

# **MEETING OF THE PARLIAMENT**

Thursday 14 April 2005

Session 2

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# CONTENTS

Thursday 14 April 2005

## Debates

Col.

<b>COUNCIL TAX</b> .....	15969
<i>Motion moved—[Alasdair Morgan].</i>	
<i>Amendment moved—[Tavish Scott].</i>	
<i>Amendment moved—[Mr Brian Monteith].</i>	
Alasdair Morgan (South of Scotland) (SNP) .....	15969
The Deputy Minister for Finance and Public Service Reform (Tavish Scott) .....	15972
Mr Brian Monteith (Mid Scotland and Fife) (Con) .....	15973
Bristow Muldoon (Livingston) (Lab) .....	15976
Mr Bruce McFee (West of Scotland) (SNP) .....	15978
Margaret Smith (Edinburgh West) (LD) .....	15979
Ms Wendy Alexander (Paisley North) (Lab) .....	15982
Mark Ballard (Lothians) (Green) .....	15983
Brian Adam (Aberdeen North) (SNP) .....	15985
John Swinburne (Central Scotland) (SSCUP) .....	15986
Colin Fox (Lothians) (SSP) .....	15987
Michael McMahon (Hamilton North and Bellshill) (Lab) .....	15988
Mr David Davidson (North East Scotland) (Con) .....	15990
Tavish Scott .....	15992
Mr John Swinney (North Tayside) (SNP) .....	15993
<b>NUCLEAR POWER</b> .....	15997
<i>Motion moved—[Richard Lochhead].</i>	
<i>Amendment moved—[Allan Wilson].</i>	
<i>Amendment moved—[Alex Johnstone].</i>	
<i>Amendment moved—[Chris Ballance].</i>	
Richard Lochhead (North East Scotland) (SNP) .....	15997
The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson) .....	16000
Alex Johnstone (North East Scotland) (Con) .....	16002
Chris Ballance (South of Scotland) (Green) .....	16004
George Lyon (Argyll and Bute) (LD) .....	16006
Dr Elaine Murray (Dumfries) (Lab) .....	16007
Rob Gibson (Highlands and Islands) (SNP) .....	16009
Mr John Home Robertson (East Lothian) (Lab) .....	16010
Stewart Stevenson (Banff and Buchan) (SNP) .....	16011
Mr Mark Ruskell (Mid Scotland and Fife) (Green) .....	16013
Nora Radcliffe (Gordon) (LD) .....	16014
David Mundell (South of Scotland) (Con) .....	16016
Allan Wilson .....	16017
Bruce Crawford (Mid Scotland and Fife) (SNP) .....	16019
<b>QUESTION TIME</b> .....	16022
<b>FIRST MINISTER'S QUESTION TIME</b> .....	16030
<b>QUESTION TIME</b> .....	16042
<b>SKILLS</b> .....	16058
<i>Motion moved—[Mr Jim Wallace].</i>	
<i>Amendment moved—[Jim Mather].</i>	
<i>Amendment moved—[Murdo Fraser].</i>	
The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace) .....	16058
Jim Mather (Highlands and Islands) (SNP) .....	16063
Murdo Fraser (Mid Scotland and Fife) (Con) .....	16066
Christine May (Central Fife) (Lab) .....	16070
Stewart Stevenson (Banff and Buchan) (SNP) .....	16072
Mr Brian Monteith (Mid Scotland and Fife) (Con) .....	16074
Des McNulty (Clydebank and Milngavie) (Lab) .....	16075
Mr Andrew Arbuckle (Mid Scotland and Fife) (LD) .....	16077

Mr Adam Ingram (South of Scotland) (SNP) .....	16079
Cathie Craigie (Cumbernauld and Kilsyth) (Lab) .....	16080
Shiona Baird (North East Scotland) (Green) .....	16082
Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP) .....	16084
Richard Baker (North East Scotland) (Lab) .....	16086
Robert Brown (Glasgow) (LD) .....	16088
Lord James Douglas-Hamilton (Lothians) (Con) .....	16091
Alex Neil (Central Scotland) (SNP) .....	16093
The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson) .....	16096
<b>DECISION TIME</b> .....	16101
<b>HANNAH RESEARCH INSTITUTE</b> .....	16115
<i>Motion debated—[Phil Gallie].</i>	
Phil Gallie (South of Scotland) (Con) .....	16115
Mr Adam Ingram (South of Scotland) (SNP) .....	16117
Irene Oldfather (Cunninghame South) (Lab) .....	16119
John Scott (Ayr) (Con) .....	16120
Alex Neil (Central Scotland) (SNP) .....	16121
Ms Rosemary Byrne (South of Scotland) (SSP) .....	16123
Chris Ballance (South of Scotland) (Green) .....	16124
Jim Mather (Highlands and Islands) (SNP) .....	16125
The Deputy Minister for Environment and Rural Development (Lewis Macdonald) .....	16126

