

MEETING OF THE PARLIAMENT

Wednesday 15 September 2004

Session 2

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Scottish Parliament

Wednesday 15 September 2004

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

Time for Reflection

The Presiding Officer (Mr George Reid): Good afternoon. Our first item of business today is time for reflection. Our time for reflection leader is Father John Bolland from the religious education department of the University of Glasgow.

Father John Bolland (University of Glasgow): I thank the Presiding Officer for giving me the opportunity to spend this time in reflection with you.

As I live near Glasgow airport, I regularly provide a taxi service for family and friends. At the arrivals gate, especially over this summer, I have noticed an increase in the number of Scots who are rediscovering the joy of the sombrero. I wonder whether that might indicate an opening in the Scottish spirit to the celebration of the fiesta. As you might know, in Catholic culture, such occasions are usually saint's days or feast days. The church at local and international levels still has its feasts. For example, yesterday was the feast that lends its name to this Parliament: the feast of the Holy Cross or the Holy Rood. Closer to home, my people in Paisley are today celebrating the fiesta of St Mirin, who is associated with so many things in Scotland's largest town.

However, in the wider church, today is a more solemn—some might say more sombre—occasion: the feast of our Lady of Sorrows. At first sight, this feast might look a little morbid: after all, it is a day devoted to sorrow and to grief. Yet at the heart of the feast is a solid theological and psychological fact that was movingly summed up by Her Majesty the Queen when she responded to the events of 11 September with the words:

"grief is the price we pay for love".

It is the same truth we see in Michelangelo's *Pietà*, as the sorrowful mother cradles the languid form of her dead son. The message is that grief goes to the very heart of our existence and that the life of God is touched by the mystery of the cross, of loss.

However, sorrow and grief are not just private emotions. There are tragedies that provoke a response across nations and societies. For example, the recent atrocity in Beslan has given rise to countless more *pietàs*—we are all touched by it. We experience grief not just through

bereavement but through broken relationships, lost jobs and shattered dreams.

Grief is an issue for all of us, especially for you who are our leaders and servants. Sorrow is a social reality. Alongside and underneath many of our obvious problems, such as poverty and poor health, lie less obvious wounds. As a member of and an observer of society, I suggest that two of the great ills of our communities are misdirected anger and unresolved grief. The two are often connected and both result in behaviour that is self-wounding and ultimately damaging to society as a whole.

People of all faiths and none need to be given channels for expressing their grief at the great and small tragedies in life. Although we are culturally reticent about such things, an acknowledgement of grief and the ability to articulate sorrow collectively are crucial to the health of our society. It is only by recognising sorrow that we move on to experience joy once again. May God bless the Parliament and the people of Scotland in times of sorrow as well as of joy.

Relocation of Public Sector Jobs

The Presiding Officer (Mr George Reid): Our next item of business is a debate on motion S2M-1672, in the name of Des McNulty, on behalf of the Finance Committee, on the relocation of public sector jobs. Will those members who wish to contribute to the debate please press their request-to-speak buttons now. I call Des McNulty to speak to and move the motion.

14:35

Des McNulty (Clydebank and Milngavie) (Lab): I am pleased to open the first committee debate in this new debating chamber and I hope that the work of the committees of this Parliament will be fully recognised for the terrific aspect of parliamentary work that it represents.

In his evidence to the Finance Committee's meeting on 13 January 2004, the Deputy Minister for Finance and Public Services, Tavish Scott, stated that there are three main objectives of the public sector jobs relocation policy, which he summarised as follows. First, he said, the relocation policy ties in with

"ensuring that the Government in Scotland is more efficient and decentralised, as part of our wider vision of a more accessible, open and responsive Government."

Secondly, he said that relocation is seen as a means of providing

"more cost-effective service delivery solutions by allowing organisations to operate away from some of the pressures of the Edinburgh market."

Thirdly, he argued that relocation

"can assist areas that have particular social and economic needs."—[*Official Report, Finance Committee*, 13 January 2004; c 776.]

That is probably an accurate description of the Executive's current relocation policy. However, the Finance Committee's view is that we want a slightly different—perhaps in some ways significantly different—approach in the relocation policy, which would be more strategic and geared towards the Executive's general objectives, particularly its economic growth and social inclusion objectives. I hope that the committee's report will act as a driver in pushing the Executive towards recasting its policy in that direction.

There are probably three debates that we need to have, which emerged from the evidence that the committee took. There is a debate about efficiency and it is not entirely a one-way debate. There are, if you like, different kinds of considerations that point in different directions. There are certainly constraints operating on what is possible in relocation. We cannot simply shift organisations willy-nilly round the country without affecting their operational efficiency.

Mike Pringle (Edinburgh South) (LD): Will Mr McNulty take an intervention on that point?

Des McNulty: I certainly will.

Mike Pringle: There has been a lot of controversy over the relocation of Scottish Natural Heritage to Inverness. Indeed, the Executive said in its response to the Finance Committee:

"We agree with the Committee's conclusion that relocations will have a negative impact on some people, and it will be vital, for the future, to continue to minimise that impact."

Indeed, over 80 per cent of SNH staff have indicated that they will not relocate. Does Des McNulty agree that little consideration was given to the effects that the relocation policy was going to have on people's lives and that, if SNH staff do not move, it could do considerable damage to the operation of SNH in the short to medium term?

Des McNulty: It is certainly the case that the SNH relocation could have been better managed and could have been done in a different way, with clearer criteria being used and greater transparency in the decision-making process. It is nonetheless the case that any major relocation of jobs on such a scale will cause significant dislocation. The issue is how that is managed. I want to come to that in the course of my speech.

I return to the point that I was making. There are very clear efficiency benefits to taking jobs away from the overheated Edinburgh economy in terms of possibilities in recruiting and in terms of operational performance. Those benefits were clearly demonstrated in some of the visits that committee members made to organisations that had relocated up and down the country. All the committee's members reflected on that in coming to our conclusions.

At the same time, we recognised that there are real constraints on the Executive. What we want the Executive to do is to get, in a relocation exercise, the correct balance between the constraints that it faces in operational effectiveness and the advantages that can come in terms of efficiency. That is certainly something that needs to be looked at carefully.

The second point that I want to make is on geographical, economic and social inclusiveness. Such relocations are about ensuring that Scotland as a whole benefits from employment in the public sector and that not everything is concentrated in Edinburgh. I am indebted to Brian Adam for asking Andy Kerr last year about the distribution of civil service and agency jobs throughout Scotland. From the information that was provided it appears that of the 843 jobs that were created by the Scottish Executive since 1999, 607—72 per cent—were in Edinburgh. If we look at agencies, we see that of the 1,295 jobs created since 1999,

695—54 per cent—are in Edinburgh. That can be compared with the relatively limited number of civil service and agency jobs that have been transferred away from Edinburgh since 1999. The net figure for civil servants is 154—or 416 if we count posts, as opposed to people who have been relocated.

We should also remember, as we stand in this wonderful building, that Parliament has brought 480 permanent jobs to Edinburgh. That figure is for Parliament staff, although the majority of members' staff—at least those who work in parties other than my own—appear to be based in Edinburgh. Substantial numbers of people are being brought to Edinburgh and my calculation is that in excess of 700 new jobs have been created in Edinburgh as a result of Parliament being here.

I argue that we see, if we look at the balance, that Edinburgh has gained far more Government jobs than it has lost. If we examine the combined number of civil service and agency posts in respect of which decisions have been made under the relocation policy, we see that, of the 1,250 posts that the minister identified, nearly half involve relocation within what economists would regard as the Edinburgh travel-to-work area. I am sure that there are advantages in relocating posts from central Edinburgh to other parts of the travel-to-work area that is centred on Edinburgh, and I feel sure that members who represent places such as Falkirk, Livingston, Galashiels and Dunfermline will highlight the benefits to those localities of additional jobs.

Alasdair Morgan (South of Scotland) (SNP): I do not want to put words into Des McNulty's mouth, but is he saying that the Executive's relocation policy is, in effect, a total failure?

Des McNulty: I am saying that more jobs have been created in Edinburgh than in any other place in Scotland. That is simply a measure of the incline that we have to examine.

The policy that has been set out by ministers indicates that issues of deprivation and unemployment will be given a great deal of weight in considering where jobs will be relocated to. However, the west of Scotland, where deprivation and unemployment are concentrated, is to get fewer than 400 jobs, based on decisions taken so far. In percentage terms, the increase in agency jobs in West Dunbartonshire, to take just one example, might appear to be favourable at 22 per cent, but the raw numbers tell a different tale. The net increase so far is nine jobs—a leap from 41 to 50—and we have no Scottish Executive jobs in West Dunbartonshire. I am sure that I am not alone among members who represent west of Scotland seats in thinking that all that is perhaps a bit unfair, but I am sure that that concern is not confined to the west of Scotland. I feel sure that

members who represent North East Scotland, the Highlands and the South of Scotland will feel that their areas would also benefit not just from more relocation but from a more strategic relocation policy. The committee's report points strongly towards the need for a more strategic relocation policy.

The figures that I have given so far highlight a considerable gap between the Executive's policy aspirations and its performance, and that is perhaps my answer to Alasdair Morgan's question. Economic growth in Scotland depends on mobilising the resources that are tied up in its people, wherever they happen to live. It also makes complete sense—in my view—to bring jobs to parts of Scotland that are, for whatever reason, short of employment opportunities. The Executive has to see relocation not in terms of ad hoc opportunities, but as an integral aspect of its broader economic strategies, such as "The Framework for Economic Development in Scotland", which it published last week, and the "National Planning Framework for Scotland".

Last week, in my first speech in this chamber, I highlighted the fact that the Clyde waterfront and the Clyde gateway had been identified as the two most significant infrastructure projects in Scotland. We need to direct transport resources and investment in water and sewerage to ensure that those major projects come to fruition. However, it also makes sense to me to link in relocation, because putting jobs where we want to see economic growth and where we are putting investment to produce economic growth is a key corollary of an infrastructure strategy. There must be an integrated strategy that cuts across all the matters for which the Executive is responsible. The strategy should be opportunity driven and there are clear opportunities in the west of Scotland for relocating Government jobs in a way that will assist our economic growth objectives and our social inclusion objectives.

I come back to the committee's report to deal with some issues in more depth and detail. One matter that the committee highlighted particularly is the lack of transparency in the whole exercise. People did not know what the criteria were. There was no mechanism that people understood in respect of how decisions were made and there was a lot of confusion about what might happen to whom and when.

Our view is that that lack of transparency is regrettable and needs to be changed. One way to change that would be to have a clearer relocation strategy and for the Executive to be explicit about what it is trying to achieve and how it is trying to achieve it—although it is recognised, of course, that some decisions must balance irreconcilable objectives and irreconcilable interests. In my view,

it is the job of the Government to make hard decisions, but in making them the Government must be able to explain how decisions are arrived at and it must be able to defend its stance in making them.

Mr Keith Raffan (Mid Scotland and Fife) (LD): Does Mr McNulty agree that it is a question not only of transparency but of much more information being available to possible bidders right at the beginning of a possible relocation? Does he also agree that it is about the nature of the relocation, the kind of jobs that are required, the facilities that are required and so on? I have received many complaints from local authorities in my region that they do not get enough information. They get a letter on one side of A4 that is not even filled.

Des McNulty: There is some truth in that. One of the measures that I suggest is considered in the context of a development strategy. It is to link the economic development agencies in different parts of Scotland to relocation possibilities so that rather than, in a sense, their finding out late in the day about what opportunities there might be, the strategy sets out broadly what is intended so that there is more capacity for economic development organisations to match the kinds of jobs that they bid for with the economic development strategy that is adopted at local level.

I agree with Keith Raffan about transparency; I hope that he agrees with me that there is also an issue about criteria. What we saw repeatedly as we worked our way through them was that every relocation process was different—largely because each one used different consultants who operated on different criteria. What was remarkable about the process was that the relocations all seemed to end up in the same places, which perhaps indicates that the whole criteria exercise was a bit shaky all the way through. If there is to be a criteria-based system, the criteria must be capable of being referenced and they must be seen to drive the process in some way, except where political decisions are required. Where political decisions are required, they need to be explained in relation to the criteria more clearly than they have been.

Maureen Macmillan (Highlands and Islands) (Lab): Will Des McNulty address the issue of how people are persuaded to move?

Des McNulty: There is an important debate to be had about fairness to employees. Concerns emerged constantly in the evidence that we took that employees were not consulted as fully as they possibly should be; that many of the consequences of relocation for employees were such that they felt that they could no longer continue in that particular employment; or that the circumstances in which they were being asked to shift were unacceptable. Relocation does not have

to be like that. We can do it differently and better if it is better planned. There must be more effective consultation and attention must be paid to employment rights. Relocation, particularly over a big distance, cannot be done on the cheap.

Much can be learned from what is happening elsewhere. Members went to Ireland and examined relocations around that country. There is a strong argument for setting out a regional approach, for considering clusters and for linking our relocation approach more clearly to our broad economic strategy. That will lead to greater efficiency, fairness and transparency in, and acceptability of, what we are trying to do.

The committee concluded that relocation was important for Scotland and that we should pursue it, but that we can and must do it better than at present.

I move,

That the Parliament notes the 6th Report 2004 (Session 2) of the Finance Committee, *Report on the Relocation of Public Sector Jobs* (SP Paper 189), which summarises the considerable evidence in support of the principle of relocation of public sector jobs, calls for greater transparency in the decision-making process associated with relocation, highlights the need for the objectives of the policy to be set out clearly and realistically, identifies lessons to be learnt from elsewhere and puts forward a number of recommendations for consideration and debate.

14:50

The Deputy Minister for Finance and Public Services (Tavish Scott): I thank Mr McNulty for the constructive manner in which he presented his committee's report to Parliament.

I will make two introductory points. I had a light lunch today to leave room for the consumption of humble pie. I apologise to Parliament and to the committee for the Executive's failure to respond to the report within the appropriate period. That was a mistake that was in no way deliberate. The Executive did not intend to cause the committee difficulty and we regret it if our late response appeared in any way to signal disrespect for the committee or Parliament.

As I have made clear to the committee's convener, I will do everything that I can to ensure that such a mistake is not repeated. As the Minister for Parliamentary Business has told the committee, measures have been put in place to monitor the timing of responses so that the Executive prevents the same situation from arising in the future. The situation was not acceptable and should not happen again.

This afternoon, Parliament will discuss relocation policy in this new debating chamber and on this day of high drama in the Scottish Land Court—I suspect that that cannot be said every

day. It was exactly five years ago, on 15 September 1999, that Donald Dewar set out for Parliament the devolved Government's relocation policy. On the policy's fifth anniversary, having been relocated itself, Parliament should use the Finance Committee's invitation to consider what has been achieved and what remains to be done.

Devolution was and is about bringing government closer to Scotland's citizens. Ministers have been clear that we are committed to continuing the process of devolution.

Richard Lochhead (North East Scotland) (SNP): Is the minister concerned by the front-page lead in today's edition of *The Press and Journal*, in which a local Labour member of Parliament says that the United Kingdom Government is about to centralise Government departments, which will lead to a loss of civil service jobs in Aberdeen? Will the minister acknowledge that that would be bad for Aberdeen and that it would run counter to the Scottish Government's policy? Has he made, or will he make, representations to the UK Government to save those jobs?

Tavish Scott: I understand that the Department for Work and Pensions has disputed this morning's story. The issues are being examined closely and we will keep a close eye on them.

Our relocation policy has played an important part in the devolutionary process. Public sector jobs have been relocated or established in Glasgow, Aberdeen, Falkirk, Dundee, Galashiels, Dunfermline, Inverness, Livingston, Paisley and Ayrshire. As the policy has developed, the list of areas to benefit from relocation has grown, and it will continue to grow.

I had the pleasure to visit the Carnegie campus in Scott Barrie's constituency yesterday. Scottish Enterprise Fife and its partners are working to provide high-quality options for public and private sector organisations. Earlier this month, I visited City Park in Paul Martin's constituency, which is an imaginative and bold vision for a former cigarette factory. Like all ministers with responsibility for relocation, I remain committed to the persuasive case that Dumfries and the tireless convener of Dumfries and Galloway Council have made, which complements Elaine Murray's work in Parliament.

I thank Finance Committee members for the work that they have put into the report on the relocation of public sector jobs. The report distils clearly the policy's background and development. The scope of the work that was undertaken to prepare the report—not least by members who were appointed as reporters—shows the committee's commitment to work with the Executive in driving the relocation policy forward. We are grateful for that.

The committee has helpfully scrutinised our policy and practice on relocation and I believe that we have responded positively to many of the constructive recommendations in the report; the fundamentals that underpin relocation policy are described in our response. We welcome the report's constructive tone and are happy to respond in that way. Three subjects are of particular interest.

Bruce Crawford (Mid Scotland and Fife) (SNP): The minister has obviously been busy travelling around Scotland and I applaud some of that effort. When he has been doing that, has he spoken to local authorities throughout Scotland, which are beginning to tend to centralise services back in the major towns for which they are responsible? Is not that counter to what the Executive is trying to achieve? What can the minister do to ensure that local authorities do not start to centralise within their own boundaries?

Tavish Scott: I am sure that Mr Crawford would not want me to start lecturing local authorities on the manner in which they should conduct their business, as I do not believe in central diktats. As former councillors, he and I know that effective government must involve reflection on the need to provide public services to ensure that the public moneys that are available to local authorities are used for front-line public services. The ability to provide such services goes hand in hand with a local authority's running as efficient an organisation as it can. Highland Council has decentralised its structure—for example, it has located its harbour and port division in Lochinver—so there are good examples of best practice in Scotland. Other local authorities might wish to learn from those.

