on Scotland? Is it not the case that the only solution to the problem is to scrap top-up fees in England? That will be delivered only by the return of a Conservative Government.

**Mr Wallace:** Mr Fraser makes a number of points and I have great pleasure in responding to them. I thank him for the welcome—albeit heavily qualified—that he gave to the statement.

His first point, on Scottish taxpayers subsidising English institutions, is a rather curious point to come from a Conservative and a unionist. One might argue that we get the block grant from British taxpayers' money. It is also fair to point out

that the first call on the flat-rate fee that we will charge students who come from other parts of the UK will be to fund the subsidised loan. It is expected that there will be a surplus—its size will depend on the level at which we set the fee—which will be a pooled resource for Scottish HEIs. If anything, the net result of the announcement will be more income flowing into Scotland's universities.

Murdo Fraser's second point was on the fact that England will have variable fees and Scotland will have a fixed fee. We have indicated that we do not support the idea of variable fees. There is a possible exception with regard to medical degrees, on which we want to take soundings for good reasons of wanting to protect the national health service in Scotland, but I believe that it would be hugely bureaucratic to try to establish variable fees for different courses at different institutions in Scotland. One of the reasons why I cannot announce the exact amount of the fee today is that, when we come to set the fee, we want to take into account what is happening in the English universities. Some courses may well be more expensive in Scotland than they are in England and, of course, other courses may well be less expensive. However, we will consider the broad picture before setting the fee.

I do not think that the situation will necessarily lead to English students not wanting to come to Scotland. Murdo Fraser makes the point that if an English student was sitting next to a Scottish student in the University of Edinburgh, one of them would be paying a fee and one would not be. That is the position at present and, given that there has been a 12 per cent increase in applications from English students this year, it does not seem to have put them off.

One way of resolving the issue would be for the UK Government to follow the example of the Scottish Parliament and abolish tuition fees. That is a matter for the UK Government. I emphasise the fact that the UK Government respects the devolved arrangement. It respects the Scottish Parliament's right to take the decisions that we want to take and we must respect its right to take the decisions that it wants to take. Of course, we can have a political debate about those decisions, but I note that the Scottish Conservatives in Westminster did not oppose the introduction of tuition fees—

**Alex Neil (Central Scotland) (SNP):** There is only one of them in Westminster.

**Mr Wallace:** Admittedly, there is only one member of the Scottish Conservatives in Westminster. The entire membership of the Scottish Conservative and Unionist Party in Westminster did not oppose the introduction of tuition fees.

We must respect the responsibility that the UK Government has to pass legislation—bearing in mind the fact that Scottish members have the opportunity to contribute to that process—just as Charles Clarke has confirmed to me that he accepts that the Scottish Parliament has the right to determine what we do in Scotland.

**Richard Baker (North East Scotland) (Lab):** I welcome the Deputy First Minister's confirmation that the threshold for repayment of the graduate endowment is to rise.

Earlier, the Deputy First Minister referred to decisions made by Westminster. Can he confirm that appropriate consultation took place between the Scottish Executive and the Department for Education and Skills before this decision was made, as consultation was an important issue that was raised in the committee report?

Does the minister agree that, while the proposals outlined today are part of the solution to the problems created by England's introduction of top-up fees, the major way of resolving the issues would be to find ways of putting extra resources into our universities to create a level playing field? Does he agree that that would resolve some of the issues relating to cross-border flows of students?

**Mr Wallace:** Richard Baker said that the threshold for the repayment of the graduate endowment will increase. To be clear, the situation is that the graduate endowment is immediately payable on the April after graduation but can be added to the amount of the loan. Therefore, the threshold is rising to £15,000 for the entire loan.

I can assure Richard Baker that there is a dialogue between the Department for Education and Skills and the Scottish Executive. I know that consultation was an issue that caused the committee some concern with regard to the publication of the white paper south of the border in February 2003. I put on record, as I have in the past, the fact that, since taking responsibility for lifelong learning in Scotland, I have had regular meetings with Charles Clarke and regular conversations with Alan Johnson at the Department for Education and Skills and know that they are aware of what we are doing. As I indicated to Murdo Fraser, that department recognises and accepts that we have responsibilities to make Scottish decisions and—to borrow the title of the Enterprise and Culture Committee's report—to find Scottish solutions.

On extra resources, I make it clear that the reason for the proposals in my statement is to protect the interests of Scottish students, not to raise additional revenue for Scottish higher education institutions. However, as I have indicated, that is a possible outcome, and any money that is left after we have paid for Scottish

students studying south of the border will be a pooled resource for Scottish higher education institutions. The First Minister and I have already indicated that we recognise the importance of maintaining Scottish higher education's competitive edge and it will be given extra resources in the spending review. The full details of that must await Mr Kerr's announcement of the spending review after the summer recess.

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I thank the minister for his important and full statement. The minister has faced difficult issues and has taken tough decisions. It is interesting to contrast that with the lack of any concrete proposals from the Scottish National Party or the Tories. From Brian Adam, we heard the old myth that tuition fees have not been abolished—in fact, they have—and, from Murdo Fraser, we heard about the weather.

I am glad that the minister mentioned medical students. As the future of the NHS is a matter of concern to many of us in Scotland, can the minister assure me that he will work closely with Malcolm Chisholm and his officials in examining the funding and handling of that important issue in Scotland?

**Mr Wallace:** It is fair to say that, in trying to find a way forward in the situation in which we find ourselves, we have not exactly been inundated with ideas from other parties in the way that we sometimes are. Nevertheless, I think that we have struck the right balance.

The Calman report and the BMA's evidence to the Enterprise and Culture Committee flagged up the issue of medical students and our phase 3 review raised related issues. In the interests of the Scottish health service, it is important that we have an adequate flow of medical students graduating into the Scottish NHS. That is why we want to consider the issue further with key stakeholders. If setting a different fee for medical courses is what it takes to ensure that we have an adequate flow, I am sure that the Cabinet would not flinch from that decision.

**Mark Ballard (Lothians) (Green):** I welcome the fact that the Scottish Executive is taking action in response to the issues raised in the Scottish solutions report. Given that the effect of English top-up fees on the flow of students to Scotland is unclear, that not all decisions about where to go to university are based on financial factors and that not all English higher education institutions will charge a full fee, will the Executive reconsider the conditions contained in the statement if there is no significant change in student numbers coming to Scotland from other parts of the UK?

Also, does the minister agree that it should be a priority that no student, whether originally

domiciled in Scotland or in any other part of the UK, should leave a Scottish university with an overwhelming burden of debt?

**Mr Wallace:** As Murdo Fraser acknowledged when he asked his question, we have been under some pressure to make a statement on this matter in the early summer—I note that I share Murdo Fraser's concerns about whether a day such as today constitutes summer. Nevertheless, I do not think that we could have delayed making this statement much longer, for the extremely practical reason that the proposals would come into effect from the academic year starting in 2006, and Scottish students who have just completed their highers will be filling in their Universities and Colleges Admissions Service forms when they go back to school after the summer break this year and will have to decide whether they want to start university in 2005 or take a gap year, which would mean that they would start university in 2006. We want to give those people a degree of certainty about what the likely effect of choosing to have a gap year will be.

I have given an indication of the likely fee within a fairly narrow band of £1,700 to £1,900. The reason why I cannot be more exact is the very one to which Mark Ballard refers: we cannot be sure how the English higher education institutions will react. However, I would be extremely surprised if, after they have gone through everything that they have, the status quo were to remain. Of course, the picture that emerges from England will be an important factor when we fix the level of the fee in Scotland.

**Alex Neil:** I welcome the increase in the threshold for the repayment of the student loan, but point out that it is still about £10,000 below the threshold for repayment of the endowment that there would have been if the Cubie recommendations had been fully implemented.

Secondly, there is the issue of qualification for bursaries. These days, a parental income of £20,000 is not a lot of money in comparison with the average national wage. Will the minister reconsider the qualification for bursary entitlement? Many people in relatively low-income or middle-income households are suffering as a result of the measures and are not qualifying for the bursary.

My third point is about demand from students south of the border to come to Scotland. Like the minister, I welcome a mix of all nationalities in all our universities. However, the reality is that approximately 40 per cent of them come to the University of Edinburgh and another 20 per cent come to the University of St Andrews. We need to consider the pressure for places on individual institutions and courses in Scotland. Will the minister discuss with the universities how that

problem can be addressed?

**Mr Wallace:** I am grateful that Alex Neil welcomes the increase in the threshold for repayment. Although it is £10,000 lower than Cubie recommended, I explained that to set a separate threshold for that repayment would have involved a considerable administrative cost because of the differential. We would have received considerable and legitimate criticism if a substantial part of the funds raised by the graduate endowment, which are intended to help students from lower-income families, had been creamed off for administration. At least the system that we have will ensure that money goes to help students from lower-income families who will benefit from student support.

I hear what Alex Neil says about qualification or eligibility levels for bursaries. I indicated that there would be continuing eligibility for some amount of bursary right up to income of approximately £30,000. Given that the current bursary to assist students who go to live south of the border is something of the order of £520, I am sure that even Alex Neil will accept that increasing that maximum bursary to £2,000 is a significant improvement.

On Alex Neil's final point, I am regularly in dialogue with university principals but I make it clear that my proposals are institution neutral. There is nothing in today's announcement that should encourage a particular university in Scotland to go after students from other parts of the United Kingdom. I hear what Alex Neil says and the issues can be discussed, but it is important that we maintain the principle that there should be one fee for every institution and that none of the new arrangements should give an incentive or a disincentive to institutions to go after students from south of the border.

**Christine May (Central Fife) (Lab):** I welcome the minister's statement and I am glad that every party here has done so. I notice that the Scottish Socialist Party is not represented; its members obviously do not care.

The minister knows that I have taken a particular interest in the college sector and its role in delivering "A Smart, Successful Scotland". Although the minister's statement is aimed at the universities, there are implications for colleges, especially for courses with articulation arrangements with universities. Tomorrow, I am to address a conference organised by the Association of Scottish Colleges. What message would the minister like me to take to the colleges so that they can identify their role and participate in the process?

**Mr Wallace:** Christine May raises a fair point. Nothing like the same number of students from

outwith Scotland have applied for higher education courses at further education colleges, but I acknowledge that what I have announced today applies only to HEIs. I will ask the implementation group that I am establishing to consider several of the issues that arise out of my statement and to consider the specific issue of students coming from other parts of the UK to study higher education courses at Scottish FE colleges. The implementation group will be required to consider that issue as well as the issues that can sometimes arise from students who are articulating from higher education courses in FE colleges and going on to do degree courses at higher education institutions. Students can sometimes slip between the gap and the implementation group will have to consider other possible categories of exemption.

**John Swinburne (Central Scotland) (SSCUP):** Sadly, I cannot welcome receipt of the ministerial statement because, although I represent a party, I did not receive a copy of it. There are also three independent members and it should be within the minister's ability to give the four of us sight of a statement before he gets up to make it.

Tuition fees might have been abolished, but tell that to the parents who are being means tested to pay for their children's studies. Has the Executive ever considered the fact that means testing is prevalent throughout the country? Pensioners get means tested. The only people who do not get means tested are convicted criminals. If it is looking for a source of income, why does the Executive not means test all the criminals in the country and, if one of them owns a big house, do what it does with the pensioners: sell their home to pay for their incarceration? That would bring an awful lot of money into the country's coffers.

**Mr Wallace:** I am not sure whether John Swinburne is implying that I should make comparisons between the University of Edinburgh and HMP Barlinnie. The comparison is highly inappropriate and I am not quite sure of the relevance of Mr Swinburne's question.

Such means testing as there is is not for fees. Fees for eligible Scottish students attending Scottish universities are paid regardless of parental income. The means test is for the bursary, which this Administration introduced to help those who might otherwise be deterred from accessing higher education.

**Alasdair Morgan (South of Scotland) (SNP):** I would like to expand on Christine May's question and the minister's answer. He is right to say that although a lot of higher education in Scotland is undertaken in further education institutions, there is not a lot of evidence that cross-border flows are involved—except for at the border. I am thinking of movement from Dumfries to Carlisle and vice

versa, as well as in similar places on the eastern side of the country. Any possibility of movement as a result of the English changes could cause movement from the higher education sector to the further education sector. Will the minister reassure us that he will not only consider the matter in the global Scottish sense, but will consider the possible effect on areas close to the English border?

**Mr Wallace:** I will ensure that Alasdair Morgan's fair point is drawn to the attention of the implementation group.

**Lord James Douglas-Hamilton (Lothians) (Con):** Why should English students pay more than EU students to come to Scottish universities? Is that not a form of discrimination that is difficult for an enlightened Administration to justify?

**Mr Wallace:** I am grateful to Lord James for describing our Administration as enlightened—and rightly so. However, it is also an Administration that obeys the law and which is constrained by the terms of the Scotland Act 1998, which means that we must act within vires and must observe EU law. English students pay more to come to Scottish universities than EU students because we are obliged to follow EU law, which says that if we make something available to Scottish students in Scotland, it must be made available to other EU students. However, that does not apply to other students from within the member state.

**Des McNulty (Clydebank and Milngavie) (Lab):** I have a question about students taking up courses in 2005-2006, or indeed those who are already doing courses in English universities. I understand that top-up fees will be introduced in England from 2006 for courses that begin then. Will Scottish students who are currently on courses or who are about to take up courses next October be similarly protected, especially as the issue affects the Scottish budget?

**Mr Wallace:** Yes. The existing arrangements will continue for those who start courses before 2006, so I can give Des McNulty that assurance. The change in the repayment threshold will come into effect from April next year but that will not affect students who are going to start within the next two years. Until 2006-07, the existing arrangements will stay in place.

## Standing Orders

**The Presiding Officer (Mr George Reid):** The next item of business is a debate on motion S2M-1447, in the name of Iain Smith, on behalf of the Procedures Committee, on the suspension of, and on two minor changes to, standing orders.

10:09

**Iain Smith (North East Fife) (LD):** I am not sure whether to wait until after the excited rush as members enter the chamber for this important debate.

The Procedures Committee's motion invites the Parliament to note two short reports from the committee and to agree to the minor changes to standing orders that are recommended in annex A of each of those reports.

Our third report of 2004, which was published on 13 February, deals with the current rule governing suspension of standing orders. Rule 17.2 enables whole rules, or paragraphs within rules, in standing orders to be suspended, but it stops short of making it possible to suspend any part of a rule, such as an individual word or number. At the moment, rule 17.2 is rather a blunt instrument that can be used only when a workable procedure can be retained in the absence of a whole rule or part thereof. The committee therefore recommends that the rule be revised to make it possible to suspend whole rules or certain paragraphs or parts of a rule, including specific words or numbers. For example, where a deadline is set for a particular piece of business, we might wish to amend the deadline by changing only the number of days that is specified.

Other additional changes are also recommended for rule 17.2. We recommend introducing a new element of flexibility into the rule to enable an alternative provision to be substituted for the part of the rule that has been suspended. For example, we might wish to substitute a particular date for the number of days' notice that is specified in standing orders. Also, having considered the extent to which rule 17.2 prevents the suspension of those rules that relate to provisions in the Scotland Act 1998, we recommend that the revised rule should set out in more precise terms the limitations that are imposed by the 1998 act, as that will usefully extend the application of the rule on suspension.

Finally, the committee recommends retaining the current balance between motions under the rule that are permitted to be moved only by a member of the Parliamentary Bureau and those that may be moved by any member. Taken together, the proposed changes will increase the clarity, flexibility and usefulness of rule 17.2 and will

enable it to be used more precisely in a wider range of circumstances.

**Mr John Home Robertson (East Lothian) (Lab):** I am grateful for Iain Smith's explanation of what the Procedures Committee has been up to, but is the committee considering the system for selecting oral questions? Does he share my concern that individual members can go for months on end without one of their questions being selected, whereas one member can—as I see from today's *Business Bulletin*—draw first place for oral questions three times on the same day? I can assure members that I will ask three excellent questions on 1 July, but I am not sure that that is entirely fair. Will the Procedures Committee do anything about that?

**Iain Smith:** After the summer recess, the committee will review the changes that were made to question time. When we consider the evidence that we have received, we will also take account of the rather strange things that the random selection ballot sometimes throws up. None of my questions has been randomly selected for several months, so I know of that problem. The committee will address that issue later.

The second report to which the motion refers was published on 10 June and recommends two minor changes to standing orders. The first of those is a change to rule 5.8.1, which sets out timescales within which time needs to be set aside for the stages of the budget process. The purpose of rule 5.8.1 is to guarantee that time is made available for the annual three-stage budget process. However, the times at which the three stages of the budget process have taken place have diverged from what was envisaged when the rule was first drafted. That does not mean that the Parliament and its committees have been in breach of the rule; the rule merely guarantees that time should be set aside within the prescribed timescales for the budget scrutiny, but it does not prevent budget scrutiny from taking place outwith those times.

So far, it has not proved necessary for committees to rely on the rule for time to be kept aside for budget scrutiny. Nevertheless, we believe that it would be preferable for the rule to match up with the practice that has developed, so that if the guarantee that is provided by the rule should ever be needed, time would be made available at the point at which it was required. Our report therefore recommends that the timeframe that is allowed for stage 1 of the budget process should begin in April rather than in May and that the timeframe for stage 2 of the process should end in December rather than in November.

Given that I will not be here next week, it is perhaps appropriate that the final change that I want to recommend today—on what will be my

last day in this chamber—is a change to rule 2.7.1, which specifies the location of meetings of the Parliament. At the moment, rule 2.7.1 provides that meetings shall be held in the

“Church of Scotland Assembly Hall, The Mound, Edinburgh”.

In view of the Parliament’s forthcoming move, the committee’s report proposes that those words should be replaced with

“Debating Chamber of the Parliament, Holyrood”.

Although the change is not controversial, it is important because we need to ensure that the Parliament can meet without having to use the provisions on meeting at a different location.

Nothing would prevent some of the rule changes that I have proposed today from coming into force as soon as they have been agreed to by Parliament. However, it is sensible that the change to rule 2.7.1, which deals with the location of meetings of the Parliament, should not come into force until the start of September. Although the timetable for migration to Holyrood is no longer in doubt, if the Parliament had to be recalled during the summer recess, it would need to meet in this chamber on the Mound. We therefore suggest that all the changes should come into effect from 6 September.

I have pleasure in commending motion S2M-1447 and the changes to standing orders that are referred to therein.

I move,

That the Parliament notes the Procedures Committee’s 3rd Report, 2004 (Session 2), *Suspension of Standing Orders* (SP Paper 93), and its 5th Report, 2004 (Session 2), *Two Minor Changes to Standing Orders* (SP Paper 174), and agrees that the changes to standing orders set out in Annexe A to each Report be made with effect from 6 September 2004.

10:15

**Richard Baker (North East Scotland) (Lab):** The Procedures Committee’s report on “Two Minor Changes to Standing Orders” recommends changes that are just that: they are minor and uncontroversial. I cannot envisage their causing any huge controversy, as the committee report makes it clear that they will do nothing more than tidy up and update standing orders. Therefore, I have little to add to the remarks of the committee convener, who has accurately reflected the report and the committee’s opinion.

On the proposed change to rule 2.7.1, it is only sensible that the default meeting place of the Parliament should be changed to Holyrood. After all, having spent all that time and money on the building, we should at least try to make use of it. Furthermore, the Church of Scotland will no doubt

want its Assembly Hall back. However, I also welcome the fact that, although the default venue for the Parliament will be changed, no amendment will be made to the following paragraph—rule 2.7.2—which allows the Parliament to meet in other venues. The huge success of the Parliament’s meetings in Aberdeen two years ago shows that temporary relocations whereby the Parliament is taken out to other parts of Scotland can be hugely beneficial, albeit that they may be administratively challenging.

The proposed change to rule 5.8.1 will simply bring the timescale for budget scrutiny that is set out in the rule into line with current practice. Again, that is a sensible move, which I cannot imagine will cause controversy.

The changes that are recommended in the “Suspension of Standing Orders” report will merely create flexibility and make standing orders more effective in light of the current practice of parliamentary business.

I have nothing more to add to what the committee convener has said, so I hope that the Parliament will agree to the motion.

10:17

**Mr Jamie McGrigor (Highlands and Islands) (Con):** The Scottish Conservatives congratulate the clerks of the parliamentary business team and of the Finance Committee on recognising the need for the proposed changes.

The change to rule 2.7.1 simply substitutes the Holyrood debating chamber for the Assembly Hall, which we use just now. The change to rule 5.8.1 will ensure more time for the three-stage budget scrutiny process. As the current timeframes are too narrow to cover what happens in the practice that has developed in the Parliament, the proposed changes will broaden the timeframes.

**The Deputy Presiding Officer (Murray Tosh):** No other member wishes to speak, so Iain Smith may make any concluding remarks that he feels are appropriate in response to the debate.

10:18

**Iain Smith:** There is nothing that I need to add at this stage. I simply commend the changes that the Procedures Committee proposes.

## Budget Process 2005-06

### **The Deputy Presiding Officer (Murray Tosh):**

The next item of business is a debate on motion S2M-1498, in the name of Des McNulty, on behalf of the Finance Committee, on stage 1 of the 2005-06 budget process.

10:18

### **Des McNulty (Clydebank and Milngavie)**

**(Lab):** I thank fellow committee members, our clerks and the budget adviser, Professor Arthur Midwinter, who have done a tremendous amount of work in assimilating a huge quantity of information and in assisting us in publishing our report. On behalf of the committee, I also thank the Executive officials, who have been extremely helpful in maintaining a dialogue between the committee and the minister.

As the Parliament evolves through its first few years, we are sharpening up our act on the budget process. We are improving the quality of the information on which judgments can be made and we are tightening up the scrutiny process. Members will see from our report that we believe that we still have a considerable way to go, but we are making progress down that route in a consensual, cross-party way that is in the interests of everybody in Scotland.

If we can improve the way in which Parliament scrutinises the budgetary process, streamline the way in which decisions are made, hold the Executive properly to account, explain to the rest of Scotland how we do that and how the Executive conducts its business and encourage the Executive to make better decisions about the allocation of the available resources, the Parliament will be doing its work. It is in the interests of everybody in Scotland that we do that.

The budget report is largely consensual. Not all our debates in the Finance Committee are consensual, but the vast majority of them are. Members may recall that, during the previous debate on the budget, I referred to the game of Fergus Ewing bingo that we were playing, in which we counted the number of times that Fergus Ewing mentioned Holyrood inappropriately in the context of talking about yet another budgetary scandal. I would like to reveal to the chamber today that, at our most recent committee meeting, Fergus Ewing appeared to have been converted—by the people from the Inverness branch of the Saltire Society, I think. They came down to see the Holyrood building and thought that it was very good indeed, so Fergus Ewing now has a new-found enthusiasm for it. If we can achieve that measure of drift towards consensus, I think that great things can follow.

### **Mr John Home Robertson (East Lothian)**

**(Lab):** Having given evidence on the Holyrood project to the Finance Committee on Tuesday and having listened to Fergus Ewing's line of questioning, I know that his main point was that the public gallery at Holyrood would be nowhere near big enough because the gallery here is so overcrowded. I see that there are two people in the public gallery at present.

**Des McNulty:** It must be the prospect of hearing our different contributions that is attracting such multitudes.

### **Alasdair Morgan (South of Scotland) (SNP):**

In an attempt to be fair to my absent colleague, I should say that I think that Fergus Ewing is slightly delayed and had not anticipated that the Procedures Committee debate would be quite so truncated. I think that Des McNulty would accept that Fergus Ewing's questions on Holyrood were nothing to do with the final outcome of the building but were about the process by which the costs of the building had reached the current figure.

**Des McNulty:** Alasdair Morgan is absolutely right—I was not suggesting anything to the contrary. However, the Holyrood building provides us with an opportunity to move forward, and what we are trying to do with the budget is also geared towards giving us an opportunity to move forward in a consensual and constructive way.

The committee's report contains 16 conclusions and recommendations, all of which are important but some of which merit particular attention. Ever since 1999, the Finance Committee has repeatedly highlighted the need to improve the transparency of budgetary information so that Parliament's scrutiny can achieve its full potential. Although, as I have already highlighted, the Scottish Executive has made progress, two specific issues—block allocations and cross-cutting expenditure—are outstanding, and the committee believes that there needs to be a fundamental review of how the presentation of such information can be improved.

The Health Committee noted what it called the 80:20 rule, whereby Executive budget documents tend to give

"80 per cent of its attention to 20 per cent of the spending."

We believe that the autonomy of local authorities and health boards should be protected, but the Parliament does not have a fully transparent picture of resourcing, delivery and outcomes in some portfolio areas, and that seems to me and to other members of the Finance Committee to be an issue that we need to address.

Analysing cross-cutting expenditure is, by its very nature, complicated, but we share the Executive's commitment to joined-up thinking, and

we believe that there is more scope for improved provision of information. We believe that when such additional details are provided, the subject committees will be better able to perform their scrutiny role and we will then be clearer about whether the right decisions are being made. That is something that we need to do.

One of the things that we focused on, not just in the course of this year's budget process but during last year's budget process, was the growth agenda. There is a consensus in the committee that growing Scotland's economy is one of our key collective objectives, and it is identified as the central core agenda of the Scottish Executive. With growing the economy identified as the primary priority, we must ensure that the Executive is making its budgetary arrangements so as to achieve that objective in the most sensible way. However, we received evidence that

"the AER states that the economy is the Executive's top priority but there is no explanation of how this shapes general Executive policy or of how resources are allocated."

That was not a committee conclusion but a statement by John Downie of the Federation of Small Businesses in Scotland.

In our report, we have recommended that those programmes that contribute to economic development in both the short term and the long term, such as those that involve the enterprise agencies and higher and further education, should be assessed for priority in the spending review 2004. We also say that those elements of expenditure that contribute to growth, such as transport and infrastructure, must be identified properly in the course of the economic development process. We will mount a major inquiry into the financing of economic development in the next year. We have already taken steps to put that inquiry in place and have initiated the first stage of it.

When we look at the budget each year, it is important that we push the Executive to ensure that it always keeps the need for economic growth at the forefront of its thinking. Coupled with that is the issue of closing the opportunity gap, because growing the Scottish economy is also associated with ensuring that the gap between rich and poor in Scotland is progressively closed as we take the growth agenda forward. I do not see those aims as incompatible; I see them as fundamentally linked.

**Tommy Sheridan (Glasgow) (SSP):** Will Des McNulty explain the measures that may be included in future reviews and analysis to allow information in this area to be made transparent? We are all aware of gross domestic product and output figures that can look very good, but it is difficult to see whether the gap between rich and poor is closing or growing. It appears to be

growing, but perhaps Des McNulty has evidence to the contrary.

**Des McNulty:** The previous Finance Committee conducted a cross-cutting inquiry into poverty in Scotland and identified trends that pointed in different directions. We argued that the Executive needs to focus more clearly on what will actually deliver change, and it is not just the Executive's spending that is important in that respect; Executive spending needs to be linked to spending from Westminster, because benefits provision is also crucial.

The key aspect of our scrutiny concerns not just the volume of money that is spent on programmes in an area, but whether those programmes deliver the effective change that we want. That is a key issue for us. When we are looking at the budget framework, one indicator of effectiveness is how much money is put into different budget heads, but a better indicator is what outputs or outcomes are delivered for the resource that has been put in. We are looking not only at the global budget heads, but at the efficiency with which resources are used.

**Mark Ballard (Lothians) (Green):** I welcome what Des McNulty has said about looking not only at the overall flow of money but at the outcomes. Surely the same logic implies that one should look not only at GDP, which is a measure of the flow of money, but at the social, environmental and economic impacts. He has described the committee moving away from simply analysing one GDP figure. Should the budget process also consider a wider range of trends and indicators?

**Des McNulty:** Mark Ballard is absolutely right. I am sure that Wendy Alexander and Jim Mather will talk further about the need for long-term trend information that will allow us to measure progress over a period of time. It is important to point out, however, that the committee's report says that there are too many targets, and we have identified a number of targets—60 in all—that can actually be deleted. There is no point in the Executive trying to manage the economy by simply having an indicator for everything. We must ensure that the specific indicators that we put in place are the ones that give the best picture of the outputs and outcomes that are being delivered.

I would like to outline briefly two other crucial points. We think that it is important to focus more resources on capital spending and to ensure that the resources that are earmarked for capital spending are actually committed. We are concerned about the amount of slippage in capital expenditure, not just in the water sector but across the Executive's budget, and we believe that at the moment, during a period when significant resources are available, the Executive should be putting resources directly into infrastructure

investment. We believe that there is a big consensus in Scotland for such an approach.

The second issue that I will highlight is the call for us to look at housing and regeneration expenditure as a priority—that approach is geared towards growth and towards closing the opportunity gap across Scotland. If we want to change the way in which people live in communities, one way of making a significant difference is to affect their housing circumstances and produce regeneration.

I will close by returning to the transparency agenda. We want a clearer process of identifying expenditure and more efficiency in the way in which resources are used. We want more data and better data to guide decision making; we also want to be more effective in the way in which we scrutinise the Executive. We have made significant progress in the past year in taking that agenda forward, for which I am indebted to fellow committee members, our adviser and the clerks. I am sure that we can progress the agenda further next year, but I think that this is the best budget report that we have had so far in the Parliament—it lays a good foundation for what we want to build.

I move,

That the Parliament notes the 5th Report, 2004 (Session 2) of the Finance Committee, *Stage 1 of the 2005-06 Budget Process* (SP Paper 182), and refers the recommendations to the Scottish Executive for consideration.

**The Deputy Presiding Officer:** Almost all the members who are on the script have arrived now, so I invite remaining members to press their request-to-speak buttons if they have not already done so.

Members might have been given notice of speaking times of four minutes; we can go to six minutes if members wish the additional time, but it is not compulsory.

10:31

**Jim Mather (Highlands and Islands) (SNP):** The Finance Committee's stage 1 report on the 2005-06 budget process recognises and welcomes the fact that the new annual evaluation report places a heavier focus on strategy and performance.

It would be churlish of me not to recognise that the Executive has now produced the trend data and time-series data for which we asked. Those developments are entirely appropriate if we are to measure how the Government meets its obligations and its many priorities. Nevertheless, I have reservations: too many of the measurements focus on inputs and outputs and there is not enough focus on genuine outcomes that affect people. The time-series data should not be seen

as an end in themselves, but as a baseline against which to measure outcome performance over time. Only then will this Parliament have a basis on which truly to evaluate performance and press for more evidence-led policy development.

The spending plans—and the entire thrust of the AER—crystallise the SNP's concerns about the current governance of Scotland and the Executive's ability to improve the lives of all the people of Scotland. That is especially the case as the spending plans do very little to improve our competitiveness; they will not have competitors shaking in their shoes. The latest developments are the sort of response to competitive threat that Tom Peters describes as "polishing yesterday's apple".

The biggest on-going problem is the Scottish Executive's expenditure-only approach to economic management. That approach does not work. It has not worked in my lifetime, it has not worked for years and it has never worked to a satisfactory level. The reasons for that are obvious: the Scottish Executive has no mechanism by which it can raise a material element of its own revenue, and that omission makes it much more difficult to achieve meaningful efficiencies and a real national sense of economic purpose.

That crucial flaw in any organisation with external funding sources, whether it is a quango or a Government, means that the organisation finds it more difficult to develop internal motivation for savings and can often be forced to make savings for the wrong—non-strategic—reasons. In the case of our nation, the approach leaks wealth, it does not make the truly national part of our economy cake—the gross national product—materially bigger and in the long term it could prove to be disastrous. In other words, in our situation there is little room for a credible speculate-to-accumulate ethos as advanced by most other economies and in some of the recent Allander lectures—for which Wendy Alexander and her team deserve enormous credit as the lectures have stimulated healthy debate.

Let us consider the fact that the Executive seems to be failing to bind Scottish public services as tightly into the national economic strategy as could readily be done—as many of the Allander lecturers pointed out. In such a climate, subsequent Scottish Government-driven efficiencies will always look and feel like cuts. It would be far better if the Executive took up some of the ideas of the speakers in the Allander series, such as Nicholas Crafts. His advice is that we should look to achieve public sector efficiencies in such a way that we involve and motivate public sector staff and make it possible for them to play an even fuller part in meeting national targets—

specifically, a national target of increased growth.

We do not have such an environment at present; we have a Government that is indulging in a spending plan that is essentially based on an open-ended act of faith rather than evidence of effectiveness and solid outcomes. My concern is that there is a big difference between evidence-based policy in a real economy and what we can achieve here in a branch economy. In normal economies, Governments can evaluate spending in terms of overall cost-effectiveness. They can monitor what spending produces by way of outcomes, the savings achieved in other budgets and the increased Government revenue that such an approach manages to achieve.

In our case, all that we can hope for is a 100 per cent benefit from the outcomes, because much of the savings and most of the additional revenue will go to the Westminster Treasury. For example, if there is higher growth, reduced social security payments and increased tax take would all benefit Westminster. That is why I argue that budget efficiency is much more difficult to achieve when the spending is disconnected from much of the eventual total benefit of that spending. That is also why we, like most Scots, are left with the feeling that the current expenditure-only regime stifles innovation and perpetuates mistakes.

**Des McNulty:** Does not Jim Mather agree that Scotland has benefited considerably from the highest consistent growth rates in western Europe over the past five years?

**Jim Mather:** I admit that there has been growth, but I contrast it with the growth that could have been achieved if Scotland had been allowed out of its box to compete outwith the confines of being a branch economy, which means that much of our wealth disappears. Analysis of the proportion of gross domestic product that is genuinely owned in Scotland and hits Scottish wallets and Scottish bank accounts produces very poor results.

I suggest that we are creating a climate in our existing public services in which there are virtually no incentives—in fact there are penalties—for anyone who owns up to departmental white elephants and waste. That is why there is an honourable and consistent call from the Finance Committee for much more focus on outcomes rather than on inputs and outputs, which can have little or no effect on improving the lives and living conditions of the people of Scotland.

The recent Allander lectures produced many valuable insights into our situation; I was pleased that several ministers attended those events. Of the lecturers, in my opinion Nicholas Crafts did more than most. He elegantly proved that public services could play an irreplaceable role in the recovery and development of our economy.

**Mr David Davidson (North East Scotland) (Con):** On the percentage of GDP that seems to be tied up in the public sector, perhaps the member would like to tell us where he thinks money would be best invested to release the potential—I think that that is a phrase that his party uses now and again—that he has been talking about. Does he believe that we need to invest in infrastructure and so on to release the private sector to create the wealth that will allow us to have public services?