## Oral Answers

**Col.**

<b>QUESTION TIME</b>	
<b>SCOTTISH EXECUTIVE</b> .....	16022
<b>GENERAL QUESTIONS</b> .....	16022
Eco-schools .....	16027
Infected Cadavers (Handling Guidelines) .....	16029
Institutional Child Abuse .....	16025
Outdoor Education .....	16026
Sewage Pollution .....	16023
State Hospital, Carstairs .....	16022
<b>FIRST MINISTER'S QUESTION TIME</b> .....	16030
Cabinet (Meetings) .....	16030
Economic Strategy (Employment) .....	16037
Fresh Talent Initiative .....	16039
Prime Minister (Meetings) .....	16032
Secretary of State for Scotland (Meetings) .....	16035
Trade and Industry .....	16040
<b>QUESTION TIME</b>	
<b>SCOTTISH EXECUTIVE</b> .....	16042
<b>ENTERPRISE, LIFELONG LEARNING AND TRANSPORT</b> .....	16042
A8000 .....	16046
Bus Services .....	16045
Competitiveness .....	16048
Hydro-electric Power .....	16048
M74 (Economic Benefits) .....	16043
Workplace Skills (Young People) .....	16042
<b>JUSTICE AND LAW OFFICERS</b> .....	16050
Civil Law Review .....	16054
Crimestoppers .....	16056
Fatal Accident Inquiries .....	16050
Her Majesty's Prison Kilmarnock .....	16052
Home Detention Curfews .....	16051
Offending on Bail .....	16055
Prisons (Drug Rehabilitation) .....	16053

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# Scottish Parliament

Thursday 14 April 2005

[THE PRESIDING OFFICER *opened the meeting at 09:15*]

## Council Tax

**The Presiding Officer (Mr George Reid):** Good morning. The first item of business is a debate on motion S2M-2693, in the name of Alasdair Morgan, on council tax.

09:15

**Alasdair Morgan (South of Scotland) (SNP):** I congratulate the people who have made it in this morning for the earlier start.

When the council tax first came into force in April 1993, the majority of people breathed a sigh of relief that the manifest unfairness and inequities of the poll tax had been put to one side and hoped that they had got something better—something that was simpler to administer and not too inequitable. However, I believe that mature reflection on a lot more than 10 years' experience has led most people to believe that the council tax is neither simple nor equitable. Back then, the impact of the council tax was relatively small and so the lack of correlation between the level of the tax and the taxpayer's ability to pay it was not seen as a huge problem for most people.

However, all that has changed. It changed under the Conservatives and, my goodness, it has changed under the Labour Party and its coalition partner, the Liberal party. It has changed so much that the tax has gone up by 55 per cent since 1997, while inflation has gone up by just over 10 per cent. The sheer size of the tax has transformed what was for most people a tolerable unfairness in 1993 into a real and pressing problem. Poll results from earlier this week show that a large majority of people in Scotland want to move away from the current council tax to a tax based on income. No wonder: under the current system several relatively good wage earners might live in a modest property with a low council tax while at the opposite end of the scale others, particularly those on fixed incomes or pensioners, might live in larger houses, the value of which bears no relation to their present income and might never have borne any relation to that income, depending on the family history and that of the house.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** I am pleased that the member can see me in the glare from my suit. [*Laughter.*] Does the member accept that the available statistics show

that there is a correlation between levels of income and the band set and that in order to make his point he is extrapolating the extremes?

**Alasdair Morgan:** That is my point. Because the correlation is neither necessary nor obvious, the tax itself has become so complex in order to out some of the inequities that it is now becoming as bad as the poll tax was—about which the member and his Government had exactly the same problems.

The other selling point of the tax back in 1993 was that it was simple to administer, especially compared to the reliefs that were involved in getting over the inequities of the poll tax. However, the council tax is not cheap to administer. It requires a system of valuing properties, which would not be required if the tax did not exist. It requires a separate system of collecting the tax, which would not be required if the tax did not exist. It requires a complex set of reliefs to address its problems, which would not be required if the tax did not exist. As desperation sets in as an election looms the Chancellor introduces a temporary, one-off set of bribes, which would not be required if the tax did not exist. Finally, we face the prospect of a revaluation exercise, which has already taken place in Wales, which would not be required if the tax did not exist.