George Lyon (Argyll and Bute) (LD): A little bit of self-interest comes into this question. As the minister is well aware, there has been a bid for the relocation of the administration of crofters' housing grants to the island of Tiree. That matter has been lying on his desk for a substantial time and, indeed, I have been pressing ministers for the past year to come to a final decision on the matter. The jobs would be of immense benefit to the island if the relocation were to get the go-ahead. Will the minister tell us the status of the decision at the moment: is it close to being announced and can the island look forward to some benefits flowing from the Executive in the near future?

Tavish Scott: Mr Kerr and I are currently considering whether East Kilbride or Lerwick would be the best location. It is a serious matter, and I assure Mr Lyon that that decision should be with us all within a matter of weeks. The representations that he has made on the matter have been important in consideration of the relocation. We hope to bring the decision forward quickly.

I will deal quickly with the three areas of interest that will be important in considering the Finance Committee's recommendations. Many of the report's recommendations will inform the Government's on-going evaluation of the relocation policy's impact. Our response demonstrates how closely linked are the committee's and the Executive's approaches on future development. To deal with one of Des McNulty's considerable core points, we have already improved the option-appraisal process to take deprivation into account. As the committee knows, 50 per cent of the quantitative weightings for comparing locations now refer to socio-economic benefits. That is an aspect that the committee has stressed repeatedly and to which we have responded.

The response sets out specific Executive commitments. They should address matters that the committee suggested as being areas in which improvements are required, such as the transparency of the process and communicating the objectives of the policy—Des McNulty made points on both. I accept the argument that transparency in the process can be highly beneficial to staff, to staff representatives and to locations that bid for public sector posts.

Our response sets out the following detailed commitments, which reflect some of the committee's conclusions and recommendations. We will publish revised guidance about the relocation process on the Executive's website. We will issue a statement that highlights the main reasons for each future relocation decision and we will set out clearer standards for staff consultations on relocation. We will consider how the application of appraisal criteria could be made more consistent through publication of clear guidance on the methodology that is to be used in relocation reviews. We will also continue to evaluate the impact of the relocation policy and provide detailed information on the costs associated with relocations.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): The kernel of the committee's report starts at paragraph 97. It suggests a new approach, which is that each department in the public service should carry out an audit and that, in tandem with that, consideration should be given to which parts of Scotland require some benefit. Will the Executive commit itself to that fundamental recommendation in the committee's report?

Tavish Scott: I recognise the point that Mr Ewing—and, indeed, the committee—made. We are strongly influenced by the work that has been done and will consider Mr Ewing's detailed point in the context of the wider objectives about which Mr McNulty spoke.

With those issues in mind, we welcome the Finance Committee's report. Having this opportunity to debate the report and our response is important for Parliament. It provides an opportunity for colleagues throughout the chamber to make their case and to inform future policy development. This devolved Government looks forward to working with the Finance Committee on that future policy development.

15:00

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I suspect that the attention of the press and media today might be elsewhere, on a building in Scotland. This debate is about building a better Scotland and is based on an excellent piece of work by the Scottish Parliament's Finance Committee. The SNP supports the committee's approach and is encouraged by the basic response of the minister.

The relocation or decentralisation of public sector jobs is based on the idea that every part of a nation should benefit from the presence of people who work in the public sector in all its forms. All parties are committed to that principle. In the UK there have been various reviews of how far the process should be carried through. After all, we well know that in Edinburgh and London we have two capital cities that get the cream, while many parts of Scotland—and, I dare say, many parts of England and Wales—do not benefit at all. The purpose of a relocation policy is to redress that basic injustice.

The Flemming review in 1963 recommended that 57,000 staff should be relocated from London, but only a third of that number were relocated in the period following that review. In 1973, the Hardman review recommended the dispersal of 31,500 posts, but only 10,000 were relocated. Perhaps inevitably there is a tendency—this is not necessarily a bad thing—for the initial target not to be met. Our task is to identify a policy of relocation that is directed specifically towards the needs of our country.

As is so often the case, the debate that we are having was stimulated by a hard case, which of course was the controversial relocation of Scottish Natural Heritage from Edinburgh to Inverness in my constituency, on which there was a total lack of consultation. The staff were not consulted at all. I believe that 93 per cent of them expressed the view that they did not wish to move, despite the obvious advantages of living in Inverness, not least of which is the representation that the constituents enjoy from all its MSPs.

The DTZ Pinda Consulting report on the relocation—which, incidentally, cost £20,000—recommended that Inverness should not be the

preferred location. The problem that I have with what happened—I put this point to the minister and his answer is referred to in paragraph 31 of the committee's report—is that the decision appears to have been taken against the advice not only of DTZ, SNH and the staff but, I suspect, of the civil service.

One of the lessons from the Holyrood debate is that the civil service in Scotland has to be more accountable. We are entitled to know what its advice is, most certainly on issues of controversy. That is not to say that every letter and e-mail can be made public, but there is a strong case for reforming the way the civil service operates, so that the fundamental memos that are given to ministers and on which decisions are taken are made public not after 30 years but after a short period. The minister rejected that proposal, which is a shame.

My other point about the SNH relocation, and this post-dates the report, is that to make the relocation workable and to persuade the staff to move to Inverness through financial means—bribe is too strong a word—they are each being paid a moving fee of £10,000 and then, after a year, a staying-on fee of £10,000. From informal discussions that I have had, I suspect that the unions could not believe their luck when they negotiated that package.

Maureen Macmillan: Does the member agree that we pay similar amounts to dentists to go to the far north of Scotland? Does he agree that if people need financial incentives to go to the north of Scotland, we should provide them?

Fergus Ewing: Not under the model of relocation policy that I would like to be in place. I do not believe that the SNH case is a wise precedent. I put it on record that I welcome jobs coming to my constituency but, as I believe that there is scope for considerable savings and more efficient spending, my point is that relocation should not just be carried out at any price. We have a duty to look after the public purse and I do not believe that £20,000 per person is a price that should be paid.

The estimates for the cost of the SNH relocation have followed the track of a mini-Holyrood process. The initial estimate has been doubled and, in recent parliamentary answers that I have received, either the Executive will not say how much the move will cost or—as I suspect—it does not know how much the move will cost. That seems to me to be like the Holyrood process in miniature.

Des McNulty: Given what Mr Ewing has said about the cost of the SNH relocation, is he suggesting that it should be abandoned and that the jobs should not move from Edinburgh?

Fergus Ewing: It may be abandoned de facto if the staff do not move. We do not know whether they will move, which is the point that Mike Pringle made earlier.

I will touch on the evidence about the policy in Ireland. Elaine Murray and I had an extremely useful and interesting visit to Ireland and we learned a great deal during the arduous days that we spent there. The Irish Minister for Finance announced last December that more than 10,000 jobs would be relocated from Dublin, with the aim that half of public service jobs would be located in Dublin and half outwith it. That policy is visionary and ambitious, but it also has certain features that commend it, not for replication but as a matter of process. First, to address Maureen Macmillan's earlier point, the policy is based on the voluntary principle, which means that there should be no redundancies. From my reading of the Irish newspapers, I believe that the response to that has been reasonable.

The Finance Committee has recommended a new and logical approach that has been carefully thought out and agreed by all members of the committee and which should be followed. That approach is that we should carry out an audit to find out which public sector jobs can be relocated effectively and whether that should involve whole departments or parts thereof. There should also be an examination of which parts of Scotland should be the recipients of the benefit of those jobs. With respect, the minister has not really responded to that specific recommendation. It is incumbent on the Executive to give a clear answer on whether it will support that recommendation. If it supports the recommendation, it will be responding to the requirement that we all raise our game; if it does not, it will be ducking that challenge. Given that I am a politician who always tries to be consensual, I hope that the Executive will choose to do the former, not the latter.

15:09

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): I hope that I am not making an overtly political point when I say that it would have been helpful to have had the Executive's response to the Finance Committee's report on the relocation policy within the accepted timeframe. I accept the minister's apology even if, thus far, there has been a lack of explanation.

The Scottish Conservatives, too, welcome the Finance Committee report and support its findings and criticisms. I will come to the Executive's

response in due course, but I make the political point because, in many ways, relocation, certainly in the lead-up to the most recent elections to the Scottish Parliament, appears to have had less to do with policy than with politics.

Although we might question the minister's delay in responding to the Finance Committee's report, nobody should question his candour. Here is how he responded to my queries during the Finance Committee's meeting of 4 May:

"ultimately, such relocation decisions are political; I do not disguise that in any way."

Just to re-emphasise the point, he said, in relation to the decision on Scottish Natural Heritage:

"I would put this in the context of the entire spread of relocation policies, Mr Brocklebank: I do not believe that any of our decisions are taken without recourse to a political process".—[*Official Report, Finance Committee*, 4 May 2004; c 1337.]

Could it be any clearer? Despite the Executive's pious words about efficiency and decentralisation and despite its pledge to assist areas with special social and economic needs, its flagship relocation of some 270 jobs in the field of nature conservation appears to have had nothing to do with efficiency and decentralisation.

Tavish Scott: It would be helpful if Mr Brocklebank had reflected the whole of that exchange. I was at pains to point out on the record that that was in the context of decentralisation. If Mr Brocklebank quoted the whole of the passage instead of quoting selectively, he would see that. I presume that he would concede that introducing the poll tax was a political decision, too.

Mr Brocklebank: It is always difficult to quote Mr Scott in his entirety, as he seems to go on at very great length. I do not believe that I have misrepresented the thrust of what he was saying that day.

The decision had nothing to do with Inverness's special social and economic needs. Inverness is one of Scotland's boom locations.

Maureen Macmillan: Will the member take an intervention?

Mr Brocklebank: No, I will carry on for a little. Office space is expensive and unemployment is negligible. Inverness is one of the least socially deprived places in the nation. As we have heard, it was because of those advantages that Inverness was ranked only 24th equal out of the 85 proposed locations. It did not make the shortlist that had been drawn up by the consultants who had been hired by the Executive. SNH staff had already indicated that, if they were forced to move, Perth and Stirling would be more suitable locations.

Maureen Macmillan: Will the member take an intervention?

Mr Brocklebank: I will perhaps do so in a minute. Just six weeks before the Scottish Parliament elections of March 2003, Ross Finnie announced that Inverness was to be awarded the glittering relocation prize of Scottish Natural Heritage. Can it just be coincidence that Labour was contesting a key marginal seat in Inverness? Might news of the SNH relocation have swayed voters in the balance? Can it also be just coincidence that the city of Dundee, which also faced key marginals and which had recently been awarded 106 Scottish Commission for the Regulation of Care jobs, was chosen as the site for the new Office of the Scottish Charity Regulator before the 2003 election?

Maureen Macmillan: Will the member take an intervention?

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Will the member take an intervention?

Mr Brocklebank: Perhaps in a moment. I do not believe in coincidences. I am prepared to take the minister totally at his word: the relocation decisions were nothing if not political. Let me compare and contrast that with the treatment meted out to the town of Kirkcaldy in the region that I represent.

Mike Pringle: What action did the Conservatives take to try to preserve the SNH jobs in Edinburgh? How did they campaign to try to change the decision?

Mr Brocklebank: There is no doubt that we believe in the policy of relocating jobs. However, was Inverness the only location that SNH might have gone to? Why not Perth or Stirling, in Mid Scotland and Fife?

Des McNulty: Will the member take an intervention?

Mr Brocklebank: I have taken enough interventions so far.

In a recent survey on poverty, Kirkcaldy, the birthplace of Chancellor of the Exchequer Gordon Brown and of the renowned economist Adam Smith, was named as the third-poorest place in Britain. Fifteen per cent of Kirkcaldy folk bring home less than £100 a week. Unemployment in Kirkcaldy stands at 5.68 per cent, compared with the Scottish average of 3.97 per cent. By any socioeconomic standards, Kirkcaldy fulfils the requirements for relocation. It has excellent rail and transport links and bags of available accommodation. It is 28 miles from the capital. If Livingston, South Queensferry, Falkirk and Dunfermline have all been involved in relocations, why not Kirkcaldy?

Jeremy Purvis: On the issue of deprivation, the member will recall the debate in June on the acute shortage of affording housing in Fife. He said:

"if I cannot afford to make my home there, I should live elsewhere. That is exactly what I did until I was able to afford to come back and live in St Andrews."—[*Official Report*, 2 June 2004; c 8815.]

Is that the Conservative policy on relocation?

Mr Brocklebank: Jeremy Purvis brings up that statement again and again. I am totally happy to debate it with him any time we are discussing housing. On this occasion, however, we are discussing areas of social deprivation. Kirkcaldy is certainly one of those and it could benefit from relocation.

Fife Council and Scottish Enterprise Fife make their case for relocated jobs largely on the basis of socioeconomic factors. In the past year those bodies put forward eight relocation projects. Kirkcaldy was listed for six of them but, so far, the town has had absolutely no success. The Executive refuses to say whether it was even on the reserve list.

I am delighted that the Executive now agrees that transparency is the most important ingredient for all stakeholders and I look forward to future relocation decisions carrying an explanation of the reasons. I also welcome the statement that the Executive will examine how the application of appraisal criteria can be applied more consistently by consultants and others.

However, the Executive's response is obviously an interim document. We look forward in future relocation decisions to seeing just how transparent the new policy of transparency really is. The omens are not encouraging. Decisions on the Scottish Arts Council and Scottish Higher Education Funding Council relocations are in the pipeline, involving 263 jobs. I checked today to see which locations were on the shortlist and when decisions might be made. The Executive could give no information on either point—so much for openness and transparency.

We commend the minister for his honesty in accepting that political considerations have influenced relocations to date, but we condemn utterly such shoddy politicising of the democratic process. Let us hope that my fears are misplaced, that the Executive has learned a salutary lesson and that it will implement the transparency in relocation policy that it now advocates. I am not holding my breath.

15:16

Maureen Macmillan (Highlands and Islands) (Lab): I am amazed that Ted Brocklebank thinks that a Liberal Democrat minister conspired with Highlands and Islands Enterprise and Highland Council to stop Fergus Ewing being re-elected. Fergus Ewing also believes that, but I do not know whether that is because he has such a huge ego

or because he has such a low opinion of himself—others can judge.

I welcome the chance to debate the Finance Committee's report's recommendations on the process of relocation. Given that I am a Highlands and Islands MSP, it is inevitable that I feel that I have to point out the resonance that some of the committee's remarks have in the region that I represent.

At the outset of the Parliament, the Labour Party made a commitment that when a new department or Government agency was created or when an existing one needed to move house, it would be possible to relocate such a department or agency away from Edinburgh to another part of Scotland. That obviously had implications for the work force in such organisations and so, from 1999, it should have been on the horizon for those who worked in Government departments and agencies that they might be moved out of Edinburgh. It should also have been on the horizon for the Executive that moves that relocated people further than commuting distance from Edinburgh would meet resistance from the work force from the chief executive down, particularly if those who cannot move cannot access the internal civil service job market. That should have been addressed through discussion with the relevant trade unions well before any particular agency was chosen for relocation.

The conclusions of the Finance Committee's report show the ultimate difficulty: we cannot have a no-redundancy policy if we cannot offer alternative work to those who cannot move. Otherwise, we would allow one unwilling worker to jeopardise an entire relocation programme. We cannot look two ways at once, as I think Fergus Ewing is doing.

Fergus Ewing: If that is the case, how have 3,000 jobs in Ireland been relocated so far without one single redundancy?

Maureen Macmillan: That is exactly what I am saying, but how do we achieve that? That question has to be addressed given the situation that we have here; it cannot be slid over.

If we have a relocation policy that includes Government agencies, we must have an equitable formula to protect the work force's interest. That might mean dealing with the barriers that prevent movement of the work force between agencies and civil service departments. However, I do not think that those barriers are terribly high. Albie O'Neill wrote in a letter to my former colleague Rhoda Grant that non-departmental public bodies such as SNH not only follow the principles of fair and open recruitment but apply the same standards that are required in the civil service. He said that he did not think that it was a big step to

allow the work force from such agencies to access the internal job market in the civil service when a move is proposed.

I agree with the committee that there needs to be a strategic approach that encompasses the agencies, that there should be an independent assessment unit or panel—whatever we want to call it—and that the ultimate decision should lie with the appropriate minister. However, I do not want there to be any no-go areas for relocation in Scotland. The Parliament is for the whole of Scotland and every part of Scotland is entitled to the benefits that high-quality, well-paid Government jobs will bring. Perversely, the relocations are of more benefit to the receiving communities if part of the work force decides not to move, as local people can then more quickly access those jobs. However, that is acceptable—as I have said again and again—only if those who cannot move are catered for.

Every relocation so far has proved to be a success and I have no doubt that the SNH relocation to Inverness will also be a success in the medium to long term. The Executive has constantly been lobbied by back benchers of all parties to speed up relocation and Highlands and Islands Enterprise and Highland Council have been working for the past five years to bring a significant inward migration of quality jobs to the HIE area. The area bid unsuccessfully for the Scottish Public Pensions Agency and lost the North of Scotland Water headquarters when Scottish Water was created. SNH has been the only significant inward migration that the area has had.

When Highlands and Islands Enterprise first put in a bid for SNH about five years ago, it did so because it was felt that it was an appropriate agency to have its headquarters in the Highlands. The idea was that the relocation would be not to Inverness but to Aviemore, in the centre of the newly created Cairngorms national park, because it was felt that that was an appropriate location. However, it was made clear—and I am not sure by whom—that the only place in the Highlands with the necessary infrastructure for SNH was Inverness. I found it astounding that HIE should be castigated for offering Inverness as the new location for SNH.