**Jim Mather:** I would like to say a lot on that topic, but time constraints prevent me from doing so. I will say that if we had proper data, it would be much easier to discuss the issue. We are told that the public sector represents 47 per cent—or, in the previous spending round, perhaps even 50 per cent—of our economy, yet a recent Royal Bank of Scotland report tells us that the top 100 companies represent 56 per cent of GDP. Something is not right. Nicholas Crafts tells us that if we were to bring our life expectancy up to the United Kingdom level, we would get an additional 21.3 per cent of GDP. Once we have firm numbers—once we have firm numbers that refer to how much accrues to the pockets of the people of Scotland—I will be in a much stronger position to give an answer to that question.

I detect that my time is up, as the Deputy Presiding Officer gave me six minutes.

**The Deputy Presiding Officer:** Yes, but there is a little bit of flexibility.

**Jim Mather:** In that case, I will say that the key point in managing our economy and in managing our budget is that we need meaningful macro-level targets, not a plethora of small targets. That means that there should be targets for economic growth, population growth and life expectancy. We currently lack those targets. It is shocking that when the committee asked Andy Kerr, the Minister for Finance and Public Services, about the matter, his answer was that as he did not have the levers to control those outcomes, the Scottish Executive would not have those targets. In his words, he does not “control the American economy”, which has a bigger effect on Scotland than any levers that he has here.

The key point for the Scottish Executive is that it is jointly and severally liable with Westminster, with which it is tied up to deliver for Scotland. If the Executive on its own cannot deliver macro targets, I suggest that the minister talk with his pals at Westminster to come up with macro targets for Scotland. The current growth figures, which show that 2.5 per cent growth is forecast in Scotland, sit uncomfortably when compared with 3.5 per cent growth for the rest of the UK—probably 4 per cent for London and the south-east—and much more uncomfortably when compared with 6 per cent

growth in Ireland. The economic growth that the Executive is delivering is not meaningful growth and results in widening gaps in population and incomes. Surely those are the key drivers that the Executive should take on board.

10:40

**Mr Ted Brocklebank (Mid Scotland and Fife) (Con):** Like other members of the Finance Committee, I thank our clerks for all their help and hard work and for producing such a cogent report. I also thank our budget adviser—there is nothing bleak about that particular Midwinter—for his steadfast advice and support and I congratulate the convener and committee colleagues on the robust but courteous way in which they have discharged business during the year.

I will come to the committee's report but, given the Presiding Officer's generous time allocations, perhaps I might be allowed a brief but relevant preamble. We are told that Andy Kerr will announce this afternoon that Scots are set to become the richest citizens in Europe. Spending per capita is expected to rise from about £7,000 per head to about £10,000 by the next Holyrood elections. In the next few weeks, Gordon Brown will announce a massive cash injection into the economy. Clearly, elections are looming and Labour is turning on the cash taps.

In the rough-woeing period that leads up to the election, voters will—as ever—be bribed with their own money. It is not so much that Gordon Brown is discarding his Mistress Prudence as that he is swapping her for Lady Bountiful. Why should that concern us here in Scotland? Why should any of us care about that if we are to be turned into a land of silk and money? There is so much cash around that even the Lab-Lib Executive cannot spend it all. If press reports are right, as well as admit that the Executive has failed to spend £600 million of the current year's budget, Andy Kerr will tell us that the Executive will save £1 billion by cutting waste. I imagine that that will mean that there will be even more problems in spending the dough-re-mi.

Conservatives, of course, welcome attempts to cut waste while noting the wonderful irony that a Government that has taxed more, spent more and wasted more than any other in living memory now promises efficiency savings. However, with all that money washing about, why does Scotland still have such a dire national health service performance and such a woeful health record? Why is life expectancy in Glasgow the lowest of that of any city in Europe? Why do our schools continue to lag behind? Why do so many Scots vote with their feet and continue to leave the place?

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** The member commented on underspend. Can he tell members what that underspend is as a percentage of the entire Scottish budget and what the Conservative's target would be as a percentage of the budget?

**Mr Brocklebank:** I will leave percentages to anoraks such as Jeremy Purvis. I am perfectly happy to leave further explanation of those deep financial matters to our financial spokesman, Brian Monteith. What I am trying to talk about today, which I will come on to, is the budget report.

The hard statistics that underline the budget process show that business start-ups in Scotland have decreased by 25 per cent, manufacturing output is down and business and water rates are significantly higher than they are in England, which puts Scotland at a competitive disadvantage.

The Executive keeps telling us that growing the economy is its top priority, but where is the proof of that? This year, we have had an annual evaluation report rather than an annual expenditure report. In my view, the report contains a fair amount of hot air about priorities, but precious little hard evidence about progress towards meeting them.

**Brian Adam (Aberdeen North) (SNP):** Ted Brocklebank is right to say that the Executive's top priority is growing the economy. Do the Conservatives agree that the Executive ought to set a target for GDP growth in Scotland and seek to get the levers of power into our own hands to enable us to achieve such a target?

**Mr Brocklebank:** That is a fair point, but one of the great difficulties about setting targets is that the Labour Government down south and the Lab-Lib Executive rarely meet their targets. It is often difficult to know what the targets are.

Last year, the Finance Committee recommended that there should be fewer targets and priorities. As part of Jack McConnell's strategy to do less better, I suppose we should be glad that Andy Kerr has set out only four key challenges under the new AER. They are, the

"need to grow the economy",

which we have heard about; the need to "deliver excellent public services"; the need to "build stronger, safer communities" and, finally, the need to "revitalise our democratic frameworks"—whatever that means.

So we know what the strategy and the priorities are, but the key question is how they will work in practice. The Executive tells us that 90 cent of its targets are on time or have been met, but what does that mean and how tough are the targets? As Professor Midwinter pointed out, the Scottish Executive Finance and Central Services

Department's portfolio says that the department is on course to achieve 16 of its 17 targets. However, what we are not told is that most of those targets are about organisational matters, including completing

"an independent review of local government finance."

As Jim Mather said, that tells us nothing about the outputs or outcomes of the largest portfolio budget in the Executive. The AER says that the Executive is committed to economic growth as a top priority, so why has the Executive failed to spell out how that might be done and how performance might be measured against it?

As eminent economists such as Donald MacRae and Peter Wood have consistently pointed out, more than half of the Scottish economy is now in the public sector, which can lead inevitably only to lower growth and poorer standards of living. We do not need the Government to spend taxpayer's money; rather, we need lower taxes so that we can pay more for services ourselves. Why do the Executive and the UK Labour Government not accept successful countries' logic, which is that economies work only when there is a healthy and vibrant private sector? Instead of Gordon Brown and Andy Kerr bribing us with our own money, why not set the people free from punitive taxation, handouts and the nanny state? That would galvanise the economy of this country. That should be the real vision of the annual evaluation report, rather than the Executive's unaccountable, ever-changing and increasingly missable targets.

10:46

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** First, I believe that the Finance Committee's report is robust and will develop the relationship between Parliament and the Executive on budget scrutiny. I echo the comments of other speakers in paying tribute to the committee's clerking staff and all the witnesses from whom we took evidence.

Interestingly, we began our work in the committee focusing on the budget, but today we have a wider debate—rightly so, because the budget is one of Parliament's key aspects. As a new member of the Parliament since last year, I am slightly disappointed that our budget debates attract—as John Home Robertson said—minimal attendance in the public galleries, little press coverage and little debate out in the country. The reverse should be the case. As soon as Des McNulty mentioned Holyrood, there was a plethora of interventions. That issue gets far more column inches in the press than does reporting of the £25 billion budget.

We in the Finance Committee took forward two crucial areas in which I hope our scrutiny role will

be effective. The first was to inquire about the economic tools that public bodies have to help them establish the environment for economic growth; that is our cross-cutting review of expenditure. The second is our continuing work—as part of the budget process—on performance, productivity and efficiency. The economist Peter Wood has helped us with our work on scrutinising Executive spending in each area and in detailing primary and secondary economic spend. That has stimulated debate within the committee—on an urban area and a rural area, and a policy portfolio area—about what the direct consequences of Government policy on economic development would be and what the secondary consequences would be.

There is a difference, of course. The Swedish Government states that its number 1 economic policy is to reduce the number of days that are lost to industry through ill health. Other countries and devolved areas state that skills, or primary education or the transport infrastructure are their number 1 economic priorities. Of course, all those have effects on the economy. I hope that our cross-cutting review of expenditure will provide the Scottish Parliament with a similar debate about what the best levers might be.

We are starting to examine that; I hope that we will not do it in isolation from work that is being done by other Scottish Parliament committees, by the UK Government or by the European Commission in its review of regional selective assistance and the impact that structural funds and other state-aid funding have had on economic regeneration.

I agree with Fergus Ewing, who asked last December as part of our deliberations on the budget:

"How effective is the spending in achieving the top priority, which we know is to grow the Scottish economy?"

He went on to say that answering that question

"is the function of the Finance Committee."—[*Official Report, Finance Committee*, 17 December 2003; c 4349.]

However, when we discussed one of the means by which we will do that in committee—the cross-cutting economic expenditure review—he said that that would not be fruitful use of the Finance Committee's time.

I must say that I am disappointed that the SNP is not willing to be a partner in the inquiry. I say "SNP", but I am not certain what will be the view of Jim Mather—who is not in the chamber at the moment—on the cross-cutting review of expenditure. He has not sided with his friend, Mr Ewing, in trying to prevent the review from taking place.

The review will be broad. The fact that the

committee has developed a better understanding of capital investment and public sector pay rates through our work on the budget process means that we will also understand better the effects of using our spend for economic development. We will find out where such spend is effective, which are the best levers at each level of government and where in government we can be most effective in addressing underlying issues in the Scottish economy, such as planning, health, transport and skills.

We know that population is one of the long-term issues. Again, that is an area in which the Scottish National Party displays a disappointing lack of consistency. I think that I just about understand its philosophy that, with independence, male virility will increase and the population will begin to grow, although, in a parliamentary debate on skills, Fiona Hyslop was right to reprimand me. She said:

"As somebody who knows these things, I have to tell Jeremy Purvis that the size of a population is determined by the number of women, not the number of men."—*[Official Report, 20 May 2004; c 8599.]*

Quite so. It is obvious that, with independence, the SNP's economic philosophy will mean an immediate increase in the number of women in Scotland, too.

**Tommy Sheridan** *rose*—

**Jim Mather** *rose*—

**Jeremy Purvis:** I will give way to Jim Mather.

**Jim Mather:** We have a forecast from the Registrar General for Scotland that says that, in the next 23 years, there will be a huge drop in the economically active population of Scotland from 3.15 million people to 2.88 million people. That amounts to a loss of 270,000 economically active people. The member's constituency and the area that I represent will suffer disproportionately in that respect. What credible steps will the Executive take to turn round that position?

**Jeremy Purvis:** As this is a Finance Committee debate, I am looking forward to putting forward my proposals in our cross-cutting review of expenditure. I hope that Mr Mather will persuade his colleague to take an active role in that inquiry.

We have become used to Mr Mather, John Swinney and others quoting the Registrar General's figures. I am very interested that Mr Mather has done so in today's debate, given that the latest figures from the Registrar General demonstrate growth in 2002-03 and show that, in that year, the number of people coming to Scotland from overseas exceeded the number of emigrants by 700 and that 2,400 fewer people left Scotland to go to the rest of the United Kingdom. In the skills debate that I have mentioned, I asked how Jim Mather would explain those figures. His

response was:

"I question all the data that come from the Scottish Executive."—*[Official Report, 20 May 2004; c 8630.]*

The other important area of the committee's work over the coming year will be to identify where we can obtain transparency in performance, effectiveness and efficiency. I am pleased that this afternoon we will hear from the Minister for Finance and Public Services about the Executive's proposals for achieving greater efficiencies at all levels of government. We have begun our work on scrutinising the effectiveness of government, which I hope will take us into the heart of government decision making.

During one of the Finance Committee's evidence sessions last year, our budget adviser highlighted the fact that a very large proportion of the annual budgets are already committed to long-term projects or public sector pay. We do not need to go into detail on how the Government reports progress on targets.

**Tommy Sheridan:** I have a question on Government targets and announcements. Is the Finance Committee satisfied that it has managed to curtail the Executive's practice of making announcements without providing a clear indication of where the money to pay for those announcements will come from?

**Jeremy Purvis:** That is part of our work on all the budget documents. Mr Sheridan would be most welcome to attend the Finance Committee meetings at which we take evidence on that. I am confident that, when we scrutinise budget documents—whether annual budget documents, revisions or AER reports—we obtain a far clearer idea of the linkage between Government announcements on policies and funding.

It is crucial for Parliament and the committee that we ensure proper scrutiny and monitoring of performance. We received evidence from Andrew Goudie of the Office of the Permanent Secretary about monitoring performance and ensuring delivery. The real question is about how we move away from a reactive approach to monitoring performance to a proactive and disciplined approach that involves continual review of the effectiveness of Government policies after they have been announced. It is natural that the Executive operates on a four-year policy cycle but that cuts across spending periods slightly, so there is a need for a transparent system of budgeting to implement the policies of the partnership parties and, as Des McNulty said, for constant review of outputs and outcomes.

As a committee and as a Parliament, we must be careful about our language. We need to talk about best-value reviews, efficiency in the management and leadership of the Government

and the effectiveness of getting qualitative outcomes rather than quantitative outputs, as Jim Mather rightly said.

We face a challenge in our scrutiny that represents a wider issue for the whole Parliament. During the committee's scrutiny of the AER report in May, I said that it raised wider issues for all the Parliament's committees, not just the Finance Committee. I said that the Finance Committee

"should be involved in discussions on whether the £7 billion health budget is accountable, whether there should be non-executive elements on boards and whether there is local accountability. The situation is similar, but not the same, with local authorities.

Over the coming years, Parliament will have increasingly to consider the relationship between national priority setting, and local delivery and local circumstances. At the moment, the process of scrutiny is problematic and the problem goes wider than this budget process."—[*Official Report, Finance Committee, 25 May 2004; c 1457-8.*]

I hope that the Finance Committee's cross-cutting review of economic spending and our continuing work on efficiency and effectiveness in government—a process that we are beginning in today's stage 1 debate—will mean that by the time we rehearse some of the arguments in next year's debate, we will have moved forward significantly on those two crucial areas.

**The Deputy Presiding Officer:** We move to the open debate, which will consist of six-minute speeches. I will also extend the length of closing speeches—which had been allocated four minutes—to six minutes.

10:56

**Mark Ballard (Lothians) (Green):** I thank the Finance Committee for giving us the opportunity to comment on the budget process. As I said during the last budget, we are fortunate in the level of scrutiny that is open to Parliament. Professor Heald, who is a special adviser to the Treasury Select Committee at Westminster, made that point recently during evidence to the Finance Committee. However, it is a shame that things have gone downhill in one area in the past year: it appears that our scrutiny of the commitment to sustainable development, which is on the front page of the partnership agreement, has weakened rather than strengthened.

Last year, a Finance Committee report was critical of the fact that there was insufficient information to assess progress on the cross-cutting theme of sustainable development. I echoed that sentiment. Earlier this year, during the stage 1 and stage 3 debates on the Budget (Scotland) Bill, we pointed out that spending commitments in several areas were undermining the Executive's sustainability pledges. We felt that each time we asked a minister for an explanation,

our question was dodged. It seems that rather than improve the scrutiny of decisions that are vital to Scotland, the Executive would rather abandon that in favour of four key challenges. Although sustainability is, supposedly, a trend that runs through all four themes, we are no closer to being able to scrutinise the Executive's progress on its sustainability pledges.

What are the four key challenges? Three of them state the obvious, so we might as well prioritise motherhood and apple pie. The fourth priority is the sacred cow of economic growth, which has become a graven image—a false god. Such a blinkered and one-dimensional attitude to our economy does us no favours. When will we learn that it is not how big a thing is, but what we do with it that really matters?

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** We are covering interesting terrain. Does the Green party actually believe in economic growth? If not, does it believe in economic contraction?

**Mark Ballard:** What matters is that we examine what the outcomes are and how we can benefit society, the wider economy and the environment. To take GDP and the amount of money flowing through the economy as the only measure of such outcomes or of how well our economy is doing is to reduce an holistic vision of society to a fairly arbitrary measure. The problem with Fergus Ewing's argument is that it is not valid to measure how well our economy and our society are doing by assessing our progress against the single measure of GDP and the amount of money that is flowing through the economy.

We have alternatives: organisations such as the New Economics Foundation have pioneered alternatives that represent genuine progress in a wider sphere of social and economic measures. Why not use those measures? My fear is that we do not use the wider measures of how well we are doing because they would show that we are going backwards in many key areas. They would show that we are falling behind where we were 20 or 30 years ago.

The points that the Green party raised and the question that we asked last December and in January and February of this year remain unanswered. Jack McConnell cannot be allowed to kick into the long grass action on the environment and clarity on progress towards the Executive's sustainable development targets.

It does not have to be this way. The Finance Committee has a choice. I hope that it will demand that the Executive spell out how the budget will impact on the sustainability indicators and on the trends that are set out in "Building a Better Scotland: Spending Proposals 2003-2006: What

the money buys". I hope that it will look at the cross-cutting issues. I want to hear less about vague trends: the Executive should make fewer fleeting mentions of sustainability and say more about how the budget process will help or hinder sustainable development.

We need a wider holistic vision of how our society and economy is doing. I hope that, instead of continually focusing on economic growth as the single measure of how we are doing as a country, the Finance Committee will improve its scrutiny of the budget process by using sustainable development as one of the key measures of how our society and economy are doing.

11:01

**Richard Lochhead (North East Scotland) (SNP):** I remember spending—as a member of the Rural Development Committee in the first session of Parliament—a lot of time trying to make sense of the Executive's budget figures. Five years on, we are slightly further forward. I welcome the Finance Committee's report and have attempted to read it—all 290 pages of it. Our committee reports are not always the most accessible and easy-to-understand publications that we produce for the people of Scotland. I am sure that many members in the chamber spent a great deal of time going through all 290 pages.

Of course, simplification is the key not only to how the budget is distributed but to the determination of who gets what size of slice of the cake. In the past, Parliament has spent too much time debating how the cake is to be divvied up. We can change Scotland through legislation, but because Parliament does not have that much legislative power over the issues that relate to the budget, we spend a lot of time just talking about how the cake could be divvied up.

The people of Scotland want to see a cut in waste. Although people see the Parliament's massive budget of £20 billion, they do not see a huge amount of change in their communities. People wonder why on earth the huge increases, about which they see and read announcements on television and in the newspapers, do not seem to make much difference on the ground. I agree with the theme that says that we must consider cutting waste and that we should not simply spend more and more money.

**Jeremy Purvis:** For Mr Brocklebank's benefit, I have just put my anorak back on. Does the SNP have a target for the underspend in the Scottish budget?

**Richard Lochhead:** If we were in charge of the Scottish Executive, we would try to spend our budget and avoid a massive underspend.

One of the report's recommendations is for more capital expenditure on housing. Although I support that recommendation, because I accept that we do not spend enough money on housing, we must treat the issue carefully. Affordable housing is a big issue in Parliament, but I mention it only briefly because other members want to speak on the subject. If we keep throwing more money at affordable housing, particularly in rural Scotland, all that will happen is that landowners will be made richer. In rural Scotland, affordable housing is all about the supply of land, so the value of land would increase and the people who own the land would become a bit richer. We have to examine other ways in which to address affordable housing; we must not think that all we have to do is to throw more money at it.

**Mr Davidson:** On affordable housing, I have visited people who have produced affordable housing cost-effectively at lower rents than the market rent in any other social sector. Richard Lochhead ought to visit Andrew Bradford for a start.

**Richard Lochhead:** I visited Andrew Bradford back in 2000, which I am sure was long before David Davidson visited him.

Landowners want to retain ownership of housing, so the way in which to address the issue of affordable housing is quite often to allow people to buy affordable housing and not simply to make available rented accommodation.

I want to raise another issue that will impact on the Scottish budget, which is the future of regional funding. Just for a second, I will wear the hat of convener of the European and External Relations Committee. Last week, we published a devastating and fantastic report on the subject. At the moment, the UK Government in London is proposing to take back control of regional funding from Brussels. I do not believe that there is a great deal of support for that elsewhere in Europe; it is unlikely that it will happen in any case. Under the UK Government's proposals, Whitehall would take the cash back and would give a financial guarantee to Scotland to match any cash that Brussels would have given out. There is a lot of opposition in Scotland to the proposal because no UK Government can give that financial guarantee. It was unfortunate and regrettable that my committee was unable to get more information out of the Government in London, which refused to speak to us.

**Des McNulty:** Does the member accept that Scotland has an effective track record in using European structural funds and European regional development fund money? The money that has been made available has been used well. Given that that is true in the West of Scotland, I suspect that it may also be true in other parts of Scotland.

Indeed, as Richard Lochhead and I are aware, so effective is our track record that people in other parts of Europe want to learn from us.

**Richard Lochhead:** I totally agree, which is why it is so important that the money must continue to flow to Scotland. We are talking about funding that is worth £1 billion to Scotland between 2000 and 2006. Over the next year or two, hundreds of millions of pounds will be at risk unless we get our act together as a Parliament and ensure that we have control over those budgets.

How the money is spent in Scotland is as important as how much is spent. At present, the Government uses many indicators for the public funding formulae, but those indicators do not always take account of need, which is important. Over the past five years, we have seen on-going reviews of the indicators that are used to distribute funding in our rural communities and that are used to distribute money in the health service under the Arbutnott formula and so on. The funding formulae do not take account of need and so discriminate against many areas of Scotland.

There is also the continuing issue of identifying need in our rural areas. At the moment, the funding formulae that are used throughout Scotland consider massive averages across large areas, which means that pockets of deprivation in our cities and rural areas tend to get missed. The Executive has to address that issue; I hope that the minister will address the point later in the debate.

The final point that I want to make is that the biggest challenge that faces the Scottish Parliament is population decline in Scotland. It is the issue that will have the biggest impact on future budgets. If we do not address the issue, we will have a higher age profile in our rural areas and our local government will go bankrupt. We must address that: we have to get more people to move to Scotland and we have to ensure that the people who were born in Scotland stay in Scotland.

11:07

**Dr Elaine Murray (Dumfries) (Lab):** I apologise to Des McNulty and the Presiding Officer for being slightly late in coming to the debate. Like other members, I did not realise that the Procedures Committee debate would terminate as quickly as it did. Despite the fact that I am wearing high heels, I seem able to run faster than Fergus Ewing.

I want to take this opportunity to expand on the committee's recommendations on targets. I say to the minister that I intend my remarks to be constructive. There are times when committee members from Executive parties have to play the role of critical friend, and I see that as my role today.

The committee recognised that there has to be some way of measuring progress towards Government objectives. We received evidence from organisations such as the Confederation of British Industry and the Federation of Small Businesses in Scotland that was generally supportive of the principle of setting targets. Although those organisations support targets, they know that targets alone are inadequate for assessing efficiency and effectiveness and that any individual target can be influenced by a number of policy levers.

The subject committees noted problems with the targets that are set in several areas of the AER. One of the difficulties that we have is relating the Executive's targets to its priorities. The Executive says what its top-line portfolio objectives are, but it is not clear how each minister selected the 12 or 15 targets for their portfolio. There is neither a clear relationship between the targets and the objectives, nor between the budgetary inputs and the targets. That makes it difficult to assess how the Executive's priorities are being supported financially.

For example, we do not necessarily have to spend a lot of money on trying to make people more physically active in order to have a good effect on the nation's health, but at the same time, we might have to spend an awful lot of money to reduce waiting lists, which may not hugely improve the nation's health. However, it is important to spend that money for the people who are on the waiting lists, who are ill or in pain. I am not arguing that there is a simplistic relationship, but we expect the Executive, wherever possible, to put its resources towards those programmes that contribute most to the key priorities.

Peter Wood, who was mentioned earlier, said in written evidence:

"The targets are not necessarily or clearly related to activities which represent the major elements of spending or even the elements of spending which are being increased."

The committee's report concluded:

"some of the performance targets do not best reflect departmental objectives (or those of the Executive) and appear to have been chosen because they are readily measurable or easily achievable rather than because they are the most appropriate measurement of how ... objectives are being met".

That is an important criticism of how the targets are selected.

As members have mentioned, the committee found that the targets are variable in type, both within and between portfolios. As Des McNulty said, 63 of the targets are either statements of policy or of practice or both. We suggest that those targets should be removed from the annual evaluation report. We are not saying that we do

not need targets on policy and practice—they have their place—but that they should be used for management rather than budgetary purposes. Removing those targets would assist the Executive in achieving its aim of reducing the number of targets from 162 to below 100.

Some of the targets are difficult to measure. For example, the third target in justice is to reduce the fear of crime. How do we measure whether the fear of crime has reduced? The fifth target in education refers, among other things, to the presentation of school meals, but I do not know how the Executive will measure how school meals are presented. Some of the targets are not desperately realistic.

**Brian Adam:** I readily recognise that a number of the targets could be disposed of, as the committee recommends, but does the member agree that we need to have a target for growth in the economy, given that that is the Executive's top priority? Does she agree that we also need targets on health, where we have significant problems? We have no target for the provision of dental services in the national health service, although I am sure that the member receives similar complaints to those that I receive on that issue.

**Dr Murray:** The committee argued that we need a better way of measuring economic growth, but because an awful lot of things contribute towards growth—such as infrastructure—it is not easy to have a single measure of growth. A number of measures are used, but I would like a better explanation of how the targets contribute to the top priorities.

As members have said, some targets will primarily be met by other agencies. The Minister for Finance and Public Services said that there is no point in his setting targets for things over which he has no control. Many of the targets on health and education will be met by other agencies or by local authorities and health boards, which are funded by the Executive. The Executive decides the top-line budgets, but the decisions about how those budgets are spent are made by people in the agencies, not by the Executive. The progress towards achieving the targets is made by somebody else, but there is no way for that to be fed back. For example, there is no detail in the AER on how local authorities spend the £3.3 billion of funding for education, nor on the 80 per cent of the health budget that health boards spend. It may be that, in the words of many a written answer from the Executive, that information is not held centrally.

It is difficult to achieve transparency and to find out how targets are met and how that is financed. The committee would like further discussion between the Parliament and the Executive about how transparency can be increased in future

annual evaluation reports.

11:14

**John Swinburne (Central Scotland) (SSCUP):**

In a masochistic way, serving on the Finance Committee has been a pleasant experience. We are subjected to targets left, right and centre and we talk about finance, much of which goes right over the top of my head. I think that it goes over most of the members' heads, but they disguise it better than I do. By and large, we are well supported by the backroom staff, Des McNulty leads us well and we are guided along the traditional lines. However, we will not get far, because something is radically wrong with a system in which we spend a large amount of money but have only a small amount of control over it.

A senior diplomat from the Foreign and Commonwealth Office appeared on television recently in a discussion with someone from Iraq about the new puppet Government that is being set up there. He said that a country that cannot levy its own taxation can never be termed a country in its own right. Until fiscal powers are devolved from Westminster to Scotland, we will largely be wasting our time in the committees. Fiscal autonomy must come sooner rather than later because, without control over our finances, 50 per cent of the 1.25 million pensioners will continue to live below the Government's poverty level. The bottom 25 per cent of those pensioners are well cared for because their council tax and rent are paid for them. However, the next 25 per cent are living against the collar, trying to keep their heads above water, but no one seems to care—I nearly said that no one gives a damn. That is wrong.

We have a Government in Scotland that we should be able to use for the benefit of all. We have a demographic time bomb that will explode in 20 years' time. Reference has been made to the aging population and the smaller number of people who will have to provide for those who are below or over working age. Unless we do something radical by getting control of our financial affairs, we will be unable to cope with the demographic time bomb. Gordon Brown does not care about the aging population in Scotland. If all the other parties stood aside and allowed my party to stand against Gordon Brown in the next election, he would be whitewashed, especially if he stood on his record of what he has done for pensioners. When a person reaches 80, they get a 25p increase in their pension. A few years ago, Mr Gordon Brown gave a 75p increase to pensioners. That is absolutely—

**The Deputy Presiding Officer (Trish Godman):** Mr Swinburne, I am sorry to interrupt,

but we are discussing a report on the budget process. Will you perhaps discuss that report?

**John Swinburne:** I am sorry if my point hurts your Labour tendencies, Presiding Officer. I will finish it off and get on with my speech.

**The Deputy Presiding Officer:** Mr Swinburne, you will withdraw that remark.

**John Swinburne:** I withdraw the remark.

**The Deputy Presiding Officer:** Thank you. You are nearly four minutes into your speech and you have not talked about the report—it would be helpful if you did so.

**John Swinburne:** In the 290 or so pages of the report, I can see no reference to fiscal autonomy, which means, therefore, that it is rather hollow.

The Finance Committee does a lot of good work, which I appreciate. It scrutinises countless bills and the members spend a lot of time ploughing their way through all the information. Most of my weekends are spent reading the literature, which is illuminating, but it is not awfully beneficial to those of my generation, which is why I am here. That is why I have concentrated on one or two issues that relate to my generation. I am grateful for the experience of serving on the Finance Committee, which has broadened my outlook to a degree, but I am afraid that the Parliament has an awful lot to do before it can deliver for all the community. The Finance Committee is a key factor in that delivery, which I suppose will eventually come to pass.

11:19

**Brian Adam (Aberdeen North) (SNP):** It has been interesting to hear the various speeches, some of which have been a little more challenging than others. Mr Purvis has challenged the Scottish National Party on several occasions to give its version of the budget and he has expressed concerns that the debate is not attracting much interest outside the Parliament. Perhaps the real reason for that lack of interest is that it is only one side of a budget. The fiscal autonomy of which John Swinburne spoke, perhaps as a stepping stone to independence, would give us both sides of the budget, which would mean that we would be fully accountable. The public might take an interest when the budget starts to affect them rather more directly and tangibly than the present budget process, which is rather restricted.

**Jeremy Purvis:** I hope that Brian Adam is aware that I am happy to take part in that debate. The first step towards stimulating it would be for the SNP to publish an alternative budget for how it would spend the current money.

**Margaret Jamieson (Kilmarnock and**

**Loudoun) (Lab):** For once.

**Jeremy Purvis:** Exactly, for once.

**Brian Adam:** Mr Purvis and the previous Liberal Democrat members of the committee have regularly issued that challenge and I have regularly responded by suggesting that the mechanism that has been established devalues the debate by insisting on a zero sum budget. The Conservatives might be happy to pluck numbers out of the air for how they will make cuts in services, but I will not honour Mr Purvis with that kind of response.

Mr Purvis raised a specific point about how to deal with the deficit. I suggest that, if we were looking at a budget in the round, we could have considered it in a cycle, could have had planned expenditure and could have chosen to have specific spending pledges on capital investments.

In response to the point that Ted Brocklebank made, not all public expenditure is directly spent on public services, because most public service capital expenditure is delivered by the private sector and, without the public spend, there would be no private sector. Is Ted Brocklebank seriously suggesting to us that we should have private roads, that we should have only private hospitals and that we should have private railways, which unfortunately are so far not under the control of this august body?

**Mr Brocklebank:** Is Brian Adam saying that there is no real private enterprise in Scotland and that private enterprise is totally dependent on the public sector?

**Brian Adam:** That is a total misrepresentation of what I said. I am saying that a significant part of the private sector in Scotland requires public sector spending to sustain it and that, if we are to be able to deliver growth in our economy, we will need to provide the infrastructure to make it happen, which relies on public sector spending.

The Finance Committee and its advisers have probed the Minister for Finance and Public Services on setting growth targets for the economy; indeed, the Enterprise and Culture Committee probed the Minister for Enterprise and Lifelong Learning on the same point. There is some movement on that now, because the Executive takes advice from economists as to how its various measures might impact on the economy. Perhaps, by the time that we come to this point next year, we will have got to the point of setting growth targets.

The kind of growth targets that the SNP would like are to do with our competing with similar small independent nations throughout Europe, which are infinitely more successful than Scotland. They are going up the ladder and we are going down it;

even within the United Kingdom, we continue to go down. We need full-scale control of our economy for growth to happen. The measure of growth in the country is not only GDP, because that is a rather abstract figure, but our population, our health and our individual wealth or poverty.

I will talk briefly about some of the recommendations in the report. I commend the report's requirement for housing and regeneration strategies. Unless we make specific commitments to increase significantly investment in our housing stock, not only will the quality of our housing suffer, but the many people who are waiting to get into the affordable rented sector will be disappointed and we will not get out of the vicious cycle that we are in.

I also point out that many members have had many representations over the past year or two on dental services in the health service and it is disappointing that we have no target for the provision of NHS dentistry. That should be considered by the Health Committee, the Finance Committee and, most important, by the Minister for Finance and Public Services.

11:25

**Tommy Sheridan (Glasgow) (SSP):** The Finance Committee in the previous parliamentary session carried out a review of the financial scrutiny arrangements of the Scottish Parliament's budget process and made a number of recommendations, one of which was designed to cut through the culture of spin, which leads to a lack of transparency in Scottish Executive spending announcements. That committee analysed 20 separate Executive financial announcements on various policy areas. Of those 20 announcements, only four explicitly stated where the money was coming from and, in another three, the committee was able to trace the announcement back to a particular budget head, but in 13 Scottish Executive announcements there was no sourcing of the money.

Although that report makes reference to the need to make that practice a thing of the past, when the Convention of Scottish Local Authorities gave evidence on local government budgets for 2005-06 to the Local Government and Transport Committee on Tuesday, it stated that there were some Executive announcements—to the tune of £367 million—in which the money was still not sourced. There is clearly still a major problem with transparency. The Scottish Executive cannot get away with sending out all sorts of press releases and new announcements willy-nilly and making itself look good, while being unable to show where the money is coming from. The Finance Committee must work harder on that.

A number of members have referred to the evidence on the targets that the Chartered Institute of Housing in Scotland gave to the Communities Committee, which is worth reading. I am glad that the Finance Committee report that we are discussing makes the point that more capital investment is needed in housing, but the question is: who will ensure that that investment is made? The Chartered Institute of Housing gave evidence that clearly stated that the target of 18,000 new homes by 2006 is woefully inadequate when we consider the fact that, for the 2,000 new homes that were built in 2002-03, 18,000 homes in the social rented sector were sold. That is a net loss of 16,000 homes in one year, but we have a Scottish Executive target of 18,000 for three years. The report points to the need for more capital investment in housing, but is the committee confident that it has the teeth to make significant changes in the Scottish Executive's targets? When the committee exposes the woeful inadequacy of targets, as it has done on housing, it must be able to act on that.

My final point concerns outcomes. The previous committee made the point that definite, declared outcomes that could be measured had to be a priority. Unfortunately, so far—I hope that Des McNulty does not mind if I make the point—we do not have the capacity to measure the outcomes on closing the wealth gap and the inequality gap in all Scotland, which is obscene. The Finance Committee must work harder to hold the Executive to account, so that we do not just spend more money, but actually deliver a redistribution of wealth and resources in Scotland, so that we can tackle some of the things that John Swinburne discussed.