Let us talk about the revaluation exercise, which, despite the text of the Executive amendment, is being talked about in Government circles, along with a potential increase in the number of bands, as a way to solve the problem of the council tax, which even the Government admits exists. A revaluation and/or a rebanding would be of assistance only if there were a strong link between the value of one's property and one's ability to pay the tax. The hard fact is that, despite what Mr Monteith says, there is no necessary or sufficient connection between the income of people living in properties and the value of the properties.

In many cases revaluation might even exacerbate the unfairness. Given that the current value of a house has no necessary relation to a person's ability to pay the tax, it follows that changes in property values, which underlie the revaluation, can have absolutely nothing to do with a person's income, particularly where people have been living in a property for a considerable time.

The Welsh experience shows that the impact of revaluation is not negligible—which is the whole point of the exercise. Well over 25 per cent of properties move up one band and just under 5 per cent of properties move up two bands.

We face the prospect that people, particularly those on fixed incomes, who have lived in a house since before the council tax was invented but whose house happens to be in an area where

house prices have risen, will find that not only has their council tax increased by the amount of the poundage increase—which I remind members is 55 per cent since 1997—but that they have moved into a higher council tax band as a result of property price increases from which they have gained no benefit whatever and indeed will gain no such benefit until they die.

Unless the Government is telling us that it believes that people have to sell their house and move to a cheaper one in order to pay the tax, it really has to come up with a fairer system of levying taxes for the provision of local services.

**The Deputy Minister for Finance and Public Service Reform (Tavish Scott):** I presume that Mr Morgan accepts what is in our amendment, which is that there will be no revaluation—ministers have already decided that.

**Alasdair Morgan:** Yes, well, what is said before an election is often not the same as what happens after an election. It is amazing how all the themes in all elections throughout the United Kingdom tend to cross and are interchangeable. I might read the minister's lips, but I am prepared not to be surprised when something different happens in the final event.

It is time for parties to stand up for what they think is right. To the Liberal party members I say that I do not think there is anything in the Scottish National Party motion with which they should disagree. To the Labour Party members I say, look back at the party's long history in relation to the council tax. There have been innumerable inquiries into the rating system since well back in the 19<sup>th</sup> century, which is one reason why I am a bit cynical about the latest one. For the Labour Party members I select just one such review, which I remember studying in economics at university. I refer to the Sorn committee report—the report of the Scottish Valuation and Rating Committee of September 1954—which is well down the list of committees that have looked into the problem. The report states:

"In their evidence the Labour Party have stressed the inequalities involved in rating ... property from the point of view of ability, and have suggested that ... the burden of local taxation ... should be raised by a form of local income tax."

I rest my case.

I move,

That the Parliament notes that the council tax has increased by 55% since 1997; further notes that the council tax is a regressive form of local taxation which penalises those on low incomes and pensioners and is overwhelmingly rejected by the people of Scotland and that the revaluation of the council tax in Wales has resulted in more than one-third of properties moving up by one band or more, and agrees that there should be no revaluation of properties in Scotland and that the unfair council tax should

be abolished and replaced by a fair system of local taxation.

09:23

**The Deputy Minister for Finance and Public Service Reform (Tavish Scott):** It is a great pleasure once again to take part in a debate on local government finance, and the council tax in particular, and to set out the Executive's position on the future of local taxation in Scotland. I appreciate the early start. At least Mr Morgan is dressed soberly, which perhaps cannot be said for Mr Monteith in his suit; however, I bow to his sartorial elegance once again.

After the 2003 election, this devolved Government made a commitment in the partnership agreement to set up an independent review of local government finance. We have delivered on that commitment. Local taxation is an important issue that affects us all. During our lives we will all at some time use the vital services that local government provides. We need to have the right system in place to provide the funds that local authorities need to carry out their tasks and responsibilities. It is no secret that there are different views on what that system should be; there are different views even within the coalition. That is what the independent review that we have established is now examining and we will need to wait to see what conclusions it reaches.

**Alasdair Morgan:** Does Mr Scott accept that the history of all the investigations into this subject should not fill the chamber with a great deal of hope that something may come out at the other end?

**Tavish Scott:** I am not quite as worried or cynical—perhaps it is unfair to use that word—as Mr Morgan, although I accept that these issues are complex. I cannot remember back as far as 1954, but I grant that we have considered the issues in detail in the past. That is not to say that we should not review where we are and examine the issues again.

Sir Peter Burt's review committee has made an excellent start to its work, and the recent consultation has received more than 300 responses. The extended deadline for responses is tomorrow, and I trust that all political parties have grabbed that important opportunity to contribute. The committee has been set a challenging remit. As Mr Morgan rightly said, it is not the first review of local government finance: a number of studies have been conducted both north and south of the border. The Layfield committee, which pursued arguably one of the most far-reaching inquiries, reported in 1976. In the event, however, it could not decide between a property-based tax and a local income tax.