I note that paragraph 69 of the Finance Committee's report describes Inverness as

"a location a relatively long distance from Edinburgh not necessarily in need of economic stimulus".

I do not know what evidence the committee based that remark on, but it is the same sort of remark as the ones that Ted Brocklebank was just making—I should say that I am astonished that the member for Inverness East, Nairn and Lochaber did not challenge those remarks.

Inverness is only two and a half hours' drive from Edinburgh, half an hour away by plane for a chief executive and a blink of an eye away by e-mail. Distance should not be an issue in relation to relocation; otherwise Ayrshire, Dumfries and Galloway, Argyll and the far north can forget their aspirations. We are not the tundra, although we were described as such by some people in SNH.

Of course the Inverness area is in need of economic stimulation. The travel-to-work area for Inverness stretches from Ullapool in the west to Brora and Forres in the east and has wages that are much lower than the Scottish average as well as having a higher proportion of seasonal employment. There is a need for more diverse employment, particularly for graduates.

The Highland economy is extremely fragile, which is why Highlands and Islands Enterprise and Highlands Council are anxious to attract a large organisation such as SNH. Are the Highlands only to have small relocations? Is that all that we deserve? Is the same thing true of the south-west and north-east of Scotland? Yes, it is more expensive, initially, to relocate staff away from the Edinburgh travel-to-work area but, as the evidence that was given to the committee shows, the long-term financial gains more than make up for the up-front costs. The financial issue is not the crucial issue. As I pointed out earlier, the crucial issue is to persuade the work force to accept the move. There was a great deal of misinformation put about concerning the move to Inverness and I dare say that the same thing would have happened if Clydebank, Dumfries or Ayr had been selected. We face a challenge in our relocation policy. We have to persuade people of the merits of a move and that decentralisation is good for them and their quality of life.

Do I have time for anything more, Presiding Officer?

The Deputy Presiding Officer (Murray Tosh): No, you are now significantly over time.

Maureen Macmillan: I am sorry about that because I was going to relate a very good story about an SNH man, a Scottish Environment Protection Agency man and me in a taxi, but that can wait for another day.

The Deputy Presiding Officer: We look forward to that day. Now, however, we must move to the open part of the debate.

15:24

John Swinburne (Central Scotland) (SSCUP): Relocation should be an effective tool of Government. Ideally, Government-controlled bodies would be decentralised as and when they were initially established. As things stand,

relocation in Scotland is not acceptable. Des McNulty eloquently and accurately quoted many figures, statistics and percentages and no one would doubt his facts. By way of an intervention, he was asked whether the relocation strategy is a failure. I think that to call it a failure is a massive understatement of the situation. When I visited one area that had been scheduled for relocation, I found that staff morale had plummeted and that they first heard about the proposed relocation on the 6 o'clock news. Fortunately, the project was eventually shelved, but politicians who are responsible for relocation should bear it in mind that, first and foremost, they are dealing with people. People are not statistics to be shuffled about by politicians or civil servants. We must do much more to make relocation viable and acceptable.

I was impressed by the report to the Finance Committee by Elaine Murray and Fergus Ewing, who were our reporters in Dublin. The Irish model is not perfect, but it covers many points in a much more transparent manner than any comparable project in Scotland. Negotiations should urgently be opened between Holyrood and Westminster with a view to relocating various public sector jobs from the grossly overheated south-east of the United Kingdom to Scotland. Relocation? Yes, go for it, but only after a complete rethink of the implementation of the relocation concept as it stands.

If the previous speaker wants to tell her little story now, she has plenty of time because it does not take me six or seven minutes to say what I think.

Maureen Macmillan: I am glad that the member takes an intervention. My little story is this: about two years ago I was in a taxi with a worker from SNH who was complaining that he might be moved to Inverness and a man who was originally from Edinburgh but who now works for SEPA in Dingwall. The man from Edinburgh was adamant that if the man from SNH moved up to the Highlands, it would be the best move that he would ever make in his life. I wanted that to be in the public domain; everybody should know about the quality of life in the Highlands and people should not be afraid of the move.

The Deputy Presiding Officer: Have you anything further to say, Mr Swinburne?

John Swinburne: No.

The Deputy Presiding Officer: I have to say that I think that that was a bit unfair on members who are waiting to speak in the debate. There are at least three members who will not be called and I suspect that there will now be four. If members wish to finish in two minutes, that is their prerogative, but they should not call back

members who have already spoken, and those members should not try to take advantage of the kindness of the member who has given way.

15:28

Paul Martin (Glasgow Springburn) (Lab): I find myself agreeing with Ted Brocklebank on one point, and that is not because the new building is having an effect on me. I agree that the issue is politically charged. We should be proud of the Executive's policy of relocating jobs from central Edinburgh, and we should implement it—as a Labour member, I am proud of the Labour and Liberal Democrat Executive's decision and I want it to be implemented. However, I have some sympathy with the concerns about the way in which the process has been developed, and the minister should deal with some of those points to ensure that we learn lessons from this complex process.

I will be my usual parochial self and make the case for my constituency. A number of people have already expressed self-interest. I add to that by welcoming the minister's comments on the City Park development in my constituency, which he and Andy Kerr visited recently. It is on the site of the former Wills tobacco factory and is able to hold more than 2,000 members of staff in good-quality office accommodation. In a constituency that faces serious social and economic challenges, that opportunity is most welcome.

We often hear about—and Opposition members often attack us for—the social profiles in our constituencies. This is a serious opportunity for us to attack those social profiles. Bruce Crawford raised his concerns about the opportunity for Glasgow to benefit from this relocation. However, the Executive's belief is that locating to Glasgow fits in with its economic and social policy. Glasgow fits very well with the Executive's policy of tackling social exclusion. In Glasgow, we should not make any apologies for seeking the opportunity of relocation of jobs in our area.

At the same time, the Executive must practise what it preaches. It preaches to other prospective employers that they should recruit in areas of high unemployment, and we have seen that in the new deal programme. The Executive must take up that theory, and the City Park development fits in with that.

As I said, there are lessons to be learned from the process that has been followed. I share some of the concerns that SNH staff have raised about the way in which they were consulted. I know that several members from the Edinburgh area will raise that issue today. In Glasgow, although we welcome the relocation of jobs, we do not want to see that having a detrimental effect on other

areas. The process is complex and if the Executive is to deliver its theory of relocation, and if we are to achieve the long-term aim of a much more open and transparent Scotland in which various departments are delivered to various parts of the country, difficult decisions such as the one on SNH will have to be taken, as Des McNulty said. However, that must be done in full consultation with union representatives and we must also consider investing in the process.

Fergus Ewing has now left the chamber, but I take issue with his suggestion that the policy will have a significant cost to the Executive. If we are serious about delivering the policy, we have to invest in it to make it work. If we are to create a much more effective devolved Scotland, in which employment opportunities are devolved to various areas, such as my constituency, we have to invest in at least the initial stages of the process and ensure that the opportunities exist in all our various communities.

I welcome the policy and I welcome the fact that the minister visited City Park in my constituency—I make no apologies for being parochial about that. We face serious social and economic challenges and, for once, we have a serious opportunity to deal with them. I ask the Executive to put its policy in the front line and to take the opportunity to make a real difference in areas such as Glasgow Springburn.

15:33

Rob Gibson (Highlands and Islands) (SNP): It is a pleasure to speak in this debate, which we must consider in terms of the reach that our Parliament has and the human scale. Staff heartache has been caused and apparent ministerial muddle has been found, but we have an excellent report and a response that shows some kind of way ahead.

On the human scale, I want to home in on the care for staff. When I was a youngster applying for a job in the civil service, I had to answer the question of what was more important: what I worked at or where I worked. Everyone would like to have a balance between the two; however, the civil service was interested in my saying that what I worked at was more important. Part of our expectation of public service is the expectation that people will meet the needs of our country's geography and of the social inclusion that is a criterion for the Parliament's and the Government's work in the partnership programme.

So, how will we get back to a situation in which being required to work in another part of the country is part of people's thinking about public service? In private business, people can be told to move at the drop of a hat. Nevertheless, I agree

with the recommendation that, in the context of a strategy that allows us to make policy decisions that could remove headquarters, sections of departments and parts of quangos from Edinburgh, we must consider staff rights carefully and make contingency plans for people who are not prepared to move.

Matching the needs of our geography is quite difficult. I will talk in particular about the far north mainland of Scotland to show members the problems that we have there. Previous Tory Government policies centralised our local government. Health services were also centralised and taken out of Caithness and Sutherland. During that process in the mid-1990s, 250 well-paid jobs were lost to the east Caithness area. Wick has a population of about 7,500 and the centralisation of local government and health services cost the area a lot of quality jobs. It is up to us to find ways to replace those jobs by redistributing civil service jobs and to do justice to areas that have been badly dealt with in the past.

The committee's report considers the series of criteria that are required for relocation. I had the pleasure of sitting on the committee for the Stirling-Alloa-Kincardine Railway and Linked Improvements Bill and one of Alloa's key arguments was that it would have a good rail link that would allow it to attract Government jobs to the area. I ask members to think about the people of Caithness and Sutherland and other parts of the country who need that kind of infrastructure. There is no mention in current Government plans of the development of railways to the far north, but there should be. Any relocation policy affects other Government departments and their policies have to be in sync. We have to have transport plans that take into account this important relocation policy.

Earlier in the year, I asked Andy Kerr some questions about the use of videoconferencing. The point about setting up headquarters in various parts of the country is that the practice of videoconferencing is quite widespread. It is done from Government offices in Edinburgh, Glasgow, Perth, Inverness, Dundee and Aberdeen. Indeed, the Highlands and Islands university network has videoconferencing. Recently, I was told that there is an increase in the number of offices being set up for videoconferencing in Inverurie, Portree and Inverness. The use of videoconferencing has increased year on year during the past five years.

The indication is that the technology that we now have makes it entirely possible and easy for people to shift their jobs. However, clearly the way in which decentralisation and relocation have been handled leaves a lot to be desired. We should consider the policy very carefully. If Scotland gets full federal financial freedom—or even full financial

freedom—jobs might well be relocated from London, and the last place that they should come to is Edinburgh. It would be a good idea for us to put some plans in place to help the rest of Scotland to benefit without the problems that we have experienced in relocating from the centre of Edinburgh. Objections to relocation on the basis that it causes problems for employees and their families must be taken into account, but the policy that we have must allow us to help people to realise that they will serve in all of Scotland. If Ireland can shift approximately 50 per cent of its civil service jobs over several years, we need to make a bigger plan than we have at present to show that Scotland is as committed to the out-of-the-way or remoter areas.

I commend the committee's report and the Government's response, but I want there to be some substance to a policy that recognises the argument that places such as Wick deserve to get help and to get it quickly.

15:40

Murdo Fraser (Mid Scotland and Fife) (Con):

In common with my colleague Ted Brocklebank, who opened the debate for the Conservative party, I welcome today's debate and the Finance Committee's report. It is perhaps apt that we debate relocation today, given that the Parliament itself has recently relocated to its new home. I hope that future job relocations will be somewhat more successful than ours and will take a little less time to put into effect.

At the outset, let me say that the Conservatives are in favour of the principle of job dispersal. It is entirely right and fair that the whole of Scotland should benefit from public service jobs. Relocation can act as a catalyst for areas in which regeneration or development is not occurring. That is why our 2003 manifesto contained a commitment to job dispersal.

However, I fear that the Executive fails to realise how important the issue is to the people whose jobs are being moved. It has failed in its duty to carry out job relocation in an open, sensible and sensitive manner. That point is made crystal clear in paragraph 89 of the committee report, which states:

"the Committee believes that the full potential of relocation is not being realised, because of flaws in the Executive's existing approach."

No one would disagree that that is a damning statement about the Executive's record. The report goes on to say, in paragraph 90:

"Given the serious objections expressed about the Scottish Natural Heritage decision, there is a perception that the current debate on relocation is crisis-led, rather than being strategic or about what is best for Scotland."

The SNH saga, which several members have mentioned, perhaps summarises the problems that we face with job relocation. We must make decisions that make economic sense, that benefit all parts of Scotland and, most important, that take into account the role and function of the jobs being relocated and the people who will be affected thereby.

In many ways, the impact on individuals is the key issue, as Rob Gibson mentioned. I can best illustrate it by recounting an anecdote about a recent conversation that I had with someone who worked for a large public sector body in Edinburgh—I will not say which—that was up for relocation. She told me, "Look, I have a senior role in the organisation. Given my background and training, if the job were to move far away, I could not find another job in Edinburgh in which I would fulfil the same function. But I cannot move. I am married and my husband is a partner in an Edinburgh legal firm. We have kids who are settled in school. We have family networks in the area. It is simply impossible for me to up sticks and move my family 150 miles. I could just about manage the relocation if it was to a place that was within commuting distance of Edinburgh, such as somewhere in the central belt, or the Borders, Perthshire, Tayside or Fife. However, I simply cannot cope with relocating 150 miles away."

That human aspect is important not just because it affects those who work for the organisation, but because it means that organisations such as SNH—when, or if, it moves to Inverness—will lose all the people who are qualified to do those jobs. How will those people be replaced?

Tavish Scott: I do not doubt the example that Murdo Fraser has given, but does he accept that he has simply described the kernel of the relocation issue? Mr Fraser may not have made this argument specifically, but the logic of his argument is that we should have a policy of not relocating jobs outwith a certain area.

Murdo Fraser: I accept the minister's point. I am not arguing against relocation, but I say that it must be done sensitively and in a way that takes account of the human factors. Of course, the public sector in Scotland has grown like Topsy over the past five years, and when we are setting up new agencies it is far easier to locate them outwith Edinburgh, because that does not involve relocating people, as happens with existing agencies.

Another point on which I want to dwell is the need for all parts of Scotland to benefit from job relocation. Both Perth and Kinross and Angus have a below-average share of public sector jobs. On top of that, no public sector jobs have been transferred from Edinburgh to either of those areas, although many other areas have benefited.

I find it difficult to understand why Perth and Kinross has not benefited from any job dispersal, for example, given that it offers a mixture of beautiful rural countryside and the greater range of facilities that are available in the city of Perth. Furthermore, Perth and Kinross is close to the central belt as well as being on the doorstep to the Highlands. Surely it is a prime location for civil service jobs. Many of the difficulties associated with the SNH relocation would have been solved if the decision had been made to go to Perth—which was considered—rather than Inverness, for the simple reason that Perth is commutable from Edinburgh for the people with family and roots here, to whom I referred a moment ago.

Perhaps Perth and Kinross has been unsuccessful because of an apparent lack of transparency in the Executive's policy. I have discussed that important issue with Perth and Kinross Council, and the committee's report touches on it. The Executive must be more open and transparent when it welcomes bids for jobs that are to be relocated. That is essential, so that when councils invest resources in making bids they are not wasting time, money and effort.

Discussions that I have had with Perth and Kinross Council show me that time and resources are being invested in bids on the smallest amount of information. Essentially, the council is shooting in the dark. It believes that the information that the Executive makes available is insufficient and that councils cannot create a specific and better-tailored proposal for relocation of jobs. When making a bid, councils are wasting their time guessing. It is impossible for bids for relocation to be completed satisfactorily, as not all the criteria are known. I ask the minister to address that specific issue when winding up and to seek to improve the information that is available to councils and enterprise agencies, so that they can make proper bids that are more likely to be successful.

15:46

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): It is fair to say that the committee's inquiry started with a degree of controversy over the location of a Government building and has ended with slight delay in the production of a final report. Such is the nature of parliamentary inquiries. Indeed, this inquiry has similarities with a certain other inquiry, the report on which was published today. However, I note the apology of the Deputy Minister for Finance and Public Services for the delay in the Executive's response and am pleased that the chamber has accepted it.

The core of the committee's work was a thoughtful, mature and constructive look at the

way in which the Executive's relocation policy has operated until now and, crucially, how it should operate in the future. The committee's reporters, Dr Murray and Mr Ewing, worked hard to bring about consensus. That is reflected in the tone, as well as the conclusions, of the report and is to be warmly commended. The first paragraph of the Executive's response states:

"the Committee's report will help shape Executive policy on relocation, for the future."

That is an endorsement of a constructive, if sometimes critical, relationship between the Finance Committee and the Executive.

The committee found that Scottish Executive policy is fundamentally correct and is providing benefits to parts of Scotland. Successful relocations have taken place, especially in places where traditionally the civil service would not have located jobs or carried out core functions. The committee was keen to see its report in the context of the Executive's on-going and developing policy. As the convener stated, our attention has been focused on the mechanism for bringing benefits to all parts of Scotland outside Edinburgh.

I will pick at random one case study that the committee considered in its inquiry: the successful relocation of the Scottish Public Pensions Agency to Tweedbank in my constituency. It has provided local employment for nearly 200 people and stable local economic spend through the wage bill.

Mr Brocklebank: On what basis does the member believe that the relocation has been successful? Does he believe that it has been successful in moving people out of Edinburgh, given that ultimately only seven people moved, or does he believe that it was successful simply because it created jobs in the Borders?

Jeremy Purvis: If Mr Brocklebank will forgive me, I will touch on that issue in a moment. He makes an important point, and I know that in the committee he challenged the claim that the relocation has been a success. However, I think that in the round it has been successful for the Borders economy and, crucially, for the agency itself. The Scottish Public Pensions Agency has now established a strong reputation for delivering public services from a more rural setting, through dedicated, loyal and productive staff who are sourced locally. That is the issue that the member was highlighting. It is interesting that since the relocation, turnover of staff at the agency has been lower than the average for the civil service and productivity has been higher. The life-cycle costs to the agency are also lower. Relocation has yielded not only economic and social successes, but better, more efficient government.