According to a report from just two weeks ago, seven out of the 10 poorest areas of Britain—not just Scotland—are in Glasgow. There was a report from earlier this week that showed that one in three children in Glasgow still live in poverty. After five years of this Parliament, that is not good enough, and the Finance Committee must have the tools to tell the Executive quite clearly that that is not good enough. It must be able to hold the Executive to account for such failures.

**The Deputy Presiding Officer:** We now come to the winding-up speeches. I call Wendy Alexander. You have four minutes, Ms Alexander.

11:31

**Ms Wendy Alexander (Paisley North) (Lab):** Oh dear—how will I get it all in in four minutes? I will stick to one substantive point and, hopefully, the chamber will indulge me in that.

Like Elaine Murray, I want to speak as a critical friend of the Executive. Like the Finance

Committee, I applaud the work that has been done in moving us towards a greater evaluation of expenditure. Because this is nearly the end of term, because we are five years into the life of the Parliament and because we are about to move to our new building, we should perhaps pause and reflect on where we are.

The good news is that the Scottish Parliament has the largest discretionary spend of any home-rule Parliament in the whole of Europe. That said, if we were to go out on to Princes Street and ask the Princes Street punter questions about budgets, they would probably ask what we were spending money on and what we were getting for that money. In view of the time that I have, I will focus my remarks on the first question, on what we are spending the money on. It is that question of how money is being spent differently as a result of devolution that should concentrate our minds, not least because there is no official source to which we can turn.

I will quote what the Federation of Small Businesses told the committee in its submission:

"A crucial fault with the existing AER is the lack of historical data ... In earlier years it was traditional to give 10 year runs of the data ... in both nominal and constant prices. Currently the figures cover only 3 years, with no historical back run at all ... Without these historical runs it is impossible to tell which Budgets are doing relatively well and which relatively badly in comparison to the Scottish average spending changes. This lack of transparency is very damaging".

I drew that to the attention of the Deputy Minister for Finance and Public Services in September, and he promised to consider it. Many discussions and much correspondence followed. During the January budget debate, I raised the matter directly with the Minister for Finance and Public Services. I was convinced that we had cracked it. Andy Kerr said:

"we have come a long way with regard to the financial information that we provide, but we can and will do better ... work has begun and we will deliver on our commitment. We have employed hired hands, as Wendy Alexander suggested, in addition to our current staff to ensure that we reach our goal. I, too, want to see the time-series data".—*[Official Report, 29 January 2004; c 5411.]*

I and the committee were delighted. We thought that we had cracked it. Then, a mere three weeks later, came a letter. Many obfuscatory passages into the letter, it said:

"our intention is to provide a time series table each year in the Draft Budget document. The first opportunity for this would be the Draft Budget 2005-06 in the Autumn by which time we should be able to provide data ... from 2002-03 to 2007-08."

Instead of a 10-year run, we are getting a one-year run. We are to have the data from last year, not 10 years ago. It appears that, unless that letter from the minister is revisited and the promise that

Andy Kerr made is kept, we will never—I repeat, never—have like-for-like data about how spending has changed in the first five years of devolution. That is a lunatic situation. It is commonplace throughout the countries of the Organisation for Economic Co-operation and Development to have 10-year back runs of data.

If we were to go out and use the Princes Street punter test and ask the Princes Street punter if they would like to know whether devolution had made a difference and if they would like to be able to look back five or 10 years, like people in every other country in the western world can, I suspect that they would say yes. The truth is that we could do that every year prior to devolution. In Scotland, we apparently cannot do that now, even though the rest of the UK can manage it, despite their having to deal with the complexities of foreign affairs, defence, budget contributions to the European Union and so on.

I do not expect the minister to answer that point today—it is far too serious. I do ask him, however, to look again, over the summer, and with due reflection, at what Andy Kerr said in good faith at the budget debate in January and make it a reality. That is the starting point for serious budget consideration in Scotland.

11:36

**Mr David Davidson (North East Scotland) (Con):** Once more I step into the breach in a finance debate. It is like old times, except that today's debate has been a bit better than such debates have been in the past. It has not been bogged down by moans and groans from committee members about procedures, reporting performance and so on. We have heard some more concise speeches today.

I will not start by commenting on what the first member who spoke had to say; I will start with what Wendy Alexander has just said. She has summated in a very few words what the Finance Committee in the previous session said for four years. It was glaringly obvious, yet we were obstructed and rebutted at every opportunity by ministers who, quite frankly, were not on top of their job. The Executive has been in place for five years now and ministers have served their apprenticeship. They must start to liaise with the Finance Committee.

As Tommy Sheridan and others have asked, why is there no transparency? We must have that transparency. Nobody in the chamber seems to know where we have been, where we are going, what the comparisons are, what a good story is or what a bad story is, and that is beginning to damage the Parliament.

**Jackie Baillie (Dumbarton) (Lab):** Would that

not better characterise 18 years of Conservative rule?

**Mr Davidson:** Actually, no. Labour members do not want to go back to having 10-year data because that would take us back into our period in power and to the performance that we delivered on behalf of the public.

There are high public expectations given the huge amounts of money that are coming in. I say to John Swinburne that it is almost academic whether or not we are raising the tax here. Given that we have that money to spend, the question is what has happened to it over the past five years and why we have not seen changes. I also say to Mr Swinburne that the easiest way to sort that out is to change the Government—but that is another thing.

**Jeremy Purvis:** The Conservative party spokesman said that the Conservatives believe in a low-tax Scottish economy. Which of the Parliament's current tax-varying powers would the Conservative use to cut taxes?

**Mr Davidson:** We have stated pretty clearly that we would cut business rates. There has been a 25 per cent reduction in the number of business start-ups since the Lib-Lab coalition came into power, which is because of the costs that are laid down by Government on running a business. Government should be taxing the success of a business, but businesses must be released so that they can make that success and create employment. People in employment will pay their share of taxation, too. I am quite clear about that.

By the way, in response to the anorak question that Jeremy Purvis asked earlier when he intervened on Ted Brocklebank, the answer is 2.35 per cent.

**Jeremy Purvis:** Is that returns?

**Mr Davidson:** No—that is the figure that the member was asking about.

When I was Conservative finance spokesman, I said that we need a reserve. Every prudent Government has a reserve. I believe that a good chunk of end-year flexibility money is in fact treated as a reserve, although the minister does not have the courage to say that.

The Finance Committee's debate on the budget was extended, with lots of little points going back and forward. The truth is that the committee works hard, often with its hands tied behind its back. The advisers to the committee have always been very good. I would like the committee to move forward from here, and it has come out with a couple of good recommendations. I will mention two of those. Paragraph 53 of the committee's report was about investment in infrastructure being vital for the growth of the economy. If growth is one of the

Executive's targets, then businesses must be able to access good transport and communications networks in order to create jobs and to get goods to market.

The other recommendation that I will mention is in paragraph 49. Funding must be targeted to areas in which the Executive can most effectively contribute to economic development. The committee realises that, but I hope that the Executive gets the message.

11:40

**Alasdair Morgan (South of Scotland) (SNP):** I welcome the committee's conclusion about the need to reduce the number of targets in the budget. When members have some spare time, they should look at the list of rubbish targets that the committee identified in appendix 2, which Elaine Murray mentioned.

At some stage over the past few years, there was obviously a desire on the part of the Executive for a document that could prove that the Executive was delivering, but the problem is that people rushed out and developed a huge list of tick boxes, most of which are irrelevant to many of the Government's key priorities and do not really measure anything at all. For example, the Enterprise and Culture Committee's report to the Finance Committee noted that many enterprise targets were shown as being on target, but examination showed that that meant that the Executive was on target in respect of setting up ways of collecting data, or was on target in deciding what the data would be that it was going to measure. In other words, the Executive did not know whether the targets were being met because it had not even started to measure them, which is clearly a nonsense.

I want to talk about Ted Brocklebank's contribution, which ended up in a free-market rant that went from a case that is certainly arguable—although I do not necessarily agree with it—that the public sector is too big in Scotland, to what seemed to be a plea for the abolition of the public sector altogether. There was the usual mantra about freedom of choice and a Scotland free from handouts. Leaving aside the derogatory language and what was implicit in what he said, does he really want to abolish all sources of government assistance for all individuals or firms? Where does freedom of choice apply? Freedom of choice is a nonsense if we consider the health service in rural areas—it is a dogmatic myth that is designed for an audience that is largely absent from Scotland.

**Tommy Sheridan:** I wonder whether the member agrees that perhaps we should begin with the royal family when we discuss freedom from handouts.

**Alasdair Morgan:** That is an interesting point, but perhaps Tommy Sheridan should ask the Scottish National Party's potential leadership contenders about it.

Jim Mather made the reasonable point that growth targets and other targets are needed, particularly against the background of the widening gap between Scotland and other countries. The Enterprise and Culture Committee made that point in its recommendations. We said that, given the Executive's priorities, it is reasonable that growth should be a significant priority, but we also noted that there is

"scope for the Executive to make clearer the economic assumptions upon which it is basing its spend"

with which it says that it is promoting growth, and that it should have

"clear and more relevant targets"

in that area. It does not seem to be good enough that whenever Andy Kerr is asked about growth, he refers to transport and education, but cannot really say anything that is more detailed.

Last night, I listened to a House of Lords committee meeting at which Digby Jones was giving evidence—as I listen to such meetings at 10 o'clock at night, my evenings must be about as sad as John Swinburne's weekends in which he reads Finance Committee minutes. Digby Jones's conclusion was that it is clear that transport and skills training are important to economic growth. I thought that that conclusion chimed well with the committee's recommendations.

Finally, I want to concentrate on another recommendation in respect of the IRIS unit, which has not been mentioned so far—for members who do not know what the IRIS unit is, it is the improving regulation in Scotland unit. Given the concerns of business in Scotland—whether those concerns are real or imagined—about the amount of regulation, it is curious to say the least that the IRIS unit does not even have a separate budget line in the documents that we are considering. It certainly does not have any targets. I would have thought that any Government that is keen on economic growth would give that unit concrete targets.

11:44

**The Deputy Minister for Finance and Public Services (Tavish Scott):** The debate has been thoughtful and interesting and there have been many varied speeches. I take the points that have been made by our critical friends and in the slightly more bizarre contributions from other quarters. On the whole, members have been thoughtful about the process. Perhaps David Davidson should attend meetings a little more often because

improvement in the process is perhaps a reflection on the Finance Committee members who now grace that particular corridor.

**Mr Davidson:** Is the minister excluding Des McNulty from what he says? He suffered with me in the first four years.

**Tavish Scott:** I agree that Des McNulty suffered with David Davidson. I thank Des McNulty and all his colleagues, past and present, for their current work and their work in the process. I also thank the committee clerks, their advisers and my officials in the Finance and Central Services Department. I assure Des McNulty and his colleagues that one of the highlights of a ministerial weekend is knowing that we will appear in front of the Finance Committee on the Tuesday of the following week. I thank the baggage handlers at Sumburgh airport in particular for the amount of paper that they carry on and off the Saab-340 every Friday and Monday prior to such occasions.

Other colleagues have mentioned—and it is appropriate to recall—that Scotland has one of the most open and transparent budget processes. Last night, I read the quote on the UK budget from Professor Heald that was given in the committee's report. He said:

"one can learn far more about what will be in the budget by reading what has been leaked to the *Financial Times* than one can from any consultation process."—[*Official Report, Finance Committee*, 4 May 2004; c 1344.]

That was an interesting observation about the differences and the strong manner in which we progress issues.

Much has been said today about the transparency of the process. We will approach the committee's recommendations on improving transparency with the determination that we will continue to make improvements where we can. I was glad to see that the committee agrees that the changes to the AER that were introduced this year are helpful in that regard.

Sometimes we forget how unusual our budget process is. After all, the basic premise is that the Parliament and its committees should not only hold the Executive to account for how it uses the budget but play an active part in decisions about how the budget should be spent.

The committees' work on stage 1 this year represents a real breakthrough. We have clear recommendations on which areas the Executive should be treating as priorities for additional spending. Some areas are different and some are clearly in line with our own thinking. More will be said about that when my colleague Andy Kerr makes his statement to the Parliament this afternoon.

I am glad to see the Parliament and the committees taking up the challenge of playing a fuller role in budget setting. We will take all such recommendations into account in the spending review that is now under way. We have promised a detailed account of how any such spending recommendations have been reflected when we publish the draft budget in the autumn.

The committee has also correctly identified the need to reconsider the annual budget cycle if we are to make the process work. It is clear that the spending review is central to that financial process. However, the spending review happens only every other year and it therefore makes sense for our parliamentary budget process to take account of the difference between years with a review and years without a review, and, indeed, of the Parliament's four-year election cycle. I am happy to work further with the Finance Committee to decide how best to do that. Like all ministers, I am aware of the burden that the budget process places on all the committees and would therefore be happy to see a more limited process in non-spending review years, as the Finance Committee's report suggests.

The committee has made some trenchant comments about the Executive's use of targets in the budget process, which have been referred to at considerable length this morning. As I said when I discussed that matter with the committee, we accept that there is a long way to go in that respect. However, I am not convinced that there is a wholly workable alternative. Members of the public, as well as the Parliament, have a right to know not only how we will spend their money, but what we will deliver for them. The Parliament and the public need to be able to judge whether we have delivered on our commitments and there needs to be some sort of target framework.

When I met the committee, I expressed my disappointment that its research had suggested that there were no obvious models in other countries from which we could learn. However, that is not to say that we cannot do better. For example, I accept that we must do more to show how our targets link to budget allocations, which is a point that was made by Elaine Murray, among others. I agree with the committee that we should aim to reduce the number of the highest-level targets that are set out in the forthcoming spending review publication.

We are looking again at all our targets as part of the current spending review. As we are setting spending plans for a further two years, we also need to set targets for what we will deliver with that spending. I hope that those new targets will go further to meet the objectives that are set out by the committee, but that will not be the end of the process.

**Jim Mather:** I am pleased about what the minister has said about targets, which makes enormous sense. However, when we have a response from Andy Kerr on the record that macro targets are out of the question because ministers do not have the necessary levers, it strikes me that it would be seemly for the minister to get together with his Westminster colleagues and set macro targets for Scotland on, for example, growth, population and life expectancy.

**Tavish Scott:** Mr Mather will appreciate the fact that we already have contacts, relationships and regular discussions on a range of issues relating to the relationship between the devolved Government and the United Kingdom Government. That will continue and those issues will be considered in due course.

Members will note that, during the course of my speech, this is the third time that I have been keen to suggest that we have considered what the Finance Committee has said and that we will respond positively to that. I promise that we will undertake further work with the committee.

I will briefly address some of the other issues that the Finance Committee raised in its stage 2 report last December. One of those was an assessment of past performance against targets. Such an assessment is now given in the annual evaluation report at the end of March. We said that we would work with the committee to produce more detailed information on the capital/resource split of our budget, and that can be found in the stage 1 report that we are discussing today. We also said that we would work with the committee on time-series data, and I take the points that Wendy Alexander made on that issue.

I turn to what has been said this morning in relation to capital spending. We hope to be able to produce the detail of that in the autumn, as Des McNulty has asked us to do, and to produce the full statement that the committee has been looking for.

In the context of transparency, Elaine Murray raised a serious issue about money that is spent by local authorities and health boards. I believe that that is a genuinely difficult issue. Elaine Murray rightly raised the issue of whether central government should impose a series of what would be seen as restrictions on the spending or reporting of that money on that tier of government, which sees its job as making local decisions for local service delivery. That is a subject that we wrestle with constantly.

Mark Ballard raised the issue of sustainable development. I do not accept his contention that we have in any way downgraded sustainable development; rather, we have mainstreamed sustainable development. That is exactly the kind

of holistic approach for which he argued when Fergus Ewing asked him about growth, and I believe that that is the best approach to take.

Mr Sheridan raised the interesting idea of the Scottish Socialist Party attaching a financial tag to all its policy announcements. That would be a policy with which I could only heartily agree.

Mr Mather raised several issues, most of which arose from the central tenet of the constitutional question. Although I understand the intellectual argument that was behind his approach, I fundamentally disagree with it. I disagree particularly with his suggestion that there is no speculate-to-accumulate approach in the Scottish economy. I ask him to look at the Scottish financial sector, where that is clearly not the case.

Mr Brocklebank, who opened the debate for the Conservatives, argued—in what he called a preamble although, as Mr Morgan noted, it became more of a canter around the free-market echelons of Conservative right-wing thinking—that we should abolish targets. He then said that the targets were not tough enough and that he wanted different ones. He went on to say that the Conservatives wish to cut spending on public services, transport, health and education. He said that we were all thinking of the election—well, some of us cannot wait for the election. If that is the Tory manifesto, bring it on.

11:53

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I apologise for not being here at the beginning of the debate. I was detained on another matter. I express my regret for any discourtesy to Des McNulty, the convener of the Finance Committee.

I thank Susan Duffy and all the clerks for the excellent back-up and support that they provide to the Finance Committee. I also thank the committee's advisers and all those who have contributed to the committee's report, which is a solid piece of work.

I got the impression that whatever habits Ted Brocklebank has in his evening hours, they have perhaps not included the studying of the budget report. We heard a rather polemic speech from him today. As we read in the newspapers of the celebration of Bob Dylan's achievements, it strikes me that, for Ted, the answer is very much blowing in the wind. We are reminded that the country's experience under the Tory party could be described as redolent of Desolation Row.

As someone who specialises in taking a non-partisan approach to politics, I suggest that there is a galaxy of talent on the Finance Committee. Without naming anybody in particular—they know

who they are—I pay tribute to all the committee members for the contribution that they have made. We heard from Wendy Alexander—as a friendly critic or a critical friend, in a role that I am sure we would all seek to play—a specific criticism that I hope that the minister will address, although he did not do so this morning. She pointed out that there has been no response from the Executive on the provision of time-series data. That is a serious point that has been made by other members of the committee.

**Tavish Scott:** I listened carefully to what Wendy Alexander said. She did not say that there had been no response. There has been a response. There is still some work to do, but I put on record the fact that there has been a response.

**Fergus Ewing:** I mean this kindly: it is the adequacy of the response that sometimes concerns us. I am speaking for the committee and not in a party-political role, as members will have gathered by my moderate tone.

Committee members of all parties identified that we are not spending enough on the provision of housing—in particular, affordable housing. How that can be done and the problems relating to it are the subject of debate and have been touched on by many members. I hope that the minister will take that specific budgetary recommendation on board.

**Tommy Sheridan:** On the subject of housing, does the member agree with the Chartered Institute of Housing that simply building more social housing that tenants will have the right to buy will not add to the housing stock? Is it not time to impose severe restrictions on the right to buy in order to build up the social housing stock?

**Fergus Ewing:** With respect to the member, we need to ensure that we have a modern market economy in which the housebuilders will not be crippled or nationalised or have their businesses confiscated.

**Tommy Sheridan:** Is that the deputy convener's view or an SNP view?

**Fergus Ewing:** Mr Sheridan asked the question and I have given an answer that he does not like.

The committee also recommended that there should be an increase in capital spending. That was highlighted recently when it was identified that a large volume of capital spending on infrastructure of all types—especially sewerage capacity, roads and housing—is required. I hope that the minister will take that on board.

Much of the committee's report relates to the questions of performance, productivity and efficiency. I imagine that the people who are watching and listening to this debate, as well as people throughout Scotland, will see those as the

key areas of failure for this institution in its short life of five years. In paragraphs 72 to 83 of the report, the committee makes specific recommendations on how public money can be used effectively, responsibly and efficiently. The Holyrood building—which, as Jeremy Purvis said, has taken up some of the committee's time—has come to be seen as a symbol of this institution and an example of what has gone wrong. I hope that other members agree that the Finance Committee and the Parliament have a great opportunity for a fresh start when we move to the new building. That fresh start can perhaps be characterised by all of us doing our best and making constructive contributions to the debate, as most members have done this morning.

Some members have touched on the Executive's targets, some of which are rather curious. For example, there is a target of testing the feasibility of linking data sets and a target of holding six open meetings of the Scottish Food Advisory Committee. It is rather surprising to have targets of that nature, many of which are statements of policy or practice or are so vague as to be meaningless. The one target that we do not have is a target setting out what economic growth Scotland should achieve. That was remarked on by the committee as something that should be seriously considered. It is like Inverness Caledonian Thistle Football Club setting targets for acquiring a sufficient number of footballs, for cutting the grass each week and for all its players watching Archie Gemmill's goal in 1974 at least once monthly but not setting a target for winning the league.

**The Minister for Tourism, Culture and Sport (Mr Frank McAveety):** It was '78, not '74.

**Fergus Ewing:** Which is the same speed that the records that Frank McAveety writes about go round at.

I thank Des McNulty for taking a co-operative approach with me. I have very much enjoyed working as the committee's deputy convener. Indeed, I have made a particular contribution in the role of deputy—[*Laughter.*] However, I am aware that no man or woman is indispensable and that there are many other worthy candidates around.

## First Minister's Question Time

12:01

### Prime Minister (Meetings)

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

To ask the First Minister when he will next meet the Prime Minister and what issues he intends to raise. (S2F-948)

**The First Minister (Mr Jack McConnell):** I expect to see the Prime Minister during the recess, when we will discuss a number of issues.

**Mr Swinney:** Today, the Secretary of State for Health announced that no patient in England would have to wait longer than 18 weeks between seeing their general practitioner and being treated. What is the comparable pledge in Scotland?

**The First Minister:** The comparable pledge in Scotland, which will cover the period to 2008, will be announced when we announce our spending review in September.

**Mr Swinney:** I see that the precision of the First Minister's answers has not changed.

Is it not the case that the comparable pledge in Scotland is 52 weeks? In other words, the Executive's pledge is that an individual will wait no longer than a year between seeing their GP and having their operation. Is that not an unambitious target for the First Minister to set for the people of Scotland? Will he pledge that the people of Scotland will not have to wait any longer than people south of the border for the treatment that they have the right to expect?

**The First Minister:** The good news is that people in Scotland do not have to wait as long as people in England do. The Secretary of State for Health, Dr John Reid, is doing an excellent job for the United Kingdom Government. He is doing his level best to ensure that the level of resources that is allocated to, and the achievements of, the health service in England catch up with those of the health service in Scotland.

It is important to record the achievements of the health service in Scotland. For example, Scotland achieved the nine-month guarantee ahead of any other part of the UK and has seen the number of patients who have to wait longer than six months halved. The health service in Scotland has achieved those, and other, things. That said, although we remain able to treat patients more quickly than south of the border, we must ensure that the right target is in place for 2008. At the moment, we do not have those targets, but we will have them by September and we will announce them when we announce our budgets.

**Mr Swinney:** Is the First Minister not concerned that, having seen their GP, more than 150,000 people in Scotland are currently waiting more than 12 months for their hospital treatment? Is it not about time to set some big, bold and ambitious targets for our health service to ensure that it is a service that we can be proud of? No one is belittling the service's achievements. Instead, I am interested in securing a commitment from the First Minister that he will be bold and ambitious when he sets targets for the service and that he will begin to recognise the scale of the challenge that lies before him. Will he give Parliament a commitment today to match or better the targets that are being set south of the border?

**The First Minister:** The targets and achievements are already being bettered in the health service in Scotland. As I said, we will announce the targets for 2008 when we make our announcement about the next budget period.

I want to remind Mr Swinney of some of those recent achievements. For example, the number of patients who wait for more than six months has been dramatically reduced. In 1997, when the Conservatives were in power, more than 10,000 Scottish patients were waiting for more than six months for treatment. In the past year, just fewer than 6,000 patients waited for more than six months, which represents a reduction of almost 50 per cent in the number of patients who have to wait for that length of time. Back in 1997, more than 3,000 Scottish patients were waiting more than nine months for their treatment. Now, not only do we have a guarantee that no patient will wait more than nine months for their treatment following diagnosis, but we are achieving that guarantee consistently.

Those are achievements for the health service and for those who are using more flexible practices. They are ensuring that, in the community and in our hospitals, treatment is available more quickly and effectively than ever before. However, those achievements are not the end of the story. I agree absolutely with what Mr Swinney says about being bold and ambitious for the Scottish health service. We need to ensure that the Scottish health service stays ahead of the game, and we will do just that.

### **Cabinet (Meetings)**

**2. David McLetchie (Edinburgh Pentlands)**  
**(Con):** To ask the First Minister what issues will be discussed at the next meeting of the Scottish Executive's Cabinet. (S2F-951)

**The First Minister (Mr Jack McConnell):** The Cabinet agenda for next week will, as ever, be agreed tomorrow.

**David McLetchie:** We have heard much in the past few days of the efficiency savings that the First Minister proposes to make in the public sector. Will his Cabinet set an example by reducing its own size and the number of ministers overall, given that there is plenty scope to do so, since we have 20 ministers doing the work that was handled by five in 1999? It should not be hard to find volunteers. After all, Mr Charles Kennedy and the Liberal Democrats at Westminster tell us regularly that they want to cut the size of the Cabinet and of Parliament. Presumably, Jim Wallace, Ross Finnie, Nicol Stephen and Tavish Scott are doing their bit and have already tendered their resignations. Can the First Minister tell me whether they have done so?

**The First Minister:** As Mr McLetchie knows only too well, we reduced the size of the Cabinet and the size of the ministerial team in May last year, and we were right to do so. It was a good judgment to make after four years of devolution.

The real issue is what the ministerial team does. Any comparison with 1997 and the period that Mr McLetchie describes is interesting. The reason Mr McLetchie wants to talk about the size of the Cabinet is that he does not want to talk about transport, because for the first time in 20 years new roads and new railways are being built in Scotland. He does not want to talk about education because, instead of the Scottish education system being in decline, it is improving pupils' attainment year on year, and has done so every year since devolution. Unlike his leader down south, he certainly does not want to talk about the health service, because in Scotland today more people wait for less time than they did in 1997. That is an achievement for the health service, but it is also an achievement for the ministerial team.

**David McLetchie:** We will take that as no, they are not resigning, and no, the First Minister is not really serious about cutting down the scale and cost of government in Scotland. The proposal is just another piece of first ministerial window dressing, about which the public in Scotland will rightly be sceptical.

Does the announcement on efficiency savings signal a genuine change in the Executive's attitude, away from the target culture of intervention and interference, which has spawned a huge increase in bureaucracy in the past five years? If we are to have a genuine cut in the size and cost of government in Scotland, can the people of Scotland expect to see any benefit in terms of lower taxes?

**The First Minister:** As Mr McLetchie knows, one of the taxes on which we have a direct influence is business rates, which we have increased by less than the rate of inflation in two of

the past three years. The commitment to reducing those taxes is clear; what is important is what is done with those taxes and what is done with that money. That is precisely why we have borne down hard on administration costs and bureaucracy inside the Scottish Executive, such that administration costs are just over 50 per cent of the administration costs of equivalent Whitehall departments. That is precisely why we have introduced a system of e-procurement, which is not just delivering millions of pounds of savings for the Scottish Executive and Scottish public services, but is being hailed elsewhere in the United Kingdom and in Europe as a system that could be admired and used by other Governments.

We have done those things precisely for the reason that I gave in answer to David McLetchie's first question: so that we can spend the money on the things that the Tories would not spend it on. We have done them so that we build roads and railways; so that we bring down unemployment and build up employment; so that we improve attainment in our schools; and so that we bring down waiting in our national health service. Those are the objectives and priorities of the Executive and the partnership, and it is by bringing down administrative and bureaucratic costs that we will deliver more resources to achieve them.

**David McLetchie:** The First Minister is like a deluded Alice in Wonderland. Does he seriously expect the people of Scotland to believe a bunch of self-confessed wasters who have spent five years wasting money on an unprecedented scale? Is the truth of the matter not that he will never reduce the cost of government in Scotland unless he is prepared to reduce its scale and scope?

**The First Minister:** I have to say—if I can get the microphone to work it would be easier to say—that people in Scotland will be interested to know that Mr McLetchie believes that it is a waste of their money, and government money, to spend it on building roads and railways for the first time in 20 years and on bringing down—

**David McLetchie:** Oh, come on.

**The First Minister:** Mr McLetchie might not like the facts, but he has to listen to them now and again. When his party's Government was in power in the Scottish Office, more than 10,000 Scottish patients waited for more than six months after their diagnosis for treatment. Today, the figure is fewer than 6,000. When his party's Government was in power in Scotland, new roads and railways were a thing of the past; roads and railways were in decline rather than being built as they are across Scotland today. When his party's Government was in power in Scotland, our education system was becoming an international embarrassment. Today, that system is improving and attainment has been

up in every single year since devolution—we are proud of that, even if Mr McLetchie would want to cut back and start again.

**The Presiding Officer (Mr George Reid):** Because question 4 has been withdrawn, I will take a supplementary question from Irene Oldfather.

**Irene Oldfather (Cunninghame South) (Lab):** Will the implications for Scotland of the European Union constitution be discussed at the next meeting of the Cabinet? Does the First Minister agree that the new constitution, far from setting up a European superstate, as the Eurosceptics and the Conservatives suggest it will do, will set up a flexible Europe with a stronger voice for nation states? Does he agree that, in enshrining a clear commitment to subsidiarity, the constitution will give regional Parliaments such as the Scottish Parliament a crucial role in the EU legislative process?

**The First Minister:** The decisions that were made last week were good news for Scotland, good news for devolution and good news for Europe. They restrict the powers of the European Union, they give more powers to national Parliaments, and they certainly give a greater role to the Scottish Parliament and other devolved Parliaments and Governments throughout the European Union. They do more to avoid the creation of a European superstate than any decisions that were made during all the years of Conservative Government. I believe that we have got a good deal for Britain, a good deal for Scotland and a good deal for devolution.

**Richard Lochhead (North East Scotland) (SNP):** When the First Minister discusses the EU constitution with the Prime Minister, if he gets the opportunity to do so, will he ask the Prime Minister why it does not give Scotland the power to access the European Court of Justice to enforce subsidiarity and why there is no commitment by the European Commission to consult the Scottish Parliament?

**The First Minister:** There are commitments to consultation, but consultation should not be the height of our ambition—we want greater involvement than that. Consultation might satisfy the Scottish National Party, but it certainly does not satisfy Labour or the Liberal Democrats in Scotland.

We want to ensure that the European constitution has at its core a commitment to subsidiarity and a commitment to the involvement of not only national Parliaments but devolved Parliaments. We also want to ensure that there is a new right, as there is in the agreement that was reached last week, for the devolved Governments and Parliaments of the European Union

collectively to apply to the European Court of Justice. That is the agreement that we reached with the European Council and it is the agreement that has been implemented. I think that it will be used wisely, if it is ever necessary, by the European Committee of the Regions.

**Ms Wendy Alexander (Paisley North) (Lab):** It would be rather unfortunate if this somewhat long week in Scottish politics simply passed First Minister's question time by. There are many members on the back benches of all parties who will regret that John Swinney's essential dignity will no longer grace the SNP's front bench, but—

**The Presiding Officer:** What is your question to the First Minister?

**Ms Alexander:** Does the First Minister agree that no successor to John Swinney is likely to succeed as long as they cannot answer the make-or-break question for the SNP—is the SNP more interested in making this Parliament work or in breaking with Britain? That is the West Lothian question that lives on—

**The Presiding Officer:** Order. I think that that question is not within the First Minister's area of responsibility.

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

**3. Robin Harper (Lothians) (Green):** To ask the First Minister when he will next meet the Secretary of State for Scotland and what issues he intends to discuss. (S2F-965)

**The First Minister (Mr Jack McConnell):** I have no plans to meet the Secretary of State for Scotland in the near future.

If you will allow me, Presiding Officer, I would like to respond to Ms Alexander's question by saying that I hope that, in future meetings between Mr Swinney and myself, we will be a lot more cordial than we have managed to be in this chamber and that I wish him well.

**Robin Harper:** On Monday, a member of the First Minister's Cabinet briefed the BBC to the effect that there was little support in the Cabinet for the third-party right of appeal. That was in apparent breach of paragraph 7.3.2 of the "Code of Conduct for Members of the Scottish Parliament". Will the First Minister tell us the name of that member of the Cabinet, and will he discipline them for that breach?

**The First Minister:** This is the second time in the past two weeks that I have been asked a silly question like that. A situation in which a member of the Cabinet gives an interview on "Good Morning Scotland" cannot be described as a secret briefing.

On Monday morning, Ms Curran made a statement on that programme that made perfectly clear the position that we have all made perfectly clear in the past few months: the adaption and reform of the planning system in Scotland is a complex matter and we have to ensure that, in the decisions that we make about the future of that planning system, we get the right balance between the need for a speedy, thorough and fair decision-making process in relation to development in certain parts of Scotland and the right for communities to have their voices heard and not to be abused by developers or by those who make the decisions. Every member of the Cabinet—ministers and deputy ministers—who has been asked about the position since the consultation started has said exactly the same thing. Our minds remain open about the best way in which to achieve that balance. This is a difficult and challenging issue, but we are determined to get it right.

**Robin Harper:** What about the minister who was not Margaret Curran who made a comment? Will the First Minister acknowledge that, at yesterday's meeting of the Communities Committee, Scottish Executive officials admitted that a large number of concerned phone calls had been made to them about the briefing to which I referred? Will the First Minister write to communities across Scotland to remind them that this consultation is real, that there is five weeks to go and that the consultation exercise is a serious one that is designed to involve the people of Scotland and not a complete sham?

**The First Minister:** I see no need to write to anyone to say that, given that that is precisely what Margaret Curran was saying on Monday morning on "Good Morning Scotland" and what I have just said to the chamber.

We are conducting a genuine consultation that grapples with a difficult issue. We want the planning system to be modernised and reformed in a way that will make it operate more effectively in the interests of communities and developers. That can be achieved, but the solution will not be easy to find. The consultation process is a genuine attempt to do that. Those who come at this issue from an ideological position of being either totally opposed to greater community involvement, which I suspect most of the Conservatives do, or totally opposed to development and the idea that we need to ensure that we have house building, water improvements and so on across Scotland, which I am sure that the majority of the Greens do, are wrong. We need to find a way to improve the system and that is what we are going to do.

**The Presiding Officer:** Question 4 has been withdrawn.

## **Scottish Prison Service (Senior Management)**

### **5. Stewart Stevenson (Banff and Buchan)**

**(SNP):** To ask the First Minister whether the Scottish Executive has confidence in the senior management of the Scottish Prison Service. (S2F-949)

**The First Minister (Mr Jack McConnell):** Ministers expect a high level of performance to meet our objectives of public safety and reduced reoffending. I am confident that the Scottish Prison Service can meet its responsibilities in contribution to those objectives.