Perhaps that was the point that Alasdair Morgan was making earlier.

More recently, the House of Commons and the former Local Government Committee have concluded reviews of local government finance. The report of the former Local Government Committee, which was published in March 2002, included several recommendations covering council tax, non-domestic rates and the need to strike a balance between Scottish Executive funding and council tax funding of local services. Although it is clear that there are no easy answers, that should not prevent our seeking the best answer, which is what Sir Peter Burt's committee has been charged to do.

Members will know, from the review committee's recent consultation paper, that it has approached its remit in a thorough and comprehensive way. The committee has made it clear that its consideration will cover options for property-based local taxation, including the council tax, domestic rates and land value tax, and options for non-property local taxation, including a local income tax. If the Tories wish, they can re-submit Michael Howard's poll tax—they will find the spirit of openness very welcome. I trust that all members who have views on those or any other options will have responded to the committee, giving their reasons and evidence.

The Scottish Executive acknowledges and understands the concerns about the present council tax system, which reflect the concerns about the previous system. We all want a system of local taxation that is fair, reliable, predictable and stable. Those are the themes on which we will assess systems of local taxation. I will not speculate on what the review may conclude, but I guarantee that we will examine the review committee's recommendations carefully and act on them.

I move, as an amendment to motion S2M-2693, in the name of Alasdair Morgan, to leave out from the first "council tax" to end and insert:

"Scottish Executive has established the independent inquiry into local government finance consistent with the Partnership Agreement of May 2003; notes that, because of the ongoing inquiry, there are no plans for a council tax revaluation in Scotland; notes that the Labour Party has submitted clear and detailed proposals to support changes to the council tax and that the Liberal Democrats have submitted clear and detailed proposals to support a local income tax, and therefore encourages all parties and others to make submissions to the inquiry."

09:28

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** Some members may think that I have not been home for three days, as it was three days ago that the sun came out and I donned this bright

suit. As a Hibs-supporting Tory, I hope that the sun may come out following Hibs' victory last night. However, I must press on.

Given the way in which council tax is often portrayed in the chamber, one could be forgiven for thinking that it is the only tax that pays for local council services and that, were it to be abolished, the complaints about high levels of taxation and its unfairness would vanish. Once those two big lies are confronted and exposed, we see that it is not the type, but the level of taxation that is the problem. The level of taxation for local services is too high, and the proposals for a local income tax will not cut the total tax that is taken from the public; a local income tax will simply concentrate a greater share of the burden on a smaller number of people who will have to pay substantially more. What is needed is a cut in taxes for everyone; so let us confront those two big lies.

**Shona Robison (Dundee East) (SNP):** Will the member give way on that point?

**Mr Monteith:** I would like to make some progress. I shall take interventions later.

When the council tax was introduced, it was accompanied by an increase in VAT of 2.5 per cent so that the level of local taxation could be reduced. Indeed, we can see from any objective analysis that council tax contributes only between 20 and 25 per cent of local council spending, depending on which measurement is used. The rest of a council's income comes from direct charges, business rates and a very large central Government grant that is paid for by VAT, income tax and other taxes and duties that feed into the Scottish block grant. Nobody can deny that those who earn more contribute more through a combination of their direct income tax and their indirect consumption of goods and services for which they pay further taxes. Furthermore, those who are on low incomes are not only more likely to live in properties that are in a lower band—as the evidence shows—meaning that they pay less council tax; they are also entitled to council tax benefit. That is important.

**Margaret Smith (Edinburgh West) (LD):** Does Mr Monteith accept the fact that around 40 per cent of pensioners who are eligible for council tax benefit do not claim it and that an awful lot of people who are living on low incomes in property hotspots such as Edinburgh are penalised twice because of the system?

**Mr Monteith:** I have two things to say to Margaret Smith. First, if we need a debate about where the line should be drawn for council tax benefit so that more people might realise that they are eligible for it and might benefit from it, I am all for having that debate; I have an open mind as to whether that line should be redrawn. Secondly,

even if the member were not to agree with that, I hope that she would agree that the policy of giving a 50 per cent discount to pensioner households would alleviate the problem that she suggests exists and which I believe exists. The Conservatives have come up with the solution that she should support.

**Mr John Swinney (North Tayside) (SNP):** Will Mr Monteith give way?

**Mr Monteith:** No, I must make some progress before I take more interventions.

There is no escaping the fact that council tax covers only a fraction of local council services, and it is interesting to note that the proposals for local income tax are based on covering that same fraction. They involve the same amount of money and do not offer an underlying cut in local taxes. What is being offered is a different tax that would see hard-working people, who already contribute heavily, paying even more.