The success of the relocation was reviewed by both the local agencies that worked together to bring it about: Scottish Borders Council and Scottish Enterprise Borders. It is important that the convener mentioned the requirement for relocation policy to be part of local economic strategies, which was clearly the case in the Borders. The success of the agency and, importantly, the benefits that it has brought to the local economy make it a model relocation, and it is one of the case studies that the committee examined as part of its inquiry.

I know that Mr Brocklebank and others were keen to determine the right balance between moving an agency and its staff and moving an agency and hiring new staff. If those responsible for the policy are serious about addressing the impact of relocation on local economies and societies, I should point out that the reality is that it is important to create new jobs in new areas, not simply to move existing staff. I know that that is difficult for the former host area—in this case, Edinburgh—but, as the deputy minister mentioned in response to Mr Fraser, we have to tackle the issue.

I was interested in remarks that the convener made during our inquiry about the potential for a critical mass of relocation. For example, a critical mass could be created in the Borders after it has established a reputation for successful relocations. I know that the deputy minister has visited Hawick in my colleague Euan Robson's constituency. The Minister for Finance and Public Services, Mr Kerr, has visited Selkirk and Walkerburn in my constituency, where he saw how a relocation could have a potentially dramatic effect on a very small rather than a very large settlement. The committee considered the benefits of such smaller-scale relocations in its inquiry and, frankly, I am not persuaded that relocations should be made from city to city. Indeed, in its report, the committee recommends that the Executive should review its trigger mechanisms to allow for departments or teams within departments and agencies to be relocated to villages and towns.

Finally, I will briefly raise two concerns, the first of which relates to the cost of the policy. During our inquiry, I asked the deputy minister for information about that matter. I am heartened by the comment in the Executive's response that work on compiling costs is being undertaken and I wish to see those figures as soon as we can.

Richard Lochhead raised my second concern earlier in the debate. The Executive is putting through a very positive relocation policy at the same time as the repercussions of the Gershon review and of the Chancellor of the Exchequer's statement on the potential centralisation of jobs in UK Government departments and executive

agencies are becoming clear. My constituents should not be expected to tell the difference between different levels of government and, therefore, to excuse the fact that, shortly after the successful relocation of Scottish Public Pensions Agency jobs to Galashiels, there is uncertainty and doubt about the future of Inland Revenue jobs in the very same town. The Executive is clearly assertive in its discussions with the Treasury and I warmly welcome the deputy minister's response to Mr Lochhead's intervention. We would have hoped that discussions with the Cabinet Office would have been taken up by the Scotland Office. Unfortunately, they do not seem to be taking place and so we must turn to the Executive.

15:52

Eleanor Scott (Highlands and Islands)

(Green): I very much welcome the chance to debate the Finance Committee's report, which deals with the important issue of what happens when two worthy principles come into conflict. In such a case, the problem is the tension between ensuring that all of Scotland is involved in the country's governance and ensuring that our Executive is scrupulous in applying good employment practices.

I am happy to support the Executive's job dispersal policy, but, as the report points out, the Executive does not have a clear strategy to achieve that policy. The report also makes it clear that a location review is usually triggered

"When the Scottish Executive establishes a new unit or Agency"

and goes on to say:

"Where a significant property break point is reached - for example, the termination of an existing lease - a location review takes place and options outside Edinburgh are considered."

The establishment of a new unit is likely to be less controversial in that respect. However, in the case of a lease coming to an end, such an approach seems less planned than reactive.

Like many other members, I must mention SNH. Relocating that agency to the Highlands has a certain logic, but in this case an essentially good idea was not handled well. SNH is already a highly devolved organisation; when I looked at its website this morning, I discovered that it has nearly 40 area offices or microsites throughout the country. It would have been possible to disperse more of the organisation from the centre by relocating posts gradually as vacancies arose. Indeed, it is worth asking whether, in this age of electronic communication, a large headquarters is always necessary. Instead, we should consider how intelligent use of technology could help to fulfil the vision of spreading our governance institutions

more widely around the country. The Executive needs policies on distributed working—not just the wholesale relocation of existing structures or entire departments—and on remote or home working to reduce staff commuting.

However, in the SNH case, one of the triggers that the report mentions started the process, which was abrupt for SNH staff and represented quite a personal upheaval for the individuals involved. I know that from contacts that my colleagues Robin Harper and Mark Ballard have had with SNH people in Edinburgh.

I know that Inverness will welcome SNH, even if, as seems likely, it ends up having to build new premises on a site outwith the city centre, which is not the sustainable, accessible situation that it or I would have liked. I am sure that the staff who relocate will enjoy life in the north. It would be a pity if Inverness was now seen as a place to which people were ordered to go.

It seems odd, from a Highland perspective, that a move from overheated Edinburgh to overheated Inverness was chosen. Other places in the north would surely have better fitted the socioeconomic criteria.

Maureen Macmillan: Surely it is not just Inverness that will benefit from the SNH relocation, but the whole travel-to-work area around Inverness, which is considerable. That area includes some of the most deprived communities in the Highlands.

Eleanor Scott: That is a fair point, but we should encourage the location of jobs out in those communities rather than people having to travel to Inverness for work. We should look at different ways of working. That is what I mean by considering devolving or dispersing jobs much further out from the centre, even if there were an office in Inverness. Do people always have to come to Inverness to work? Could not some of that work be done in their localities? We must take a more intelligent, knowledge-based approach.

I agree with the report's comments that, in view of the scale and distance of the SNH relocation, much more should have been done to explain the Executive's motives and decisions. On criteria for location reviews, I am pleased that socioeconomic factors and sustainable transport links are taken into account. I would like that to be taken further and for the Executive to ensure that, when an organisation moves, sustainability is improved in terms of greater energy efficiency, lower CO₂ emissions, less production of waste, more reuse and recycling, fewer road miles travelled both in commuting and during work, and more locally sourced materials. The relocation unit, the establishment of which the report recommends, could assess those criteria.

The Executive's job dispersal policy claims to have the objectives of making Government more accessible and responsive, and of assisting socioeconomically needy areas, as well as of taking organisations out of the "pressures"—the Executive's word—of Edinburgh. I am not sure about the latter point, but it takes more than relocation to make an organisation transparent or responsive, especially if the relocation process itself has been neither. Transparency and responsiveness are to do with the culture of an organisation and I feel that that will be helped more by good employment practice than by badly handled moves.

In terms of the effect on the area that is relocated to, I agree fully with the report's request for information on how many created or relocated jobs have been filled by local people. It will be very interesting to know that.

The Finance Committee recommends a new approach to relocation that takes a far more strategic and realistic look at the policy's potential and which is underpinned by greater openness, consistency and transparency in decision making. I endorse that recommendation warmly and support the report's recommendations on how that should be carried out—with, as I said earlier, the addition of more stringent environmental criteria.

I support the idea that departments or non-departmental public bodies that have not relocated in five years should prepare a report on the viability of relocation or decentralisation. After all, if every department has to do it, that should avoid any paranoia in an individual department. I also support the setting up of a relocation unit to assess such reports. In the spirit of the policy, may I suggest that that new unit be located in the Highlands?

15:58

Susan Deacon (Edinburgh East and Musselburgh) (Lab): I very much welcome this debate and I feel bound to make connections between the debate that is taking place in the chamber and the debate that is taking place about the chamber. Partly there are issues about some of the ways in which decisions are taken, how advice is offered to ministers and systems within the civil service. I am glad that that issue is now being looked at in some depth. However, there is also an issue about how we approach difficult issues and how we deal with things when they go wrong.

There is a question about whether we are simply going to have those outside the decision-making process seeking constantly to blame and criticise, and those inside the decision-making process seeking constantly to defend and entrench; or

whether we are all going to come together and really and truly try to learn some lessons. I think that that is the approach that the committee has taken on the subject and I very much hope that it is the approach with which we can move forward on the issue from here on in.

I have followed the debate on relocation with interest for some considerable time. Tavish Scott reminded us that today is the fifth anniversary of the first policy statement on the issue from the then First Minister. I remember that statement well. I remember it because I had agitated for it, I had asked for it and I had been involved in developing it. During the summer of 1999, as Minister for Health and Community Care, I was faced with having to take the first major location decision of the new Scottish Executive—on the location of the new Food Standards Agency Scotland—and I did not want to take that decision in a vacuum. I wanted to take it within a strategic policy context and I knew that the Executive was committed to dispersal, so it seemed sensible that we should marry together both that individual decision and the development of the strategic policy. That is why Donald Dewar made the statement that he made on 15 September 1999.

The original statement was clear; it was a pragmatic approach and a sensitive one. It stressed important issues, such as the need to consider the impact of relocation on operational effectiveness, the cost of relocation and, crucially, the impact on staff. Increasingly, I developed concerns about the way in which the policy was being implemented over the months and years that followed, because I did not think that enough attention was being paid to those criteria. When I was still in the Executive, I was concerned that a blanket approach was being adopted, with insufficient consideration and differentiation being given to different organisations, their needs, their staff and their stage of development. Rather, there was a rolling programme of review, triggered in a very blunt way by lease-break points and the like.

I was concerned then, and I was even more concerned in the years that followed when I moved to the back benches, not least because a number of my constituents worked for SNH. The more that I looked at the SNH decision-making process and at the way in which that relocation was handled, the more concerned I became, not about the policy but about its implementation. I truly believe that, if ever there was a classic example of bad implementation of good policy, it is the relocation of Scottish Natural Heritage. The fact that the move was pushed through by the Executive, using not one but two ministerial directions, really does speak volumes. I truly hope, for everybody's sake, that the Executive will learn lessons from that experience and will never repeat those mistakes.

Some people have suggested or inferred that the debate about SNH was all about staff being resistant to moving or even simply not liking Inverness, but it was about much more than that. The Finance Committee effectively examined serious deficiencies in the decision-making process and real financial concerns about the move, and it is important that we do not lose sight of that.

My plea, quite simply, is that ministers look long and hard at how they handle future relocation policies, that they try to return to a more pragmatic approach and to develop a better managed approach, and that they try to be more sensitive to the human dimension. As I said, it is not just a question of individuals being resistant to change, although nobody likes to be faced with change, but all of us, faced with such a situation, would have considerations to deal with in relation to our partners' employment, our children's schools and so on. If those are the issues that we are dealing with, we must deal with them as an exercise in dealing with people, not just as pins on a map. I am concerned that, all too often when we debate relocation issues, it becomes an exercise in horse trading about which bit of the country will get the next batch of jobs that is on the go. We have to do better than that.

I note the point that relocation and job dispersal need not necessarily involve a move of hundreds of miles, and I very much endorse Des McNulty's comments in that regard. There is a lot to be said for looking at how relocations can be done, with jobs going to areas in and around Edinburgh and the Lothians and in the ever-increasing travel-to-work area. I am pleased that VisitScotland has recently moved from the city centre out to Leith. What about areas such as Craigmillar, Wester Hailes and Pilton? Let us think about the economic and social benefits of relocating Government jobs to those areas and about the signals that that would send. What about East Lothian, Midlothian, West Lothian, Falkirk, Fife and a host of other areas? The advantage of relocating jobs to such areas is that it would be easier to retain existing trained staff, because they would not have so far to travel.

Although, even as an Edinburgh member, I genuinely support the principle of job dispersal and have done since the inception of the Parliament, I say please let us not be too complacent about the Edinburgh economy. Let us remember that this city and its economic success are crucial to the rest of the country—the figures bear that out. Let us remember that Edinburgh is the seat of Government in Scotland and that it is the capital. I am sure that there must be a critical mass needed to support that and I hope that the minister will give us assurances that he will not go one dispersal too far. I hope that, in the future,

ministers will try harder to find the right fit for the right organisation, in the right location, for the right reasons and at the right time.

16:05

Colin Fox (Lothians) (SSP): Following the release today of the Fraser report, I am sure that many people will clamour for the relocation of one particular civil servant. Perhaps it is fortunate for Sir Muir Russell that he has not found himself being relocated to Botany bay.

The Scottish Socialist Party is fully behind the principle of relocation. In fact, the civil service headquarters in these islands are based in the south-east of Scotland, the south-east of England, the south-east of Wales and in the south-east of Ireland, in Dublin. I lived in London for eight years and was involved in many debates in the civil service unions about the implications of moving jobs out of London. Many civil service jobs have moved from London to Newcastle, Leeds, Sheffield, Glasgow and Liverpool. I supported the policy, but was involved in ensuring the protection of the rights of staff who were relocated. That has been part of the debate this afternoon in relation to Edinburgh.

As a Lothians list MSP, I have no problem with the principle of relocation and I see clearly the advantages for deprived areas of Scotland of having civil service or public sector jobs deployed and decentralised throughout the country. I also see the advantages for an overheated Edinburgh economy, although it is worth highlighting, as Susan Deacon did, that there are areas of socioeconomic deprivation here in Edinburgh and in the Lothians. Nonetheless, I believe that the decentralisation of jobs from Edinburgh will cool the overheated economy and that the effect on house prices and the quality of life for all will be clear.

In today's debate, the policy of relocating public sector jobs must be seen in the context of the chancellor's announcement that 100,000 jobs are to go from the public service in Britain. It is therefore fair to say that the choice that worries public servants throughout Scotland is perhaps the relocation to the local job centre and facing former colleagues across the counter as they sign on the unemployment register. That is probably far more frightening than a trip up the A9 to Inverness. That puts the discussion about relocation in context and begs fairly pointed questions about whether there will be any jobs to relocate in first place and whether there will be opportunities to redeploy staff from one agency to another if the other agencies have disappeared. That is the context of the debate and it is worthy of thought.

Des McNulty, rightly, made the point that the debate is about fairness for employees as well as

decentralisation of Government jobs. I believe that in every relocation the staff must retain the right to refuse to be relocated if they so wish. They must be given the opportunity to transfer to another department or to take voluntary redundancy.

Often staff—this is true of SNH staff in particular—have been presented with Hobson's choice. Consider the First Minister's now infamous promise to SNH staff that there would be "no need for redundancies" and that they would be "transferred to other areas." The figures are stark. Out of 270 staff, 40 have agreed to move to Inverness and 200 have put in for redundancy because no transfer was forthcoming. The prospect in front of them was clearly compulsory redundancy. That is a broken promise by the First Minister.

As for experience elsewhere, I am glad that the committee had the chance to go to Ireland, but a similar study of relocation programmes in the past 20 years in London and in Scotland shows that few existing staff opt to follow posts on relocation. Offers of redeployment are few and must be seriously questioned in the current climate. Experience shows that many people, when faced with the choice to relocate, choose to leave the service altogether, which means that their skills are lost to the public service.

Mary Scanlon (Highlands and Islands) (Con): SNH staff are examining all the options. The decisions on whether to move to Inverness, become redundant or go elsewhere will not be made until the end of October, so the member's figures are a bit premature.

Colin Fox: I look forward to debating the figures with the member.

I will touch on one figure that Fergus Ewing has mentioned before in a comparison with Ireland, where employees were offered little assistance to redeploy themselves outside government. The Government there highlighted the savings that were to be made from house prices outside Dublin, but in departments that were relocated outside Dublin, the turnover between staff who worked in the departments in Dublin and those who work in the relocated offices has been 90 per cent. The process of decentralisation has also involved high staff turnover. That shows clearly that staff concerns were not considered thoroughly. As Fergus Ewing probably recognises, significant loss of customer and user satisfaction with service quality has resulted from dislocation, decentralisation and falling morale.

Fergus Ewing: Will the member give way?

Colin Fox: I have no time left to take Fergus Ewing's intervention.

I say yes to relocation, but it is not without its difficulties in practice. The Finance Committee is right to insist on greater transparency in the decision-making process, clearer policy goals, a clearer relocation strategy and—above all—closer involvement of staff and unions throughout the policy's development.

The Deputy Presiding Officer (Trish Godman): You must wind up now.

Colin Fox: Thank you very much. I am right on time.

16:12

Stewart Stevenson (Banff and Buchan) (SNP): I congratulate all the Finance Committee members on a comprehensive, readable and—I hope—understandable report. It reflects well on the Parliament's committee processes.

I will talk a little about the factors that the Executive is using to determine where jobs might be relocated to. There are four. Socioeconomic issues that contribute 50 per cent; business efficiency and improvement contribute 20 per cent; sustainable transport links contribute 15 per cent—I am not absolutely clear that I know what they are, but perhaps we will hear later; and suitable accommodation contributes 15 per cent. I focus on those factors because they open up a bit of a can of worms. I welcome the fact that the Executive will be more open about the factors that are used in future relocations—that is a useful step forward.

I will talk a little about my area and Aberdeenshire generally. Aberdeenshire Council expects population decline in my area in the years to come. The unemployment rate in my constituency is about three fifths of the Scottish average, so one might think that we were doing much better than the Scottish average. Unfortunately, when many people lose their jobs, they leave the area or work away from home. Members will know of fishermen who are working off the west coast of Africa. My constituents have lots of get up and go, but that affects the numbers.

The rate of self-employment is another important consideration when examining the numbers, because in my constituency it is more than twice the Scottish average. When people drop out of that way of earning a living, they are not reflected in the figures. Average earnings in my constituency are just slightly under the Scottish average, so it looks as if we are doing reasonably well, but the median figure is substantially below the Scottish average. In other words, the figure as an average is distorted by the fact that a relatively large number of people have very large earnings. Therefore, there is genuine difficulty with many of the factors that are used to identify a socioeconomically deprived area.