**Stewart Stevenson:** Does the First Minister think that a higher level of performance is needed? It is intolerable that the SPS management has sat for four years on a proposal to address slopping out at HMP Peterhead. Is the First Minister aware that, in 2002, Richard Simpson was told by the SPS that permission to visit a French prison could not be obtained while simultaneously I—an Opposition back bencher—obtained such permission, including permission for the then Deputy Minister for Justice to visit that French prison? Does the First Minister agree that it is entirely unacceptable that the head of the Scottish Prison Service could not answer entirely predictable questions from the justice committees in 2002 and is learning nothing in 2004? Is he aware that my concerns are shared across Parliament and that progress cannot be made in the prison service without effective management?

**The First Minister:** Over recent months, we have made it perfectly clear that we expect improvements in, for example, the handling of the prisoner escort services contract, which has been the subject of much debate in the chamber and elsewhere. Responsibility for those improvements lies with SPS management just as much as it does with the company concerned. That is also true for other areas.

I am determined that we will have the highest levels of performance in the management of all our agencies and departments, and the Scottish Prison Service should be no different from the others.

### **Miss Annabel Goldie (West of Scotland)**

**(Con):** In relation to that prisoner escort contract, the First Minister will be aware that the chief executive of the Scottish Prison Service recently confirmed to the Justice 2 Committee that the contract between Scottish ministers and Reliance was not signed off by Scottish ministers, who we now know knew nothing whatever about what was going on. The contract was signed off not even by the chief executive of the Scottish Prison Service, but by an anonymous and unknown director of finance within the Scottish Prison Service. Presumably, if she had been around, the Scottish

Prison Service tea lady might have signed the contract. Is the First Minister satisfied that that is an acceptable and responsible discharge of Scottish ministerial responsibility?

**The First Minister:** As the Minister for Justice made clear at the committee, the arrangements for decisions on contracts are being reviewed by the Executive. That is happening in response to this incident and to other concerns that have been expressed by ministers and Parliament during recent years. It is entirely appropriate that we should do that. Circumstances that might have seemed to be appropriate when the Scottish Government was run by Whitehall might not necessarily be appropriate for the post-devolution period. The Parliament and Executive operate in a much more transparent and accountable way than ever existed before. That is one of the primary reasons why the relationships and involvement of ministers in the agreement of contracts, the knowledge about contractual decisions, the negotiations that have taken place and the implementation and monitoring of contracts have to be reviewed, and that is being done.

**Colin Fox (Lothians) (SSP):** Mr Tony Cameron, the chief executive of the Scottish Prison Service, describes the SPS as

“an arm’s length agency of the Scottish Executive”.

Who is responsible—Tony Cameron or the First Minister—for the record numbers of prisoners in our overcrowded jails, for the fiasco that is the privatised prisoner escort service and, above all, for the wretched record on slopping out that has blackened Scotland’s international name and record on human rights and which means that we might have to endure another decade of this procedure in our jails? Is it not the case that the First Minister’s policy failures are at the root of the Scottish Prison Service’s problems?

**The First Minister:** The management of the Scottish Prison Service is responsible for management and operational matters, but ministers are responsible for policy matters and the judiciary is responsible for sentencing. On Mr Fox’s first point, the judiciary is responsible for the sentencing of those who become prisoners in our jails. Ministers are responsible for the prisoner escort contract, because we are determined to get more police officers out of the courtrooms, away from such duties and back out on the beat, working in communities. In relation to slopping out, past Governments of all colours in Scotland have to take some responsibility for where we are. It is worth recording that when the Conservative Government decided to end slopping out in England in the 1990s, and allocated the resources to do that, the Conservative Scottish Office did not do so. That is one of the reasons why we are where we are today.

**Mr Keith Raffan (Mid Scotland and Fife) (LD):**

Is the First Minister aware that certain parliamentary committees have not had a happy experience in dealing with the Scottish Prison Service? That was particularly the case when the Social Inclusion, Housing and Voluntary Sector Committee in the previous parliamentary session, under the convenership of Ms Curran, undertook an inquiry into drug misuse and deprived communities. Will the First Minister ensure that the SPS is far more open and transparent in its dealings with parliamentarians?

Will the First Minister also ensure that drug treatment in prisons is stepped up? We need to learn far more about what prisons are up to, because such treatment is crucial in breaking the cycle of reoffending and in helping drug addicts into recovery.

**The First Minister:** I want to make it clear that I expect all Executive and agency officials who appear in front of parliamentary committees to be as helpful and informative as possible.

It is important that we have good and improving drug treatment facilities both in our prisons and in the community. Part of our problem is that, although drug treatment facilities in Scotland's prisons have improved, the improvements that have taken place in such facilities in the community have not happened fast enough to ensure that those who come out of prison and those who could perhaps avoid going to prison in the first place are able to receive treatment in the community and thereby avoid entering a cycle of crime and reoffending. Improving that must be our objective and we hope to make further announcements on that soon.

**Jackie Baillie (Dumbarton) (Lab):** As a member of the Justice 2 Committee, I, too, have had an interesting experience with the Scottish Prison Service. In the light of that, does the First Minister agree that the framework document covering the relationship between the Scottish Prison Service and the Executive needs to be the subject of a fundamental review, which must go beyond contractual arrangements and consider wider governance issues?

**The First Minister:** I am interested to hear that Jackie Baillie has had an interesting experience with the Scottish Prison Service—I hope that she was not detained for too long.

The framework document will be reviewed within the next 12 months. Parliament will be kept informed of progress.

### **Planning System (Third-party Right of Appeal)**

**6. Nora Radcliffe (Gordon) (LD):** To ask the First Minister whether the Scottish Executive will include a third-party right of appeal as part of a

fundamental reform of the planning system. (S2F-962)

**The First Minister (Mr Jack McConnell):** On 1 April, the Minister for Communities launched a consultation on "Rights of Appeal in Planning". The consultation runs until 30 July. We will not take a decision on rights of appeal until all the responses to that consultation have been carefully analysed.

**Nora Radcliffe:** I am reassured by that response, which is the response that I had hoped for. Does the First Minister agree that any appearance that a decision has been taken before the consultation has been completed and before the responses have been properly evaluated can only contribute to cynicism about politics and bring the Parliament and the Executive into disrepute, and that such a move would run counter to the principles on which the Parliament was founded and on which it works?

Does the First Minister also agree that we should focus on developing a faster, fairer and more effective planning system in which third-party rights of appeal are only one strand? Does he agree that both consultations that the Executive is carrying out are equally important?

**The First Minister:** Those are very valid points. I know that both partnership parties are sympathetic to improved rights of appeal and to improving the involvement of the community that might be possible inside our planning system. We are determined to ensure that the system is improved to ensure that development can take place and that some of the current delays and unfairness are removed. That is the challenge for us.

No decisions have been taken apart from deciding to have the consultation in the first place. We need to find a course that will allow us both to improve the planning system for those who use it and, at the same time, to improve the position of communities that feel that the planning system has, in too many cases in the past, let them down.

**Patrick Harvie (Glasgow) (Green):** I have received phone calls on the issue as a result of the media coverage. I am sure that other members have received similar correspondence. If the First Minister is sincere, will he ensure that, just as I respond to my correspondents in writing, the Executive contacts all recipients of the consultation document to assure them, in writing, that the consultation is still open and that the Executive's mind is open?

**The First Minister:** I recognise that, as in any large bureaucracy—if I may use that word—it occasionally takes some time for letters to receive a reply. I will not take Mr Harvie's question as a suggestion that we should employ more people to

write letters and post them out. However, I can assure him that, if people have written to the Executive on the matter, it is obvious that they should get a reply, and I hope that people are getting the clear signal from us that the consultation is an open one.

We all understand that there will be times during such a consultation when some people in the media will speculate that we are about to have a full-scale third-party right of appeal that will clog up the whole system and ensure that development is delayed for a very long time, but they will be wrong. On the other side, there will be those who will speculate that we are going to drop the whole role of communities and simply put developers in the driving seat, but they will also be wrong. We shall find a way of handling the matter and do it in the right way.

**The Presiding Officer:** That concludes questions to the First Minister. I remind members that the annual general meeting of the Commonwealth Parliamentary Association will be held in the chamber in 15 minutes' time.

12:30

*Meeting suspended until 14:00.*

14:00

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

#### Education and Young People, Tourism, Culture and Sport

##### Film Locations (Ayrshire)

**1. Irene Oldfather (Cunninghame South) (Lab):** To ask the Scottish Executive what action it is taking to promote Ayrshire as a film location. (S2O-2875)

**Phil Gallie (South of Scotland) (Con):** On a point of order, Presiding Officer. I have facts on that issue, and if it would be helpful to the chamber I am prepared to answer for Frank McAveety.

**The Deputy Presiding Officer (Trish Godman):** I do not think that that is a point of order. If Frank McAveety is not here, I am afraid that we will have to move on. I call question 2—

**Alasdair Morgan (South of Scotland) (SNP):** On a point of order, Presiding Officer. I can understand that we should move on if the questioner is not here, but the question is to the Scottish Executive, so surely any member of the Executive should be able to reply.

**The Deputy Presiding Officer:** I could invite any member of the Executive to respond if they wished. It is very unfortunate that the minister is not here.

**Irene Oldfather:** On a point of order, Presiding Officer. I would be willing to return to the question after question 2 has been taken, if that would be of any assistance to you.

**The Minister for Justice (Cathy Jamieson):** I am not in a position to answer the question, nor are my colleagues. However, it is obvious that something has happened to detain the minister, and I wish to apologise to the chamber on his behalf. The appropriate thing to do if the minister is not able to attend is to ensure that the questioner receives a full and detailed response. I am sure that the minister would be prepared to speak directly to the person who lodged the question.

**The Deputy Presiding Officer:** I thank the minister for that, and I intend to proceed in that way. I have to take the questions in the order in which they appear in the *Business Bulletin*.

**Phil Gallie:** I have a genuine point of order this time, you will be pleased to note, Presiding Officer. It is one thing to respond to the person who has asked the question—I fully appreciate that intention—but it was open to other members to ask supplementary questions. I would prefer the question to be taken later, if the minister does appear.

**The Deputy Presiding Officer:** I intend to go through the questions as I have them in front of me, and I intend to go through them question after question.

### Schools (Class Sizes)

**2. Michael McMahon (Hamilton North and Bellshill) (Lab):** To ask the Scottish Executive what plans it has to reduce class sizes in schools following recent representations from the Educational Institute of Scotland. (S2O-2871)

**The Minister for Education and Young People (Peter Peacock):** Average class sizes have been falling for a number of years and we are committed to further reductions in class sizes, in secondary 1 and secondary 2 maths and English and in primary 1, as increases in teacher numbers to 53,000 proceed.

**Michael McMahon:** I am sure that the minister will share the agreement of members throughout the chamber that a reduction in class sizes would not only benefit students, but be more conducive to staff delivering education in the classrooms. Does he agree that the EIS's suggestion that strike action is an appropriate method by which to achieve a promise of future reductions in class sizes is detrimental to that argument, and that the only people who would lose out in those circumstances would be the students?

**Peter Peacock:** Michael McMahon is correct to point out that certain benefits can flow from reduced class sizes. That is why the Executive is pursuing the policies I described. As I said in my initial answer, class sizes are falling; they have been falling consistently for some time, and they will fall further.

Michael McMahon's second point was also correct. Parents in Scotland would be aghast if teachers were to go on strike when class sizes are falling; when further class size reductions are planned; when there are more adults in Scottish classrooms than there have ever been; when there are more support staff in schools; when there is the best pupil to teacher ratio that there has been for many years, if not at any time; when teachers' class contact time with their pupils is being reduced; when there is more time for preparation and marking in our schools; when there is more time for continuing professional development; and when we are recruiting more

teachers. Those are not reasons to go on strike. They are reasons to celebrate the progress that we have made.

**Ms Rosemary Byrne (South of Scotland) (SSP):** Does the minister agree that there is a need to reduce the maximum class size? We have a maximum class size of 33 for most classes, although it is different for practical classes. There are welcome moves to reduce the size of certain classes, but does the minister agree that if we are to introduce a flexible curriculum and deal with young people in the 21<sup>st</sup> century who need more attention, we should focus on reducing the maximum class size to 20 across the board?

**Peter Peacock:** As I indicated, the record of the Executive—with the Labour Party and the Liberal Democrats working together—shows that we are reducing class sizes. We plan to reduce them further, with primary 1 classes being reduced to 25 pupils and S1 and S2 maths and English classes being reduced to 20 pupils. Only last week I announced that more physical education teachers will come into schools, and we have hinted that there will be more music teachers, drama teachers and teachers who support those with additional support needs. We will continue to deliver such class sizes as we move through our programme to recruit more teachers. As I said, we are recruiting more teachers at a time when our school rolls are falling significantly.

### Publishing Industry

**The Deputy Presiding Officer:** I intend to ask Jamie McGrigor to ask his question. I will then ask the members of the Executive who are here to note it and to ensure that he receives an answer from the minister, who is not here.

**3. Mr Jamie McGrigor (Highlands and Islands) (Con):** To ask the Scottish Executive what plans it has to support the publishing industry. (S2O-2790)

Shall I repeat my question, Presiding Officer, as the minister has arrived?

**The Deputy Presiding Officer:** Yes. Thank you.

**Mr McGrigor:** To ask the Scottish Executive what plans it has to support the publishing industry.

**The Minister for Tourism, Culture and Sport (Mr Frank McVeety):** Sorry, Presiding Officer. I was unavoidably detained during the Scottish Arts Council book awards.

I welcome the contribution that the publishing industry has to make to encouraging the development and reading of Scottish literature. The Scottish Arts Council and Scottish Enterprise are working closely with industry bodies such as

the Scottish Publishers Association on a range of initiatives to support that end. The recently published "Review of Scottish Publishing in the 21st Century" provides a further focus on support for and consolidation of the sector.

**Mr McGrigor:** In the light of the fact that the Scottish Executive has presided over the destruction of the Scottish book retailing industry to the extent that there is not one substantial Scottish-owned book retailer left, and bearing in mind the importance of books to the intellectual life of a nation, what will the Executive do to redress the situation other than to produce yet more expensive reports, which have been condemned as meaningless by publishers such as Canongate in *Holyrood* magazine? When will the Executive enter into dialogue with the book industry and listen to its concerns?

**Mr McAveety:** I reiterate that we are in discussion with the Scottish Publishers Association to address many of the issues that face the publishing industry in Scotland. I note with interest that one of Scotland's publishers said today that it sees an opportunity for growth in the United Kingdom and international markets. At the event from which I have just come, the range of Scottish writers and publishers was evident and many of them are developing tremendous opportunities for publishing throughout Scotland. That is testament to the success of those writers and publishing companies, none more so than Itchy Co., which has prioritised the development of books for children in the Scots language, which is one of our other key cultural commitments. I do not recognise the perception of the publishing industry that Jamie McGrigor put forward. I assure him that we are working actively to address the concerns of those in the industry.

**Rhona Brankin (Midlothian) (Lab):** I declare an interest as chair of the Scottish Library and Information Council. Does the minister agree that there is scope for Scottish books to be promoted in reader development in Scotland?

**Mr McAveety:** I know that the member has a keen interest in the work that she does with the libraries sector in Scotland. We have a role in using libraries and schools to develop support for young readers.

One unique feature of today's event was the fact that the assessment panel for children's fiction involved young readers. That is testament to the vision of those who are involved in the Scottish Arts Council's book awards. Those young people's enthusiasm for participating in the process and the reception that the authors gave them were commendable. We want to continue to grow that awareness and that audience, so that the young readers of today become the adult buyers of tomorrow.

## Schools (Scots Language Teaching)

**4. Rob Gibson (Highlands and Islands) (SNP):** To ask the Scottish Executive what innovative measures it is taking in schools regarding the teaching of the Scots language. (S2O-2822)

**The Deputy Minister for Education and Young People (Euan Robson):** The Scottish ministers are responsible for the overall strategic direction of Scottish education. Responsibility for the detailed management and delivery of the curriculum rests with education authorities and schools. Learning and Teaching Scotland and other bodies provide advice on curriculum issues. A wide range of innovative measures is used in Scottish schools to teach the Scots language.

**Rob Gibson:** The minister will be well aware that commentators on the European Charter for Regional or Minority Languages said that the Scottish Executive should

"create conditions for the use of Scots ... through the adoption of a language policy and concrete measures, in co-operation with the speakers"

of the language. Has he met bodies that represent Scots language groups? Is he taking any initiatives with education authorities to process that important statement from Europe?

**Euan Robson:** I recognise the member's interest in the subject and thank him for his question. He will know that the charter is not legally binding. Nevertheless, as a result of the report of March 2004 by the committee of experts on the charter, officials have embarked on discussions with the academic community on the production of a Scots language strategy. I understand that the Scottish centre for information on language teaching and research in Stirling is in active discussion with Executive officials on that point. We hope to produce a strategy by, optimistically, later this year or, more realistically, early next year. The matter is of considerable interest to the Executive and we will pursue it. As I said, I am grateful to the member for highlighting the issue.

**Donald Gorrie (Central Scotland) (LD):** The minister's reply is encouraging. Will he assure us that schools will at least not discourage the use of Scots? The feeling is that there is an active movement against the use of Scots, which is steadily diminishing. Just as we are supporting Gaelic more actively, so we should support more actively the use of Scots in all its varied forms throughout the country.

**Euan Robson:** The member is correct. The Scots language is a part of our cultural heritage that we should not neglect. I am pleased to say that Learning and Teaching Scotland produces a range of support materials on the Scots language.

I refer also to Itchy Coe, which does much good work in schools. It came to the high school in my home-town recently but, unfortunately, I could not be there at the time. That is an example of an organisation that promotes the language.

There can be no doubt that we take the matter seriously. We will continue to support such organisations through the Scottish Arts Council and we are actively involved in developing the language.

### School Rolls

#### 5. Mr Kenneth Macintosh (Eastwood) (Lab):

To ask the Scottish Executive what issues are faced by local authorities, such as East Renfrewshire, where school rolls are increasing. (S2O-2876)

#### The Minister for Education and Young People

**(Peter Peacock):** Pupil numbers are generally projected to fall in the years ahead. The detailed management of short-term or localised increases in school rolls is a matter for the local authority concerned, but changing pupil numbers will be reflected in the grant aid that a council receives from the Executive.

**Mr Macintosh:** I thank the minister for his reply and for recognising that constituencies such as mine in East Renfrewshire face issues. Will he consider sympathetically problems such as the pressures that the placing-request system puts on parents and officials and the difficulties in reducing class sizes when most schools are full to bursting? With reference to his last point, will he consider the time lag between the provision of increased central Government funding and increased school rolls? I ask him to bear the last point in mind, in particular, during the forthcoming review of local government finance.

**Peter Peacock:** I recognise the point that Ken Macintosh makes. There are a few local authority areas in Scotland—of which East Renfrewshire is one—where, notwithstanding the fact that school rolls will continue to decline in the future, there are currently increases in rolls in certain parts of the council area. I recognise that that can create complications with placing requests. We are considering commencing later this year a part of the Standards in Scotland's Schools etc Act 2000 that relates to placing requests that has not yet been commenced. That should help to deal with the problem.

Ken Macintosh made a point about school capacity. I recognise that when the number of school pupils is increasing and we are trying to reduce class sizes, the physical constraints on the school estate can be significant. That is one reason why we are investing so heavily through public-private partnerships. East Renfrewshire

Council is one of the major beneficiaries of that investment and is being allowed to make progress on its future school estate.

The member's third question was about grant aid. The number of pupils in the system is recognised as part of local authorities' grant calculations. Inevitably, it takes some time before we know what the number of pupils is. Increases in that number will affect subsequent grant calculations, rather than the calculations for the current year. I am sure that if, as part of the review of local government finance, East Renfrewshire Council wants to make points about increasing school rolls, ministers will listen to those closely.

#### Lord James Douglas-Hamilton (Lothians)

**(Con):** Does the minister agree that parents should be allowed to send their children to the school of their choice and that schools—especially extremely popular schools for which there is strong parental demand—should be allowed to expand?

**Peter Peacock:** When the Conservatives were in power, they introduced legislation to allow parents to make placing requests to schools at which they wanted their children to be placed. That has been part of the education scene in Scotland for a while. My objective is to ensure that no parent in Scotland has to exercise a choice in order to get a fundamentally sound education for their child. Such an education should be available in every community in Scotland and we are committed to ensuring that that is the case. Regrettably, the Conservative party's policy seeks to undermine that approach. It would leave what the Conservatives define as poor schools to flounder and die out slowly. We will stick by our schools and ensure that they improve. We will not cause chaos by taking a market-based approach to Scottish education.

### Education Projects

#### (Transition from Primary to Secondary School)

6. **Christine May (Central Fife) (Lab):** To ask the Scottish Executive what education projects are available during the summer to help pupils' transition from primary to secondary school. (S2O-2872)

**The Deputy Minister for Education and Young People (Euan Robson):** The member raises an important issue. The Executive is committed to ensuring that pupils have access to summer schools and camps that provide opportunities to experience new activities and to develop new skills. A wide range of activities is available for young people of all ages, including those moving from primary to secondary education.

**Christine May:** Is the minister aware of the comments in section 4 of Her Majesty's Inspectorate of Education's report on personal support for pupils in secondary school, emphasising the importance of such support for pupils in transition years? Is he aware of the finding in the same report that provision across Scotland at present is patchy? Fife Council has allocated £872,763 from study support to innovative activities, to be provided jointly by education and community services, for underachieving pupils or pupils with social disadvantage. Early reports on the programmes are good. What steps is he taking to ensure that Fife Council's approach and similar examples of good practice in other authorities are publicised more widely and made generally available?

**Euan Robson:** I recognise the work that Fife Council is doing—the member is correct to commend it. I understand that there are 12 summer schools for pupils between S2 and S4 who are at a significant social disadvantage. The Executive recognises that in Scotland we are not as good as we should be at spreading best practice. Local authorities would be well advised to look to Fife's example.

The Executive has been spending a considerable sum of money on out-of-school-hours learning. Over the three years to April 2006, some £34 million has been committed through the national priorities action fund. This is an important area of activity to which the Executive is fully committed.

### Culture Commission

**7. Susan Deacon (Edinburgh East and Musselburgh) (Lab):** To ask the Scottish Executive what role the new appointments to the culture commission will play. (S2O-2867)

**The Minister for Tourism, Culture and Sport (Mr Frank McAveety):** We published the remit of the cultural commission on 22 April. The remit states specifically that the commissioners should operate to ensure that they fulfil the commitments that we set out in the statement.

**Susan Deacon:** The minister will be aware that concerns have been expressed about the composition of the commission and, in particular, about the lack of performing artists on the commission. Will he tell us what steps the Executive will take to ensure that performing artists have a role to play in the work of the commission as it proceeds with its important task?

**Mr McAveety:** The commissioners met early this week to discuss how they can ensure full participation in the commission for working artists in Scotland. The artists who were identified among the original group of commissioners will continue

to play a role, but not necessarily the role that was first envisaged. Under the core commission team will be a series of working groups in which many individual artists and organisations in Scotland will be able to make a substantial contribution.

As far as I know, the chair of the commission, James Boyle, has already met cross-party groups in the Scottish Parliament and a number of practitioners to share ideas and expertise. He will announce over the next few weeks the structure and approach that the commissioners will take to engage seriously with the challenging and demanding remit that the cultural commission has been set to ensure that it delivers on the objectives that we set out.

## Finance and Public Services and Communities

### Residential Properties (Fuel Poverty and Energy Wastage)

**1. Nora Radcliffe (Gordon) (LD):** To ask the Scottish Executive what action it is taking to upgrade residential properties to help eliminate fuel poverty and address energy wastage. (S2O-2803)

**The Deputy Minister for Communities (Mrs Mary Mulligan):** The Executive has taken action on a number of fronts to help to eradicate fuel poverty and energy wastage, including insulating more than 195,000 homes and installing central heating and insulation in more than 38,000 homes, which has contributed to the dramatic fall in fuel poverty from affecting 35 per cent of Scottish households to affecting 13 per cent of all Scottish households.

**Nora Radcliffe:** Given that energy efficiency is often the poor relation in energy policy, I am encouraged by what the minister says about how we are upgrading housing stock. However, I ask her to look into a matter that has been raised as a concern with me. In the way that we fund housing associations, are we creating barriers to investing in small-scale renewable energy applications, which might be more expensive at the outset, but which have whole-life payback benefits?

**Mrs Mulligan:** I am not aware of any barriers to taking energy efficiency measures that stand in the way of our registered social landlords. However, I am more than happy to look into the matter further. Although I accept that, on occasion, such measures might seem expensive, if they bring long-term financial benefits and help to preserve the environment, I expect registered social landlords to be involved in such schemes.

**Phil Gallie (South of Scotland) (Con):** Does the minister agree that the worst fuel poverty of all is when consumers do not have access to an

electricity supply? Given the Government's targets on renewable energy, is she aware of a House of Lords report issued today that underlines the threat to United Kingdom power generation? What will she do to protect the vulnerable, the old and those with young families if they face a cut-off of their power supply?

**Mrs Mulligan:** The Executive has an excellent record of supporting the old and vulnerable in our society by relieving fuel poverty and ensuring that people can heat their homes and stay warm and safe within them. A combination of measures by our Westminster colleagues—on higher incomes, support measures and lower fuel prices—and work that the Scottish Executive has done has resulted in the stark figures that I quoted earlier on the reduction of fuel poverty.

**Sarah Boyack (Edinburgh Central) (Lab):** I welcome the minister's commitment to consider the issues raised by Nora Radcliffe. There is a perception among some housing associations that, although there are many benefits to be gained from an integrated approach to energy efficiency, tackling fuel poverty and the use of small-scale renewables, some of them find it hard to work such an approach into their financial planning. A strong political lead and guidance from ministers would be welcome, because the few housing associations that are involved in such work in my constituency are making a big difference to people's lives.

**Mrs Mulligan:** I hear Sarah Boyack's concern and I reassure her that I will look into the matter further.

**Stewart Stevenson (Banff and Buchan) (SNP):** I congratulate the Executive—at least in this context—on having a target that is clear and unambiguous, unlike so many of its other targets. Does the minister recall our previous exchanges about whether administrative lines of accountability and processes are in place that will deliver on the policy? Will she assure us that a civil servant will get fired if the policy is not delivered? Of course, we would expect the minister to leave office, too.

**Mrs Mulligan:** I always remember my many discussions with Stewart Stevenson and I remember that he asked me that question in the Communities Committee, after having put the same question to my colleague Margaret Curran at the previous meeting. I am not looking for one civil servant whom I will blame if the policy is not delivered. The Executive takes responsibility for the success of the policy and will continue to make progress on it.

## **Antisocial Behaviour (Light and Noise Nuisance)**

**2. Mr Kenneth Macintosh (Eastwood) (Lab):** To ask the Scottish Executive what plans it has to deal with antisocial behaviour that causes light and noise nuisance. (S2O-2831)

**The Deputy Minister for Communities (Mrs Mary Mulligan):** The Scottish Executive intends to implement the noise aspects of the Antisocial Behaviour etc (Scotland) Bill later this year. The provisions will provide a quicker sanction in dealing with antisocial noise and add to the statutory nuisance tools that are already available to local authorities and the police under other legislation. With respect to light nuisance, the outcome of a relevant research project is expected later this year.

**Mr Macintosh:** The minister is aware, as a result of the consultation on the Antisocial Behaviour etc (Scotland) Bill and her work on the bill, of the difficulties that light and noise pollution cause in communities. Is she also aware of the particular problem of light pollution as a result of badly designed lights, particularly in urban areas, which causes difficulties for individuals such as amateur astronomers, who cannot view the night sky? Will she take that matter into account in her forthcoming consideration of light nuisance?

**Mrs Mulligan:** I reassure Ken Macintosh that I am aware of the issues that have been raised about light pollution and that I am aware of the concerns that many amateur astronomers have raised in the past about the pursuit of their interest. We will examine the information from the research project when it is available and we will consider whether there is a need for the Executive to take further measures to address the problem.

## **Affordable Housing**

**3. Bristow Muldoon (Livingston) (Lab):** To ask the Scottish Executive what measures it will put in place to support affordable housing. (S2O-2863)

**The Minister for Communities (Ms Margaret Curran):** The Executive has been conducting a wide-ranging review of affordable housing in Scotland and I intend to announce the preliminary conclusions of that review within the next few weeks.

**Bristow Muldoon:** Does the minister acknowledge that, in addition to the Executive's many other policies to develop the Scottish economy, an adequate supply of affordable housing is crucial to the continuing growth of the economy? Is she aware that in Edinburgh and the Lothians in particular there is considerable pressure on affordable housing? What discussions has she had with local authorities in those areas to try to address the shortage of affordable housing?

**Ms Curran:** I reassure Bristow Muldoon that I and my colleagues in the Scottish Executive understand the critical relationship between the supply of affordable housing and the facilitation of economic growth, which lies at the heart of the review that we are undertaking. We are of course in discussion with local authorities in Edinburgh and the Lothians to ensure that we develop appropriate policies that work for them and that help us to grow the economy. We are also in discussion with other key stakeholders such as developers and the registered social landlord sector.

**Murray Tosh (West of Scotland) (Con):** The minister is aware of my concern that some current approved structure plans do not require quantified land releases for affordable housing and that local plans consequently do not treat land release for the affordable and market-led sectors equitably. Will she consider issuing supplementary planning guidance to structure plan authorities to require land releases for affordable housing either through structure plan reviews or by using the alteration-of-plan procedure?

**Ms Curran:** I had a lengthy discussion on that issue last night at the cross-party group in the Scottish Parliament on affordable housing—a meeting that was brilliantly chaired by Mr Tosh. I am now at a sad stage of life and I find discussions on structure plans very interesting. Last night, I did not give Mr Tosh a specific answer—as he spotted—but I assure him that planning is a key part of our discussions on the supply of affordable housing. I do not think that, in the past, we ever marshalled the planning system and housing issues as we should have done. We all know the profound issues involved. We can make changes in one area that have an unintended consequence in another. We want to ensure that that does not happen. Detailed considerations will be part of our discussions. I will happily discuss the issue with Murray Tosh or the cross-party group and share our further thoughts.

**Brian Adam (Aberdeen North) (SNP):** I do not seek the same flattering reply that the minister gave to Mr Tosh. The issue of affordable housing covers more than the capacity to buy an affordable house; it also covers the capacity to rent an affordable house. What plans does the minister have to increase the supply of houses for rent? When will she review the right to buy?

**Ms Curran:** There were a lot of questions there. I am glad that Brian Adam was not demanding a flattering response, because he would not have got one. I will withhold any other comment.

A number of issues arise and I acknowledge that Brian Adam has been interested in the subject for some time. We have to understand housing issues across all sectors. In the past, we have sometimes

looked too narrowly at one sector and not recognised interrelationships or understood properly how the market has been working and the consequences of that. For example, affordability issues have arisen in the Lothians.

We are considering numbers and we are considering supply. We are considering the pattern across Scotland, which varies. Of course, we are also considering supply in the social rented sector. Brian Adam knows of my great commitment to the community ownership programme. Through investment, that programme allows us to create more quality houses for people to rent.

During the passage of the Housing (Scotland) Bill, we had robust debates on the right to buy. The provisions of that legislation are being implemented. Some local authorities are considering issues to do with pressured area status. Discussions on right to buy continue. However, we are in the process of implementing our existing policy.

**Tommy Sheridan (Glasgow) (SSP):** The minister has received representations, from the Chartered Institute of Housing in Scotland among others, about her target of having 18,000 social rented homes by 2006. The institute has said that that target is woefully inadequate. Will she review the figure and increase it substantially? In evidence to the Communities Committee, the institute said that the net loss of social rented housing was 16,000. Will the minister therefore agree that the need to review the right to buy in the social rented sector is urgent and pressing?

**Ms Curran:** My reply to Brian Adam is relevant to this question, too. We are implementing our policies through the Housing (Scotland) Act 2001. In areas where people say that the right to buy is having a drastic effect on the availability of housing, they can apply for pressured area status. The procedure for that is quite robust. One local authority is currently at the beginning of that process and we will wait to see what happens.

I always listen to the Chartered Institute of Housing in Scotland, the Scottish Federation of Housing Associations and other credible organisations that provide significant evidence on the number of houses that are required. In our review, those organisations have been key stakeholders. We are trying to broaden our analysis. We do not want to say, "Here is an absolute number; take it or leave it." Many factors are involved. We have to consider how the market is operating and the different options such as low-cost home ownership. Some areas have shortages, others are oversupplied. Shifting resources from one area to another may not be appropriate sometimes. Therefore, we must consider the comprehensive range of issues,

which is what we are doing. When that process is concluded, we will report to the Parliament appropriately.

### **Green-belt Land**

**4. Mark Ballard (Lothians) (Green):** To ask the Scottish Executive how guidelines on building on green-belt land are being implemented. (S2O-2855)

**The Deputy Minister for Communities (Mrs Mary Mulligan):** The Executive's policy on green belts is set out in Scottish Development Department circular 24/1985. Local authorities designate green belts through their development plans. Decisions on individual development proposals are made in accordance with the development plans, unless material considerations indicate otherwise. We have commissioned research to evaluate the effectiveness of green-belt policy and to examine how it is being implemented.

**Mark Ballard:** I thank the minister for her answer. She may be aware of proposals in my region to build a school on a site in Silverknowes in west Edinburgh that is partly designated as green-belt land. Does she agree that that proposal to build on green-belt land should be resisted and will she ensure that, when the proposal comes before the Executive, ministers will seek to protect the green-belt land while ensuring that Craigroyston Community High School stays at the heart of its community?

**Mrs Mulligan:** I am sure that Mark Ballard would not expect me to comment specifically on the application to which he referred. Given that the application may come to the Executive at a later stage, I would not want to say anything that might be prejudicial. I point out to him that the designation of green belts is established through development plans in consultation with local communities. Therefore, green belts should be taken seriously. However, the situation is not that there should never be any development within green belts. It is important that we allow local authorities the flexibility to decide on individual applications on the basis of what is in a local community's best interests. It is important that, in this instance, we allow the local authority to pursue the best interests of its community. Obviously, should the application be referred to the Executive, we will bear in mind Mr Ballard's comments.

**Elaine Smith (Coatbridge and Chryston) (Lab):** Is the deputy minister aware that I have written to the Minister for Communities about Dunbeth park in my constituency and the fact that school public-private partnership bidders have dictated the location of an all-weather, floodlit football pitch on a piece of historically and

aesthetically significant green parkland in Coatbridge? The PPP bidders, as the main developers, seem to have circumvented the usual system of notices of intention to develop, to which local authority developments are subject. Does the minister share my concern that the views and objectives of PPP bidders are taking precedence over the concerns of the community? Will she undertake to look into that as a matter of urgency?