The proposals from the Liberal Democrats and the SNP are flawed. The Liberal Democrats have not, for instance, taken account of the millions of pounds in council tax benefit that goes from the Treasury towards council spending. That amount would have to be picked up by the local income tax payer. The SNP at least acknowledges that the gap in funding exists, but it says that we should still receive that council tax benefit. That is self-delusion. We could not expect to get a benefit that is meant for those who are on low incomes if we had a local income tax that was designed to impact less on those who are on low incomes. The Liberal Democrats' solution is even worse, as their tax is based on a transfer of funds that would come from their 50 per cent top-rate income tax on those who earn more than £100,000 a year.

**George Lyon (Argyll and Bute) (LD):** Will Mr Monteith give way?

**Mr Monteith:** I think that I am running out of time.

**The Presiding Officer:** You are in your last minute, Mr Monteith.

**Mr Monteith:** It has been shown that there is a deep, black hole in the Liberal Democrats' estimate of the tax take from that 50 per cent tax on those who earn more than £100,000 a year. It would not deliver the subvention that would be required.

It is important that we cut taxes for everyone by looking at the job and the responsibilities of local authorities and deciding what amounts should be raised by local taxation. The proposals that the Conservatives have made for funding schools directly—not cutting education spending—could bring a council tax cut for everyone of, on average, 35 per cent. They would address the concerns that

are being raised about council tax and return it to a level at which there would be no pain for people in paying it.

I move, as an amendment to motion S2M-2693, in the name of Alasdair Morgan, to leave out from “; further notes” to end and insert:

“and that it is this large rise, and not the tax itself, that has made the cost of local council services a greater political priority and a punishing burden for so many Scottish households; believes that to offer a sustainable and fair solution, therefore, a complete review is required of local authority responsibilities and direct payment of some of these by the Scottish Executive so that council tax may be substantially cut; notes that only the Conservatives are offering such a seismic shift by transferring the full cost of schools to the Executive's Education Department which could result in a 35%, or £384, reduction in Band D council tax for every household, while proposals for a local income tax would maintain the existing total tax take and would only change who pays what amount, and believes that Labour's proposal for the introduction of a new top band will place a disproportionate burden on a small minority, while a new lower band will be of major benefit to the Treasury through reduced council tax benefit payments.”

09:34

**Bristow Muldoon (Livingston) (Lab):** I apologise to you, Presiding Officer, and to the opening speakers of the other parties for missing the opening speeches. I made the error of forgetting that we have moved to a 9.15 start.

In choosing to debate this issue today, the SNP shows that it is a desperate party that knows that its election campaign is in meltdown. It is desperately trying to focus on this issue because it believes that that may win it votes; however, it is mistaken in believing that. It is inept as well as desperate. *[Interruption.]* We will see, in the course of the election campaign, whether I am proved to be right.

I will start by talking about the problems of a local income tax. Local income tax would be problematic for a number of reasons. First, it would be far more complex and difficult to collect than the current local property-based taxation. It would also introduce large variances.

**Mr Swinney:** I would be grateful if Mr Muldoon would spell out what makes a local income tax more difficult to collect than the national income tax that is collected every single month of the year from everyone's pay packet.

**Bristow Muldoon:** Quite simply, there is only one rate for national income tax. Local income tax would mean 32 different rates. Apart from that, it would be easier to evade because it would be more difficult to track down the local authority area in which someone was living.

**Mr Bruce McFee (West of Scotland) (SNP):** Will the member give way?



**Bristow Muldoon:** No, I have taken an intervention from an SNP member already; I wish to make some progress.

Local income tax would also be less stable than a property-based tax. For example, a couple of years ago West Lothian was faced with the electronics industry crisis and thousands of people lost their jobs overnight. What would have been the impact on local services in West Lothian of the reduction in income from a local income tax at that time? It would have been devastating for that local authority, unless the Government had come in with large sums of money to bail it out.

Another problem is that a local income tax puts the burden on to those people who pay income tax and declare all their income. Those who evade the current income tax system would end up paying no local taxation either.

**Mr McFee:** Will the member give way on that point?

**Bristow Muldoon:** No; I have only four minutes.

The correct way forward is a review of the council tax system. It has its problems, but it can be made fairer. That is why Labour is arguing that we should increase the fairness of the council tax by introducing additional bands at the bottom and top of the scale. The Chancellor of the Exchequer also acknowledged the impact of the council tax on pensioners with the recent announcement of the £200 payment to assist with pensioners' council tax. We should be trying to make the council tax fairer.