Of course, in *The Press & Journal* today, a Labour MP is complaining about the transfer of 100 jobs from Aberdeen to Greenock. I say good luck to Greenock; that is fine. Over the past five years, there have been transfers of 95 jobs into Aberdeen with the Food Standards Agency Scotland and the Common Services Agency, so in many ways we are back to where we started. People will come to the north-east and will relocate to parts of Scotland in general. For example, there are vast numbers of people with Geordie accents in Peterhead because of recruitments that took place 15 or 20 years ago. Those people now do not want to leave the area—they are embedded in it—and that is great.

Fergus Ewing made some useful comments about putting into the public domain letters and e-mails that are part of decision making. I point out that the Executive published a code of conduct for procurement in public agencies that makes it very clear that contracts are expected to be in the public domain. If that is the case, we should apply similar standards to relocation. I hope that we will hear that that will be done.

We must be aware that the day of the central office—of concentrations of labour in administrative functions—will end at some point in the future. I do not know when that will be, but we already have the technology to enable, for example, a remote-working office to be located in Barra, which I visited a few years ago. It is quite small, but four people in an office there perform work for people who are well distant. I also know of a gentleman who works for BT's development lab at Martlesham in Ipswich and who is based on the west coast of Lewis; he is doing some tremendous stuff down a fat communications point. I have been involved in joint projects with people in Australia and India that have relied on teleconferencing.

Teleconferencing is going to change a lot. I have seen an experimental system that is so realistic that, when one sits across the desk, one forgets very quickly that one is not in the same room as the other person. I had the experience of someone turning away from me because they were sneezing. They were actually 50 miles away, but the system was so realistic that they did not realise that they were not sitting in the same room as me. I have also seen three-dimensional television work in an experimental way. Teleconferencing will move away from gimmicky ideas and, in perhaps 20 or 30 years, its realism will change the face of how we work. I hope that people will therefore be able to choose where they stay, because not everyone—I say this as a country loon—believes that cities are the epitome of civilisation. Indeed, I take an entirely contrary view on that.

Fergus Ewing talked about cost and there are two important aspects to that. Compensation for loss and recompense for inconvenience are proper, but bribery disnae work in the long term, and we have to reconsider it.

16:18

Irene Oldfather (Cunninghame South) (Lab):

It is a privilege to speak on the relocation of civil service jobs. I am not a member of the Finance Committee, but I pay tribute to it for the work that it has undertaken on the matter, because, in the evidence taking, the committee got to the heart of many of the issues. Des McNulty set those in context for us at the beginning of the debate.

I am firmly in favour of the dispersal of jobs and I congratulate the Executive for taking the bold steps that it has to try to spread the benefits of devolution throughout Scotland. There are some things that we still need to sort out and we have faced some problems and difficulties along the way. The policy has not been universally popular and it is important to acknowledge that the Executive has stuck with it.

Members may be aware that the consultative steering group recommended in its report that some committees of this Parliament should have a permanent base outwith Edinburgh, so that alongside the dispersal of civil service functions would be some dispersal of parliamentary functions. I was interested in Stewart Stevenson's points on teleconferencing. It may be that at some future point, in the audit that Fergus Ewing spoke about, we can audit our own backroom functions. Given the new technology that is available, some of those might be managed outside Edinburgh. It is worth at least looking into that.

The committee's report suggested the setting up of a central relocation unit within the Scottish Executive, which would determine the suitability of departments and agencies for relocation. That is a good idea. We would have a more strategic overview, in light of which audits could be undertaken.

For areas of Scotland with above-average unemployment and fragile and seasonal economies, such as my own constituency, public sector jobs can be a lifeline. Add to that the fact that for qualified women with family responsibilities in more rural communities a civil service career might, for the very first time, be a possibility as a result of the relocation policy.

I recall that in the early days of this Parliament Allan Wilson, my colleague from Cunninghame North, and I spoke in a number of members' business debates on unemployment in North Ayrshire. We highlighted the fact that for local communities and potential investors, locating an

agency is not just about the actual number of jobs. In fact, it is a vote of confidence in an area, which sends out signals to the local community, investors, businesses, colleges and others. At that time we spoke about the possibility of the Food Standards Agency Scotland coming to Ayrshire. Unfortunately, we did not secure that.

Since then, North Ayrshire has narrowly lost out on the Scottish Public Pensions Agency jobs by coming a close second to Galashiels. The Finance Committee in its report, and Jeremy Purvis, referred to the success of that agency, and I congratulate him and the area on making a success of it, but it was of some disappointment to us in North Ayrshire that Galashiels had an unemployment rate of 2.5 per cent while my constituency had an unemployment rate of 6.3 per cent. While I recognise that the Executive must match the location to requirements, I agree with the committee that greater transparency in the decision-making process is required. In addition, when an area loses out as narrowly as we did, it is important that the measures that need to be put in place for any future bid are clearly understood.

Having said all that, it would be remiss of me not to welcome the Executive's commitment to setting up the Accountant in Bankruptcy jobs in Ayrshire. My own constituency, as the minister knows, is competing to host the agency. By the summer of 2005 we will have a purpose-built site, should it be required, that has first-class transport links and is adjacent to James Watt College of Further and Higher Education. It would be helpful if the minister could advise as to when a decision is likely to be made on that. The jobs were advertised in January or February, but staff still do not know where in Ayrshire they are likely to be located.

Margaret Jamieson (Kilmarnock and Loudoun) (Lab): Does Irene Oldfather agree that Ayrshire is back on the map in terms of its accessibility to the rest of the network, given the extension of the M77, particularly in my constituency, and that jobs that relocate anywhere in Ayrshire are of benefit to the whole of Ayrshire?

The Deputy Presiding Officer: You are well into your last minute.

Irene Oldfather: I am happy to agree with Margaret Jamieson's points. In our early bids, transport infrastructure was raised as a deficiency. The Executive has been able to address that.

In my last minute I want briefly to raise one point on the relocation of European agencies. The committee helpfully suggested that an audit should be carried out and that a unit should be established within the Scottish Executive. It would be appropriate if such a unit considered the potential for attracting European civil service job

dispersal to Scotland. I realise that a UK bid is necessary, but in the same way that local authorities know the strengths of their areas, we could make a strong case for the kinds of agencies that we feel could come here, given the strengths of our people and our nation.

The Deputy Presiding Officer: Mr Raffan, I can give you three minutes.

16:25

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

I am grateful, Madam Presiding Officer. I will shoot straight in: I am in favour of public sector job dispersal; I am in favour of motherhood and apple pie, too. The matter is pretty obvious.

I welcome the First Minister's initiative to extend the existing relocation policy through the small-unit relocation programme. Such relocations would involve 10 to 15 jobs that can be carried out in more remote areas that need economic stimulus. Last year, Perth and Kinross Council, which is in my region, submitted bids for Pitlochry and Coupar Angus and I would be grateful if the minister could let me know about the progress of those bids. I do not expect that in his wind-up speech, but perhaps he could do so by a note.

The Finance Committee's report is good and I support the point about the need for clearer criteria. As I said in an intervention on Mr McNulty, bidders require more detailed information on proposed relocations, the jobs that are being relocated and the type of job vacancies—so that they can work with further education colleges, local enterprise companies and so on to fill the vacancies—and other requirements, such as those for information technology. To provide greater transparency, we need regular updates from the Executive on the progress of relocations; bidders must be kept informed on the progress of particular submissions; short lists must be published; and unsuccessful bidders deserve feedback on why a bid did not succeed.

In his wind-up speech, perhaps the minister will say whether there has been any change to the scoring or weighting system. At present, business efficiency counts for 20 per cent, sustainable transport links count for 15 per cent, property availability and suitability for 15 per cent and socioeconomic factors for 50 per cent. If, as I understand it, the methodology is under review, it is important that we know the current state of the review and that any changes are communicated to potential bidders.

As members have said, many areas could benefit from job relocation. Alloa, Kirkcaldy and Perth, which are in my region of Mid Scotland and Fife, have been mentioned. Arguably, Perth in particular has been overlooked—the Food

Standards Agency Scotland went to Aberdeen, the Scottish Commission for the Regulation of Care went to Dundee and Scottish Water went to Dunfermline. The obvious place for SNH to relocate to was Battleby, north of Perth, given that SNH's major office outside Edinburgh is located there. Perth has a high quality of life, good health care, excellent schools and magnificent countryside.

I, too, have discussed the matter with Perth and Kinross Council, which is excellent and energetic—I am sure that my Tory colleague Murdo Fraser would agree—now that we have dumped the Tories from it. The council is led by the convener of the enterprise infrastructure, Councillor Alan Livingstone, who is a bundle of energy. It is Perth's turn. One of its current bids, which are for the new Scottish further and higher education funding body, the Mental Welfare Commission for Scotland and architecture and design Scotland, deserves to succeed. I hope that the minister will take that on board.

Madam Presiding Officer, I am glad to be within your time limit and not to have earned your wrath.

The Deputy Presiding Officer: That was a six-minute speech in three minutes.

16:28

Dr Elaine Murray (Dumfries) (Lab): I was one of the reporters on the committee's inquiry, which was an interesting experience. I thank the clerks—Susan Duffy, Emma Berry and, previously, Jane Sutherland—and also Ross Burnside from the Scottish Parliament information centre for all their hard work and invaluable support for the committee. I also thank the witnesses and the employees in the various agencies and departments who responded to our online survey. The responses were helpful to us in producing the report. I also thank the representatives of the Irish Government for their hospitable co-operation with our inquiry. They were on a week's holiday to celebrate St Patrick's day—they could not believe that we were going back to Scotland before St Patrick's day—but they were willing to come in during their holidays to try to give us the information that we wanted. I hope that the Scottish Parliament will have a chance to reciprocate that at some time.

Many members have spoken about the SNH relocation to Inverness, but it will probably not surprise members that I did not come to the inquiry with that focus. I was more concerned about why Dumfries and Galloway has not been successful in bidding for relocations; indeed, the area has lost jobs in the past five years. In the public sector, we have lost jobs from the Ministry of Defence and from what was West of Scotland

Water and we are to lose jobs from a public company, British Nuclear Fuels, when Chapelcross closes down. My concern was why we were not being successful. To echo what Susan Deacon said, I wanted to know what was going wrong with the policy. I wanted the Finance Committee to assess how matters could be improved and how the policy could be made to work better.

The problems seem to be to do with how the criteria are operated, which militates against Dumfries and Galloway, as it does against a number of other areas. From the analysis of the consultants' reports that we looked at, Dumfries and Galloway and many other places always seem to be discarded from consideration at the first sift by the consultants who are employed to compile shortlists of possible relocation sites. I do not think that ministers had some sort of prejudice against those areas; it was just that they never seemed to get on to the shortlist for consideration.

How some of the Executive's criteria were applied by some consultants was very strange. One Edinburgh-based consultant assessed Dumfries as having no suitable buildings and as not being an area with any disadvantage. That is certainly not the Dumfries and Galloway that I live in, and I am not quite sure how that idea came about.

We did not get the Executive's response in time, but I am grateful for it and for its tone. The Executive acknowledged that

"any over-prescriptive methodology may exclude specific areas from consideration in reviews."

The Executive agreed that transparency for all stakeholders, and especially for the staff concerned, was very important. Maureen Macmillan, Paul Martin and John Swinburne made the same point. Part of the problem might be that the relocation policy has evolved since 1999, and that there has not been much discussion about how the various criteria are applied.

Colin Fox made a number of allegations about the Irish policy. He must have been referring to previous relocations, as the Irish policy is very new and has not started to apply yet. The Irish are considering how staff may transfer between departments or between agencies and departments if they are unable to be relocated. It is worth examining that point.

The lack of transparency under the current policy makes things difficult for ministers. It makes it difficult for them to rebuff the type of allegations that Ted Brocklebank and others are making: that Inverness was chosen for the relocation of SNH for political reasons. If it was chosen for political reasons, why was SNH not sent to Stirling or Dumfries, which are Labour marginal

constituencies? Why make its new location an SNP marginal when there are some perfectly good Labour marginals around?

The committee's suggestions for a strategy linking relocation to economic development have been mentioned by Des McNulty and others. I am not suggesting that we want the same system as Ireland, but I am saying that we can learn things from Ireland. In particular, we were impressed with the idea of a strategic overview, with something like a relocation unit that could monitor or evaluate policy and could consider how large and small-scale relocations are working. Such a unit could also examine the balance between people and posts.

A number of members have said that relocation can be about bringing jobs to areas of high unemployment. In areas such as Dumfries and Galloway, it is not so much jobs that are needed as people. We have a shortage of people in Dumfries and Galloway. In particular, we have a shortage of health workers, teachers and social workers. It is possibly by joining together packages with public service jobs that we might be able to bring more people into areas with demographic problems. Jeremy Purvis's constituency in the Borders has similar issues to mine. It is important that the policy is carried out strategically and, as Des McNulty said, within the context of economic regeneration. There has to be an analysis of those areas of Scotland that require such regeneration and input.

We will return to relocation issues. I am grateful for the minister's offer to come back to the committee and discuss the matter further. If people would like me to go back to Ireland to find out how they are getting on there, I would be very happy to do so. We need to bear it in mind that there is no relocation without tears. Relocation will always be difficult but, the more we keep people involved and informed and the more transparent and rigorous the policy is, the more easily people will be able to accept the decisions that need to be made.

16:34

David Mundell (South of Scotland) (Con): I, too, welcome the debate and the Finance Committee's report. It is inevitable in such a debate that members will make a pitch for their own communities and constituents. I will come to that.

However, I was struck by Susan Deacon's contribution this afternoon, as I was by her contribution last week. Ms Deacon is in a unique position to lead a debate about how the back office of Scotland, if we can call it that, is run; it is important that we have that debate. Devolution

was not and should not be about changing just the front-of-house operation; it has to be about changing how things are done behind the scenes as well.

Way back in 1999 I was one of the first members to raise the prospect of relocating existing jobs, or, equally important, newly created jobs and agencies outwith central-belt locations. In my previous, corporate life I saw how that could work as I was employed by a company that was centred in London, but was able to have major corporate functions in Oswestry, which I assure members is in deepest Wales, or in Thurso, in the north of Scotland. There is no reason why such things cannot be done in Government if there is the will to do them.

The committee report identifies the fact that instead of deciding on clear policy objectives, which surely should be to locate jobs to the areas where they will make the most difference, the Scottish Executive went down its usual route of having consultants, advisers and goobledygook formulas. Of course, having a policy is only part of it; implementing it is another. As Mr Scott conceded during his evidence, decisions were inherently political—an issue that many members have raised. I believe that the committee was kind to say that it could find no rationale for the SNH move to Inverness; it was obviously political, with so many Labour and Liberal Democrat interests in that area in the 2003 Scottish Parliament elections. It is just a pity for other parts of Scotland that their Labour representatives do not seem to have the same clout as their Highland counterparts. That is why I believe—and, until I find evidence to the contrary, will continue to believe—that some areas are disadvantaged.

Mr Raffan: Will the member give way?

David Mundell: I will come to the member in a moment.

I was going to say that usually in the south of Scotland we get a string of promises from the First Minister down about reviews, consultations, further analysis and jam tomorrow and we are quite critical of Mr Scott. However, I was pleased to receive a letter from my good friend, the convener of Dumfries and Galloway Council, which Mr Scott mentioned, which stated:

“Tavish Scott has given a solid commitment that a ‘name plate’ will be relocated to Dumfries, with smaller relocations in Newton Stewart or Stranraer.”

That is excellent news and I am surprised that the minister did not make more of it in his opening statement. Perhaps he will do so in his closing remarks, because that is the sort of solid commitment that we need, rather than the wishy-washy promises that we have had in the past. On this occasion I agree with Elaine Murray: Dumfries

and Galloway is an area that has lost Government jobs through the closure of the West Freugh airbase near Stranraer, for example, and is crying out for a relocation.

There are few levers that Government genuinely has within its control to make a difference. Unlike Mr Sheridan and probably Mr Fox, I do not believe that the Executive can control the global corporate environment, oil prices or consumer behaviour—nor should it—but the Executive does have a number of levers that could make a difference. The provision of well-paid jobs in areas of Scotland such as Dumfries and Galloway, the Borders—which Jeremy Purvis has mentioned—and Clydebank, to which I notice that Mr McNulty referred during the Finance Committee’s evidence taking, could make a difference. Those areas have some of the lowest household incomes in the United Kingdom and well-paid jobs there really would make a difference.

The jobs make a difference on a number of levels, not just by the fact of their arrival with the new entity, but by the fact that they create the opportunity of jobs for a spouse or partner. It is becoming an increasingly serious issue within rural Scotland that it has become difficult to recruit professionals because there is no well-paid employment for their spouses or partners. The relocation of Government jobs to an area such as Dumfries and Galloway also offers the opportunity to recruit health professionals, social workers and others that the area needs. Further, it offers the opportunity to provide employment to those who are attending worthy institutions such as the Crichton campus. There is no point in training people to a high level and not having work for them to do.

The policy of relocation was a good idea but, like so much in the past five years, it has been hopelessly mishandled. Instead of resulting in a positive outcome, it has led to the familiar feeling of neglect across rural Scotland. It is time for the Scottish Executive to up its game and, no doubt, we will hear from Mr Scott that it has done so.

16:40

Alasdair Morgan (South of Scotland) (SNP): Nearly every member who has spoken today has made some reference to their local area and it is perhaps unfortunate that I am the third speaker in a row from the south-west of Scotland. I will not labour the points that Elaine Murray and David Mundell made, but I will mention the advantages that the south-west of Scotland has in terms of quality of life, education provision and so on. In fact, for unionists, the area is near England and, for Scottish nationalists, it is in Scotland, so it has the best of both worlds.