**Mrs Mulligan:** Again, I can only say that it is not appropriate for me to comment on individual circumstances at this stage. However, I am aware that Elaine Smith has written to the minister about the matter and I am sure that she will receive a response as quickly as possible. I reiterate that development plans should always be the major consideration when applications are considered. If a local authority believes that there are significant reasons for changing that procedure, they must be good ones that would benefit the local community.

### **Homelessness etc (Scotland) Act 2003 (Implementation)**

**5. Shiona Baird (North East Scotland) (Green):** To ask the Scottish Executive what the timetable will be for the implementation of each of the sections of the Homelessness etc (Scotland) Act 2003. (S2O-2854)

**The Minister for Communities (Ms Margaret Curran):** Officials wrote to local authorities on 14 January 2004, setting out the indicative timetable.

**Shiona Baird:** I thank the minister for that reply, but I am not sure what to make of it. The Homelessness etc (Scotland) Act 2003 was passed over a year ago. The minister received a housing rights award for passing what Shelter dubbed as the most progressive homelessness legislation in western Europe. However, with the exception of the issue of priority need, changes to the homelessness test have yet to be implemented. When will she give notification of when the 2003 act will commence, of how much it will cost and of whether and how the Executive intends to pay for it? Does she accept that, apart from the hype associated with the bill's passage, the legislation has so far made little difference to the lives of homeless people?

**Ms Curran:** I do not normally like to disagree strongly with Shiona Baird, but I am as perplexed about what she said as she appeared to be at my initial reply. I think that what she is saying about the Homelessness etc (Scotland) Act 2003 is quite unfair. We have worked closely with stakeholders on its implementation. The monitoring group was set up immediately after the bill was passed to ensure that the legislation would be implemented in partnership with all the key organisations, including Shelter. A timetable has been agreed with the monitoring group and with the Convention

of Scottish Local Authorities. The sector is well aware of what we are doing in that regard.

I am not aware that there have been any accusations that the Executive is being slow to implement the various sections of the act. I discussed the matter with my officials this morning and was reassured about the implementation process. I have tried to deal with the specific issue of ending the inappropriate use of bed-and-breakfast accommodation for families. That is not directly related to the Homelessness etc (Scotland) Act 2003, but it has had a small repercussion on the implementation, although only section 11 is delayed and the delay is very short. Shiona Baird might want to tell me about particular concerns, but I believe that we have honoured all the commitments that we have made on the act's implementation.

**Mary Scanlon (Highlands and Islands) (Con):** If a property was repossessed because, under the Antisocial Behaviour etc (Scotland) Bill, the landlord received no rent and therefore could not pay the mortgage, what would happen to the sitting tenants? Would the lender have to register as the landlord?

**The Deputy Presiding Officer:** Briefly.

**Ms Curran:** As Mary Scanlon knows, we have had a big discussion about private landlords. All the details of that are subject to on-going consideration. I will be happy to discuss those details with the member.

## General Questions

**The Deputy Presiding Officer:** As question 1 has been withdrawn, we move straight to question 2 of the general questions.

### United Kingdom Fishing Industry

**2. Richard Baker (North East Scotland) (Lab):** To ask the Scottish Executive how it is taking forward the findings of the Prime Minister's strategy unit's report on the UK fishing industry. (S2O-2845)

**The Deputy Minister for Environment and Rural Development (Allan Wilson):** We will be co-operating closely with all interested parties and other fisheries departments to prepare a response to the Prime Minister's strategy unit's report on the UK fishing industry.

**Richard Baker:** I welcome that answer. Does the minister agree that the Scottish Executive, in consultation with our fishing industry, must take the lead on decisions to ensure a profitable and sustainable fleet? Will he reaffirm that the Executive is not contemplating any further decommissioning, but is considering the suggestions in the report that are useful, such as

those on ensuring transparency in the catching figures and those on the use of different options for restricting effort?

**Allan Wilson:** I am happy to give the member the confirmation that he seeks. It was unfortunate that, when the strategy unit's report was published, decommissioning was concentrated on. The report suggests that a further reduction of at least 13 per cent is necessary to ensure a sustainable white-fish fleet in the UK. We need to examine the report and study its implications. I was at pains to point out that, in Scotland, there are no plans for further decommissioning of the Scottish fleet. There is much in the report that is to be welcomed and that we want to consider further in concert with the UK Government.

**Mr Ted Brocklebank (Mid Scotland and Fife) (Con):** As the minister will be aware, the Prime Minister's strategy unit recommended a 13 per cent cut in the UK fleet and a tie-up for four years of a further 30 per cent of the fleet. In which Scottish ports does the minister think that any cuts or any pull-back might be sustainable, given that only 60 dedicated white-fish boats are left in Scotland? Does he accept that any further cuts would mean, in effect, that there was no Scottish white-fish fleet left?

**Allan Wilson:** No, I do not accept the basic premise of the question. I pointed out the detail of the strategy unit's report in my response to Richard Baker's question. We have no plans for further decommissioning in Scotland, so no Scottish ports face further decommissioning. However, as the member knows, the problem of the scarcity of cod in the North sea remains and must be addressed. The complexity of that situation will have to be tackled in the future so that there is a sustainable fishing industry that will sustain fishing communities in Mr Brocklebank's part of Scotland and in the rest of the country. That is what the strategy unit's report seeks to do and I welcome it for that reason.

### Children (Physical Punishment)

**3. Stewart Stevenson (Banff and Buchan) (SNP):** To ask the Scottish Executive what the results were of the research that it commissioned from an independent contractor into the current incidence of physical punishment of children by their parents, as announced on 18 March 2002. (S2O-2792)

**The Minister for Justice (Cathy Jamieson):** The results of the research are contained in the report "Disciplining Children: Research with Parents in Scotland", which was published on 18 September 2002. The research involved an exploration of the views and behaviour of around 700 parents in Scotland. Of the parents interviewed, 79 per cent were in favour of a ban on

shaking, 79 per cent were in favour of a ban on the use of implements and 84 per cent were in favour of a ban on hitting on the head. The information helped to inform section 51 of the Criminal Justice (Scotland) Act 2003, under which those specific forms of punishment are prohibited.

**Stewart Stevenson:** Like the minister, I welcome the figures that were included in the report. Can she give the chamber information on the effectiveness of section 51 of the Criminal Justice (Scotland) Act 2003 in respect of a reduction in the incidence of visible harm being presented at hospitals or in other ways?

**Cathy Jamieson:** I cannot give the member information of the kind that he has requested. It is only some eight months since the act was implemented. We are not aware of any related cases that have come before the courts as yet or of any further research that has been done to follow up on the report. Obviously, any research would need to look at information that had been gathered over a period of time. As with all legislation, we will keep the act and its implementation and outcomes under review.

**Phil Gallie (South of Scotland) (Con):** I have some good news for the minister. If we go ahead with the European Union constitution, whatever she and the Scottish Parliament think about the issue is irrelevant. Article 7 of the Charter of Fundamental Rights of the European Union refers to

“respect for ... private and family life”,

which seems to suggest that parents would be in control of their own homes and their own children.

**Cathy Jamieson:** I am always delighted to get good news from Mr Gallie, although I have to say that that is a rare event. I want to put on record the fact that the Executive takes seriously the issue of respect for family life. Of course, we also take seriously the issue of protecting our children from inappropriate harm. That is what the act that we passed in the Parliament sought to do and those are the principles that will inform our future reform of family law.

#### **Waste Water Treatment Plants (Odour Emissions)**

**4. Susan Deacon (Edinburgh East and Musselburgh) (Lab):** To ask the Scottish Executive what progress is being made in tackling odour emissions from waste water treatment plants. (S2O-2813)

**The Deputy Minister for Environment and Rural Development (Allan Wilson):** As I detailed to the Environment and Rural Development Committee on 9 June, the Executive will be publishing the Scottish water quality and

standards III consultation in July and the draft code of practice on odour control from waste water treatment works consultation in September 2004. Those will, respectively, consider the relative priority of odour control in future financial planning and provide best practice guidance for resolving odour problems. I also indicated that we plan to consider the statutory underpinning of the code of practice.

**Susan Deacon:** I welcome the minister's comments about his consideration of the need to give statutory force to the measures that he outlined in his reply. I urge him to move forward on the issue with some urgency, as my constituents who live close to the Seafield waste water treatment works have experienced problems for far too long. Will he acknowledge that odour greatly reduces people's quality of life, in the same way as other environmental nuisances, including noise, do? Given the Executive's commitment to an improved quality of life in our communities, will he ensure that the statutory and regulatory regime for odour control is given as much weight as other environmental issues are? Will he further ensure that the law takes seriously the concerns of communities on the matter?

**Allan Wilson:** I am happy to give Susan Deacon the assurance that she seeks. Indeed, I pay tribute to her and to those other members, including Marilyn Livingstone, who have raised the issue of odour control at our waste water treatment works. They have moved the matter up the political agenda so that it now ranks with issues such as noise pollution and—dare I say it—light pollution. As Susan Deacon is aware, any amendment to the law will be subject to our finding a suitable opportunity to make the legislative changes. It will also require the approval of the Cabinet sub-committee on legislation. I am therefore unable to elaborate further on the subject at present, apart from reiterating my intention to underpin statutorily the proposed code of practice. I am happy to meet the member and, indeed, the convener of the Environment and Rural Development Committee to see how we can best take forward the issue on a statutory basis.

**Mr Jamie McGrigor (Highlands and Islands) (Con):** The minister will be aware that the people of towns such as Inveraray and Campbeltown have been living with an appalling stink of sewage since Scottish Water fiddled about with their water works. Does he understand that people in those towns rely on tourism as their main income? What does he think that tourists will make of the stink? Will they come back next year?

**Allan Wilson:** I have great sympathy with anybody whose water works have been fiddled with. I am pleased to assure Jamie McGrigor and George Lyon—who has raised the matter as the

constituency MSP—that we are considering seriously the problems that Jamie McGrigor identified in Inveraray and other places on the west coast so that we can secure technical solutions. Technical solutions exist, although they have financial implications. We must consider both those issues with Scottish Water.

### **Small Businesses (Support)**

**5. Mark Ballard (Lothians) (Green):** To ask the Scottish Executive what support it offers to enable small retail businesses to improve their premises. (S2O-2859)

**The Deputy Minister for Enterprise and Lifelong Learning (Lewis Macdonald):** The Scottish energy efficiency office offers energy and waste audits to small firms, including retail businesses, and can provide interest-free loans to businesses to improve their energy efficiency. Small firms also benefit from rates relief of between 5 and 50 per cent and have access to many of the business support services that the Scottish Enterprise network provides.

**Mark Ballard:** I particularly welcome the efforts to improve energy efficiency in small businesses. However, I am concerned that, when small businesses take action to improve access to their premises to comply with measures such as the Disability Discrimination Act 1995, they may pay higher rents as a result. On the other hand, when large retail developments are introduced, local authorities may take steps to improve access, such as signage and car parking, to try to encourage retail businesses to set up in the area. That approach does little to support small community businesses—

**The Deputy Presiding Officer:** Do you have a question?

**Mark Ballard:** What steps will the Executive take to ensure that small businesses are on a level playing field in the retail sector?

**Lewis Macdonald:** The planning policy that applies to the retail sector supports development in city centres. It is clearly in the interests of smaller businesses and established businesses that that should continue to be the basis on which local authorities make judgments about applications of the kind that Mr Ballard describes. As far as other costs are concerned, in many cities—including my own—small businesses have banded together in city centre associations to provide mutual support for members in addressing some of their common concerns.

### **Christmas Day and New Year's Day Trading (Scotland) Bill**

**6. Karen Whitefield (Airdrie and Shotts) (Lab):** To ask the Scottish Executive what

consideration it will give to responses to the consultation on the proposed Christmas day and new year's day trading (Scotland) bill. (S2O-2846)

**The Deputy Minister for Justice (Hugh Henry):** The Executive will reserve its position on the proposed bill until we have considered the responses. Consultation will be important, as there may be a range of views on the proposals. The Executive will study the public response closely. We will wish to assess the balance of opinion on the slightly different issues raised by the proposals to ban large stores opening on Christmas day on the one hand and on new year's day on the other.

**Karen Whitefield:** I am grateful to the minister for his reassurance that he will listen to the consultation responses. Does he agree that there is no evidence to suggest that the current practice of shops remaining closed on new year's day in Scotland has damaged tourism in Scotland? Does he agree that it is important that we listen closely to the views of all those who have an interest in the proposed bill, particularly the shop workers and ordinary men and women of Scotland?

**Hugh Henry:** Like others, I am encouraged by the increase in tourism that Scotland has witnessed around the new year period, which has been achieved despite the fact that large stores do not open on new year's day. However, we will wait to see what the retail industry and other interests have to say on the matter. Karen Whitefield is correct that the views of those who would be required to work on both Christmas day and new year's day should be listened to. Both days have become important family holidays and Christmas day still has a religious resonance with many people in Scotland. Any decision to open stores on those days would have a considerable social impact, which we would also want to consider.

### **ScotRail Franchise**

**7. Cathy Peattie (Falkirk East) (Lab):** To ask the Scottish Executive what the benefits to passengers will be of the new ScotRail franchise. (S2O-2841)

**The Minister for Transport (Nicol Stephen):** The new franchise will bring in a number of improvements for passengers, such as improved punctuality and reliability of services; improved passenger safety and comfort, including higher standards of cleanliness, security and travel information; plans to reduce overcrowding so that no one should have to wait more than 10 minutes for a seat; and tougher penalties for poor performance.

**Cathy Peattie:** I hope that the minister is right. Does he share my constituents' concerns that FirstGroup plc will run the train service in the same way as it runs the buses in my constituency?

Timetables are changed without consultation and do not meet people's need to get to work, services are withdrawn and buses do not turn up. Can he assure me that that will not happen under the new ScotRail franchise?

**Nicol Stephen:** I can, because the difference between bus services in Scotland and the ScotRail franchise is that the rail franchise is fixed and specified by the Executive and we have said that the basis of the new franchise will be at least the current level of service—the current timetable and current provision. We want to make improvements in all the areas that I have identified—punctuality, reliability, safety and comfort—but we also want to introduce new services. As Cathy Peattie is aware, there are a number of ambitious plans for new rail lines and rail services in Scotland that we intend to implement during the seven-year period of the new franchise.

**Alasdair Morgan (South of Scotland) (SNP):** Will the minister explain exactly how it is possible to guarantee that people will have seats within 10 minutes without a seat reservation system, which I suspect he does not want to introduce on commuter services?

**Nicol Stephen:** The simple answer is that we need more capacity—in particular, more peak-time capacity—on our network. To start to achieve that, we have acquired 29 new trains through the rolling-stock operating companies and we are extending the platforms at 27 locations throughout Scotland. Moreover, we have made a significant increase in peak-time capacity on many of the main urban corridors—on the route between Glasgow and Edinburgh, there has been a 37 per cent increase in peak-time capacity—which will make a considerable difference to our ability to cope with the rising demand for rail services. The important thing is that we have rising demand for rail services in Scotland and we intend to meet that demand with the new rolling stock.

**Dr Sylvia Jackson (Stirling) (Lab):** The minister gave guarantees to Cathy Peattie regarding the new franchise, but it appears that we cannot get any guarantees about the present ScotRail service from Edinburgh to Dunblane, which, night after night, terminates at Stirling. Would he like to assist me in trying to make the passage from Edinburgh to Dunblane more of a continuous journey?

**Nicol Stephen:** I cannot guarantee that problems with individual services, breakdowns and the usual inconveniences that we seek to reduce and minimise in any public transport system will not arise from time to time. However, I would be delighted to assist Sylvia Jackson with the problem that she identifies. Any such problem should be kept to a minimum and, if it has been

going on too long, I am always prepared to take action.

## Renewable Energy

**8. Maureen Macmillan (Highlands and Islands) (Lab):** To ask the Scottish Executive how it is promoting the development of renewable energy. (S2O-2839)

**The Deputy Minister for Enterprise and Lifelong Learning (Lewis Macdonald):** We are promoting the development of renewables in a number of ways, including the renewables obligation on electricity suppliers to source more electricity from renewable sources, the Scottish community and householder renewables initiative and the work of the forum for renewable energy development in Scotland, which seeks to accelerate the development of emerging technologies such as marine energy, biomass and hydrogen.

**Maureen Macmillan:** The minister is no doubt aware that all methods of producing electricity from renewables require the upgrading of the grid and that the erection of the necessary large pylons will have a visual impact on the landscape. Is he aware of the anxieties that that is creating in communities such as Ullapool, which depends on tourism for its economy? Will he reassure me that the needs of such communities to preserve the landscape on which their economies depend will be taken seriously in any assessment of or permission for an interconnector route?

**Lewis Macdonald:** Maureen Macmillan is absolutely right to say that, if Scotland is to realise its potential in renewable energy, particularly in the north and west of the country, the upgrading of the national grid will be an absolutely essential requirement. That is subject to a statutory process—specifically, consents have to be sought under section 37 of the Electricity Act 1989. Any consent would be given only after careful consideration, taking into account environmental impacts and the interests of communities, as well as the requirements of national energy policy.

**Alasdair Morgan (South of Scotland) (SNP):** On a point of order, Presiding Officer. At the beginning of question time, you had to make a ruling—albeit on the spur of the moment—on what should happen if a minister is not in place to answer a question that was allocated to him. Could you and the other Presiding Officers reflect on what should happen on any similar occasion in future? It has occurred to me that simply moving on to the next question is not in accordance with standing orders, or with the spirit of standing orders, which clearly allocate questions to the Executive, rather than to specified ministers. Moreover, as Mr Gallie pointed out, that practice also does not allow supplementary questions to be

asked. In extremis, the practice could be open to abuse should a minister decide to duck a question in that manner.

**Phil Gallie (South of Scotland) (Con):** Further to that point of order, Presiding Officer. I back the comments that Alasdair Morgan has made. Such an omission on the part of a minister is a great discourtesy to the Parliament. Surely the first responsibility of any minister is to the Parliament. There should be an apology and a full explanation. I am disappointed that Mr McAveety is not in the chamber. I had hoped that he would have explained the matter—perhaps there was a good reason for his failing to appear for the question concerned. I ask you to request Mr McAveety to appear in the chamber later to explain the situation.

**The Deputy Presiding Officer:** The point of order is to me, but Cathy Jamieson has indicated that she wishes to speak.

**The Minister for Justice (Cathy Jamieson):** I realise that it is unusual to respond in this way, but I feel that it is important to assure the chamber that Mr McAveety will ensure that a letter will be with you, Presiding Officer, in which he will apologise for the omission and in which he will explain the circumstances. I have had brief, informal discussions with my colleagues on the front bench this afternoon about putting in place an appropriate process to prevent such a situation from arising again. I apologise on Frank McAveety's behalf.

**The Deputy Presiding Officer:** It is unfortunate that Mr McAveety is not here. I take note of the minister's point and we will reflect on the matter. It is important that, if ministers have a question to answer, they are in the chamber to answer it.

## Efficient Government

**The Deputy Presiding Officer (Trish Godman):** The next item of business is a statement from Andy Kerr, on efficient government.

15:03

**The Minister for Finance and Public Services (Mr Andy Kerr):** I wish to outline to the Parliament how the Government will drive forward our agenda for improvement and delivery, our work to get the best value from every public pound spent and our intention to invest in Scotland's future prosperity. The United Kingdom spending review will be announced shortly, and that UK announcement will set out the additional resources that Scotland will receive for the financial years 2006-07 and 2007-08.

Since devolution, there has been the longest and largest sustained rise in public spending in living memory. We have used that increase to invest in public services and to improve infrastructure across Scotland. The investment is making a difference: it is delivering and having an impact in all our communities. In our own spending review, we must lock in the investment that we need and ensure we are getting the best possible value for our money, through investment in skills and services, investment in infrastructure and investment in our most important asset—Scotland's people. We need to do so in a climate in which public spending is still rising in real terms, but less quickly than in recent years.

For the Government, it is

"imperative to seek continuous improvement in the efficiency of public expenditure".

Those words come from the Finance Committee report that was debated this morning. That principle already underpins every decision that we make.

My statement sets out the steps that we are taking to ensure that we lock in continuous improvement and real efficiency gains across the public sector: from the Scottish Government to local government, and from health boards to public bodies.

We will spend more on front-line services for the people of Scotland, on those who deliver the core business of government, and less on support services and back-office functions. We will spend more on delivery and less on administration and we will move resources from how we do business into the business that we do. We want better regional and local management of services, not more central control. We are realising the full potential of savings from more efficient

procurement, making the most of the opportunities that technology brings to drive up efficiency, simplifying and standardising policies and processes and drawing on best practice from across the public sector.

Our record in Scotland is already strong. Our e-procurement system is one of the most comprehensive and successful e-government initiatives in the world. We are joining up back-office functions in our health boards to save £29 million a year, and local government has shown itself able to take a number of impressive strides in order to secure efficiency gains and deepen collaboration between councils.

However, we need to do more. Therefore, today I am announcing that, as part of our budget plans to be announced in September, we will set out a three-year plan to attack waste, bureaucracy and duplication in Scotland's public sector. We are building on the work that has already been done, but we are stepping up a gear and going much further, with more ambitious targets. We want to ensure that every pound has a positive impact.

Our immediate goal is to deliver efficiency savings of £500 million from the financial year 2007-08, rising to £1 billion by 2010. We will set targets for efficiency gains from each Government department, from health boards and from all public agencies. Those gains will free up resources that we will invest in front-line services and staff.

We will work with local government to build on the gains that it has already made, and I welcome local government's willingness to work with us on that challenge. The different parts of the public sector will need to look beyond their own organisations and boundaries and work together in order to achieve our objectives.

We want to invest time and effort today to bring security and strong foundations to our public services in the future, and to invest resources for that task. I have therefore set aside a total of £60 million for this year and next year to incentivise and fast-track change and service improvement.

Today, I will write to leaders throughout the public sector to invite them to work closely with us, play their full part and ensure that we succeed together. Their expertise and experience will be vital, as will that of front-line staff. In every public or private organisation, the staff on the ground who deliver the service day in, day out know how the service can be improved. Therefore, I ask every public service worker to join us in our efforts to improve the impact that they can make in their jobs and to end the time that they waste doing unnecessary work.

However, we need to get our own house in order first. The end-year flexibility process is part of our financial management process. Today, I have

published a comprehensive paper that sets out details of the resources that have been carried forward from last year under end-year flexibility, and how that money will be used. Copies of that paper are available for members in the Scottish Parliament information centre.

Before summarising the numbers, I want to remind members why we go through the process each year. The process stems from the parliamentary principle of annuality. When Parliament approves the Executive's spending plans, it does so only for the financial year in which it gives its approval. If that spending does not take place, we are required to come back to Parliament to have those plans authorised again. Every business and every household carries forward money in such a way. No one expects businesses and households to rush out and spend the remaining money in their bank accounts at the end of the financial year; instead, they plan for the future and set aside the money that they need to pay the bills that they know are coming. That is sensible day-to-day budget planning and the Executive uses the same sensible, commonsense approach. That approach rests on the basic principles of EYF, which are a fundamental part of prudent financial management.

The detailed paper that I have published shows that the Executive has carried forward less than 2 per cent of the total Scottish budget, which is a level of cash reserves that Government bodies have traditionally carried over at the end of the financial year. However, I am disappointed that this year's EYF of £403 million is more than last year's. Delays in spending are delays in improving public services and the figure for the past year demonstrates to me that, after five years of devolution, departments still have more to do to ensure sound financial management across the Executive.

I am therefore taking additional action to ensure that future spending comes in closer to budget. I have reached an agreement with the permanent secretary that will ensure that appropriate indicators on financial management are included in the personal performance targets of all senior civil servants with responsibility for budgets. I am also introducing a new approach to managing resources that are set aside for future commitments. Those resources will, in future, be managed centrally alongside the contingency fund, allowing more active management of the budget. As members will know, we made a start on that in last year's spring revision by bringing forward £85 million of spending in the health portfolio, and I can announce further steps today.

Last Monday, Ross Finnie announced the provision that has been carried forward by Scottish Water. He made it clear that, as with all our arm's-

length bodies, we have given Scottish Water a guarantee that it will be able to carry forward its unused borrowing capacity until that is required. However, the £205 million that was carried forward by Scottish Water from last year will not be needed in this financial year. We have the option to leave that money on one side or to use it now in ways that will free up resources in future years by bringing forward spending from future plans. I have decided that it is right and prudent to bring forward into the current financial year £205 million of spending from our future plans.

First, in light of the pressures on the health service this year, I have agreed that the Health Department should be allowed to retain for a further year the loan of £85 million that was made in the spring revision. Secondly, I consider it prudent that, whenever we can, we take steps to reduce the debt burden that we leave for the future. By paying off debt now, we not only meet a commitment that would inevitably fall in years to come, but we free ourselves from the burden of annual interest payments. That not only brings forward spending; it frees up additional resources in every future year—resources that we can then allocate to the improvement of front-line public services.

I have, therefore, decided to pay off all the remaining debts that were carried over from Scottish Homes at a total cash cost of around £220 million. That will bring annual budget savings of more than £15 million a year: an annual return of more than 10 per cent on our investment in terms of departmental expenditure limits. That simple, prudent step will release resources for front-line services.

We have made economic growth our top priority. To achieve that, we must invest in skills, education and infrastructure. I will say more on that front in the spending review, but I am pleased to be able to make a start today. We are reversing decades of underinvestment in our higher and further education establishments. We have a world-class tertiary education system, and we need world-class facilities to match. We will bring forward into this year £20 million of capital investment in further and higher education institutions to allow them to take forward plans to modernise the teaching infrastructure and promote collaboration. I will set out further investment proposals for further and higher education in the forthcoming spending review.

In our schools, we aim to lead the world in online learning. Research shows that teachers and pupils are beginning to see real benefits from using online materials in the classroom, and we need to make the most of that opportunity. I am bringing forward £10 million to upgrade the technology that will allow our schools better access to the latest

online learning material, including the digital curriculum that is being developed by the BBC.

All the spending decisions that I have detailed today would have had to be paid for in due course. By bringing them forward, we both bring forward the delivery of our programme and free up resources for the future.

We all know the impact that decades of underinvestment in our infrastructure has had in Scotland—the negative impact on transport, education and health and the debilitating impact on economic growth and innovation of underinvestment in the long years before devolution. However, we have made a strong start in repairing the damage and putting things right. We have begun to make the capital investment that our country needs in new schools, new hospitals and new transport infrastructure. That capital investment is modernising Scotland and supporting our investment in front-line services. It is essential to economic growth. However, there is still much to do and I am pleased to confirm that increasing capital investment will be a priority.

I am also setting a target to increase our net investment by at least 5 per cent per annum in real terms over the spending review period. That target will lock in for the longer term the improvement in infrastructure that we need to secure the growing economy and the first-class public services that Scotland deserves. Final decisions on the allocation of this additional investment will be taken in the spending review. However, I assure Parliament today that those decisions will ensure a maximum return from our increased investment. Moreover, in the autumn, I will publish a detailed capital investment strategy for Scotland that will set out our medium-term plans.

Presiding Officer, I have set out a long-term strategy to improve the efficiency of government that will release more than £1 billion each year for investment in front-line services; our strategy for prudent financial management; our decision to pay off debt; our practical commitment to bring forward investment in our schools and further and higher education institutions; and a commitment to annual increases in net investment, which will continue our reversal of the decades of decline in our basic infrastructure.

Together, the proposals will deliver effective financial management and prudent long-term planning and will set our finances in good order as we move on to the spending review. They lock in permanent gains to the Scottish budget and for the people of Scotland, and I commend them to the chamber.

**The Deputy Presiding Officer (Murray Tosh):**  
The minister will now take questions on the issues

raised in his statement. I will allow around 20 minutes for questions.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I thank the minister for providing me with an advance copy of his statement, which is entitled "Statement on Efficient Government" and announces proposed savings of £500 million from the financial year 2007-08 which will rise to £1 billion by 2010. If, as the minister has therefore admitted, public money has been wasted in Scotland, why is this statement being made only on 24 June 2004, five years and 23 days after the Labour-Liberal Administration assumed power? Is that not proof positive that there has been financial mismanagement by the Executive? The statement announces a three-year plan to attack waste, bureaucracy and duplication in Scotland's public sector. If such a plan is required now, why was it not introduced four or five years ago?

As for the £205 million underspend by Scottish Water, that has been paid for by Scottish Water's domestic and business charge payers. Surely if that money is to be used to pay off debt, it should pay off Scottish Water debt. Instead, it has been diverted for other purposes that might be worthy but were not part of any reasons or explanations that people were given when they received their water bills.

Did the Scottish Executive consider using the £205 million underspend of Scottish Water resources from water rate payers to reduce Scottish Water debt or to refund more than 20 per cent of the water charges pro rata to domestic and business rate payers? I hope that the minister will give a straight answer to that question. If such matters were considered and rejected, will he kindly explain why?

**Mr Kerr:** First of all, I said that we are embarking today on a step change in our efforts. I say to my colleagues in the chamber—and in the media—that many of the things that the Executive does very well do not get reported. I have searched our database of press releases on efficient government, on how the Executive is spending money and on our partners' efforts to reduce their burden on the taxpayer, increase productivity and deliver better-value services. Those press releases go back many years and, as members will see, I have brought a few of them along today.

If Fergus Ewing cares to listen, I will provide some examples of what we have done to date on this matter. One clear example of the work that the Executive has been carrying out is the facility management contract for its buildings. As a result, we have reduced the annual charge by £2.1 million and the number of employees involved by 45. Moreover, our novel e-procurement system

has been copied throughout the world and is saving millions every year. Indeed, the fact that we are now paying half the amount for our nurses' tunics that we paid under the previous system is evidence of good work and good value.

The e-option for personal computers, which saved Scottish taxpayers £400,000, led to improvement not just in the specification but in value for money. I could—and I will—go on if I need to. However, the member will find that the Executive has, over the years, been looking after every pound of the public's money that has been spent. What we want to do—I am sure that the member will welcome this—is to increase that effort, to ratchet it up and to give it focus and political support, to ensure that we do better and that we do more in the great effort that we will be making in partnership. We are doing a lot more, and will do a lot more, on that front. Mr Ewing should not assume that, over the past five years and more, we have not been doing that work. We have been doing it, and we have tried to get the message out about that, although sometimes it has not been reported. When the place down the road—Westminster—launches a review, however, that becomes an issue in Scotland. We are far ahead of the work that has been carried out in the rest of the United Kingdom. We are leading the world in e-procurement and we are implementing systems that are saving taxpayers in Scotland a lot of money.

With regard to Scottish Water, the member should listen closely. The point is that money is still available to Scottish Water for a continuing and massive investment in public water infrastructure—a massive investment that has been supported by the Executive and channelled through Scottish Water. We have not taken the money off Scottish Water; I am simply using that money prudently and wisely in the interests of the taxpayer.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** I join Fergus Ewing in thanking the minister for the very early copy of his statement. Members may be becoming tired of me saying that we on the Conservative benches represent the real Opposition. Let me change the record, Presiding Officer, and say that, following this week's political developments and yesterday's vote on proportional representation, we are the only Opposition.

I hear the minister talking of efficiency gains. Sacking 88 chorus members at Scottish Opera, and paying handsomely for it, is what he might call an efficiency gain. I do not share that view. He has told us that greater efficiency is needed, implying that there has been too much waste by the Executive in the past. Will he tell us how much money the Executive has wasted—even if he can

give us only a ball-park figure or an estimate—in the past four years? He has told us that the underspend has gone up under his watch. Will he tell us how much money he will return, using existing powers, to hard-pressed council tax and business rate payers?

**Mr Kerr:** The member does not understand the point and, like Mr Ewing, does not appreciate the work on efficiency that has been on-going in the partnership Executive over the years. We have been involved in projects in procurement and facilities management, in productivity in the Crown Office, in purchasing in the health service and in efficiency measures and utility costs in the Executive, where we produced a 35 per cent reduction in the Executive's utility bills. Mr Monteith suggests that we have not been taking an interest in Scottish taxpayers' pounds and pennies; we have. We want to step up our efforts to ensure that such an approach works throughout the public sector.

Many organisations are working away in isolation, doing their best to ensure that they procure correctly, that they manage their utilities correctly and that they use their properties correctly. I am saying that we should take that a step further. Let us ratchet it up; let us work throughout the public sector; let us learn from one another; let us co-operate together; and let us save money for the taxpayer. Collaborative contracts on e-tendering, such as those for energy, have reduced public sector bills at more than 600 sites in Scotland. Our human resources system is saving £28 million a year in the health service, and £2.9 million a year is being saved through efficient processing of common agricultural policy forms for farmers' grants. Littered throughout the public sector in Scotland is the Executive's effort to ensure that we are getting value for money.

I will take lectures from no one about efficiency. At the heart of what the Conservatives seek to say is, "Let's just reduce taxation and public services." What we are about is investing the resource that we save from back-office functions and from reducing inefficiency; we are about getting that money to the front line and delivering more public services. To Mr Monteith, efficiency means fewer public services and less spending in those areas where citizens and communities want money to be spent. The Tories always talk about giving the money back. They did not talk about giving the money back in their leaked memo of a year ago; they were thinking about hundreds of ploys that they could undertake for short-term political gain, none of which was reflected in the statement Mr Monteith has just made.

To get back to the heart of the matter, on end-year flexibility, the hospital nurse who needed to

be trained last financial year still needs to be trained this financial year, and the Executive still wants to train that nurse. The road that we wanted to build last year but which was delayed by bad weather, planning or whatever still needs to be built, and we still want to build it. That is the purpose of EYF. We could make a one-off saving and a political gesture that lasts 12 months but only if we cancel the road, the training or the investment. We want to deliver on the contract that we have agreed with the Scottish public, and with EYF we manage our funds much more effectively. That is why I have made it a performance criterion for senior civil servants in the Executive.

Mr Monteith's comment on EYF is wrong, and no sane person—no householder and no businessperson—would understand what he is saying. We get to the end of the year with money left over but we still have a project to do. Should we spend the money on something else so that the project does not get done? That idea is daft and silly and I am surprised that Mr Monteith raised it.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** I warmly welcome the minister's statement. He was a welcome guest in the Borders last Monday, when he met the new ways partners—the police, the tourist board, the council, the college, the enterprise company and housing associations—which have almost £40 million of joint commissioning. That is exactly the model that we should roll out throughout Scotland.

I am particularly pleased that the minister will ensure that this initiative will involve every agency and individual in public service, from senior officials and their personal performance targets to front-line staff. Does he agree that one of the best ways to bring about early efficiencies in local government is to remove the cost—almost £50 million per year—of assessing, valuing, administering, collecting and enforcing the council tax by replacing it with a local income tax? That would bring both efficiencies and fairness.