Local income tax would also introduce deviations in the local economies throughout Scotland. Different parts of Scotland have different average levels of income.

**Stewart Stevenson (Banff and Buchan) (SNP):** Will Bristow Muldoon say whether he voted for the Parliament to have the power to vary income tax? How does he square that with denying local councils the opportunity to vary tax through the income tax system?

**Bristow Muldoon:** Of course I did; I voted yes, yes in the referendum, and it is absolutely right that the Parliament should have the power to vary income tax. This is a Parliament.

Giving local councils the opportunity to vary income tax and having wide variations in local income tax would produce a lot of problems for local economies. For example, if two local authorities were to have significantly different levels of local income tax, the problem would be not just fiscal flight from Scotland to England as a result of higher income tax, but fiscal flight from one local authority area to its neighbours, denuding many areas of the middle-class

professionals on which they rely to provide local services and the stimulus to the local economy.

The local income tax would hit working families the hardest. It would increase tax for all Scots who pay tax by up to 5 per cent. Thankfully, the SNP cannot win this election and so cannot introduce the tax now, but I look forward to them campaigning on it in 2007.

09:39

**Mr Bruce McFee (West of Scotland) (SNP):** Council tax has risen by a massive 55 per cent since the Labour Party came to power in 1997. That was caused by the deliberate transfer of taxation from national to local government, the creation of new burdens for local authorities and the partial funding of new initiatives, particularly by the Scottish Executive. Additionally, for many areas, as Bristow Muldoon so ably displayed, there were added problems with incompetent Labour councils. That has resulted in an average band D council tax in Scotland of almost £1,100 per year, or £110 per month on the 10-month instalment plan. That excludes charges for water and sewerage.

As council tax bills have rocketed, the Achilles heel of the tax has become ever more evident; it takes little account of the ability to pay. As a result, the poorest sections of society—pensioners, low-paid workers, the working poor and those on fixed incomes—are now spending an increasing proportion of their income on their council tax bills.

As I said, council tax takes very little account of the ability to pay, and that brings me nicely to means testing and the rebate system. Twice a year, pensioners, those on benefits, and the low paid are required to complete council tax rebate forms. The system forces pensioners in their 60s, 70s and 80s to fill in multiple page forms, to provide details such as copies of their bank accounts or bank statements, to send proof of their small occupational pensions and to answer inquiries into every aspect of their financial affairs.

**Michael McMahon (Hamilton North and Bellshill) (Lab):** Will the member take an intervention?

**Mr McFee:** No. The member would not take one from me.

**Michael McMahon:** I have not spoken yet.

**Mr McFee:** The member's colleague would not take an intervention from me and we have heard enough from Mr McMahon already.

In short, the system treats pensioners as if they were criminals. Many of our senior citizens find the system intrusive and degrading and, after a

lifetime of work, our elderly citizens should not be means tested for a miserable rebate.

**Michael McMahon:** Does the member agree with his colleague, Mr MacAskill, who said that the SNP should consider targeting benefits in the way that you are now describing?

**Mr McFee:** I am saying that there should be a local income tax that is based on the ability to pay, and at one time the Labour Party would have supported us in that aim.

Not all our pensioners receive full or partial council tax rebates. A small occupational pension is more than enough to rule someone out of receiving a rebate even if it takes them only a few pounds over. Indeed, it is not even necessary to have an occupational pension to be ruled out of receiving a rebate. Many pensioners who receive graduated pensions, often for working all their lives, find themselves paying full council tax.

**Alex Johnstone (North East Scotland) (Con):** Will the member take an intervention?

**Mr McFee:** I am sorry but I need to make some progress.

That is one of the many reasons why the SNP supports the abolition of the council tax and says that it should be replaced by a local income tax that is based on the ability to pay.

Our replacement tax system means that if someone does not pay basic rate or higher rate income tax—and that excludes those who pay tax at the lower rate of 10 per cent—they will not pay local income tax. However, if they pay basic or higher rate income tax, they will pay local income tax at approximately 4.5p in the pound of taxable income, and there will be higher allowances for pensioners. In all cases, of course, there would be no council tax because it would be abolished by the introduction of local income tax.

Because local income tax is income based and deducted at source, means testing would be abolished at a stroke along with the costs of a separate collection system, administration of the rebate system and much of the inequality of a property-based system.

I am right out of time, but I would have loved to deal with the fantasy politics of the Tories or the election bribe of the Labour Party—described by Help the Aged Scotland as a “grotty little bribe”—but time does not allow.