Mr Raffan: I am glad that Mr Morgan referred to members from the south-west, as that gives me the opportunity to congratulate Mr Mundell on his personal policy of relocating himself from here to Westminster. That seems to be contrary to the Executive's policy, which favours more remote areas.

Alasdair Morgan: I will leave it to others to talk about that.

Despite the advantages of the south-west that I have mentioned, the last time I asked a parliamentary question about the net number of jobs that are coming to the area as a result of the relocation policy, the answer was zero. However, Elaine Murray made the valid point that the situation is worse than that, because we have lost Ministry of Defence jobs and water industry jobs. Moreover, the Forestry Commission is constantly centralising its district offices. The area has had a net loss of jobs.

The problem with the Executive's current approach, as the Finance Committee identified, is the lack of transparency. Not only is there no relocation, but people on the council do not understand why that is the case. Of course, that allows people such as David Mundell to make accusations. Furthermore, the council cannot tell whether the area will get any relocations in the future or whether the situation will simply continue as it is.

I should point out that people in areas such as Dumfries and Galloway are not necessarily looking for huge transfers on the scale of the SNH relocation. In many of the areas that would like some jobs to come their way, the local housing market and schools simply could not cope with the number of people who work in a large headquarters. Many small areas would like small units—perhaps two dozen or 50 people—to be relocated there. Earlier, Maureen Macmillan was a bit disparaging about small relocations, but in many places such relocations are worth their weight in gold.

Maureen Macmillan: I was not being disparaging about small relocations to small places. There is a role for that. Highlands and Islands Enterprise has internal relocations to more remote parts—

Alasdair Morgan: I get the point. We will try to avoid small relocations to big places, then.

It strikes me that the trigger mechanisms of some of the current location reviews—units being merged or property break points being reached—tend to work against the relocation of small units within organisations. I think that that is the point that Jeremy Purvis made. One of the trigger mechanisms is the end of a lease. However, as the Finance Committee's report pointed out, many

civil service departments are situated in their own buildings, which means that that point will never be reached. Therefore, we need to be more flexible. For example, if the lease on department A's building is coming up for renewal, perhaps department B could be relocated and department A could move into department B's old building.

In passing, I wonder why we are following the bad example of firms that employ consultants to tell them what to do when they have to make a difficult decision. That is even more inappropriate when we are told that, at the end of the day, the decision that has to be made is a political one and that it is quite likely that the consultants' decision will be overturned. It is time that the Government was directly responsible and answerable for its decisions and not somebody else's decisions.

It was alleged that there were political reasons for the relocation of SNH. Elaine Murray asked why, if that was the case, SNH was not moved to Dumfries, which is a marginal Labour seat, but I would have thought that she would take that as a compliment on the strength of her candidature.

The issue is not easy. It is ironic that the more acceptable relocations are, the less the benefit to the community in the short term and the medium term. Murdo Fraser said that it would have been good if SNH had moved to Perth, because it is within commutable distance of Edinburgh. If SNH's office had moved to Perth and everybody had travelled up and down the M90, all that would have happened is that Perth would have gained some more rateable value. The point was well made by one member—I think that it was Murdo Fraser again—that, of the many jobs that we have created since devolution, the vast majority are in Edinburgh. It is time that we created more jobs elsewhere.

A common question at hustings meetings during an election campaign is: "What are you going to do to create jobs in this area?" As politicians, we cannot say, "I will create jobs," but we can say, "I will create the economic conditions that will deliver jobs." In the case of civil service and Government jobs, however, we can say that we will create jobs in a particular area, which is why the success of the relocation policy is vital and not just an optional extra. The Irish seem to be on the way to being notably successful. Whether we follow their model or some other model, we need to get the policy working soon.

16:46

Tavish Scott: I will respond to what has been a wide-ranging and intense debate, as shown by the fact that so many members sought to speak in it—indeed, it was oversubscribed. Few colleagues missed the opportunity to make a pitch for their

area or constituency. That is fair and entirely as it should be. In some ways, one is reminded of the maiden speeches that are made in the House of Commons.

If anything, the debate has illustrated how difficult relocation is and how difficult the decisions about it are. I will pick up on a number of points. We will use the Lyons review of civil service relocation in the United Kingdom as a whole to ensure that Scotland benefits from the process. We will ensure that we secure jobs for East Kilbride and Aberdeen; we have already made initial progress on that. More work will be done to keep the pressure on our colleagues in London to secure more jobs for Scotland. Irene Oldfather mentioned the European perspective. That policy area is of direct interest; it has been raised with us by the Finance Committee and by individual members, and we are pursuing it. It is an area of relocation policy around which the Parliament as a whole can coalesce.

In opening for the committee, Des McNulty made a number of detailed points. He talked about the balance of irreconcilable policy options. In many ways, that is exactly the issue in relation to relocation policy; it is difficult to ensure that we strike the right balance between the many concerns that were raised about staff and the socioeconomic requirements of communities throughout Scotland.

A number of members asked for better information on relocation criteria for councils, local enterprise companies, other agencies and private sector developers who are interested in attracting relocating bodies. Mr Raffan referred to a one-page letter to local authorities, but that letter has a four-page annex that includes core criteria, a list of potential bodies to be relocated, information on the requirements of those bodies and the number of staff that they have in place. I take the point that we can always examine how best to review current practice, but there is an awful lot more out there than some members gave us credit for this afternoon. We will examine the point about feedback that was made by Mr Raffan and others in relation to the process.

As for SNH, in opening for their respective parties, Fergus Ewing and Ted Brocklebank perhaps missed the point. Susan Deacon reflected on the difficulty of the decisions in a way that I found more persuasive.

Mr Ewing also mentioned the Irish example. I will quote his words back at him—in full, rather than selectively, as Mr Brocklebank is prone to do in the chamber. On 4 May, he said in the committee exchanges that we had at that time:

"I think that you accept that I am not suggesting that we should replicate the Irish policy here. That would be wrong-headed and impossible".—[*Official Report, Finance Committee*, 4 May 2004; c 1331.]

I think that we all share that view. It is important to reflect on that when we hear that Ireland is the paragon of all virtues in relation to these matters.

Mr Mundell also quoted me selectively and just got it wrong—but that is Mr Mundell's requirement these days. He said that I said that the matter was inherently political. I said nothing of the sort. I said that it was ultimately political, just as every decision of Government is. The fact is that a due process has been followed. All Government decisions are made in that way, as they were under the Administration that I presume Mr Mundell supported. Mr Raffan mentioned Mr Mundell's desire to relocate to London. He may want to relocate, but the fact is that he ain't going to—it ain't going to happen.

Mr Fraser talked about the Conservative commitment to relocation. I can find no reference pre-1997, in the Scottish Office days, to any Tory policy on relocation. There was no such thing as a relocation policy in the Conservative days, so I do not think that that point carries any weight. However, Mr Fraser raised an important point—as did Colin Fox, Susan Deacon and many others—in relation to staff sensitivity and staff handling as relocation goes on.

Maureen Macmillan talked about the transferability of staff from non-departmental public bodies and Government agencies to the civil service. We are aware of a pilot scheme in England involving the Department for Environment, Food and Rural Affairs and the Countryside Agency. We will look carefully at that and what it means and ensure that we take it into account in coming to our position.

Many other issues have been raised. I share Irene Oldfather's concern about the length of time that it took for the decision to be made. I will pursue that. Alasdair Morgan was quite right about the positive impact that the small units initiative can have, which is why I said what I did to George Lyon in response to the issue that he raised in that context.

The arguments that Maureen Macmillan, Paul Martin and Jeremy Purvis made about the benefits of relocation bear some scrutiny. Relocation is right for business efficiency in many cases, in terms of economic benefits and pushing the benefits of devolution around Scotland. That is why we will work with the committee and take forward the policy in that way.

16:53

Jim Mather (Highlands and Islands) (SNP): Today, we have heard many constructive speeches that have endorsed, enhanced and augmented the committee's report. Having listened intently to the debate, I am hopeful that

we have triggered a greater passion for the subject on the part of the Executive. The issue is important and members of the committee have been excited about its potential to rebalance the economy and retain and attract quality people to our public services. We welcome the minister's commitment to work with the committee on relocation and hope that that will result in a full audit of civil service jobs and regional needs.

However, I would have thought that an Executive that is committed to reversing low-level growth and population decline—especially the decline in the number of economically active people in rural areas—would have been even more positive in its plans for relocation. The Executive has produced a formal response but, sadly, not a strategy. I accept that its response is a serious declaration of intent with specific administrative actions, but I repeat the committee's call for a more structured and complete approach. We need more commitments like the one in the response, which is to

"make sure Scotland benefits from UK relocations flowing from the Lyons Review".

Nevertheless, we worry that the Gershon review may also result in more centralisation, which could negate any such gains.

The committee and the country will want concrete, practical steps to be taken that are likely to make a major difference in balancing the economic activity across the country, making Scotland more competitive and making our economic development agencies more focused and better armed to produce good results.

Paragraph 9 of the Executive's response contains an offer to

"come back to the Committee with developed ideas on a number of measures which could be taken to develop the relocation policy in a wider context."

That is somewhat lacking in urgency and fervour. Even the agreement in paragraph 13 of the Executive's response that

"relocation policy should be driven by objectives and targets"

does not give as much comfort as it should, because that commitment does not merit a mention in the Executive's conclusion at paragraph 17.

We are left with the feeling that, at present, relocation in Scotland is a top-down process triggered by external events and that it is sometimes very expensive, as we have heard today. Perhaps that is not surprising. Historically, relocations have been determined behind closed doors and decisions such as that to relocate SNH have subsequently not been fully and properly explained. As members of some parties have

perceived today, those decisions were made for less than economically strategic reasons.

Present policy is driven largely by property considerations. Staff are forced to make difficult and stressful decisions. Many people are simply told that they are moving and that is that. Inevitably, that leads to tensions and, in the case of SNH, outright opposition. However, we note that relocations have happened in other parts of Scotland, although relocation is not yet a pervasive, Scotland-wide phenomenon whose effects are felt throughout the country.

The report shows—and I reiterate—the contrast with Ireland's evolving and open approach, which is based on a voluntary model. The approach was produced after widespread pre-consultation that facilitated the movement of people, sub-departments, and departmental functions out of the Dublin area. Irish policy is not without its difficulties and the choice of which parts of Ireland to go to is a political hot potato. However, today we have seen that that would also be the case in Scotland, as it would in any country.

The Irish model is better than the Scottish Executive approach, which has been ad hoc, defective, costly and paternalistic by comparison. The Irish model is compelling and worthy of study. We should take advantage of the fact that that model is on our doorstep, in a friendly nation that is happy to run an open book with us. We need to make sure that we stick with the Irish as they try, test and evolve the policy. I believe that we can learn a lot from the Irish model, especially as it appears to be working, overcoming the difficulties and building on the momentum. In short, it is simple stuff that works. In evolving the policy, the Irish are being totally open with us. On 30 July, the Irish decentralisation implementation group produced a report that is remarkable in its passion, momentum and genuine openness. Some 3,000 people are volunteering to move and to take advantage of the opportunity.

The Irish report communicates the urgency and pragmatism of a country that has seen its population grow by almost 20 per cent in less than 20 years. This year, Ireland's population reached 4 million. That is 80 per cent of Scotland's population. Indeed, the Irish are closing on us fast, especially in terms of the number of economically active people.

The recent Irish report notes the problems and risks and is up front in encouraging departments and agencies to incorporate risk assessment of the process in their individual implementation plans. It sets targets for departments and sets expectations in the target host areas that are to benefit from the relocation, in order to encourage and delegate momentum to and from the receiving areas.

That mature approach is paying off tangibly. There are no relocation or redundancy costs and there are property advantages. In tackling the pockets of resistance that undoubtedly exist, the report points to the many advantages beyond the material, social and economic boost that the target areas get. Those benefits could be enjoyed in Scotland. The advantages include freeing organisations from an over-reliance on precedent and the way things have always been, accelerating the use of new technology and thereby boosting productivity, challenging old orthodoxies and simplifying processes and procedures. Often, the policy leads to money being saved and people having enhanced working conditions. As well as ease of commute, individual civil and public servants can benefit from a raft of other disposable-income advantages.

That is not all that we would like to see in the Executive's relocation strategy, but such an approach could and should form part of a future Scottish strategy. Such a strategy should focus both on meeting efficiency and productivity gains and on promoting a quality of working life that motivates and retains quality people in our public services so that we can move Scotland forward.

Motion without Notice

The Presiding Officer (Mr George Reid): Motion S2M-1694 will not be moved. I understand that, instead, Patricia Ferguson will move a motion without notice.

17:00

The Minister for Parliamentary Business (Patricia Ferguson): Before I move the motion without notice to take the business motions, it might be helpful if I explain briefly their purpose. In line with yesterday's decision by the Parliamentary Bureau, I propose to move a motion to change the business that is scheduled for 22 September to allow Parliament to debate the report of the Holyrood inquiry. The revised business motion will seek Parliament's agreement that the meeting on 22 September be extended until 7 pm to allow a full debate on the report to take place. Before moving that motion, I am required to move two procedural motions, first, to suspend the members' business debate on Wednesday evening and, secondly, to change decision time to 7 pm.

The Presiding Officer: Is it agreed that we take the motion without notice?

Members indicated agreement.

Motion moved,

That S2M-1698, S2M-1700 and S2M-1699 be taken at this meeting of Parliament.—[Patricia Ferguson.]

Motion agreed to.

Business Motions

Justice and Law Officers;
General Questions

17:01

Motions moved,

That the Parliament agrees that Rule 5.6.1(c) of Standing Orders be suspended in respect of Members' Business on Wednesday 22 September 2004.

That the Parliament agrees under Rule 11.2.4 of Standing Orders that Decision Time on Wednesday 22 September 2004 be taken at 7.00pm.

That the Parliament agrees the following programme of business—

Wednesday 22 September 2004

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Debate on the Holyrood Inquiry Report

followed by Business Motion

followed by Parliamentary Bureau Motions

7.00 pm Decision Time

Thursday 23 September 2004

9.30 am Parliamentary Bureau Motions

followed by Executive Debate on Sport

12 noon First Minister's Question Time

2.00 pm Question Time—
Environment and Rural
Development;
Health and Community Care;
General Questions

3.00 pm Stage 1 Debate on the
Breastfeeding etc. (Scotland) Bill

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 29 September 2004

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Executive Business

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 30 September 2004

9.30 am Parliamentary Bureau Motions

followed by Scottish Conservative & Unionist
Party Business

12 noon First Minister's Question Time

2.00 pm Question Time—
Enterprise, Lifelong Learning and
Transport;

3.00 pm

followed by

5.00 pm

followed by
Ferguson.]

Motions agreed to.

Stage 1 Debate on the Emergency
Workers (Scotland) Bill

Parliamentary Bureau Motions

Decision Time

Members' Business.—[*Patricia*

Parliamentary Bureau Motions

17:02

The Presiding Officer (Mr George Reid): The next item of business is consideration of eight Parliamentary Bureau motions. I ask Patricia Ferguson to move motions S2M-1686 to S2M-1693, on the designation of lead committees and on the membership of committees.

Motions moved,

That the Parliament agrees that the Justice 1 Committee be designated as lead committee in consideration of the International Criminal Court (Enforcement of Fines, Forfeiture and Reparation Orders) (Scotland) Regulations 2004 (SSI 2004/360).

That the Parliament agrees that the Justice 1 Committee be designated as lead committee in consideration of the Sexual Offences Act 2003 (Prescribed Police Stations) (Scotland) Amendment Regulations 2004 (SSI 2004/370).

That the Parliament agrees that the Justice 1 Committee be designated as lead committee in consideration of the Freedom of Information (Fees for Disclosure under Section 13) (Scotland) Regulations 2004 (SSI 2004/376).

That the Parliament agrees that the Justice 1 Committee be designated as lead committee in consideration of the draft Freedom of Information (Fees for Required Disclosure) (Scotland) Regulations 2004.

That the Parliament agrees that Nora Radcliffe be appointed to replace Margaret Smith on the Equal Opportunities Committee.

That the Parliament agrees that Alex Neil be appointed to replace Alasdair Morgan on the Enterprise and Culture Committee.

That the Parliament agrees that Roseanna Cunningham be appointed to replace Christine Grahame on the Health Committee.

That the Parliament agrees that Mr John Swinney be appointed to replace Richard Lochhead on the European and External Relations Committee.—[*Patricia Ferguson.*]

Decision Time

17:02

The Presiding Officer (Mr George Reid): There are nine questions to be put as a result of today's business. The first question is, that motion S2M-1672, in the name of Des McNulty, on behalf of the Finance Committee, on the relocation of public sector jobs, be agreed to.

Motion agreed to.

That the Parliament notes the 6th Report 2004 (Session 2) of the Finance Committee, *Report on the Relocation of Public Sector Jobs* (SP Paper 189), which summarises the considerable evidence in support of the principle of relocation of public sector jobs, calls for greater transparency in the decision-making process associated with relocation, highlights the need for the objectives of the policy to be set out clearly and realistically, identifies lessons to be learnt from elsewhere and puts forward a number of recommendations for consideration and debate.

The Presiding Officer: The second question is, that motion S2M-1686, 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 1 Committee be designated as lead committee in consideration of the International Criminal Court (Enforcement of Fines, Forfeiture and Reparation Orders) (Scotland) Regulations 2004 (SSI 2004/360).