**Mr Kerr:** On the final point, I will leave it to others to go through the review process and come back to the Parliament. There are costs involved in collecting any form of taxation.

On the substantive point, the new ways initiative involves exactly the processes and partnership working that the Executive wants. When public services get together, the added value in the process and the gain for the taxpayer are immense. I have seen that throughout Scotland; there are great examples of public sector organisations working together with a single approach to clients—whether they are elderly members of the community or young people in our schools—so that public services deliver a better service to the customer and better value for

money. I agree with Jeremy Purvis's earlier sentiments but I leave his other point for others to deal with in a later debate.

**Des McNulty (Clydebank and Milngavie) (Lab):** The minister announced a substantial commitment in relation to paying off the Scottish Homes debt of £220 million. Will he explain a wee bit more about how that can be funded, given that we have £205 million from Scottish Water and that some of that money is going to other worthwhile projects, including the £85 million that will be retained by the health service? Also, in the context of the welcome statement that he made about the year-on-year increase in capital investment, will consideration be given to supporting Scottish Water to tackle some of the necessary work that needs to be done to deal with development constraints in Scotland, particularly in the east end of Glasgow, where there is a blockage that affects economic growth and infrastructure investment? Work on that blockage would be greatly welcomed by people in that great city.

**Mr Kerr:** I will try to explain the point about the Scottish Homes debt so that we all understand it. There is a total cash cost of about £220 million—I say “about” because interest rates will fluctuate between now and the date when the transaction takes place. In budgeting classification terms, only £120 million of that hits the DEL budget in the Scottish Executive. As I indicated, paying off the debt will save, or return to public services, £15 million per year. Some £90 million from the resources that I talked about will go towards the £120 million debt that is left and the rest will be acquired by taking back from the department the money that it would have spent on interest charges—that would have led to a double gain for the department, and I am not in favour of double gains. We will also save some money by writing off that debt. Although the top-line figure is £220 million, the actual hit for the public purse is £90 million. I thank the member for the opportunity to clarify the matter—I hope that my explanation did that. If not, I will send him a letter about it.

On capital expenditure, I fully take the point about the pressures that exist, which will be a clear driver in the spending review process, when the matter will be discussed. Regeneration remains a critical focus for the Executive. The requirement to meet European standards in relation to water and waste water remains a clear priority. We understand that development is lagging—that is happening in my constituency, too. Pressures exist in the system and progress cannot be made. I will need to wait until we have the outcome of the spending review before I can give the member further detail on that.

**Patrick Harvie (Glasgow) (Green):** I am sure that many members welcome the aspirations of

preventing cuts to front-line services and of putting more money into those services. However, I draw the minister's attention to NHS Greater Glasgow, which is making many cuts. I mention the centre for integrative care at the Glasgow homeopathic hospital, in support of which more than half the Parliament's members have signed motions in the past few weeks, but which faces cuts that will close its in-patient service. Does the minister agree that closing a service that could make long-term savings in the NHS's drugs bill is an example of misguided thinking? Will he tell us what will be done in the short term to prevent cuts that are in the pipeline from materialising before the efficiency savings to which he refers can be made?

**Mr Kerr:** I will give the member some detail about the methods that the Executive has employed. I mentioned the utilities cost reduction of 33 per cent through improvement of our energy use and, it is fair to say, through our procurement methodology. The energy that we use and that is used at 600 sites throughout Scotland is now renewable energy, which we also procure effectively.

As for the member's substantial point, in the chamber it is easy to second-guess professionals and to give such views. I am not willing to do that. Those who are closer to the front line are better placed to make such decisions. They will follow the normal process of accountability, which involves the Parliament. I will put that in context. I do not want to dictate from Edinburgh to local health boards, local authorities or anybody else how they should make their decisions, because they are closer to the issues.

The member talked about cuts, yet our health service budget is increasing dramatically. It is clear that choices are being made in Glasgow. We have made choices to improve the pay and conditions of our work force and to invest in new hospitals and facilities. Sometimes, choices mean that difficult decisions must be made—that is what being in government is all about.

The agenda to which the member referred involves massive investment in Glasgow's health and the health board is taking decisions. That investment is taking place to the benefit of the people of Glasgow and beyond. We must make difficult choices. It is clear that those choices are up to the health board, which is closer to the issues and the problems. I will not second-guess it.

**Tommy Sheridan (Glasgow) (SSP):** Does the minister agree that Scottish Water is guilty of negligent management of its accounts, in that more than 90 per cent of its £350 million investment has been drawn from customer charges and only a small proportion has been

drawn from borrowing? The result is a significant increase in water prices for customers, small businesses and, of course, non-profit organisations such as credit unions. Would it not have been better for Scottish Water to have drawn down more borrowing for its investment, to allow it to keep its prices down?

In his statement, the minister said that he wanted to

"spend more on front-line services for the people of Scotland, on those who deliver the core business of government"

but

"less on support services and back-office functions."

Will he please elaborate? Does he mean the medical secretaries who provide back-office support for doctors and consultants? Does he mean the clerical support for social workers that allows them to deal with their heavy case loads? Does he mean the civilian and administrative staff in the police and the judicial system who are back-office support but provide an essential service? To whom is he referring? Does the statement really represent a massive cuts budget in disguise?

**Mr Kerr:** It took us until Mr Sheridan to hear about a cuts budget. The Executive's budget has risen to £16 billion and will rise to £26 billion—what a massive cut that is in our public services. Local authorities throughout Scotland have received above-inflation funding increases and massive investment has been made in our health service and in our public infrastructure. Mr Sheridan goes far wrong when he talks about a cuts agenda.

**Tommy Sheridan:** One billion pounds.

**Mr Kerr:** That £1 billion relates to bureaucracy and back-office functions and to productivity improvement. It will be spent on public services on which the people of Scotland want us to spend.

Mr Sheridan suggests that this exercise is all about a head count of people. In fact, it is all about improving the efficiency of delivery of public services. It is about our public servants working together to provide better services. Believe it or not, we can do that much more efficiently and effectively and give public servants more time with clients and more time on the job by providing them with the equipment and management that they require. When I visit the projects on which health services and local government are working together, I find that there are not fewer people, but better and more motivated people. That is the case because they are not wasting the public's time and money.

No public servant gets out of their bed in the morning to go to work saying, "I'm going to be inefficient today. I'm not going to work in

partnership with other public sector colleagues." Rather, they get out of their bed because they want to do a good job. I want to support them in doing that job. This exercise is about reinvesting in our public services and taking advantage of procurement, technology and sharing of back-office functions to deliver better public services. I share that agenda with colleagues in the Executive. I am surprised that Mr Sheridan does not share it.

**Susan Deacon (Edinburgh East and Musselburgh) (Lab):** I welcome the minister's statement and note and applaud the Executive's continued and consistent commitment to public services in Scotland.

Does the minister agree that ensuring that public services in Scotland are of the highest possible standard, that efficiency and effectiveness are achieved and that the public reap the maximum benefits from the record investment that is being made in public services requires the highest possible quality of management across the public sector and the best possible modern organisational practice? What steps are being taken to build that capacity across Scotland's public sector? In particular, what steps are being taken to ensure that the civil service in Scotland is equipped to carry out the task and to perform the functions of a modern, 21<sup>st</sup> century, post-devolution provider of support to ministers and the Parliament?

**Mr Kerr:** One of our biggest challenges is to build in the Executive and in public services throughout Scotland the capacity to which Susan Deacon refers. There are some very good examples of good work that is being done, but we need to share them. The improvement service for local government and the NHS improvement team should help us to do that.

Building capacity and skills in the public sector is an important issue. By stepping up our drive for efficient government, I want to ensure that the public sector brings in people who have a proven track record and the skills to do the job. I have spoken to a number of public service managers and private sector managers about the skills that they can bring to bear on this issue. For example, the e-procurement programme is a model that we have developed in the public sector in partnership with the private sector and which is now leading the world. Good things are being done, but we need to train, manage and build capacity to ensure that we make the efficiency savings that we want to make. It is a bit about technology, but not much. It is a bit about investment, but not much. It is more about culture and management skills. We want to ensure that there is a drive for efficiency throughout the public sector.

When I worked in Glasgow City Council, there was innovation in every part of the organisation,

from the front line through to the management team. We want to tap into that skill and share it across organisations. We can do that. Susan Deacon raises a serious issue that I have been considering. Increasing efficiency is one of the key tasks of the improvement service for local government that we set up recently and to which we have appointed a chief executive.

**Jim Mather (Highlands and Islands) (SNP):** I am interested in the measures that have been announced today. In particular, I was interested to hear the minister state again that growing the Scottish economy is the Executive's top priority. I was equally interested to hear him use the word "strategy" in that connection yet again. With a strategy, I look for top-level targets, but in this case there is a complete absence of such targets. He has not put a tangible number on what the Scottish economy can achieve and he has not addressed other issues. Much of the money comes from Westminster, with which the minister is in a joint venture. When I asked him about macro targets in the Finance Committee, he told me that he did not have control of the relevant levers and outputs. Given that he is in a joint venture with the UK Government and has taken the money, why does he not have top-level targets? Why does he not produce such targets with the UK Government?

**Mr Kerr:** I am pleased to be in a joint venture with a UK Government that has been very successful on delivery and under which the Scottish budget and investment in the public sector have grown massively. That joint venture is one that I wish to retain.

I said this at committee and I will say it again: I am willing to set targets and I have done so for those matters over which I have direct control. Jim Mather might be disconcerted to know how well the Scottish economy is growing—figures over the past six months demonstrate improvement in the economy, including in manufacturing. He forgets about all the good news that the joint venture is delivering—a strong, stable economy and the lowest inflation, interest rates and unemployment for decades. All those statistics point in the right direction.

I set targets today of £500 million rising to £1 billion. Why can I set those targets? It is because I have control over the process and I influence it; I do not set controls and targets for areas over which I have no control. I would never set a target for votes for the Scottish National Party because that would be impossible for me to manage. Likewise, the SNP should not set targets for me.

**The Deputy Presiding Officer:** My regrets to the five members who are still waiting to speak, but because we are behind the clock, I must now pass on to the next item of business.

## **School Education (Ministerial Powers and Independent Schools) (Scotland) Bill: Stage 1**

**The Deputy Presiding Officer (Murray Tosh):** The next item of business is a debate on motion S2M-1119, in the name of Peter Peacock, that the general principles of the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill, be agreed to.

15:41

**The Minister for Education and Young People (Peter Peacock):** In Scotland, we have high expectations of our schools and we set high standards for them. No child should suffer because we have not done enough to secure the best for them in their education.

We are doing many things to improve education. We are working to reform the curriculum, to increase pupil choice, to simplify and reduce assessment in our schools, to reduce class sizes and to increase the number of specialist teachers working in primary schools. Those and many other measures will reap rewards for Scottish education. The bill is by no means the only method by which we seek to drive improvement, but it is a crucial part of the whole picture.

The key powers that we are seeking in the bill are last-resort powers to bring about change in a school or an education authority when inspectors believe that that is essential and would not happen through normal means.

The Standards in Scotland's Schools etc Act 2000 placed ministers under a statutory duty to secure improvements in school education. I take that responsibility seriously and I am willing to be accountable for delivery of that improvement. That act also established an improvement framework in school education with distinct roles for schools, for education authorities, for Her Majesty's Inspectorate of Education and for ministers. The legislation that we are proposing to Parliament fits into that improvement framework. It will also update legislation that governs independent schools. It is part of our determination to ensure that we are equipped to continue to drive up standards so that no child is being given second best in the system.

Part 1 of the bill will introduce new ministerial powers in relation to education authorities and their schools and in relation to grant-aided schools. Part 2 will change the existing legislation on independent schools to modernise the provisions that apply to them.

I have heard arguments that I do not need those new powers or that they are unnecessary. However, I would not be here to present the bill to members today if that were the case. I see inspection as playing a central role in improving the education of our young people. HMIE carries out inspections in our schools and our education authorities and it publishes reports on the basis of those inspections. That ensures that all parties are clear about what needs to be done following an inspection report. Education authorities are then responsible for making any necessary changes.

HMIE has no legal power to enforce its recommendations; HMIE is not a regulatory body, nor does it wish to be so, but it is right—given the central role of HMIE in the improvement process—that the new powers that are proposed in the bill will be triggered by a referral from HMIE.

**Murdo Fraser (Mid Scotland and Fife) (Con):** Will the minister tell us how many times his existing powers under section 70 of the Education (Scotland) Act 1980 have been used?

**Peter Peacock:** The existing powers under section 70 of the 1980 act have been used extremely rarely—I am aware of one comparatively recent case in relation to the City of Edinburgh Council. As I will explain, that is partly because those powers are prescribed in relation to clear breaches of statutory duties and HMIE reports are not subject to that.

Before HMIE refers an authority or school to ministers, it would need to have inspected the authority or the school and to have identified actions that will be required to secure improvement. Only after it had come to the conclusion that satisfactory action had not been taken and had judged the matter, in its professional opinion, to be sufficiently serious to warrant an enforcement direction, would HMIE recommend such an action to ministers. Four serious steps would therefore have to be taken before the power could be used.

The Education Committee has been scrutinising the bill and has highlighted the matter in its stage 1 report. I understand and appreciate the committee's comments and, like the committee, I want the new powers to operate only when serious matters are at stake. In the light of the committee's observations, I will undertake to explore the possibility of an amendment to the bill to make that clearer. In so doing, however, I do not want to limit unduly the scope of HMIE to act when it considers action to be necessary.

Under section 70 of the Education (Scotland) Act 1980, I have extensive powers to intervene when a breach of a statutory duty occurs. However, failure to implement HMIE recommendations does not of itself constitute a

breach of statutory duty, so the section 70 powers cannot be used effectively when a council does not pursue the improvement that HMIE requires—which brings us to the point that Murdo Fraser made. The bill proposes a more proportionate ministerial power.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** Will the minister give way?

**Peter Peacock:** I will give way, although I am conscious that I am short of time.

**Mr Monteith:** The minister explains that the fact that the section 70 powers have not often been used does not mean that the bill is not needed. However, I recall that the Executive argued that section 28 of the Local Government Act 1988—or section 2A of the Local Government (Scotland) Act 1986—should be abolished because it was not used. Surely there is an inconsistency in the Executive's rationale.

**Peter Peacock:** There is inconsistency in the rationale that exists in Brian Monteith's mind if he is trying to link the two issues.

Many authorities have already put in place effective quality assurance mechanisms to identify problems and use those mechanisms to ensure that HMIE's recommendations are acted on. Such authorities have no reason to fear the bill. The key point is that if HMIE tells me that the necessary improvements are not taking place, I need to have the power to take action to ensure that pupils' education does not suffer. I hope that the need to use the proposed powers will be very rare indeed. However, if something were to go wrong, it would be no excuse for ministers to say that although they had realised in 2003 that they did not have the necessary powers, they had taken no action to seek them.

I turn to the provisions for independent schools. My duty is to secure improvement in the quality of education in all schools in Scotland. I think that there is broad consensus that an update of the legislation on independent schools is overdue. I welcome the Education Committee's detailed consideration of the proposed changes. The extension of the definition of an independent school to schools that have fewer than five pupils will enable me to ensure that all children receive a proper education, regardless of what school they attend.

The bill will abolish the concept of provisional registration and replace that with a power for ministers to set conditions on the operation of the school. We want to be sure that even before a school opens we have all the information that we require to be confident that the school can provide quality education and that it can secure the safety and welfare of the children who will be in its care from day to day. The provisions are in line with the

Scottish Commission for the Regulation of Care's registration system and will help to ensure a consistent approach for schools that have boarding provision. Concern has been expressed about the proposed ministerial power to set conditions. I give an absolute assurance that the power is being sought to allow us to respond more flexibly to individual situations, rather than to enable us to set national standards in the way that has happened down south. Again, I make it clear that I am happy to consider amendments at stage 2 that could clarify that.

The current notice of complaint procedure is inflexible. Schools are given six months to comply with any actions that are specified in a notice of complaint, which is not always appropriate. The proposed changes to the procedure will mean that an appropriate time limit for action would be set for each case.

The independent schools tribunal meets extremely rarely; indeed, its most recent meeting took place in 1997. The bill will therefore remove what is now an archaic tribunal and it will amend the appeals process.

Finally, I have noted the recommendations that the Subordinate Legislation Committee made, which were supported by the Education Committee, regarding the use of the affirmative procedure in a particular circumstance. Again, I will be happy to consider an amendment at stage 2.

I thank the Education Committee for its consideration of the bill and for its recommendation that the bill's general principles be agreed. The bill is small, but it is important. It will ensure that ministers have the powers that they need to require improvement in schools, when that is needed. It will also provide modernised powers to regulate independent schools. The powers in the bill are proportionate to their objectives and will ensure that ministers can be properly held to account for their responsibilities by Parliament. I commend the bill to Parliament.

I move,

That the Parliament agrees to the general principles of the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill.

15:50

**Brian Adam (Aberdeen North) (SNP):** The minister has not made the case for ministerial intervention powers at all. The Scottish National Party does not support the general principles of the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill because we believe the bill to be unnecessary. The minister has not explained any circumstances in which the

powers might be used and he has not offered any evidence that there is demand for the powers. Rather than introduce legislation, the Executive should monitor—for perhaps three years—the newly introduced inspection process. Only if the system is not working should the Executive perhaps consider whether ministerial powers are needed and worthy of Parliament's attention.

**Rhona Brankin (Midlothian) (Lab):** Does the member agree that ministers should be accountable to the public and Parliament for securing improvements in Scotland's schools? If so, how can he possibly vote against the bill?

**Brian Adam:** Two different elected bodies are responsible for schools and primacy lies with local authorities. They have their own mandate; Parliament was at great pains to provide local authorities with a power of general competence. This bill will undermine that power.

**Peter Peacock:** I hope that it would never happen, but if a local authority were not making necessary changes following an HMIE recommendation—Brian Adam should remember that we are talking about an HMIE recommendation—what would the SNP do?

**Brian Adam:** The minister is trying to do away with a power that has actually been used—although not for 27 years—so I do not see why the hypothetical question that he asks requires an answer. It is for him to justify his actions and to consider what they are likely to lead to.

The ministerial powers are unnecessary because there is no evidence that recommendations from Her Majesty's Inspectorate of Education are not taken seriously or not acted on by local authorities. This bill is therefore not so much a bill as a contingency measure—one that the minister has said would be rarely used. I suspect that it would never be used. At the moment, inspectors, education authorities and individual schools work together in a strong partnership for the benefit of pupils. Are we not therefore using a sledgehammer to crack a nut?

The ministerial powers of intervention that the bill seeks to impose on schools show a lack of trust in local authorities, which will disrupt the existing relationship. In its submission to the consultation, the Convention of Scottish Local Authorities argued that to give

“ministers a new power to intervene to direct local authorities to take specific action relating to individual schools is pre-emptive and unnecessary.”

Recently, concerns have been expressed about an education authority—I am talking about the crisis at Scottish Borders Council. However, that situation was resolved without the powers that the minister now seeks. That is how things should be done. There was no need for ministerial

intervention then and there is no need for ministerial intervention now. Executive officials have failed to provide evidence of cases in which the new legislation might have been used, and the Headteachers Association of Scotland concluded that it could not foresee a situation in which the proposed powers would be needed.

An illustration of the discrepancy between the proposed legislation and the actual situation is that the Highland Council referred to the bill as being a "sledgehammer to crack a nut".

Experience and the current situation simply do not justify the ministerial powers of intervention.

Murdo Fraser rightly pointed out that sufficient legislative powers exist, in the words of the consultation paper,

"to secure improvement in the quality of school education in Scotland."

The Standards in Scotland's Schools etc Act 2000 can be interpreted as providing a catch-all for duties and responsibilities in education. There is therefore no gap between existing legislation and the powers that are required for ministers to carry out their duties. There has been no problem in the past, so why is there now a problem, all of a sudden?

Technically speaking, the sections on independent schools could stand alone as legislation. Updating of legislation that affects independent schools does not depend on ministerial powers, so both things should not be proposed in the same bill. The Educational Institute of Scotland suggests that it would have been more logical to have handled the two matters in separate bills.

The bill is a waste of Parliament's time, which could be much better used for meaningful legislation to address, for example, the rising problems of classroom indiscipline and the consequential effects on pupils' education and staff morale and health. Before we spend time on unnecessary legislation and on debating whether there will be minor amendments at stage 2, we need to decide whether there is sufficient justification for the bill's general principles. The Scottish National Party will oppose the bill—which is rather unique—because we feel that it is such a waste of our time.

15:55

**Lord James Douglas-Hamilton (Lothians) (Con):** I cannot but feel the force of Brian Adam's words. Few coalition bills can have been received by local authorities with such a total lack of enthusiasm—not to mention implacable opposition, in some cases—as this one. It is strange that there should be such a total lack of

meeting of minds between a Labour-led coalition and Labour local authorities. I am the first to stress that HMIE has performed and does perform a great service. That is not, to be frank, in dispute and nor should it be. What is at issue is the sincere concern of many local authorities that the powers in part 1 of the bill are unnecessary.

It seems to me that there are no fewer than five reasons why the bill is not necessary at this point in time. First, section 70 of the Education (Scotland) Act 1980 states:

"If the Secretary of State is satisfied ... that an education authority, a School Board, the managers of a school or educational establishment, or other persons have failed to discharge any duty imposed on them by or for the purposes of this Act or of any other enactment relating to education, the Secretary of State may make an order declaring them to be in default in respect of that duty and requiring them before a date stated in the order to discharge that duty."

**The Deputy Minister for Education and Young People (Euan Robson):** The member referred to a duty. Does he accept that that does not apply when an HMIE report is produced? That is the whole point of the bill. In that context, there is no duty to do what an HMIE report recommends. Therefore, we need to fill that gap so that it is consonant with the existing act.

**Lord James Douglas-Hamilton:** I do not accept that assertion. As well as section 70 of the 1980 act, section 2 of the Standards in Scotland's Schools etc Act 2000 is relevant. That section imposes a duty to secure improvement in the quality of education if an HMIE report is not being acted on—ministers are given the power to act. If ministers came to Parliament and said that they were having difficulty because this or that local authority was refusing to implement improvements that were recommended, I would believe that they had a case for the bill. However, there is no evidence that that is the situation. Aberdeenshire Council wisely said:

"It is not clear that the new legislative powers are necessary with regard to enforcement ... it is at least arguable that these powers are covered within section 70 of the Education (Scotland) Act 1980."

That leads me to my second point, which is that there is no evidence that local authorities are not taking HMIE recommendations seriously. South Lanarkshire Council stated:

"Since 1996 ... there have been no occasions where HMIE have advised that schools and the authority failed to make satisfactory progress on all recommendations contained in their reports. In these circumstances ... the proposals set out within the consultation paper for new Ministerial powers would seem unnecessary."

It is impossible for me not to have great sympathy with the Labour group on South Lanarkshire Council, because the existing powers that are contained in section 70 of the 1980 act have been used only once since 1980. Therefore, nobody

could possibly claim that local democracy in Scotland is totally at loggerheads with HMIE.

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** Will the member take an intervention?

**Lord James Douglas-Hamilton:** I have given way once and I have a lot to say. I have got only two more minutes.

The third reason for opposing the bill is perhaps even more compelling—the new proportionate inspection system has just been brought in. Surely the new system should be given time to prove itself without being subject to further reforms so soon after its creation.

Alex Easton of the Headteachers Association of Scotland said:

“Ideally, I would hold the proposal in abeyance and review the situation in two or three years.”—[*Official Report, Education Committee*, 12 May 2004; c 1348.]

The fourth point is that part 1 of the bill will undermine local democracy and will shift power from local to central Government. The Convention of Scottish Local Authorities expressed grave concern about that. That leads me to the fifth point, which concerns COSLA's view that the bill was a waste of parliamentary time. That is very strong language for a Labour councillor to use about a bill that has been produced by a Labour-led coalition. Parliament should take note of that.

I urge colleagues to concentrate on major educational issues instead of being sidetracked by an issue that is substantially untested and uncertain. The Executive's case for the bill is, as yet, not proven.

16:00

**Robert Brown (Glasgow) (LD):** The School Education (Ministerial Powers and Independent Schools) (Scotland) Bill is a modest piece of legislation as such things go, but its proposals are hardly equivalent to the English-style hit squads or e-squads. I think that we need to take a sensible and proportionate response in our approach to the bill today.

I will deal first with an uncontroversial part of the bill—part 2. As the minister rightly said, part 2 will modernise the legislative framework for independent schools and it will do away with the unused tribunal—I do not know how that escaped the bonfire of the quangos. It is worth noting that part 2 refers not just to private schools—in the sense in which we understand them in Scotland—but to a range of other educational establishments, including the seven national special schools, St Mary's Music School, Queen Victoria School in Dunblane and the Steiner schools. The term “independent school” encompasses a wide range of schools.

There are a few technical points to raise, the first of which relates to the powers that the bill will give to ministers. As a general rule, it is clear that powers that are given to ministers should be fairly tightly constrained and should be developed in an accountable way. That is why the Education Committee endorsed the Subordinate Legislation Committee's view that the powers in section 4(2) should be consulted on and that their exercise should require the laying of an instrument that would be subject to the affirmative procedure. I was glad to hear that the minister accepted that principle. Although I do not envisage Peter Peacock or Euan Robson running amok with the powers of intervention in independent schools, there should, as the committee suggested, probably be more focus on what circumstances would be significant enough to justify intervention.

The second point is more general. We are setting up quite a significant regulatory apparatus, not just for independent schools, but across the board. Institutions are often subject to regulation by several bodies. In a different sphere, that has been the case with houses in multiple occupation and out-of-school groups. We are concerned that the regulatory burden on independent schools should be made tolerable by ensuring that HMIE and the care commission produce a seamless regulatory process.

I turn to the slightly more controversial area of the ministerial powers of intervention for state schools, for which part 1 of the bill provides. The controversy seems to be fairly minor; it relates to whether the new powers are needed at all. The Education Committee investigated the issue closely and concluded that the new powers would fill a gap in existing provisions.

As Lord James Douglas-Hamilton and other members have said, ministers can already use the powers in section 70 of the Education (Scotland) Act 1980 to intervene in cases of breach of statutory duty. No one—least of all, I imagine, overburdened ministers—would wish to intervene over minor or trivial deficiencies in school practice. However, an in-between situation could arise. It might be the case that HMIE inspectors will have gone through the usual processes, have given support to improvement and, on finding that there has been no improvement on revisiting the school, can make no headway with the school or the council on matters of substance that affect the school's educational performance and the life chances of the children at the school. Such a situation is not covered by the other duties; it is a different area. There is a gap in the existing provision.

No one could suggest examples of situations in which such cases might arise but, in fairness, there is no longer a level playing field because the

Standards in Scotland's Schools etc Act 2000 has produced a steady incline, whereby ministers and councils are under a duty to make and secure improvements in educational provision. As with the dispersal powers that formed part of another bill that we discussed recently, the measure of success of the powers in question might well be that they never have to be used. That would mean that the education system in Scotland was again the envy of the world and that it was achieving steady improvement in standards, in attainment, in achievement and—more important—in life-fulfilling opportunities for all our young people. However, the same principle must apply. In other words, ministerial powers should be exercised not on an arbitrary basis but on a principled basis. That process should begin with HMIE inspections. In that context, I was pleased to hear the minister's reassurances.

We have a pluralist society in Scotland in which local government—which has been strengthened by the passage yesterday of a bill to reform the voting system and the accountability of councillors to the electorate—has its own democratic mandate. It should not be interfered with except on substantial grounds and in accordance with proper procedures. It was for that reason that the committee thought that clarification could be made about the triggers that would lead to HMIE's recommending ministerial intervention. We felt that that was especially the case given that HMIE was under an obligation to do so.

Some witnesses to the committee expressed concern that the "sledgehammer"—as they described it—of ministerial intervention would disrupt the generally positive relationship between HMIE and schools. I have to say that I do not accept that that fear has any reality. Nevertheless, if that perception is generally held, ministers might want to consider where, on the spectrum of improvement in the inspection process that is currently being delivered, the new powers should be activated.

I said at the beginning of my speech that the bill is a modest bill. We have to have a sense of proportion about what it is intended to do. The Education Committee recommended approval of the general principles of the bill at stage 1—I am happy to ask Parliament to back and support that recommendation.

**The Deputy Presiding Officer:** We move to the open debate. Seven members have requested to speak. If they restrict their time to four minutes, we will take everybody quite comfortably.

16:06

**Rhona Brankin (Midlothian) (Lab):** I welcome the change that was brought about by the

Standards in Scotland's Schools etc Act 2000, which gave ministers the duty to endeavour to secure improvement in the quality of school education in Scotland. That is absolutely as it should be.

As the minister pointed out today, the bill follows on from the partnership agreement, which recognised the gap that the 2000 act created and committed us to the bill that is before us today. As Robert Brown said, there was some discussion in committee about whether the bill was necessary. The Education Committee took the view, however, that it is important as the final piece of the jigsaw and that the bill will ensure that Scottish ministers fulfil their duty to secure improvement in Scottish education.

Despite the broad powers in the 1980 act, there is no specific mechanism by which ministers can guarantee that the recommendations of a particular HMIE inspection are implemented. Under the 1980 act, there is no statutory duty to implement those recommendations. The bill will provide what was described as

"a prudent end to the process."—[*Official Report, Education Committee*, 5 May 2004; c 1307.]

Evidence was given to the committee about the existing powers under section 70 of the 1980 act. However, failure to implement HMIE recommendations does not of itself constitute a breach of duty under the section 70 powers. We also heard evidence that there is no point in the bill being introduced if its provisions are not likely to be used. However, we know that section 70 powers were used only last year in the case of a local authority that failed to do what was required in relation to meeting the special educational needs of a schoolchild. I say to Parliament that that is what should be happening.

**Brian Adam:** The circumstances of that case were covered by existing law. Can the member give examples of circumstances under which the provisions of the bill would have to be used because they were not covered by law? Indeed, does she have any evidence—other than that which was led by ministers—that there is a gap?

**Rhona Brankin:** I will just have to repeat myself. At the moment, failure to implement HMIE recommendations does not of itself constitute a breach of duty under the section 70 powers. I am in no doubt about the fact that the bill is necessary.

Although section 70 has not been used very often, it has been used. It is important that those powers are available to be used; the same is true of the powers of the bill.

We have to be clear: although the new ministerial powers might not be required very

often, what happened recently in the case of the City of Edinburgh Council illustrates that the powers have to be in place. The committee recognised that, under the new proportionate system of school inspections, ministerial powers would be used very rarely. The vast majority of authorities and schools respond positively to HMIE reports. The committee also noted that use of the powers will represent a failure of the partnership approach that all of us seek to see implemented. However, we must ensure that we have ministerial accountability. The buck should stop with the Scottish ministers.

Part 2 of the bill has been broadly welcomed. The committee supported the approach to modernisation of the legislative framework for registering and monitoring independent schools. The committee also stated that the Executive should ensure that the demands of the two regulatory regimes are proportionate.

The committee took the view that the general principles of the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill should be approved. I urge the Parliament to do that. If members support the Executive's aim of driving up standards in Scottish schools and securing improvements for all children and young people, they must support the bill.

16:10

**Rob Gibson (Highlands and Islands) (SNP):**

The bill has little to do with driving up standards for all children—it has far less to do with education, education, education than it has to do with intervention, intervention, intervention. The path that we are going down leads to much more micro-management of education by the Executive. The law is in place to allow for intervention, if it can be shown to be justified in the Court of Session. The briefing that members received contains figures that show that about 7 per cent of HMIE reports are followed up. That suggests that some schools require extra attention but that none has so far required the nuclear option.

We must consider schools in the context of their communities to find some of the reasons why it may be necessary for ministers to intervene. We cannot isolate education and its particular set of laws from what goes on in communities. There may be great difficulties, for example with children who do not conform. Teachers are at their wits' end because of the conditions in which they have to teach. We must recognise that we will not achieve better standards for children through the proposed form of enforcement. The sort of authoritarianism that is in the Antisocial Behaviour etc (Scotland) Bill, which was considered last week, and in the present bill is a trend in the form of government that is anti the ability of local

authorities to sort out issues and for more intervention from the centre.

**Dr Elaine Murray (Dumfries) (Lab):** Does the member accept that the powers in the bill would be used only if a local authority did not take the action that HMIE thought needed to be taken to address the problems? Ministers would not intervene in an individual case because a school had a problem, but would do so because the local authority had not worked with HMIE to try to solve the problem.

**Rob Gibson:** The member may have the ultimate faith in HMIE as inspectors, but the Executive is trying to turn that body into Her Majesty's enforcers of education through the bill. The main part of the bill was rejected by the education authorities, representatives of which said that they did not accept the principle that there is a need for new ministerial powers, as stated in the policy memorandum. The people who deal with education daily have rejected part 1 of the bill, which is the central part.

Private schools will be more regulated under the bill. I agree that such schools must be brought more into the main stream, but there will be no requirement for teachers in private schools to meet the General Teaching Council for Scotland's standards, which would be a major measure to improve teaching in private schools. There will simply be discussions about the introduction of such a measure. If the bill is going to do something to raise standards in private schools, it should do precisely that. That is an incomplete aspect of part 2 of the bill.

COSLA is opposed to the bill. We are spending time on minor regulations that will not change very much. We could be spending our money and time better, which is why I support my colleague Brian Adam's view that we should reject the bill at this stage.

16:14

**Mr Brian Monteith (Mid Scotland and Fife)**

**(Con):** I will speak on part 1 of the bill and, in particular, on the role of HMIE. It would be fair to say that, over the past 10 or so years, much has been achieved regarding inspection in Scottish schools, some of it initiated by previous Conservative Governments and some of it initiated by the Labour Government and the Labour-Liberal Democrat Executive after the coalition was formed. That progress has generally been welcomed and encouraged by all the parties. We have witnessed increasing inspection in schools and the creation of a regular cycle of inspection, which is particularly important because it allows parents to know that a school will be inspected in the time that their child attends it. We have also

witnessed the introduction of inspection of local authorities and their education departments, which is important.

We must ask whether the bill marks further progress in using inspection as a way to raise standards. On the evidence that I have considered, I do not think that the bill represents progress in the same way as some of the examples that I have given do. I am sure that many members visit local schools, as I do, particularly after I have received copies of the HMIE inspection reports. One can go to a school whether the inspection has shown that it is doing well or whether the inspection has shown that it is doing poorly, but it is noticeable that if the report has been a poor one, by the time that I have written to the school saying that I am interested in coming to hear its views on the report, its failings will have been addressed. Without doubt, that happens on every occasion, and on the—unfortunately—many occasions on which there have been poor reports about local authority education departments, the leadership of those departments has been changed.