09:43

**Margaret Smith (Edinburgh West) (LD):** The council tax is undoubtedly an unfair tax. That is why Liberal Democrats and other parties have been campaigning against it across the country.

Partly because of the gearing effect, council tax rises have consistently outstripped inflation and placed a growing and unacceptable burden on council tax payers. That is why we secured an independent review of local government finance as part of the partnership agreement. We must make sure that any system is fair and efficient, that it keeps decision-making powers and accountability with local councils and that it assists those who are in greatest need. We support the Executive's amendment because it is a simple statement of that fact. Meanwhile, the SNP motion does not even mention a local income tax. The clear fact is that Liberal Democrats secured that independent review, and we have submitted our consistent view that a local income tax that is based on people's ability to pay represents a fairer system than that which we have at present.

In 2003, the Institute of Fiscal Studies said that 70 per cent of people would benefit from or be unaffected by the introduction of a local income tax. Meanwhile, the council tax penalises those who can least afford to pay. Across the United Kingdom, the poorest 10 per cent pay out more than four times more of their income in council tax than the richest 10 per cent. That cannot be right.

A local income tax would be fairer to pensioners and to people on fixed and low incomes. To penalise pensioners living in the family home in which they have lived for many years simply because their home has increased in value is unfair and bears no relation to their income. In 2002-03, the council tax amounted to 3.67 per cent of gross annual earnings, but it represented a whopping 20.5 per cent of the state pension. People who currently do not pay income tax—which includes 50 per cent of pensioners—would not be liable for local income tax either. Our figures suggest that the average single pensioner would pay about £186 a year.

It cannot be right to carry on with the notion that a property tax, based on the price of someone's home, is a fair tax, when people on average earnings, living in average family homes in areas such as my constituency of Edinburgh West, have seen the value of their homes rocket since 1991 in a way that bears little resemblance to inflation and often little relation to salary increases. That is why we disagree with Labour's position. We do not believe that the council tax can or should be reformed—we believe that it should be axed. We do not believe that revaluation or adding extra bands would improve fairness. In constituencies across Scotland, just as in Wales, that would mean massive increases in council tax bills. In Wales, more than one third of homes have moved up a band. Crucially, some of the worst-hit wards, in which as many as 90 per cent of homes moved upwards, were among the poorest.

I welcome the minister's indication that the Scottish Executive has no plans for revaluation. However, I remain concerned that Labour's submission to the review insists on having extra bands, which would penalise people across Scotland. It is estimated that in places such as Edinburgh and Aberdeen every household would move up a tax band, adding hundreds of pounds—in some cases, more than £1,000—to family and pensioner bills. Those rises would not be limited to high earners. Research carried out by the Local Government Committee in 2002 showed that low-income households in places such as Dundee, East Dunbartonshire, the Western Isles and the Borders would be likely to move up a band and to be subject to increases of up to 28 per cent.

**Mr Monteith:** Does the member agree that the introduction of any new bands would require revaluation, because the value at which those bands were set would have to be calculated? Any new bands would have to reflect the change in property prices since 1991, which would have an impact on all the other bands.

**Margaret Smith:** For once, I cannot argue with Mr Monteith's logic. If we were to take the route proposed by Labour, revaluation would be required.

The council tax is also bureaucratic, expensive to collect and much easier to evade than income tax. We estimate that it costs four times as much to collect £1 in council tax as it costs to collect £1 in income tax. As I said earlier, 40 per cent of eligible Scottish pensioners do not claim the council tax benefit to which they are entitled, allowing the Treasury to keep billions in unclaimed benefit every year.

The 50 per cent reduction for pensioners that Mr Monteith mentioned covers only England. We are campaigning across the United Kingdom to axe the tax and to replace it with a fairer local income tax. Our figures take into account the issue of benefits, which Mr Monteith raised, and the extra cost of collecting water charges. That is why we and the SNP have slightly different figures.

By supporting a fair local tax, set by fairly elected local councillors, we are supporting Scottish councils—unlike other parties in the chamber, which do not trust local authorities to respond to local needs. The SSP's Scottish service tax would take decision making away from local councillors and give it to central Government. The Local Government Committee said that it saw no merit in that suggestion. Bizarrely, the Tories would yet again slash public services. They would asset strip local government of key functions, such as education, and centralise them with people such as Tavish Scott, instead of locally elected councillors.

We all agree that aspects of the present system are unfair. That is why it is right that Peter Burt and his colleagues should consider all the options and bring their findings to the chamber, so that we can act on them as quickly as possible. I hope that they will come down in favour of a local income tax, as we do strongly.

09:49

**Ms Wendy Alexander (Paisley North) (Lab):** I start with a profuse apology to the chamber, because I, too, was not here for the start of the debate. I admit that I had totally, utterly and completely forgotten that the start time for the debate had been brought forward.