The Presiding Officer: The third question is, that motion S2M-1687, 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 1 Committee be designated as lead committee in consideration of the Sexual Offences Act 2003 (Prescribed Police Stations) (Scotland) Amendment Regulations 2004 (SSI 2004/370).

The Presiding Officer: The fourth question is, that motion S2M-1688, 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 1 Committee be designated as lead committee in consideration of the Freedom of Information (Fees for Disclosure under Section 13) (Scotland) Regulations 2004 (SSI 2004/376).

The Presiding Officer: The fifth question is, that motion S2M-1689, 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 1 Committee be designated as lead committee in consideration of the draft Freedom of Information (Fees for Required Disclosure) (Scotland) Regulations 2004.

The Presiding Officer: The sixth question is, that motion S2M-1690, in the name of Patricia Ferguson, on the membership of a committee, be agreed to.

Motion agreed to.

That the Parliament agrees that Nora Radcliffe be appointed to replace Margaret Smith on the Equal Opportunities Committee.

The Presiding Officer: The seventh question is, that motion S2M-1691, in the name of Patricia Ferguson, on the membership of a committee, be agreed to.

Motion agreed to.

That the Parliament agrees that Alex Neil be appointed to replace Alasdair Morgan on the Enterprise and Culture Committee.

The Presiding Officer: The eighth question is, that motion S2M-1692, in the name of Patricia Ferguson, on the membership of a committee, be agreed to.

Motion agreed to.

That the Parliament agrees that Roseanna Cunningham be appointed to replace Christine Grahame on the Health Committee.

The Presiding Officer: The ninth and final question is, that motion S2M-1693, in the name of Patricia Ferguson, on the membership of a committee, be agreed to.

Motion agreed to.

That the Parliament agrees that Mr John Swinney be appointed to replace Richard Lochhead on the European and External Relations Committee.

Citizens Advice Week

The Deputy Presiding Officer (Murray Tosh):

The final item of business today is a members' business debate on motion S2M-1579, in the name of Bill Butler, on citizens advice week. The debate will be concluded without any questions being put.

Motion debated,

That the Parliament supports Advice Week from 6 to 13 September 2004; commends the vital work that Scotland's 77 citizens advice bureaux do in providing free, impartial and confidential advice to all; recognises that in the last year they handled over 400,000 issues and secured nearly £26m for clients; further recognises that such good quality advice on issues such as benefits, debt, employment, housing and consumer affairs is increasingly necessary in today's society; acknowledges that the use of client evidence means that citizens advice bureaux speak with authority and relevance on changing social issues from both a local and national perspective; congratulates the 2,193 volunteers and 329 paid members of staff who provide this service, and hopes that parliamentarians across the political spectrum can work together to ensure that the service will continue to inform government and meet the needs of local communities across Scotland in the years to come.

17:05

Bill Butler (Glasgow Anniesland) (Lab): I am delighted to have the chance to bring this topic to the chamber for debate. I thank all 72 members who supported the motion. I also welcome the volunteers and staff from Citizens Advice Scotland who are in the public gallery to listen to the debate. In particular, I thank Jo Stewart, manager of the Drumchapel citizens advice bureau, who for the past 12 years has worked tirelessly in that post. She is a well-respected member of the local community whose work and advice have helped thousands of people in that community.

The services provided by citizens advice bureaux across Scotland are of the highest professional standard. It is a voluntary service, but it can by no means be described as amateur. All the bureau advisers have received training so that they may provide a holistic advice service that does not examine clients' problems in isolation. Advisers examine links between debt, poverty, unemployment and ill health, which still affect too many of our constituents. They have a comprehensive information system, with more than 12,000 pages of information on a huge range of subjects. All that information is now condensed on to one CD-ROM, an advance that would have been unimaginable 65 years ago, when the citizens advice bureau was born as a wartime information service.

Citizens Advice Scotland has two core functions. The first is to advise people to ensure that they have the fullest possible knowledge of their rights

and responsibilities and of the services that are available to them. The second is to secure change by influencing the development of social policy in public services, both locally and nationally. That work helps to improve laws, rules and regulations, making services more responsive to people's needs.

As well as pursuing its core aims, CAS and the local bureaux have been involved in innovative partnership arrangements with a range of public service providers and voluntary organisations to ensure that people, often when they are at their most vulnerable, receive the information and advice that they need. For example, Citizens Advice Scotland and the local bureaux have a real role to play in the courts and the justice system. Court can be a daunting place for those with little experience of the legal system, and I warmly welcome the initiative that will provide litigants and other court users in Airdrie, Aberdeen, Dundee and Hamilton with access to free, independent CAB advice inside their local sheriff courts. Good advice, especially in-court advice facilities and free, independent legal advice, can only help to promote fairness and equality and improve the efficiency of people's passage through the justice system. This is a praiseworthy innovation. It is the type of innovative partnership working that makes a real difference.

In addition, outreach work is now an integral part of the services that bureaux offer. Not everyone is able to come to the citizens advice bureau for assistance. That inability may be due to ill health, infirmity, a lack of knowledge about the help on offer or a reluctance to ask for help. In order to address that need, CAB staff are willing to provide targeted home visits for older people, as well as to explore more flexible ways of providing advice—via e-mail, for example. Such flexibility makes CAS such an important and valuable service.

Only last week, I visited the staff and volunteers at Drumchapel CAB, who are in the public gallery today. I believe that their outreach work deserves special mention. Currently, the Drumchapel CAB holds six outreach surgeries per month in different parts of the community. The success of those surgeries has resulted in the decision to increase their number to 10 every month. That is in addition to the home visits that are made regularly to local elderly and disabled members of the community.

On volunteering, the way in which advice and services are delivered makes CAS a good thing in itself. Fundamentally, it offers people the opportunity to volunteer their time to help others in their own community. More than a quarter of Scotland's population volunteer and I want to take this opportunity to register Parliament's thanks to them and the 2,500 people who volunteer their time to provide advice and assistance in the 59 member CABx throughout the country.

I believe that sound advice is essential to deal with modern life's complexities. If my fellow members will permit me to offer some of my own advice, I suggest that they take part in CAS's advice and action programme, which offers politicians and civil servants the chance to witness at first hand the valuable work that their local CABx undertake. As a regular visitor to my local citizens advice bureau, I intend to take part in the programme in the near future and hope that many colleagues will do the same.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I benefit from the hospitality of the Peebles CAB, where I hold regular advice surgeries. I should point out that the interaction between the volunteers, professional staff and MSPs allows us to see the direct link between the problems that people approach CAB staff with and the legislation that we pass. That link is vital for us in the chamber.

Bill Butler: I can but agree with Mr Purvis. We would all endorse the sentiment that he has just expressed.

On the issue of funding, I am sure that all members will have received and read the briefing distributed in advance of today's debate, which provides statistics on and figures for the work of CABx in their constituencies. When I read that material, I was struck first by the value of the service that is provided. However, I also noticed that there was a disparity in funding among bureaux—I am sure that the minister expected me to mention this issue, and I will not disappoint him. The fact that each CAB is an independent charity that is responsible for its funding means that many hours have to be spent applying for funding and holding fund-raising events instead of providing advice to clients. I ask the minister to examine that funding disparity as well as service provision. For example, although Dumfries and Galloway is well served, the Borders is not as well served. I believe that the chamber would like to hear the minister's views on those matters.

The work of CAS is crucial to many of our constituents in all constituencies. Bureaux are tremendous value for money and represent an example of how local authorities can invest to save. As long as the need remains, a fully resourced CAB service is essential. Without such a service, many of our fellow citizens would literally be the poorer. I believe that the CAB service's work is a vital social resource and commend it to the chamber.

The Deputy Presiding Officer: I must advise members that the debate is very heavily oversubscribed. It will not be possible to extend it this evening, because of my commitments. I restrict members to three-minute speeches and will call as many as I possibly can.

17:13

Christine Grahame (South of Scotland)

(SNP): I congratulate Bill Butler on lodging this very important and worthy motion. Indeed, it reminds me of a motion that Donald Gorrie lodged two years ago that brought into focus the very worthy work on debt that a huge number of volunteers in citizens advice bureaux carry out. During my disreputable former career as a solicitor, I also acted as a volunteer at the CAB and gave advice on general litigation matters. Members of my ex-profession as well as other professionals give of their time in such a way. In fact, I note that in the Borders even the Faculty of Advocates is using the CAB to provide—freely—advice, information and perhaps representation in cases.

That said, I am concerned to hear two years down the line that some of the same funding problems with CABx remain. For example, a very worthy system in East Lothian married the CAB and Macmillan Cancer Relief and helped cancer sufferers and their families to access benefits in order to deal with any employment issues that arose from their illness. That work is no longer funded, which is a very bad thing indeed in both finance and humanity terms.

I note the figures for central Borders, Peebles and Penicuik CABx that CAS has given us and I thank it for all the information that it has provided. Apart from handling debt cases that totalled some £3 million in those three areas, the CABx secured more than £1 million for their clients. By doing so, not only have they taken the burden of debt off individuals' shoulders, they have brought money back into the local economy.

I will focus on debt as a major issue because a lot of marital break-up is related to debt and I know that CABx handle many problems around that as well. By being there for people, CABx lift the panic of their debt problems from their shoulders and help to structure that debt. We know that creditors will not get blood from a stone. They need the debtor to have their debt structured.

A huge problem for this Parliament is that credit control is outwith our control. Consumer credit is rampant. In the afternoons on television we see what I call villainous advertisements for consolidated loans that are brought to vulnerable people. They think that by handing over their debt to a company they are somehow making their debt less, but they are not—they will pay higher premiums and higher interest.

With a different bonnet on, as a member of the Scottish National Party, I recognise the Parliament's current limitations. I hope that the minister is in close liaison with his Westminster

colleagues on how to deal with consumer credit in particular.

17:16

Mary Scanlon (Highlands and Islands) (Con):

As a volunteer for a CAB in my past life, I am delighted to speak in this debate secured by Bill Butler. Sustainable funding is a constant problem for CABx. Indeed, my colleague Annabel Goldie received a letter from East Dunbartonshire CAB saying that the negotiations for funding every three years place an unacceptable strain on the system. Like other CABx, it has expanded its team, which now includes a dedicated housing worker and an elderly services worker, with more new appointments planned.

It is a fact that the increased specialist knowledge that is required for working in CABx means that they require more secure, paid staff. Over a sixth of volunteers left the service in 2002-03, so there is a need to ensure that training—from which I have benefited—and specialist training in particular continue so that specialist knowledge is not lost to the service.

We also need to have more understanding of the word volunteer. There seems to be an assumption that volunteers do not cost the service money. However, not only are there costs for volunteers' travel, but desks, heating, lighting, office space, computers, office equipment and training are also needed, which are costly. Therefore, although there are no wage costs for volunteers, there are certainly considerable overhead costs and there is always a limit to service cuts and drives for efficiencies.

I had hoped that the debt arrangement scheme would help to sustain many CABx and outreach services in Scotland. However, I am led to believe that councils are holding much of the resource for money advisers as they build their own services and that the money will be focused on areas of highest deprivation. The Inverness East, Nairn and Lochaber CAB dealt with 19,456 new client issues with funding of £802,071, which works out at £41 per issue. I realise that that is a simplified calculation, but it illustrates the cost effectiveness of the service, which I doubt would be matched by local authority money advisers.

I also contend that debt resources should be focused on areas of high deprivation, although debt is a problem across all Scotland, particularly among public sector workers—because someone is in a secure job, that does not mean that debt is not a serious problem for them.

I would like to thank the Princess Royal for her commitment to and support for CABx, as well as for her extensive understanding of the work that they do.

Finally, there are unsung heroes in CAB offices across Scotland, but I would like to take this opportunity to mention in particular John McDermott and Steve Alderson of the Raigmore CAB for the professional, efficient and friendly advice that they have given and continue to give to people with whom I have had contact in the past year.

17:20

Karen Whitefield (Airdrie and Shotts) (Lab): I welcome the opportunity to speak in this evening's debate and I join other members in congratulating my colleague Bill Butler on obtaining the debate.

Many members will know that I have a long-standing interest in the work of the citizens advice service. My previous members' business debate sought to highlight the work that my local CAB has been carrying out in partnership with Macmillan Cancer Relief. I am pleased to say that that joint project continues to be a great success, ensuring that cancer sufferers and their carers get the advice and support that they need at the most difficult of times. That success is highlighted by the fact that 95 per cent of those who use the CAB-Macmillan project in Lanarkshire are accessing benefits for the very first time. As I have previously stated, that service represents a success not only for those who use it but for the partnership approach to problem solving. There may well be other such opportunities out there for agencies, be they voluntary or statutory, to work in partnership, rather than creating a new, distinct organisation. Indeed, I believe that agencies such as the CABx have an important part to play in community planning and community health partnerships.

Today, however, I would like to speak a little about the core work of the CAB service. In particular, I would like to highlight the excellent work carried out by the staff and volunteers at Airdrie CAB. Their efforts make a very real difference to thousands of people in and around Airdrie. Last year, they helped local people to secure £1.75 million in benefits and other moneys to which they were entitled. That not only benefits those individuals but provides great benefits to the local economy. In many cases, that additional money has also helped to tackle the growing problem of debt. It is not so impressive to note that, in 2002-03, Airdrie CAB dealt with debt cases totalling just under £3 million. Although Mary Scanlon makes a good point about debt not just affecting deprived communities, it certainly affects them more than it affects more affluent communities, so it is right that money be targeted at our deprived communities.

As well as providing an invaluable service to its users, CAS also provides an excellent training resource for its volunteers. The large number of

volunteers who go on to full-time employment or education provide clear evidence of the benefits of volunteering in general and, in particular, the benefits of volunteering with CABx. CABx also provide policy makers with a vast array of data on social matters such as debt levels, fuel poverty, bankruptcy and benefits uptake.

I am pleased that one of the first debates in our new home should celebrate the work carried out by Citizens Advice Scotland across the country. I congratulate and thank all the staff and volunteers who work so hard to help some of the most vulnerable people in their communities and I encourage them to keep up the good work.

17:23

Mike Pringle (Edinburgh South) (LD): I, too, congratulate Bill Butler on securing tonight's debate, which is on a very important topic. It is a shame that it might be overshadowed in the press today and tomorrow by the Fraser inquiry, but the debate puts on record the great work that citizens advice bureaux do on a huge range of issues.

In particular, the citizens advice service highlights the horrendous culture of debt that has grown up in our society—nearly 12 per cent of CAB cases concern debt. I am disappointed that there is no citizens advice bureau in my constituency, but the five CABx in Edinburgh offer services across the whole city, and I know that many of my constituents have been helped by the great work that their volunteers—more than 90 per cent of people who work in CABx are volunteers—and their paid staff have done to help people across Edinburgh.

Sadly, issues surrounding credit and loans are reserved matters, but giving people advice and dealing with the problem of debt are devolved, which is why we can discuss that work today, why we can pay tribute to CAB offices throughout Scotland and why we can encourage the Executive to continue to tackle debt and to fund debt advice. Bill Butler and Mary Scanlon talked about that; I am sure that other members will also mention it. Citizens advice bureaux do not have secure long-term funding, so they have to waste their time continually searching out money. One of the problems in our voluntary sector that has still not been resolved is that lots of money is available for new and exciting projects, but less exists to keep successful projects going. For every £1 that CABx receive in funding they put £6 back into the local economy. That is real and proven value that should be better supported.

It was a shock to me to discover recently that Britain's debt has reached £1 trillion, which is an almost incomprehensible figure. If I might digress, I also recently discovered that a trillion plastic

bags are used in the world every year. Those figures represent £150 and 150 bags for every man, woman and child on the planet. I hope that that might put our vast debt crisis into perspective. Liberal Democrat members have long argued for fewer incentives in the banking system for promotion of debt rather than of savings, but that is up to the Chancellor of the Exchequer.

Although CABx provide excellent advice on debt—which totalled £123 million—they are tightly constrained as to what they can say. Perhaps there is a need for a network of debt advice centres run by Citizens Advice Scotland and paid for by the investment and credit sector. That would free up money that CABx currently spend on debt advice to be used for other services that are mentioned in the motion, such as benefits, employment, housing and consumer affairs.

I congratulate CABx for all the advice that they have given out. I undertake to ensure that the online services at www.adviceguide.org.uk will be linked from my website and I will publicise them as often as I can.

17:26

Mike Watson (Glasgow Cathcart) (Lab): I congratulate Bill Butler on securing the debate. I also congratulate Mike Pringle on managing to wangle into his speech a mention of tax on plastic bags, which is the subject of his proposed member's bill—I did not think that that could be done.

It is a pleasure to contribute to the debate, although it is difficult to add anything new because so many of the speeches that have already been made—and, no doubt, those that will follow—reflect the fact that CABx throughout Scotland do a tremendous job for their communities. I endorse Karen Whitefield's point that they are of greatest value in our more deprived communities because that is where the major issue of debt is most to the fore.

I will not be any different from other members in that I will mention my local CAB, which is in the Castlemilk district of Glasgow. It does a tremendous job in gaining benefits for, and giving advice and support—often just emotional support—to many people, who often go through the doors not knowing quite what it is that they want, but would like a friendly person to discuss the matter with, and hope that at the end of the day that person will help out in some way.

We must focus on debt in the debate. It is not only a matter of individuals' debt, although a great many individuals get a great deal of help from Citizens Advice Scotland and their local bureaux. The issue of funding for CABx, if not debt, is increasingly important. It is not beyond the

resources of CABx, almost by definition, to be innovative. For example, the CAB in Castlemilk recently got funding from Greater Glasgow NHS Board to inform people who have various health concerns that they might have entitlements that they are not aware of or have never thought of. The national health service is working with the CAB on the project to ensure that local communities benefit.