I welcome the fact that head teachers who are not getting the right attainment in schools move on to other pastures and that new leadership is brought into schools, but that tells me that the bill is not necessary. Indeed, if we look at the increasing number of inspections together with the failure reported in follow-up inspections, we find that although the failure is increasing, so too is the number of inspections; the proportion of failure is not disconcerting at all. In 1999-2000, only five follow-up inspections were unsatisfactory. In 2002, the number had risen to 11 but, by that time, the number of inspections had risen from 150 several years before to 299. That clearly shows that local authorities and schools are taking into consideration what HMIE says. We also need to take cognisance of the fact that we have a new inspection regime, which should be given time to bed in. We cannot say whether the new follow-up system is delivering, so why change it yet?

Rhona Brankin talked often in her speech of the committee's support for this and that, but on many occasions, it was majority support, not unanimous. That is an important consideration, because to give the committee's blessing is to suggest that support was cross-party, but it was often split along Executive-Opposition lines.

Those considerations need to be taken into account, and I suggest that we should oppose the bill at the moment.

16:18

**Mr Kenneth Macintosh (Eastwood) (Lab):** It was interesting to hear Brian Monteith's comments

on when a committee is not a committee, but I believe that that is what is normally called democracy.

I will speak in favour of the bill, which is a relatively uncontroversial measure. I say "relatively" because I realise that there have been some strongly worded comments about certain parts of the bill, but it is a bill on which we should all have been able to agree in the committee, and I am disappointed that that was not so.

The part of the bill that deals with the monitoring and registration of independent schools has been broadly welcomed by all parties. The committee flagged up concern over how to ensure closer co-operation and joint working between HMIE and the care commission and I would welcome assurance from the minister that he will respond to that concern. However, the other proposals are very welcome, and I commend the Executive on those.

There has been some adverse comment about the part of the bill that deals with new ministerial powers of intervention. As one committee colleague observed, that has often had more to do with the provisions of the Local Governance (Scotland) Bill, which we debated yesterday, and I do not think that it reflects either the intention or the effect of the new powers under the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill.

I accept that there is some sensitivity over any action that may be perceived as part of a centralising agenda. However, I see little evidence that such an agenda is the motivation behind the bill. On the contrary, the recent reforms introducing powers of general competence for local authorities, the move to three-year budgeting and the negotiation of outcome agreements are just some examples of our continuing commitment to full devolution. The new powers under the bill are in fact less draconian or severe than those that already exist under section 70 of the 1980 act. The bill is not about assuming new powers but about improving what is already an active and productive relationship between schools, local authorities and the Executive.

As colleagues have commented, the bill must be considered in the context of the overall reforms that we have already introduced in schools and throughout education policy. The Standards in Scotland's Schools etc Act 2000 established the improvement agenda in legislation, placing new duties on local authorities and establishing new rights for young people. HMIE has moved to a new inspection regime, which now includes inspections of local authorities as well as a new supportive relationship and partnership with the schools.

To view the bill as a battle between central Government and local government misses the

point. Many of the arguments against the bill have been expressed in terms of who pulls the strings, rather than focusing on the impact that the bill might have on, and the benefits that it might bring to, our young people. The bill is not about power or control; it is about how we best improve the prospects and opportunities for pupils in future generations. I do not believe that there is any evidence that we are failing our brightest and best. Scottish schools have always allowed our most able pupils to flourish, and long may that continue. However, it is clear that we need to work harder to improve prospects for all pupils and to close the gap between the highest achievers and those who get nothing or very little from the education system. Improving our schools is about equality and opportunity for all, which is not just for the benefit of individuals but for the prosperity of our whole economy and for the stake that it gives all our citizens in a healthy community and society.

At a time when political parties are laying out their approach to public service reforms, and following the statement by the Minister for Finance and Public Services, Andy Kerr, earlier today, it is worth contrasting the approach of Labour and the Executive with that of the Conservatives. The Tories, with their dogmatic, market-obsessed approach, have a winner-takes-all agenda, which rewards the few but condemns many more to failure. Under the Tories, thousands of children, through force of circumstance and not through lack of effort, would still be condemned to sink schools or failing schools, which would blight their futures and give them less chance to contribute as full and productive members of our society. We cannot allow any of our schools to let us down. We should not be condemning them; we should support them when they need it most. That is what the bill is all about.

It was interesting to note that Brian Adam could not answer when he was asked what the SNP would do in the unfortunate situation of a school or local authority not putting in place the measures that were required to turn a school round.

I am disappointed that the SNP and the Tories would rather fall back on what appears to be oppositionism—the easy route of joining up with others who, for whatever reason, resist change—than engage constructively with the improvement that is taking place and try to find the best way to achieve significant improvements in our children's education. I urge those parties to rethink their opposition to the bill and to support the motion.

16:23

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** It has now been many moons since I was on the Education, Culture and Sport Committee—when Brian Monteith and I would

cheerfully shake each other by the throat—but it is good to revisit the subject.

I have listened to the debate with great interest. One of the arguments that both the SNP and the Conservative party have put forward has been that the bill is, as they would describe it, legislation for legislation's sake. I do not believe that ministers are into that sort of game. I ask members of both those Opposition parties whether they are sure that they are not opposing for opposition's sake. I am told by my colleague Robert Brown that, although Brian Monteith might say that most of the divisions at the Education Committee were on Executive-Opposition lines, that was not always the case and there was a good deal of consensus on the bill.

I want to pose a philosophical question to both the Scottish National Party and the Conservative party, which I hope will be addressed in the winding-up speeches from their spokespeople. When a legal structure is framed, should it be framed in such a way that we know that there might be loopholes that could be used at a future date, or should we build a sound structure, in which the ultimate sanction is rigorous, even if we might not have recourse to it? It has been clearly explained to us that section 70 of the 1980 act does not contain the ultimate power to sort out the problem in question and, unless I am much mistaken, that is why ministers are trying to make the system watertight. Ministers have conceded that, in the scheme of things, the problem is not terribly likely, but it could nevertheless happen.

We should look at our own experience. I was a councillor. Authorities almost always respond well to HMIE, but the response is sometimes not quite what we would want—we have all seen instances of that. Although we are talking about the ultimate sanction, I would feel more comfortable sleeping at night if I knew that the ministers had the power in question. It is simply a matter of sorting things out and making them watertight.

**Brian Adam:** I certainly hope that the member sleeps well at night. I reassure my friends Mr Macintosh and Mr Stone that the SNP is not opposing for opposition's sake and I am sure that the same is true of the Conservatives, although I cannot offer assurances about that. I understand that this is the first time that the SNP has opposed a bill at stage 1 in the Parliament's five years. We have always given bills an opportunity to be considered, but we genuinely believe that this bill is a waste of the Parliament's time.

**Mr Stone:** I conclude with one point. The point that the committee made about clarification of the trigger points is important. As a rank-and-file member of the Parliament who is not a member of the Education Committee, I would need to see some clarification as the bill goes through stage 2 and stage 3.

**The Deputy Presiding Officer:** You have one minute.

**Mr Stone:** I will conclude now—I am trying to give members more time.

I urge members to support the bill. I see no reason why we should not do so.

16:27

**Stewart Stevenson (Banff and Buchan) (SNP):** I occasionally take lessons from the Executive. Paragraph 4 of the Education Committee's report on the bill states that 3,400 consultation documents went out and 49 were returned. Similarly, I have consulted in order to discover why such a bill is before us. I, too, sent out 3,400 consultation documents and—curiously enough—received 49 replies. Initially, I was puzzled about which member of the Labour Party failed to return their response, but I realised that the minister would probably exclude himself from doing so.

At the risk of transgressing Chatham House rules that govern what happens in the members' lounge from time to time, I will tell members exactly why the bill is before us. Initially, there were three theories. The first theory was that the minister, in the ever-fevered competition to have the right to introduce a bill, won the three-legged race last summer on the banks of the Kelvin in the Labour Party's summer sports. However, I realise that that theory was entirely inappropriate because Peter Peacock, as a member for the Highlands, would be performing his civic duty of allowing the midges to bite him back on his native heath.

The second theory that was put forward was that he participated last Easter in the world politicians' arm-wrestling championship in the Bow Bar. However, it was put to me that the residents of Castle Bar in Inverness would feel greatly disquieted to know that their member was spending his money in someone else's establishment.

Therefore, I can exclusively reveal that Jessie Chisholm organised the Christmas party for the Labour Party last year—which was provisioned by McDonald's, of course—at which there was a bran dip and the minister drew out the right to introduce a bill and get his strike count up. It is no coincidence that bills are printed on purple paper, as the minister thought that it was time that he was in the bill.

I have a serious question for the minister about a trivial bill. How much did it cost to bring it forward? There is little cause for us to rejoice at the bill and little cause among SNP members that, for the first time, we have to oppose a bill at this stage of its process.

The reality is that many issues require to be addressed in our schools. Indiscipline is rife throughout Scotland. Inclusion is a very worthy aim, but it has side effects that are not yet fully taken into account and standards in schools are variable.

One of the key things that the Parliament—encouraged by the Executive—has done has been to give local authorities the power to promote well-being. That is something that my colleagues and I welcomed very much, as it touched on a matter of principle for the SNP. Decisions should be made as close as possible to the point of application. That is why, at every opportunity, we argue for more powers for the Scottish Parliament and the disconnection from our affairs of houses of little relevance that are located elsewhere. However, in the Executive's behaviour we often see things that run against that principle. For example, Mary Mulligan brought a Scottish statutory instrument to the Communities Committee that defined planning charges for all councils in Scotland. She did not want councils competing to be cheaper for planning charges. The bill is another example of the centre dictating to the periphery.

Ultimately, when power lies elsewhere, the assumption within councils will be that responsibility lies elsewhere. We risk breaking the link of accountability between local delivery and local accountability, and that could damage democracy itself. At 15:30 today, Andy Kerr said:

"I do not want to dictate from Edinburgh to local health boards".

We should not dictate to local councils either.

16:31

**Ms Rosemary Byrne (South of Scotland) (SSP):** I have no significant problem with part 2 of the bill, as it amends existing legislative provisions for independent schools and introduces much-needed changes. However, I would prefer GTC registration to be part of that.

Like the education authorities and their representatives, I have considerable difficulty in accepting the principle that there is a need for the new ministerial powers of intervention. Education authorities and schools follow HMIE recommendations and, when issues are not resolved, there are sufficient powers in existing legislation to address that. At the heart of this proposal is the notion of failing schools. We do not require schools and local communities to hit the headlines; nor do we require to undermine any more of our public servants—in this case, teachers.

The Executive did not listen to chief constables with regard to the powers of dispersal in the Antisocial Behaviour etc (Scotland) Bill. Like the

chief constables in relation to that bill, the political leaders of local government and the officers in local government education departments to whom I have spoken see this bill as unnecessary.

Stewart Stevenson talked about theories. I have spoken to many teachers about the bill and have asked them what they think of it. They are at a loss to work out the real reason for it. They think that there is an underlying reason. It has been put to me by some teachers that the bill is intended to undermine the comprehensive system or to encourage local authorities to go along the public-private partnership route. That is not as funny as it may seem to the minister. If HMIE says that the state of a school building is undermining education there—as it did in a recent report on a small school in Cumnock—the parents of children at that school will be terrified that they are going to lose the school. If the minister had these powers of intervention, perhaps he would force local authorities to go down the PPP route of amalgamating small rural schools into bigger ones instead of providing proper funding to bring the schools up to standard and keep them. That is a serious point—it is not a joke.

Why are we not focusing on resourcing our schools with sufficient classroom supplies? This is the time when schools submit their requisitions, but I am hearing from teachers that there are cuts in the classroom supplies of textbooks and the other things that they need. We should be addressing that and ensuring that all our children and young people have equality of opportunity in terms of the size of classes in which they are taught and the range of choices that they have in the curriculum.

The new inspection regime is at a very early stage, and I believe that it should be given time to settle. It should be monitored and evaluated before such new powers as are proposed in the bill, which allow the minister to intervene, are put into effect.

I ask members to vote against the bill. It is a pity that we do not have a fuller chamber for this debate, because it is clear that a lot of money is being wasted on an unnecessary bill. I hope that common sense will come into play as quickly as possible. Let us finish the bill off and put it to bed today. We could separate part 1 from part 2; after all, there is no need to have part 1 in the bill.

As I have made clear, the bill is a waste of time and resources. We need to focus on other educational issues such as providing a more flexible curriculum. I am not going to be totally negative; good things are happening out there. However, we must put our efforts into ensuring that they work instead of wasting our time introducing powers that local authorities say that they do not require. Teachers are having a hard

time trying to work out where the bill is coming from. Indeed, I want some answers to that question.

Many members on the Education Committee were opposed to the bill, so it was unfair to make out that—

**Mr Macintosh:** But a majority was not opposed to it.

**Ms Byrne:** Okay—perhaps a majority voted for it. However, as the record will show, I said at the time that I saw absolutely no evidence to support part 1.

16:36

**Dr Elaine Murray (Dumfries) (Lab):** It is important to remember the context in which the bill has been introduced, because quite a few red herrings have been swimming around this afternoon.

As the minister and Ken Macintosh reminded us, the 2000 act set out a new framework for ensuring continuous improvement and the raising of standards in our schools. Indeed, as Rhona Brankin pointed out, it placed new duties and responsibilities on schools, education authorities and ministers. Moreover, it gave HMIE a new role in inspecting education authorities.

The bill's three aims are to complete the national improvement and support framework, to ensure that authorities take the action that HMIE has identified and—most important—to secure a child's right to a good education by seeking to ensure that no child should suffer as a result of inaction or ineffectiveness by the Executive, the local authority or the school. All have a duty to ensure that children receive a good education.

As members have pointed out, the power under section 70 of the 1980 act has been used only once. However, that provision allows ministers to take action if a local authority has breached its statutory duty, which does not include a failure to implement HMIE recommendations. The new powers will allow ministers to act if education authorities or grant-aided schools—we have not heard so much about them—do not take satisfactory action to secure improvements. We have also heard that the powers will be used by ministers only on HMIE's recommendation. As a result, the bill is not about ministers sending hit squads into so-called failing schools; instead, it seeks to ensure that local authorities take appropriate action.

Despite the hysterical language that has been used, agreeing to the bill at stage 1 does not endanger democracy. I agree totally with Kenneth Macintosh. COSLA is unhappy more about the vote that we took yesterday than about the vote

that we will take today. It is none too cheerful with some members in relation to some of the committee's other activities. Because it is very upset with us at the moment, it will continue to take an oppositionist stance.

Robert Brown has pointed out that, without this bill, if HMIE concludes that an authority has not sufficiently addressed its recommendations for improvements and children's education is suffering, there is nothing that the inspectorate or ministers can do to improve matters. What do the Tories and the SNP suggest that we do in such circumstances? They have no answers, other than to say that we should wait and see and monitor the situation. If something happens, they will simply say, "Oh dear me! What will we do?"

**Stewart Stevenson:** Quis custodiet ipsos custodes? Does the member accept that ultimately the electorate are the custodians of the standards of service and that that applies as much to local government as it does to us?

**Dr Murray:** I have no idea what the member said in Latin, because I do not speak it. However, I do not see how an individual child whose education might be suffering or their parents can be reassured by the suggestion that the local electorate will somehow sort things out for them.

The bill also proposes to change existing legislation that covers the registration and monitoring of independent schools. It will make the provisions for grant-aided schools equate to those for local authority schools. There was relatively little unhappiness about that and although someone made a reference to it, I cannot remember exactly what it was. The committee did not pick up much unhappiness about that from any representatives of the independent school sector.

Any notice or direction will now be addressed to the manager of a school rather than to an authority, and the bill will also change the 1980 act's definition of an independent school by removing the words "five or more". I was a little bit concerned when East Ayrshire Council raised the issue of whether that change might affect home educators—when a group of parents get together to educate a group of children at home—but the Executive officials assured us that parents providing home education in partnership with other parents would not be covered by the bill.

We have also heard that the bill replaces the independent schools tribunal, which was last used in 1977, with a right of appeal to the sheriff principal. I was pleased to hear from the minister that the Executive is prepared to consider the Subordinate Legislation Committee's suggestion that we should be using the affirmative procedure.

The bill has been opposed by COSLA and several other organisations, but it is important to

bear in mind the fact that the bill has been supported by organisations representing the interests of young people, such as the Scottish Youth Parliament and Children in Scotland, and I will also be supporting the bill at stage 1.

16:41

**Murdo Fraser (Mid Scotland and Fife) (Con):**

In my winding-up remarks for the Conservatives, I will address parts 1 and 2 of the bill; not much has been said about part 2.

Part 1 has clearly been the controversial part of the bill. It has been said by my colleague Lord James Douglas-Hamilton and many others in the chamber that part 1 of the bill is unnecessary. There is no evidence that local councillors are not taking HMIE recommendations seriously. If they were not, there are existing powers in section 70 of the Education (Scotland) Act 1980 to help to deal with such a situation. As we heard from the minister, those powers have been used only once since they were introduced.

However, members do not have to take our word for it. Let us listen to the words of some Labour-controlled councils. In its evidence, South Lanarkshire council said:

"Since 1996 ... there have been no occasions where HMIE have advised that schools and the authority have failed to make satisfactory progress on all recommendations contained in their reports. In these circumstances ... the proposals set out within the consultation paper for new Ministerial powers would seem unnecessary."

Perhaps Kenny Macintosh might want to listen to East Renfrewshire Council, which said:

"there is to date no demonstrable evidence which would suggest that such intervention is necessary or indeed desirable".

There we have it. The fact is that existing legislation is sufficient to deal with such matters.

As Brian Adam said—and several other colleagues from across the chamber—the bill is simply a waste of parliamentary time. It is a classic example of the Executive wasting time on an irrelevant matter when there are so many other education matters that we have heard about, such as the problem with discipline in schools and the lack of parental choice that we could and should be dealing with.

**Mr Macintosh:** I ask Murdo Fraser the same question that the minister put to Brian Adam. What would the Tories do when a school is failing and the local authority is not supporting it and turning it around?

**Murdo Fraser:** That has not happened; it is not likely to happen; and if it did happen, the existing powers are almost certainly sufficient to deal with it.

I will respond to Jamie Stone's philosophical point. I was concerned to hear that he has sleepless nights worrying about what is going to happen in such a situation. He clearly believes that ministers do not have enough powers. If we in this Parliament had unlimited parliamentary time and resources, we could pass bills to deal with every possible contingency under the sun. We might pass a bill to say what would happen in the event of Jamie Stone miraculously becoming a green elephant overnight, which I do not think is likely. When there are demands on parliamentary time and resources, it is right that Parliament should make choices about what we spend our time and resources on. This bill is simply not a priority.

**Rhona Brankin:** Will the member take an intervention?

**Murdo Fraser:** No, I am sorry but I need to make some progress.

It is not just a question of the bill being unnecessary. The bill might even be worse than that because it undermines local accountability. In its evidence, COSLA said that it

"has consistently argued against the Executive taking an increasingly interventionist approach to local government and local government services ... COSLA's main concern is that the increasing taking of powers of intervention goes against the presumption of subsidiarity and establishes a trend towards centralisation".

The bill is not just unnecessary; it is part of a centralising agenda.

I move on to part 2 of the bill, which deals with independent schools. As well as providing choice for parents, independent schools make a valuable contribution to the Scottish economy. In Perth and Kinross, which falls within the Mid Scotland and Fife region, independent schools provide some 700 jobs and contribute some £13 million per annum. They are a major earner of foreign revenue. Times have not been easy for independent schools in recent years; as a result of rising cost pressures a number of schools have closed, including Rannoch School and Croftinloan School, and there have been mergers, such as that of Kilgraston School with Butterstone School.

The Scottish Council of Independent Schools has no strong objections to the bill, but there is concern that it might give rise to additional costs and a significant additional administrative burden. At a time when there is already concern about rising costs, any additional burdens must be resisted. The bill comes on top of the new cost of care commission inspections, about which a number of independent schools have contacted me. Here, as elsewhere in the economy, rising bureaucracy might be costing jobs. Ministers must take account of those factors in developing new laws and regulations.

SCIS has recommended changes to the bill at stage 2; I hope that the minister will listen to what it says as the bill proceeds. I was pleased to hear in Mr Peacock's earlier comments that he is inclined to consider changes at stage 2 to accommodate some of those concerns.

In conclusion, the best that can be said about the bill is that it is unnecessary. At worst it is centralising and will undermine local accountability. We should spend our time on more pressing matters.

16:46

**Mr Adam Ingram (South of Scotland) (SNP):**

As my SNP colleagues have intimated, we do not support the bill, as the aim of part 1 is to solve problems that do not exist. It might disturb the strong, positive relationships between Her Majesty's Inspectorate of Education, education authorities and schools. At best, the bill smacks of a bureaucratic tidying-up exercise. At worst, it conjures up images of—as Elaine Murray put it—overbearing ministers riding roughshod over local authorities and sending in hit squads to sort out failing schools. I wholly accept that that is not ministers' intention, but there is a distinct lack of clarity from officials and ministers on what the intervention would actually be. HMIE suggests that it is likely to involve a reinvigorated working relationship between HMIE and the local authority, but the minister should take time this afternoon to spell out precisely how the power will be used, as well as why. I also ask him to respond to the criticism that the Headteachers Association of Scotland made in its evidence to the committee. It said that the naming and shaming of a school that is subject to the ministerial power of intervention might be seriously counterproductive and would not lead to improvement in schools, which is the policy objective.

**Rhona Brankin:** Will the member take an intervention?

**Mr Ingram:** I am sorry. The member has had her say. She should let me finish the point.

It is not hard to envisage the devastating impact on the self-esteem of staff and students who were affected by the circumstances that I mentioned.

Several speakers highlighted the fact that neither the ministers nor HMIE were able to give any examples of situations that would have led HMIE to trigger ministerial intervention. We are asked to suspend our scepticism about the need for new powers on the basis that the inspection process and regime have changed and past experience is no longer relevant to future practice. I accept that the new proportionate inspection is different and more ambitious in that it stimulates continuous improvement in schools, but the basis

on which it operates—co-operation and partnership between HMIE, education authorities and schools—is very much in place.

Given the nature of the relationship, it is almost impossible to conceive of a situation in which an education authority will not respond to the promptings of HMIE. In any case, my understanding is that inspection is cyclical; to coin a phrase, it is a process and not an event, so it has no end point as such.

It is hard not to be sympathetic to COSLA's view that there might be a hidden agenda to erode local control of education in favour of Scottish Executive control. I am aware that ministers have denied the existence of such a hidden agenda, but our view is that the bill has the potential to disturb relationships that are working well.

On the basis of the saying, "If it ain't broke, don't fix it," we recommend that the Executive should monitor the newly introduced proportionate inspection process and report to Parliament in, say, three years' time, as my colleague Brian Adam suggested. At that time, we can judge whether we should spend parliamentary, Executive and civil service time on such legislation.

**Lord James Douglas-Hamilton:** Does the member accept that the bill has overtones of George Orwell's Big Brother in "Nineteen Eighty-Four"?

**Mr Ingram:** Indeed it has. I see images of the minister bearing a big stick and going out into the country to beat education authorities about the head.

**Brian Adam:** That would be more likely in the modern "Big Brother".

**Mr Ingram:** The modern "Big Brother" does not bear thinking about.

We believe that the time and resources that are being devoted to the bill would be better deployed on other, more pressing education issues, such as providing more resources for a more flexible curriculum, as Rosemary Byrne suggested, or tackling the problem of discipline in our schools.

As for part 2 of the bill, we understand the need to update legislation but believe that that can be progressed later without any damage to the education that independent schools provide. We reject the bill.

16:52

**The Deputy Minister for Education and Young People (Euan Robson):** I listened with interest to the differing opinions that were voiced throughout the debate and I will use my time to address the detailed points that members made.

However, I remain convinced that the bill is another step in fulfilling our ministerial commitment and our statutory duty to deliver improvement in school education.

Before dealing with specific points, I will take the opportunity to thank everyone who took the time to respond to our consultation and who gave evidence to the Education Committee. I also thank the committee members for their detailed consideration of the principles behind the bill and their comprehensive report.

Perhaps we cannot all agree on the necessity of part 1 of the bill, but I trust that the debate has clarified its aims and cleared up some misunderstandings about our proposals.

It has clearly been easier to reach consensus on the provisions that cover independent schools. At stage 2, we will consider the suggestions that have been made today about part 2, so that we create an up-to-date, effective and proportionate regulation system that does not unnecessarily increase the bureaucratic burden on independent schools. I accept Murdo Fraser's comment on that. It is important to have regard to that issue and we will try to do that.

I will return to part 1. I re-emphasise that before Her Majesty's Inspectorate of Education refers an authority or school to ministers, it must inspect the authority or school. As a result, it must identify actions that are required to secure improvement. If HMIE concludes after sufficient time that satisfactory action has not been taken, it will finally have to judge the matter, in its professional opinion, to be sufficiently serious to warrant an enforcement direction. Only after those four serious steps have been taken will use of the powers in the bill be considered.

Members asked what type of intervention might follow. That will depend on the circumstances when HMIE makes its recommendations. The key is that if HMIE tells ministers that the necessary improvements are not taking place, ministers ought to have a power to ensure that they do take place. The bill is consonant with previous legislation. There is a gap. As Rhona Brankin said, a failure to implement HMIE recommendations does not constitute a breach of duty—that is the gap that we want to fill.

I found the SNP's arguments somewhat difficult to follow. On the one hand, Mr Gibson told us that we were intent on intervention, intervention, intervention. On the other, Mr Adam said that the powers will never be used. We heard two contradictory, overlapping arguments.

**Brian Adam:** Other than the minister's belief that there is a gap, what independent evidence has been offered to suggest that anyone is concerned about this issue? [*Interruption.*]

**The Deputy Presiding Officer (Trish Godman):** I ask members to keep quiet.

**Euan Robson:** I refer Brian Adam to the comments of the Association of Directors of Education in Scotland, which said that it supports the Standards in Scotland's Schools etc Act 2000 and regards the proposals in the bill as unfinished business. Others recognise that there is a gap. In closing that gap today, we take a small, but important step. The gap will continue to exist unless it is closed. It will continue to exist even if the HMIE inspection process is changed. It is no good our saying when there is a crisis that we knew that the gap existed but did nothing to close it. As Peter Peacock said in his opening speech, it is clear that these powers may need to be used only very rarely, but it would be no excuse for ministers to say that we realised in 2003 that we did not have the powers but took no action to secure them.

I turn briefly to the question of independent schools. I assure members that there are already close working relationships between HMIE and the care commission. They already conduct integrated inspections of pre-schools, secure accommodation and independent special schools and have produced a number of integrated reports based on their new model of joint working. That progress is in hand and is important. I am sure that we want to develop it.

I turn briefly to the issue that Mr Gibson raised of GTC registration of teachers. It is clear to us that some teachers in the independent sector are not currently registered and we recognise the concerns that members have expressed. *[Interruption.]*

**The Deputy Presiding Officer:** Order.

**Euan Robson:** In the bill we are taking a power to allow us to consider through regulations separate issues that would make a person not a proper person to be a teacher in an independent school. We have made it clear that the power will enable us to require mandatory GTC registration for teachers in the independent sector. Although the sector has taken significant steps to increase the level of registrations—as the member recognised—there is a wish to retain a degree of flexibility at the moment. We would prefer to take the power in secondary legislation, as that will allow us to consult further on the point, to calculate the impact on the sector of making registration mandatory and to take account of the changes to registration requirements that the GTC is already considering before bringing proposals before Parliament.

I recognise that Opposition members do not accept part 1 of the bill. I do not want to tempt fate, but I say to Brian Adam that although my house

has not yet burned down I retain insurance. That is how we regard the power that the chamber is debating—as an end game that, importantly, is proportionate with existing legislation. I remain convinced that the principle of part 1 is correct. If HMIE tells us that necessary improvements are not taking place, ministers need the power to take action to ensure that pupils' education does not suffer.

**Rhona Brankin:** Does the minister agree that it is deeply ironic that the Tories oppose this proportionate measure, given that they introduced the positively draconian section 70 of the Education (Scotland) Act 1980? I say to Lord James Douglas-Hamilton that if anything was Orwellian it was the Tories in that act.

**Euan Robson:** The member makes a significant observation with which I could hardly disagree.

I welcome the general consensus on part 2 of the bill. I commend the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill to Parliament and invite members to pass it at stage 1.

## Scottish Parliament Building Project (Fraser Report)

17:00

**The Presiding Officer (Mr George Reid):** The next item of business is consideration of motion S2M-1529, in the name of Murray Tosh, on the publication of Lord Fraser's report into the Scottish Parliament building project.

*Motion moved,*

That the Parliament authorises Lord Fraser to lay his report into the Scottish Parliament Building Project before the Parliament and orders the Clerk to publish the report.—  
[*Murray Tosh.*]

**The Presiding Officer:** The question on that motion will be put at decision time.

## Parliamentary Bureau Motion

17:00

**The Presiding Officer (Mr George Reid):** The next item of business is consideration of motion S2M-1519, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on the designation of a lead committee.

*Motion moved,*

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Criminal Legal Aid (Scotland) Amendment Regulations 2004 (SSI 2004/282).—[*Patricia Ferguson.*]

**The Presiding Officer:** The question on that motion will be put at decision time.

## Business Motion

17:01

**The Presiding Officer (Mr George Reid):** The next item of business is consideration of business motion S2M-1520, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, setting out a timetable for legislation.

*Motion moved,*

That the Parliament agrees—

(i) that consideration of the Water Services etc. (Scotland) Bill at Stage 1 be completed by 19 November 2004;

(ii) that the timetable for completion of consideration of the Emergency Workers (Scotland) Bill at Stage 1 be extended to 24 September 2004; and

(iii) that the Justice 1 Committee reports to the Justice 2 Committee by 27 June 2004 on the Police (Scotland) Regulations 2004 (SSI 2004/257); the Advice and Assistance (Scotland) Amendment (No.2) Regulations 2004 (SSI 2004/262); the Criminal Legal Aid (Fixed Payments) (Scotland) Amendment (No.3) Regulations 2004 (SSI 2004/263); the Criminal Legal Aid (Scotland) (Fees) Amendment Regulations 2004 (SSI 2004/264); and by 3 July 2004 on the Civil Legal Aid (Scotland) (Fees) Amendment Regulations 2004 (SSI 2004/281) and the Criminal Legal Aid (Scotland) Amendment Regulations 2004 (SSI 2004/282).—[Patricia Ferguson.]

*Motion agreed to.*

## Points of Order

17:01

**Bill Aitken (Glasgow) (Con):** On a point of order, Presiding Officer. I gave prior notice of my point of order, which surrounds the problems that arose earlier this afternoon when the Minister for Tourism, Culture and Sport was late in coming to the chamber in order to answer questions. He duly apologised to the chamber in the following terms:

“Sorry, Presiding Officer. I was unavoidably detained during the Scottish Arts Council Book Awards.”

My information is that, at the time that he should have been in the chamber, Mr McAveety was in fact having lunch in the cafeteria, when he was reminded by another minister that he should be here.

I have no doubt that Mr McAveety was detained at the book awards and I am equally sure that he would not seek deliberately to mislead the chamber. However, in fairness to all concerned, he should give the chamber a more detailed explanation of his absence. If his absence was caused in part by oversight, then that is an offence of which we have all been guilty from time to time and I feel certain that the chamber, if given the appropriate explanation, would be satisfied with an apology. Will you, Presiding Officer, direct Mr McAveety so to do?

**The Presiding Officer (Mr George Reid):** Before I respond, I have notice of a further point of order from Alasdair Morgan.

**Alasdair Morgan (South of Scotland) (SNP):** My point of order is further to Bill Aitken's point of order, as I was here earlier this afternoon. If the minister missed his allotted slot at question time because he was detained on ministerial business, that is a discourtesy to the Parliament. However, if he was detained for other reasons, that is a fairly serious error, although perhaps forgivable. If, however, he came here and claimed that he was detained for the former reason when it was in fact for the latter reason, that is not only a serious error; it is a serious misjudgment that demands a serious response.

**The Presiding Officer:** This is indeed a serious matter; it is a matter for the ministerial code, in which due remedy is laid out. I inform members that I received a letter from Mr McAveety a short time ago in which he apologised unreservedly for failing to be present in the chamber and for inadvertently misleading Parliament. It might be that Mr McAveety wishes to add to that.

**The Minister for Tourism, Culture and Sport (Mr Frank McAveety):** As I indicated in my letter to you, Presiding Officer, I repeat to the chamber

that I wish to apologise unreservedly for failing to be present at the start of question time and for inadvertently misleading Parliament. It was not my intention to do so and I reiterate my apologies. I will discuss the matter with the First Minister in relation to the ministerial code.

**The Presiding Officer:** I judge that the ministerial code has been observed timeously and at speed and I now propose to move on.

**Bill Aitken:** We do not wish to take the matter any further, but if the minister will give a satisfactory explanation of why he was not here, we will be content. He owes a fuller explanation to the chamber. If it was an oversight, let him say so.

**The Presiding Officer:** In my view, the minister has come to the chamber with a fairly unreserved apology. He has dealt with the issue and, in a spirit of solidarity and forgiveness, we should probably leave it at that.

## Decision Time

17:07

**The Presiding Officer (Mr George Reid):** There are five questions to be put as a result of today's business.

The first question is, that motion S2M-1447, in the name of Iain Smith, on behalf of the Procedures Committee, on suspension of standing orders and two minor changes to standing orders, be agreed to.

*Motion agreed to.*

That the Parliament notes the Procedures Committee's 3rd Report, 2004 (Session 2), *Suspension of Standing Orders* (SP Paper 93), and its 5th Report, 2004 (Session 2), *Two Minor Changes to Standing Orders* (SP Paper 174), and agrees that the changes to standing orders set out in Annexe A to each Report be made with effect from 6 September 2004.

**The Presiding Officer:** The second question is, that motion S2M-1498, in the name of Des McNulty, on behalf of the Finance Committee, on stage 1 of the 2005-06 budget process, be agreed to.

*Motion agreed to.*

That the Parliament notes the 5th Report, 2004 (Session 2) of the Finance Committee, *Stage 1 of the 2005-06 Budget Process* (SP Paper 182), and refers the recommendations to the Scottish Executive for consideration.

**The Presiding Officer:** The third question is, that motion S2M-1119, in the name of Peter Peacock, on the general principles of the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill, be agreed to. Are we agreed?

**Members:** No.

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

**FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 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)  
 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)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McMahon, 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)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Canavan, Dennis (Falkirk West) (Ind)  
 Cunningham, Roseanna (Perth) (SNP)  
 Curran, Frances (West of Scotland) (SSP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Kane, Rosie (Glasgow) (SSP)  
 Leckie, Carolyn (Central Scotland) (SSP)  
 Lochhead, Richard (North East Scotland) (SNP)

MacAskill, Mr Kenny (Lothians) (SNP)  
 Marwick, Tricia (Mid Scotland and Fife) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 McGregor, Mr Jamie (Highlands and Islands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Mundell, David (South of Scotland) (Con)  
 Robison, Shona (Dundee East) (SNP)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, John (Ayr) (Con)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Tosh, Murray (West of Scotland) (Con)  
 Welsh, Mr Andrew (Angus) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 60, Against 48, Abstentions 0.

#### *Motion agreed to.*

That the Parliament agrees to the general principles of the School Education (Ministerial Powers and Independent Schools) (Scotland) Bill.

**The Presiding Officer:** The fourth question is, that motion S2M-1529, in the name of Murray Tosh, on the publication of Lord Fraser's report into the Scottish Parliament building project, be agreed to.

#### *Motion agreed to.*

That the Parliament authorises Lord Fraser to lay his report into the Scottish Parliament Building Project before the Parliament and orders the Clerk to publish the report.

**The Presiding Officer:** The fifth question is, that motion S2M-1519, in the name of Patricia Ferguson, on the designation of a lead committee, be agreed to.

#### *Motion agreed to.*

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Criminal Legal Aid (Scotland) Amendment Regulations 2004 (SSI 2004/282).

## Education for Peace

**The Deputy Presiding Officer (Trish Godman):** The final item of business is a members' business debate on motion S2M-1431, in the name of Chris Ballance, on education for peace across Scotland. The debate will be concluded without any questions being put.

### *Motion debated,*

That the Parliament commends the work of the World Peace Prayer Society at its European headquarters in Dumfriesshire, particularly in peace education in schools; recognises the valuable contribution that principles of non-violence and co-operation can make to society and supports the development of skills in conflict resolution, and believes that the Scottish Executive should therefore consider a cross-sectoral review of various peace initiatives, not just in education, but in justice, health and other areas, liaising with COSLA, NHS boards, religious groups, voluntary organisations and other relevant bodies in order to bring forward an integrated strategy for encouraging the peaceful resolution of disputes in all fields and promoting education for peace.

17:08

**Chris Ballance (South of Scotland) (Green):** I start with two quotations:

"Never in the world can hatred be stilled by hatred; it will be stilled only by non-hatred. This is the law eternal."

"Peace is not the absence of war; it is a virtue born out of the strength of the heart."

Neither the Buddha nor Spinoza, the authors of those two quotations, has been able to contribute to the Parliament's online forum, but many other people have done so. The motion has struck a chord across Scotland and has sparked the coming together of people who work for peace. Around 70 members of the public have left messages so far and I quote from some of those:

"The media complains of increasing violence in the classroom, the home, the neighbourhood ... Why? Could it be because we are not teaching our young people the value of peace?"

"How much more could be done—by governments and individuals!—to train us in alternatives to violence. Peace-training is possible—the knowledge is there ... we just need to share the skills. War comes from greed and fear—with justice and courage ... truth and reconciliation, another way is possible."

"Peace enriches. War ruins."

"This is just the sort of sane, creative initiative that many of us believe the Scottish Parliament was set up to provide."

We have received messages from a range of people—from a Queen's counsel who is now working on mediation to the moderator of the General Assembly of the Church of Scotland. The urge for peace is one of the great human instincts, but one that we hear less about than others.

How do we work for peace? What is being done at the moment and how can the Scottish Parliament enrich the process? Our attitudes affect others. A violent person tends to provoke violence, just as a cheerful person might cheer us up. To move to a more peaceful society, we need to change minds. That means education. Peace education should start when we are young and continue all through life. Peace has to be based on educating ourselves and educating society—all of society.

The World Peace Prayer Society was founded in Japan in 1955 by the Japanese philosopher Masahisa Goi. It is a non-profit, non-sectarian non-governmental organisation with headquarters in New York. Its European headquarters are at Allanton in Dumfriesshire—one of the many unsung treasures of the south of Scotland. It plants peace poles around the world. The peace poles range in size from the one I have here to one the size of a house. They are intended to spread and encourage the thought, "May peace prevail on earth." The society has now planted more than 300,000 poles in 180 countries. His Holiness the Dalai Lama unveiled a pole in Dunfermline on his recent visit. The Scottish Parliament could incorporate one into the landscaping around the new building at Holyrood.

The World Peace Prayer Society works in schools as part of the United Nations international decade for a culture of peace and non-violence for the children of the world. Its programmes are designed to develop a reverence for life, a respect for all differences, co-existence with nature and harmony between the spiritual and the material—in other words, to develop peace.

The juniper schools programme, which the society promotes, has been accredited by the University of Sheffield and by Lancaster University. Research has shown that the programme led to a marked reduction in the behavioural problems of children. It helped children to relax and to sleep better, it increased their confidence and it improved their responses to anger.

Of course, other work is going on as well. The overcoming violence project of the Edinburgh Peace and Justice Resource Centre has initiated several school projects. Other work includes Inverclyde high schools' mediation project—a contact project—and the East Lothian community mediation project. Work is being done in schools by Safeguarding Communities-Reducing Offending and there is the Executive's own restorative practices programme. Projects are going on. The door is open. I would like the minister to open it further tonight.

What can come out of this debate? I would like to hear a commitment from the Executive to insert

the words “the values and skills needed to respect differences and for non-violent conflict resolution” into “Values and Citizenship—National Priority 4”. That priority is being reviewed and I would like my suggestion to be considered as part of the review process.

I would like the minister to initiate an inquiry into education for peace in Scottish schools. Good work is being done, but let us build on it. It is not enough that we have only local initiatives and short-term projects; we need a national commitment to peace education as a basic part of citizenship. Peace education is not an add-on and it will require a national and a whole-school approach to achieve effective, long-term change. The Executive must provide guidance to schools on how such change can be achieved and on how it can become part of whole-school approach.

There is also scope for a broader inquiry. There are many peace education initiatives throughout Scottish society—in the public and the voluntary sectors and in Scottish churches. The bulletin board has listed a number of such initiatives in justice, health, the workplace and the community. Many of the initiatives work in isolation. I believe that it is time for a cross-sectoral review of the wide range of peace initiatives throughout Scotland in order to celebrate the work that is being done, to promote and encourage it and to identify and publicise best practice.

That would be a major piece of work. I say to the minister that I realise that that is not something that would be lightly embarked on. However, I hope that he can make a start towards building a more peaceful Scotland by announcing a review of peace education in schools, which would recognise the benefits of such education, including reducing bullying, improving classroom behaviour and character building. Let us make Scotland lead the field.

I finish with a message from Hebron, which the Cupar justice and peace group has relayed:

“You can bomb the world into pieces, but you cannot bomb it into peace.”

17:16

**Elaine Smith (Coatbridge and Chryston) (Lab):** I congratulate Chris Ballance on securing this debate. I am grateful to him for providing us with an opportunity to speak about such a fundamentally important issue.

It is unfortunate that the peace movement has historically been viewed as the domain of hippies and flower power. Alternatively, it is associated only with high-profile religious figures, such as those who have been in the Parliament recently—the Dalai Lama and Ravi Shankar. However, what struck me about Chris Ballance’s motion is the

recognition that it gives to the fact that the peace movement is, of course, a great deal more far-reaching and grounded in reality than stereotypical perceptions suggest is the case.

The key message that I have taken from the motion is that peace is, and should be, a basic, everyday issue. On closer inspection, it is possible to see that many of the campaigns that have been launched in the Parliament and in wider society on issues such as domestic violence, racial tolerance, antisocial behaviour and sectarianism have all essentially had the attainment of peace at the core of their aims.

It is understandable that we tend to consider the concepts of peace and conflict resolution primarily in macro, global terms—for example, war. However, given that the Scottish Parliament has a responsibility for improving people’s quality of life, it is equally important that we recognise the significance of peace in micro terms by continuing to acknowledge the fundamental right of every human being to live out their daily lives safe from violence or persecution—in other words, to live in peace.

In recent years, a number of high-profile, worthwhile campaigns have been launched with the aim of promoting tolerance, respect and peace. Among them we can note the Executive’s “One Scotland. Many Cultures” campaign, which aims to tackle and to eliminate racism in our country. Similarly, we can look to Unison’s high-profile action plan to reduce violence against health service workers as a campaign that puts the principles of non-violence, co-operation and conflict resolution at its core.

Given some of the things that Chris Ballance said, it is apposite to mention one of the initiatives that I am most impressed by—the Zero Tolerance Charitable Trust’s excellent respect programme. The programme is about primary prevention; it aims, through its work with young people and educators, to contribute to the prevention of violence and abuse by challenging root causes, by empowering young people with useful knowledge, skills and understanding and by promoting positive, non-violent relationships that are based on equality and respect.

Zero Tolerance’s approach towards primary prevention through empowerment and education is clearly analogous to the World Peace Prayer Society’s work on the promotion of peace education in schools. In my constituency, the Global Education Centre in Coatbridge works with local schools and the wider community to promote understanding of development issues and of our responsibilities as individuals within a global context. Those initiatives are of great significance and they must be supported and assisted to develop and grow in significance.

The Scottish Executive clearly has a role to play in engaging with those initiatives and I am happy to support Chris Ballance's call for a cross-sectoral review of peace initiatives. I do not think that we can doubt the Executive's genuine commitment towards promoting peace and tolerance in Scotland, which is evidenced by a number of the issues that I mentioned.

However, I am concerned that, in some areas, the good work is being undermined by the realities of life for some people in this country. I refer particularly to the plight of asylum seekers and refugees in Scotland. I do not think that I have time to go too far into the detail of that but, over the past year, I have become concerned about the noticeable increase in the number of constituents who seem to be eager to blame asylum seekers for any number of problems, from housing shortages to justice issues. That is a result of the fact that the public have been fed a diet of misinformation and propaganda. We must challenge such attitudes and ensure that asylum seekers are treated with the human decency that they deserve.

When I, along with Chris Ballance and others, had the pleasure and privilege of meeting the Dalai Lama recently, I asked whether he had a formula for achieving inner peace and happiness. He did not give me a recipe for that, so I cannot share it with members, but he pointed out that achieving peace throughout the world must start with individuals understanding the value of peace. It really is as simple as that. I thank Chris Ballance, whose motion has my whole-hearted support. *[Applause.]*

**The Deputy Presiding Officer:** I remind members of the public in the gallery that it is not appropriate to applaud.

17:21

**Linda Fabiani (Central Scotland) (SNP):** I do not think that it is very fair for me to be registered as the person who did not get a clap. Never mind.

**Mark Ballard (Lothians) (Green):** We will clap you, Linda.

**Linda Fabiani:** I begin by congratulating Chris Ballance on securing a debate on his motion. That is important. I agree with everything that he said.

I want to remind members about the setting up of the United Nations, which happened for highly admirable reasons. I will read out a small extract from the charter of the United Nations. Paragraph 3 of article 2 states:

"All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered."

Many people in the world would do well to remember that statement.

Before I say any more, I will declare an interest. I am a member of the steering group in Scotland of the Network for Civilian Peace Services and a member of Peace Brigades International. That said, I state that I am not a pacifist. As Elaine Smith pointed out, it is too often the case that people who care about peace and who would like peace services to be expanded through education and through the way in which we act in society are written off as people who are a bit naive and who do not know what the real world is about. I am not a pacifist; I believe that a nation has the right to defend itself and I recognise that, now and then, there is a need for a proportionate response in particular circumstances. For me, the key is that such a response should be entirely within international law. There are other ways of resolving conflicts. I do not believe that we in this country have considered properly some of the issues that Chris Ballance talked about or have thought about appropriate responses in all situations of conflict.

I will now plagiarise the work of Peaceworkers UK, because I could not begin to say things in a better way than it does. I recommend the document that is called, "Tackling Violent Conflict: The Case for a UK Civilian Peace Service", which has been put together by Peaceworkers UK, International Alert, Saferworld, the Electoral Reform International Service and RedR—Registered Engineers for Disaster Relief. It contains a quote from the former Finnish President, Martti Ahtisaari, who said:

"We know that force alone cannot create a stable society and functioning institutions. Yet the international community has lagged in deploying adequate civilian resources."

That is right. There seems to be a lack of recognition that it is possible to have all different kinds of organisations and forces—not necessarily military—that can complement each other in conflict situations. In addition to the military and the police, we have development agencies and humanitarian agencies. Other bodies, such as civilian peace services, can be added to that list. Civilian peace services are not about people throwing themselves in front of tanks or guns; they are about helping people who are in conflict to come together to find other ways of working out their problems.

The parties in a conflict are those who are most directly affected by it. Ultimately, they must be the ones who deal with the conflict. It is not good enough to have other people coming in to tell them what to do. Even though I have huge respect for UN peacekeeping forces, in many situations the people whom they are trying to help view them as a bit of an occupying force. I have heard people

say that they have been “colonised all over again” by United Nations peacekeepers. We have to try to get away from that response by expanding the services that we use in conflict resolution.

Unfortunately, the United Kingdom Government is lagging behind. I would like to see it play more of an active role in seeing how the UK could contribute as a nation state to European Union targets for civilian peace services going into conflicts. Many European countries are leading the way: Germany has had a civilian peace service since 1999; Norway has established such a service, as has Austria—in 1993; and countries such as the Netherlands, Italy, France and Sweden have created or are in the process of creating such services.

I will finish with a quote from Mo Mowlam, the former Secretary of State for Northern Ireland. She was talking about Northern Ireland, a country in which many civilian people work on the ground to resolve conflicts. She said:

“This is an important issue which we should give serious consideration to and learn from many other European countries who are already developing civilian peace services.”

I ask the minister to relay the feelings of the Parliament on the subject of tonight’s debate to his colleagues at Westminster.

17:26

**Lord James Douglas-Hamilton (Lothians) (Con):** I congratulate Chris Ballance on securing the debate. I wish to lend my support to the promotion of peace in all of our schools and to any initiatives that seek to strengthen peace.

As teachers and trade unionists are forever telling us, there is a distinct lack of peace in Scotland’s classrooms. A recent survey by the National Association of Schoolmasters/Union of Women Teachers found that 63 per cent of its members said that physical assaults between pupils were a regular occurrence. If we want our young people to grow up to respect the values of peace and co-operation in the wider world, they will have to learn to respect one another in the classroom. For that to come about, we need to support teachers and trust that they know best when it comes to the most efficient means of returning discipline to our schools.

I agree whole-heartedly with Chris Ballance about the valuable contribution that the principles of non-violence can make to society. It is important that young people understand the significance of such values in an age in which violence can be rife in our society. We have to inspire our young people with the example of that great martyr to the cause of non-violence, the Rev Dr Martin Luther King, who famously said:

“I have a dream that one day this nation will rise up and live out the true meaning of its creed: ‘We hold these truths to be self-evident, that all men are created equal’ ... I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.”

We badly need people in our nation today with the passion and vision that was epitomised by Martin Luther King. We need people who have a genuine desire to better the lives of those around them. I look forward to a time when the average youngster—as well as parents and employers—considers that one or two years’ work for the cause of development in a faraway country or in a deprived area of their community is a normal part of their education.

My colleague David Mundell and I wish to be associated with Chris Ballance’s commendation of the work of the World Peace Prayer Society at its European headquarters in Dumfriesshire. We are grateful to Chris Ballance for the opportunity to debate the motion.

17:28

**Eleanor Scott (Highlands and Islands) (Green):** I will be brief, because I know that many members want to get into the debate. I will try to keep my speech to less than four minutes.

I want to share an experience that took place in Assynt in north-west Sutherland in February when a group got together to have a day for peace. We had had almost a year of anti-war protests and we wanted to do something positive to promote peace. Local people organised the day, it was publicised throughout the Highlands and people came from further afield, too. The gods smiled on us—we had a beautifully sunny day—and people brought a lot of food. It was one of those days as a result of which people feel really good.

A local writers group wrote a long poem about peace—it was done collectively—and various workshops were held. I do not have time to talk about all of them, but if time allows I will speak about one of them.

At the end of the day, the Lochinver declaration for peace was produced. Each participant signed up to it and made a pledge to do something to promote peace. I will read it out. It says:

“We hold that respect for human rights, the rule of international law, and a spirit of fairness, justice and honesty, must be upheld, and that nonviolent conflict resolution must be pursued tenaciously before any resort to war.

We seek that where governments have behaved dishonourably out of self-interest in the past, they should own up to their mistakes to remove past resentments that prevent future trust and understanding.

We believe we should treat each other with respect but be unafraid to speak our minds on difficult issues where

disagreement, if not expressed and understood, can lead to conflict. In that spirit, where compromise is the only solution, it will be clear to all how it was reached. Where issues are complex, we should not shy from revealing and examining their complexity.

We must look to the needs of all peoples and the planet and find ways to provide conditions for the healthy continuation of both.

We feel that for us all, time and resources are running out, but we still believe we can make the saving difference.

Therefore, we residents of Assynt and others gathered in Lochinver on 14 February 2004:

1. urge governments to make a stronger commitment to peace and to finding nonviolent solutions to conflicts wherever they occur in the world;

2. insist that international justice and law must be respected and the United Nations and International Courts must be strengthened;

3. send out a message of solidarity to people in war-torn parts of the world; and

4. each make a personal pledge to act for peace today."

People made their pledge and said what they would do.

Various workshops were held during the day. One that I went to was inspirational—it involved a video entitled "Old Enough to Know Better", which was put together by school pupils who took part in the anti-war protests in Edinburgh. At the time of those protests, some sections of the media portrayed those pupils as kids who wanted to get out of class, but the video showed that that was not the case. The video was inspirational—there was not a dry eye in the room. One could see that it was made by sophisticated young people who were serious about the issues and aware of what was going on and who were making a definite political statement. The video is available from the company that helped the young people to put it together. It should be required viewing in all schools, because it shows how young people can find ways to express their views and how valid and fundamental those views are. The video is shown in some schools but, oddly enough, it is shown in media studies classes rather than in modern studies or political education classes. That is my comment on the education aspect of Chris Ballance's motion.

It is good that the Scottish Parliament has a chance to debate peace and to put down a marker that we take the matter seriously. We have talked a lot about antisocial behaviour, but conflict resolution is about more than being punitive, dividing people and suppressing feelings in society; it is about letting feelings out, understanding people and getting them to communicate.

17:32

**Ms Rosemary Byrne (South of Scotland)**

**(SSP):** I congratulate Chris Ballance on securing the debate and I am pleased to be able to promote peace education in schools.

As a former teacher, I believe that focus on the issue is long overdue. Chris Ballance outlined some of the many good initiatives that exist in our schools. There are good anti-bullying and mediation policies and children are taught about conflict resolution, although it is not part of the curriculum and it is not taught across the board. There is no question but that indiscipline in schools is a problem. Eleanor Scott referred to the Antisocial Behaviour etc (Scotland) Bill, which we debated last week. Today's debate rightly signals that more positive ways exist in which we can work with young people—I am pleased that the debate is pointing out some of them.

I am grateful for the publication on the matter that I received yesterday—I suspect that it was from Chris Ballance. I have read it and found out about interesting projects that are going on throughout Scotland. I will pass on that information to some of my teaching colleagues. I hope that I can get more copies of the document, which gives wonderful examples of the kind of work that can be done. There is no question but that the values of non-violence and co-operation should be taught in schools.

I found the example of the peaceful school initiative in Inverclyde to be particularly interesting. The work exposes secondary 5 pupils to the attitudes and skills that are involved in conflict resolution. That is an excellent project. The S5 pupils then carry their experience into primary schools and work with primary 6 pupils on conflict resolution. That is a wonderful way for secondary schools to intermix with their associated primary schools. It is a great advantage to be able to use young people to work with other young people.

I also support the idea of a cross-sectoral review of peace initiatives to include justice, health and interested organisations from other sectors. The encouragement of peaceful resolution to disputes and promotion of peace have much to offer for the future. I commend the debate to members.

17:35

**David Mundell (South of Scotland) (Con):** I

congratulate Chris Ballance, not only on securing the debate, but on his work on the cross-party group on Tibet and on the work that he and that group did to contribute to the success of the Dalai Lama's recent visit.

I have a great deal of admiration for the work that the World Peace Prayer Society carries out throughout the world and, along with my

colleagues Alex Fergusson and Peter Duncan MP, I believe that the WPPS's presence at the Allanton Sanctuary near Auldirth enriches Dumfries and Galloway. The sanctuary can be used as a training and support centre for teachers, volunteers, social workers and parents who want to work with peace education in schools and the community, and it can also be used as a retreat for teachers and others who work with children.

There is much that the Executive can learn from the peace education for children and youth project, which was officially started in October 2001 with the aim of providing children and youths with the means of rediscovering their own inner peace. Elaine Smith will recall that the Dalai Lama said that we will not have peace throughout the world unless we all work to achieve inner peace ourselves, and the WPPS consciously promotes world peace, believing—rightly, in my view—that the future of world peace lies in the hands of children and youth.

As Chris Ballance mentioned, one of the other projects that the WPPS has is the peace pole project. Like Chris Ballance, I have a peace pole in my constituency office in Dumfries, and I believe that the Holyrood site is an appropriate place for a peace pole, which might bring to the site a degree of calm that has not always existed there.

It is also worth highlighting the world peace flag ceremony, which also takes place at Allanton and which I had the pleasure of witnessing last year. It is extremely moving to see young people carrying the flags of all the countries in the world in a global celebration of the oneness of humanity. In a small way, taking part in such a ceremony makes one feel that one can contribute in a way that does not always happen; many words are spoken, but to see such ceremonies take place allows one to have a much greater feeling for what is involved.

Dumfries and Galloway has many other important centres that promote the concept of peace. Many school children in Dumfries and Galloway have had the opportunity to visit the Kagyu Samye Ling monastery at Eskdalemuir, which is an enriching experience, and the work that has been carried out there has contributed not only to the local community, but to Scotland and the rest of the world.

Near the Forest of Ae, we have the Tharpaland Kadampa Retreat Centre, which is not only a retreat centre, but offers meditation more generally. I am sure that the minister will agree with the comment that I read somewhere—I think that it was one of the contributions on the Parliament's bulletin board—that meditation is a method of acquainting our minds with virtue and that the more familiar our minds are with virtue, the calmer and more peaceful they become. That is something that we would all wish to promote,

and any initiative that can promote such concepts must be welcomed, so I welcome again the fact that Chris Ballance has initiated the debate.

17:39

**John Swinburne (Central Scotland) (SSCUP):**

I thank Chris Ballance for securing the debate. Jean Léon Jaurès was a prominent French political activist and was probably one of the leading pacifists of the last century. So great a threat was he to the establishment that he was assassinated just one day before mobilisation in France, which made inevitable the 1914-18 war. He was 55 years of age at that time. No discussion on pacifism should omit to mention that prominent democratic socialist. If he had been allowed to live, he might have halted in its tracks the mad drive to war, through concerted national strike action.

Over and above Jean Jaurès, I will cite five graphic images of the outcomes of war, which—if they are broadcast widely enough—might discourage any future tendencies towards war. Number 1 would be that epic photograph of the long line of the blind leading the blind in the 1914-18 war, after a mustard gas attack. Number 2 would be the death camps at Dachau. Number 3 would be the nuclear bombs at Hiroshima and Nagasaki. The fourth image is a particularly abiding one, which I cannot get out of my mind. It is that of the little Vietnamese girl with the flesh burned off her back by American napalm. Number 5, and the most recent, is that of 11-year-old Ali Abbas, the young Iraqi lad who had both arms removed at the shoulders in a bomb attack by the Americans. If people can live with those images in their hearts and go willingly into war, I feel very sorry for them.

Our great poet, Rabbin Burns, was once asked to speak on a celebration of war. He said the following little piece:

"Ye hypocrites! are these your pranks?  
To murder men, and give God thanks?  
Desist for shame! Proceed no further:  
God won't accept your thanks for Murther."

17:42

**Robin Harper (Lothians) (Green):** I add my thanks and congratulations to Chris Ballance for securing the debate. I pay tribute to the wonderful work that has been done by the anti-bullying network, which enjoys support from the Executive. Long may that support continue. If we are to talk about peace, peaceful demonstrations and satyagraha, we should mention another name: that of Mahatma Gandhi. Last year I visited the place where he was immolated in Delhi, which was something of an experience.

As a former modern studies and guidance teacher, I wish to address the practicalities of introducing peace studies. As with all learning, peace studies should be active and participatory, but backed up by study in order to achieve knowledge and, with experience, to achieve understanding.

In 1997, the Edinburgh Peace and Justice Resource Centre conducted a feasibility study into an overcoming violence project. Chris Ballance mentioned such projects in his speech, and I would like to reflect on the nature and outcomes of some of them. A peaceful school initiative was started in Inverclyde. Its target was fifth-year pupils and training was provided by Family Mediation Scotland. The project's aim was dissemination of methods of conflict resolution throughout the school. It was a very successful and simple project that involved, for example, encouraging pupils to count to 10 before having a go at somebody. One of the comments that was made was:

"You learn that you can always nip conflict in the bud."

Another person commented that many of the territorial tensions in the school were broken down. There was certainly no difficulty in finding recruits to the project, which won a Queen's golden jubilee award.

I had the great honour of visiting a combined project that Alva Academy was doing with schools in Northern Cape province, South Africa. It was a study of youth and tribal culture that included an exploration of solutions to the problems that are caused by territoriality. The project was aimed at all the pupils in all the schools and training was provided at a conference and through various international experts. The Douglas Combined School in Kimberley and Richmond High School in De Aar participated with Alva Academy and involved modern studies students in S2 to S6. Older students mentored younger students. One thing that runs through all the projects that were started is that they were the property of the children and the young people. They took charge of the projects; the projects were not handed down by teachers.

One comment that a person made about that project was that they were going to remember it long after they had forgotten French verbs. The results in South Africa included people leaving a gang and joining the project. Another project set up a registered charity and pupils in both projects ended up working in other schools.

In my final 30 seconds, I would like to run through other projects that I recommend that the Executive consider. The tackling violence project in Mossiel targeted all children and families in the area; it got out and involved the community. In the

Newbattle who to blame project, all decisions were made by the young people. In the Alloa straight talking project, some 12 per cent of all pupils in S1 and S2 were involved and the project had an 80 per cent success rate. There are also the Thornliebank Primary School and Woodfarm High School projects and the Craigmillar projects.

The Executive has something to work on—in fact, it has a lot to work on with successful peace studies in schools. In his reply, the minister should respond to the information that I have given him this evening.

17:46

**The Deputy Minister for Education and Young People (Euan Robson):** I thank Chris Ballance for lodging the motion. The debate has been important and welcome. I commend the underlying philosophy of the World Peace Prayer Society, which, as members have said, is based in Allanton in Dumfriesshire. The Scottish Parliament can and should identify with the principles of compassion and respect that the society promotes. Indeed, a number of the values are inscribed on the mace: wisdom, justice, compassion and integrity. It is important to remember that.

As Chris Ballance said, the World Peace Prayer Society was founded in 1955. In the international year of peace in 1986, the World Peace Prayer Society started to introduce its activities abroad. In 1988, the society was incorporated as a non-profit, non-sectarian organisation with its headquarters in New York city. I understand that it also came to Scotland in that year. In 2001, the headquarters were moved to the impressive 54-acre world peace sanctuary in New York state, which was an interesting development. In 1990, the society was accepted as a non-governmental organisation in affiliation with the United Nations' department of public information. That demonstrates the importance of the society and how it has grown over the years.

I am grateful for a number of comments that members have made and for Elaine Smith's highlighting of the "One Scotland. Many cultures" campaign, which is an important policy development. I am also grateful to Robin Harper for mentioning all the organisations that he did, although I cannot go through them all. He highlighted the work of the anti-bullying network; I agree with him that its work is immensely important.

**Mr Kenneth Macintosh (Eastwood) (Lab):** Has the minister noted the many comments that were submitted to the Parliament's interactive website as a result of Chris Ballance's welcome motion? In particular, does he agree with the comments of the

Edinburgh Peace and Justice Resource Centre? It said:

"Peace Education should be defined in broad terms, encompassing alternatives to violence in all areas from the playground onwards. It should include ways of resolving domestic issues, children's disputes, peer-group pressure, workplace bullying, and neighbourhood conflict including, of course, sectarianism."

**Euan Robson:** That is a fair and reasonable definition, to which I subscribe. I have not yet had the chance to read all the responses that have been received, but I will look at them. It is, indeed, impressive that there have been more than 70 responses.

The motion provides an opportunity to highlight some of the work of the Scottish Executive and others to develop approaches to resolving conflict and promoting positive relationships. I say to David Mundell that ministers' minds are always focused on virtue. He may not agree, but we certainly attempt to subscribe to that philosophy.

There is considerable work going on in our schools to help children to learn the skills, attitudes and values of a peaceful society. I am pleased to share what pupils are contributing to their school communities and neighbourhoods as active citizens—we should celebrate their efforts. It is perhaps a fair criticism of us all that, in the past few weeks and months, we have highlighted some of the more negative aspects of young people. We need to change the agenda now and I am happy to endorse that sentiment. This week, I saw at first hand how the talent and commitment of young people have contributed to peer support and the development of useful resources such as the Young Scot handbook and the web portal for young people throughout Scotland. Those are important developments through which young people have participated in the work.

In schools, children are involved in learning respect for themselves and for one another and are developing their understanding of their interdependence with other members of their neighbourhood and society. That is something that the Scottish Executive wishes to see happening, as that learning helps children to develop their responsibilities as citizens.

However, we have to give responsibility in order for children to learn to take responsibility. In many schools throughout Scotland, peer mentoring and buddying are involving pupils in supporting their peers and resolving conflict through peer mediation. For example, in Trinity High School in Renfrewshire, senior pupils helped to set up a buddying scheme, they have provided lunchtime clubs for pupils who want support and they are trained to help primary pupils to settle into their new secondary school. My daughter was similarly involved with a new pupil at Kelso High School

who came to the school in the secondary 1 year. I have also seen some interesting examples in Dundee of S2 pupils returning to help during the primary 7 year.

**Chris Ballance:** Is the minister, therefore, prepared to change the national priority guidelines and to insert a recommendation to encourage such projects throughout Scotland?

**Euan Robson:** We will certainly encourage projects such as that throughout Scotland. Peter Peacock and I have visited several of them. We are not always good at sharing best practice in Scotland, as I said at question time today, and there is a lot more that we can do. I will take away the points that the member makes.

Peer education is considered so important that a peer education project is being supported by the Scottish Executive through Fast Forward, a voluntary organisation, which will produce training materials and act as a catalyst for peer education on a national basis. That is an important first step. Such practice happens in primary and secondary schools and involves many of our pupils in Scotland. I congratulate them on taking that responsibility.

I turn briefly to some restorative practices for developing conflict resolution in schools. The Scottish Executive is supporting three local authorities in piloting restorative practices in schools. That involves teaching children how to resolve problems together by recognising others' feelings and seeking solutions together on which both sides can agree. That is a fundamental skill for all members of society and it would be remiss of us not to have it firmly in the education of our children.

In the Highland Council, North Lanarkshire Council and Fife Council areas, projects in schools involve putting positive relationships at the heart of the school and community. Children become responsible for their behaviour because they understand the harm that is done to others if their behaviour is not as it should be, not simply because they fear getting caught.

If you will allow me, Presiding Officer, I will make a few more points. Skills in conflict resolution can be learned at the earliest stages and can help children to develop the ability to listen, to understand others' feelings and to understand and express their own feelings safely. For example, circle time is used by many schools in Scotland to enable young children to discuss issues. It allows many children to express their feelings and learn what might be colloquially described as "give and take".

**Linda Fabiani:** I am concerned that the minister is approaching the end of his interesting response without addressing the part of the motion that calls

on the Scottish Executive to undertake a review that looks more broadly at peace initiatives in other areas as well as in schools.

**Euan Robson:** If the member can contain her impatience, I am about to talk about that issue.

We are supporting the development of neighbourhood mediation schemes, which allow disputes to be resolved peacefully. Furthermore, the Scottish Executive is working with authorities to increase the number of young offenders involved in mediation or reparation schemes in order to help them to understand the impact of their crimes on others. Where that practice has been established, it has helped to reduce the likelihood of reoffending.

A lot of activity is developing in Scotland. We must ensure that cross-sectoral learning and experience sharing takes place so that all practitioners and policy makers gain an overview of the skills and practices that are being developed and of the impact on the positive ethos of schools and neighbourhoods. I hope that members will join me in acknowledging what children are achieving in their schools, communities and neighbourhoods.

In response to Linda Fabiani, I assure the chamber that we will take away the points that have been made in the debate and find out whether we can incorporate them into the conclusions of our on-going curriculum review. Indeed, Mr Ballance might care to make a direct contribution to that review on the issues that he has raised.

*Meeting closed at 17:57.*

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

**Thursday 1 July 2004**

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

#### PRICES AND SUBSCRIPTION RATES

##### DAILY EDITIONS

*Single copies: £5*

*Meetings of the Parliament annual subscriptions: £350.00*

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

*Single copies: £3.75*

*Special issue price: £5*

*Annual subscriptions: £150.00*

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*

*Annual subscriptions: £150.00*

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

**The Stationery Office Bookshop**  
**71 Lothian Road**  
**Edinburgh EH3 9AZ**  
**0870 606 5566 Fax 0870 606 5588**

**The Stationery Office Bookshops at:**  
123 Kingsway, London WC2B 6PQ  
Tel 020 7242 6393 Fax 020 7242 6394  
68-69 Bull Street, Birmingham B4 6AD  
Tel 0121 236 9696 Fax 0121 236 9699  
33 Wine Street, Bristol BS1 2BQ  
Tel 01179 264306 Fax 01179 294515  
9-21 Princess Street, Manchester M60 8AS  
Tel 0161 834 7201 Fax 0161 833 0634  
16 Arthur Street, Belfast BT1 4GD  
Tel 028 9023 8451 Fax 028 9023 5401  
The Stationery Office Oriel Bookshop,  
18-19 High Street, Cardiff CF12BZ  
Tel 029 2039 5548 Fax 029 2038 4347

**The Stationery Office Scottish Parliament Documentation**  
**Helpline may be able to assist with additional information**  
**on publications of or about the Scottish Parliament,**  
**their availability and cost:**

**Telephone orders and inquiries**  
**0870 606 5566**

**Fax orders**  
**0870 606 5588**

**The Scottish Parliament Shop**  
**George IV Bridge**  
**EH99 1SP**  
**Telephone orders 0131 348 5412**

**RNID Typetalk calls welcome on**  
**18001 0131 348 5412**  
**Textphone 0845 270 0152**

[sp.info@scottish.parliament.uk](mailto:sp.info@scottish.parliament.uk)

[www.scottish.parliament.uk](http://www.scottish.parliament.uk)

**Accredited Agents**  
(see Yellow Pages)

and through good booksellers