I do not want to labour the point, but I have to mention that it is unfortunate that there is a dispute in Glasgow with local advice bureaux about how they will be funded in the future. There is an issue about debt profiling, because Glasgow City Council wants, through the use of information technology, to centralise and control the way the information is held. It is unfortunate that that has held up restructuring of funding for CABx throughout the city, so I hope that the issue can be resolved. It seems to me that Glasgow City Council might in this case relax its intentions to centralise debt profiling, which is an important issue. From the CABx point of view, I would have thought that the Data Protection Act 1998 would protect individuals. The problem is that a number of money advice projects, including the CAB in Castlemilk, are being held up from arranging a new funding stream that will enable them not only to continue the work that they do, but to build back up to full-time working for their staff, who have been working a four-day week because that is all that the CAB has been able to afford for the past few years.

I congratulate CABx staff and, of course, the volunteers—I volunteered for a CAB about 30 years ago when I was a student. Staff cannot do their work without volunteers; the two complement one another. I think that the debate this evening recognises that in appropriate terms.

17:29

Patrick Harvie (Glasgow) (Green): I add my voice to the welcome for the debate. I thank Bill Butler for securing it and congratulate him on that.

I have experience of a citizens advice bureau not as a volunteer—which many members have been—but as a service user. I trusted the excellent reputation of citizens advice bureaux when I needed help to deal with a housing problem. I trusted the bureau's confidentiality, impartiality and independence from the local authority. Those were crucial elements and they are important reasons why many people trust and use their local bureaux.

As members have said, a brief look through the statistics that have helpfully been provided shows the breadth and depth of work that the CAB service undertakes. It deals not only with housing

issues, but with many other issues. It is important to compare the value of the work to society with the level of funding and support that bureaux receive. Throughout much of the voluntary sector, miracles are worked on meagre resources—citizens advice bureaux are good examples of that.

Members have mentioned consumer debt issues, the need to make the debt arrangement scheme available to people who have low disposable incomes and the need to make creditors offer credit more responsibly. However, we must also consider our cultural need to reduce our focus on the acquisition of meaningless stuff in our lives. Many people—certainly those from my generation—begin their spiral into debt through a seemingly compulsive need to shop not for necessities, but for meaningless stuff that fills up our lives and eventually fills up our landfill sites, too.

From every source, adverts bombard us daily. They shout from our radios and televisions at a higher volume and pitch than programmes. They shroud whole buildings in our towns and cities. Even now, they stealthily fill every spare space in our schools and colleges, telling us to consume ever more. Those who benefit from the habit that we have formed are of course only too happy if people use their credit cards or store cards to pay because that way they pay twice—once for the product and once to get into debt. As Christine Grahame said, people may also pay a third time if they consolidate their debt later.

As a society, we endorse living with debt. We encourage people to take out mortgages to buy their own homes, to take out student loans and to become used to the idea of huge debts. We even encourage children to become used to the habit of putting payments on plastic by paying for their school meals with their own card.

We must ask ourselves whether we are fuelling the problem. If so, how many more miracles will we ask citizens advice bureaux and others to perform to help to deal with the consequences? Everyone in the chamber takes the issue seriously, but only if we take the root cause of the problem seriously will the “vital social resource”—as Bill Butler put it—be best used.

17:33

Dennis Canavan (Falkirk West) (Ind): I welcome the opportunity to pay tribute to the excellent work of staff and volunteers of citizens advice bureaux throughout Scotland.

The Falkirk area has three citizens advice bureaux: the Falkirk CAB, the Denny and Dunipace CAB and—I am sure that Cathy Peattie would not mind my mentioning it—the

Grangemouth CAB, which is in her constituency. Last year, those three CABs dealt with more than 23,000 advice and information inquiries on behalf of the Falkirk and district community. They handled more than £8 million in debt for clients and secured more than £888,000 by helping clients to claim welfare benefits. Last year, the volunteers in the three bureaux worked 23,348 hours. If they had been paid the national average wage for that, the cost to the public sector would have been more than £310,000. The CABs provide a very good information and advice service and they are good value for money.

Typically, just over one sixth of volunteers leave the service in any one year and nearly half enter jobs or further education. The service helps individuals and helps people to put something back into the community and to boost the local and national economies.

We are all familiar with the CAB offices or shop fronts in high streets throughout Scotland, but the CAS is into other methods of helping people to access its information and advice service, including home visits, advice by e-mail and specialist services such as representation at tribunals and legal clinics.

I also commend CAS for the quality of the briefings that it provides to members of Parliament and members of the Scottish Parliament. Those briefings help to inform parliamentary debates and to improve the quality of legislation.

For all those reasons, I commend the work of the CABs and the CAS, but we should face up to our responsibilities. I hope that the Scottish Executive, the Scottish Parliament and local authorities throughout Scotland will ensure that the CABs receive adequate support—financial and otherwise—to enable them to continue the excellent and valuable service that they provide to the people whom we represent.

17:35

Marilyn Livingstone (Kirkcaldy) (Lab): I welcome the opportunity to contribute to the debate. Like other members, I thank Bill Butler for highlighting citizens advice week, for securing the debate and for his excellent speech.

I will be a bit parochial, like other members, and thank Citizens Advice Scotland in Fife and my constituency. In my constituency, the organisation is called Citizens Advice and Rights Fife—CARF—but it is a member of Citizens Advice Scotland. CARF is the lead agency for advice and money advice in Fife and it works in partnership with many other agencies to deliver a first-class holistic service for people in my constituency and throughout Fife.

CARF advises on a wide range of issues that affect our communities. Last year, it handled more than 74,000 issues and secured more than £3 million in financial gain for its clients. However, CARF has drawn to my attention a matter that I want to raise with the minister, which is the increase that it has experienced in people seeking advice about terms and conditions of employment and representation at employment tribunals. In Fife, the skills and expertise to deal with that work are not an issue, but the need for resources to deal with the increased demand is. From April to June, CARF dealt with 123 employment tribunal cases; we are all aware of the complexity and time requirements of such a work load.

We have heard much about innovative developments, and CARF is at the forefront in Fife. Along with local regeneration managers, it is a lead agency for developing proactive advice strategies in our regeneration areas. It has been developing and encouraging interagency protocols and referrals throughout Fife. The development of a centralised telephone service to deal with the ever-increasing demand in Fife is certainly welcome.

In three minutes, it is not possible to cover all the work that is done in Fife, but I will conclude with CARF's vision, which is to be the lead agency in Fife providing services that meet the needs of the whole community and which enhance the quality of life of the people of Fife, and to make a significant contribution to achieving the community plan objectives of a healthier, safer, stronger community. That is something to which we can all subscribe.

17:38

Ms Sandra White (Glasgow) (SNP): I congratulate Bill Butler on securing the debate. Instead of being area parochial, I will be Glasgow parochial.

CABx do an absolutely magnificent job. Bill Butler talked about volunteering to work in a CAB, and I and other parliamentarians have done that. I did it last year in a number of CABx throughout Glasgow and have great respect for all the hard work that the volunteers and paid workers in CABx do. It is sometimes a stressful job, as I found out, and it can take half a day, which is a whole shift, to sort out the various problems that some clients have.

I will not go into what CABx do in every detail, but they deal with benefits, debt, consumer debt and housing. Even on issues with which they do not deal, they can find a way of getting advice and contacting those with expertise for people who come to them and ask for help. They do a magnificent job.

There are a couple of issues that I want to raise with the minister, which I hope he will take on board. The first has been mentioned by everyone, and it is the funding situation. I was shocked to find that the moneys that CABx in the Glasgow area are getting in 2004 are the same as they got in 2003. There is no rise.

Glasgow is the worst city in Scotland for poverty, so I would have thought that it was essential for more moneys to go into CABx. Parkhead CAB is to close for two days a week and Easterhouse CAB is to lose one worker. They contacted me to say that that will have a detrimental effect on their services. That is due to lack of funding. I hope that the minister will take that point on board. I know that people mention money all the time, and that CABx are a council responsibility, but councils get money from the Executive. I would like the Executive to address that.

The other issue that I want to mention—Mike Watson touched on it—was raised with me by Parkhead CAB, Bridgeton CAB, Castlemilk CAB, Drumchapel CAB, Maryhill CAB, Greater Pollok CAB, greater Easterhouse money advice project and West Glasgow Against Poverty; it is the situation with Glasgow City Council, which is asking CABx to use the money advice casework system. If they do not do that—and CABx are saying that they cannot do that because it would breach confidentiality—the council has said that they will not get any new moneys or be able to access the money they get just now. A letter that I have states that MACS is the preferred system of the Scottish Executive. That is worrying. People have contacted me and other MSPs about it, because nothing can happen until the system is up and running. As CABx state in their newsletter, confidentiality is the main thing, but with that system they will be unable to provide it. I would like the minister to address that.

I thank all the workers in CABx throughout Scotland for all the hard work that they do.

17:42

Jackie Baillie (Dumbarton) (Lab): I join colleagues in congratulating Bill Butler on securing the debate. While it gives us an opportunity to be wonderfully parochial, it is important that we recognise the work of citizens advice bureaux and Citizens Advice Scotland.

Let me start by paying tribute to Dumbarton CAB, which serves a catchment area that includes communities that experience disadvantage, with higher than average levels of unemployment. That shows, because in the last year the CAB dealt with almost 10,000 cases, ranging from benefit inquiries to consumer issues.

An increasingly significant area of work is debt. Let us consider the scale of that for a minute, because that is where I want to focus my comments. Dumbarton CAB dealt with 952 debt cases totalling more than £1 million. That is significant. In that context, let me pay tribute to Citizens Advice Scotland for its social policy work, because it is based on the experience of clients—it is not just theoretical—it is practical, it is real, and it helps to inform our actions in Government. CAS also makes a valuable contribution to the cross-party group in the Scottish Parliament on tackling debt.

A key part of the social policy work of CAS is its 2004 report “On the cards”, which resulted from a detailed survey of debt clients throughout the country. I say to Mary Scanlon that she is wrong: debt has a disproportionate effect on poor communities. They are predominantly communities with low incomes, and they do not have the disposable assets of others to deal with their debts. That is backed up by the survey. Half of the people who were surveyed had a monthly household income of less than £800. A quarter of them had incomes of less than £400. Two in five debt clients mention low income as the most significant reason for their debt. A fifth of debt clients are lone parents, and of those two thirds have credit card debts.

The Deputy Presiding Officer: You have one minute.

Jackie Baillie: Thank you for that reminder, Presiding Officer. I will come swiftly to what I think we need to do. There is an issue for us as a Parliament—and for our colleagues at Westminster—to encourage responsible lending and to examine access to alternative, affordable sources of credit, such as credit unions, but also to challenge the mainstream institutions. We need to broaden access to the debt arrangement scheme to those with limited disposable incomes. I welcome the Executive-sponsored research group that is starting to examine that. Access to free, independent and confidential advice for all is essential. CABx have a pivotal role in our communities and, like other members, I commend the staff and volunteers for all their work.

17:45

Margaret Mitchell (Central Scotland) (Con): I, too, congratulate Bill Butler on securing this important debate. Last Friday, I visited the CAB in Airdrie to attend the launch of the Lanarkshire website, which is very user friendly and has a wealth of information on many issues. I was particularly impressed by the range of advice that the office provides, the partnerships, the outreach service and the specialist advice units. Everything is covered, from advice on money, welfare rights

and redundancy, to an in-court advice service. In short, the office is thriving and delivers an excellent service.

It is important to note that that level of service is possible only because 90 per cent of CABx workers are skilled and trained volunteers. In turn, that means that people who find themselves in difficult circumstances can be reassured that the advice that they access is not only free, but impartial, confidential and non-judgmental. I hope that local authorities that have access to funding for advice services and debt counselling, including the new funding for the forthcoming debt administration scheme, will bear that point in mind when deciding how best to deploy the money.

17:46

Donald Gorrie (Central Scotland) (LD): I want the minister to ensure that core funding is provided for citizens advice bureaux and that that should be secure from year to year as long as they deliver. That is the key point. Bureaux can be entrepreneurial and get more money for projects, but core funding must be in place. If that is provided by local authorities, the system must be monitored. Some local authorities gave all the additional debt funding to CABx; some gave none to CABx and merely built up their own empire; and some did a bit of both. The outcomes of advice given and the number of people who are helped must be monitored. I am sure that CABx would demonstrate a really good result in that process. If the in-house local authority people did the same, that would be fine.

Funding should also take account of the training element. As members have said, many people go from CABx into employment, which should generate cash from the Executive. There should also be more money to help recruit more volunteers.

The Deputy Presiding Officer: My regrets to the remaining members who wish to speak, but I must now ask Lewis Macdonald to respond to the debate.

17:47

The Deputy Minister for Enterprise and Lifelong Learning (Lewis Macdonald): I, too, congratulate Bill Butler on securing the debate. The Scottish ministers are aware of the excellent work of citizens advice bureaux throughout Scotland and of Citizens Advice Scotland. Only last week, Margaret Curran met Kaliani Lyle, the chief executive of Citizens Advice Scotland. I understand that the meeting was constructive.

As other members have declared an interest in the debate, I confess that I was for some time a member of the management committee of

Aberdeen citizens advice bureau. Therefore, like other members, I have seen at first hand the work that CABx do and the particular challenges that they face in the delivery of services.

There are many examples of fruitful relationships between Government and CABx. Several Scottish Executive departments work with CABx to support the delivery of services where, how and when people need them. Citizens Advice Scotland receives core funding from the UK Department of Trade and Industry, which reflects the role of bureaux in addressing issues such as consumer credit, welfare benefits and employment issues. I assure members that we keep in close touch with colleagues in the UK Government on consumer credit and other issues.

I agree with the points that a number of members made about the growing importance of debt in the work of CABx and in the priorities that Government sets. Members have described the growing burden of debt, the growing borrowing commitments that many people, particularly those with low incomes, face and the critical importance of free and high-quality money advice to allow people to take control of and do something about their situation.

Mary Scanlon: Earlier, I mentioned a point that citizens advice bureaux in the Highlands have raised with me, which is that because most of the new money for the debt arrangement scheme and money advisers will be awarded on the basis of deprivation, most of it will go to Glasgow. Does the minister agree that some of that money should be distributed to areas such as the north-east and the Highlands, which are not quite as high in the deprivation category?

Lewis Macdonald: The important thing is that the money is there for a purpose. The purpose of the funding is to address debt issues where they arise, and the money has been distributed on that basis. It is right that decisions about how the funding is provided should often be made at a local level. It is because of the Executive's recognition of the growing burden of debt and its pressure on communities throughout Scotland that significant funds have been put in place.

There is £3 million of on-going funding, which provides for 120 money advisers across Scotland, half of whom are based in the voluntary sector, including in CABx. Earlier this year, Mary Mulligan announced a funding package of an additional £4 million to support money advice in Scotland further. Such funding is often directed towards specific advice projects for vulnerable groups such as lone parents, people with learning disabilities, young people and minority ethnic groups.

We want to ensure that resources are available to meet increasing demands. Therefore, £2 million

of the additional funding will be distributed through the money advice sector to help meet demand arising from the introduction of the debt arrangement scheme, which will provide a positive opportunity for managed repayment of multiple debt while protecting the debtor from enforcement action. As Jackie Baillie mentioned, that will be backed up with research to identify precisely where issues are arising.

We want to help improve the quality of advice that CABx and others are able to provide, recognising the critical importance of training for those who work in the sector. We are therefore providing support for money advice training, resources, information and consultancy services—MATRICS.

The matter of varying levels of support from local councils to local CABx has been raised. It is right that local authorities should provide the core funding for CABx, because councils are best placed to decide on the allocation of resources according to the needs of local areas. In general, councils recognise the quality of service that their communities receive from CABx. We believe that both councils and bureaux should build on that and that they should work together to resolve any issues that have arisen, whether they be around funding or around other factors. The Executive does not take a line and intervene on such discussions, which are clearly best conducted at local level.

We are keen to support advice services that are delivered where and when they are most needed. I think that it was Bill Butler who referred to the in-court advice service, which is an excellent example of a service that has been developed from a focus on the needs of the client being met where that is most required. That makes high-quality advice available to people who might approach a court of law feeling unprepared for the experience and unaware of the advice that they can receive.

I was delighted to join in the launch of the Aberdeen court advice project, in my constituency, earlier this year. Such projects are funded in every sheriffdom in Scotland through the Justice Department. They are an indication of our commitment to access to justice, and they represent a recognition that CABx, which run the majority of projects, are well placed to assist with that.

Hospitals, like courts, are places where people end up in distress, often unprepared and often with issues on which they need advice. That advice can make a tremendous difference to the outcome of their visit. I am delighted that the health ministers have agreed to fund Citizens Advice Scotland to develop a model for an independent advice and support service for those

wishing to raise concerns in the national health service; that will give valuable support to many people who are going through difficult periods in their lives.

We recognise that the services that are provided by CABx would not exist without volunteers. We recognise the crucial role that volunteers play in CABx and across the sector. At the same time, CABx are rightly proud of the professionalism of the service that they provide to people throughout the country.

I acknowledge the hard work and commitment of the citizens advice bureaux and their staff, which has been highlighted by members today and celebrated through advice week. The dedication and motivation of those who work in the bureaux make the most difference to the lives of their clients and of many people who are facing issues in Scotland today.

Meeting closed at 17:54.

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