In that conciliatory spirit, I start by congratulating the SNP on bringing before us today a policy debate. The best politics is about ideas, and abolishing the council tax is undoubtedly a big idea, although it is not necessarily a good idea. The SNP's parliamentary group should be congratulated on bringing a policy debate to the chamber, because its general election campaign seems to be about anything but policy. On day 1, it was about swords and suits of armour. On the day before yesterday, it was about a fistful of fivers. However, today we have a policy.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** Another idea is that, fundamentally, tax should be progressive and based on the citizen's ability to pay it. Does the member agree with that idea? If so, in the minutes that remain to her will she outline the progressive nature of the council tax?

**Ms Alexander:** I will certainly come to that matter.

I want to make the point that the policy of abolishing the council tax is a touch about telling people what they want to hear. The truth is that no one likes paying taxes. The history of Scottish politics is littered with sagas such as the poll tax, the tartan tax and the Tories' pillorying of Labour's roof tax. Some members are never happier than when they are bleating about the rates—indeed, I have done it myself. Local government taxation is an easy hit for politicians who are interested in hot headlines. However, the punters are not daft and know that services need to be paid for.

Lest I be misunderstood, I make it clear that I have no brief for every aspect of the council tax. However, the problem with the SNP's motion—and some other people's approach to the issue—is that it proposes the abolition not just of the council tax, but of all taxation on domestic property. Why would that be the right thing, as opposed to simply the expedient thing, to do?

We often hear from the SNP about small countries. Interestingly, Austria, Belgium, Denmark, Finland, Greece, Ireland, Italy, the Netherlands, Sweden and Switzerland all have some form of property taxation. So why is it right to do away with that completely?

Sadly, when it comes to easy promises on money matters, the SNP has some form. Last autumn I, along with many others, got serious about how we might reform the financing of the Parliament. I challenged the SNP to name just one country that had chosen the form of fiscal autonomy that it advocates as a way of financing the Parliament. The silence has been deafening. We have had 250 years in which to perfect federalism, but the SNP was unable to find one nation that had got it right. When the issue got too hot to handle, it resorted to the politics of oil—the debate was all about how we could save without first covering the overdraft.

In 20 years of opposition, we in Labour learned that people look for candour from politicians when it comes to making tough choices. That is why Peter Burt, a distinguished banking chief executive, has agreed to consider the case for reform, but not the case for abolishing all property taxation. I recall that just five years ago the SNP believed in asking the experts. Now that seems to have gone out of fashion. The big issue for the SNP is for it to stand up and explain from first principles why all other small countries in the Organisation for Economic Co-operation and Development are wrong when they say that a progressive taxation system should include some taxation of domestic property. I fear that, just as we cannot name one country that has opted for the SNP's form of fiscal autonomy, the silence in the rest of the debate will be deafening.

09:54

**Mark Ballard (Lothians) (Green):** I agree that our present council tax system is not right. However, in my view a system of local income tax would be much worse. The answer is not wholesale abolition and replacement. As Wendy Alexander pointed out, we need a mixed system of taxation that covers land, property and income. The current system should be reformed.

I am concerned that the Liberals and the SNP appear to define the ability to pay not in terms of wealth but solely in terms of earned income. Any system of taxation contains distortions, which is why we need a mixed system of taxation. Stated clearly, the problem that the nationalists and the Liberal Democrats want to address is not ability to pay, but liquidity, and not the absence of wealth, but the situation in which wealth is locked up in land and property.

**Stewart Stevenson:** I am very interested in the member's focus on unearned income and assets. Given that, does he support the Labour Government's very first tax change which, so far, has taken £42 billion out of pension funds and has been and will be a major contributor to present and future pensioner poverty?

**Mark Ballard:** We are not discussing pensions. I believe in a universal citizen's income, which would include a universal citizen's pension. Let me be clear: we are talking about wealth. Over the past few years, the average British house, which is an unyielding and passive bit of real estate, has made as much money for its owner—

**Margaret Smith:** Will the member give way?

**Mark Ballard:** I am sorry—I have to continue.

The owner of the average British house has made as much money from that property as the average Scottish worker has made in earned income. People's wealth is increasing because of property. For example, in 2003-04, the average house made £20,000 for its owner.

**Jeremy Purvis:** Perhaps the member will address my point about the progressiveness of council tax that Wendy Alexander failed to cover. Is the Green party seriously saying to pensioners in my constituency that, because of its support for progressiveness in the council tax, they have to sell their houses and move?

**Mark Ballard:** Every system contains anomalies. We need to tax wealth, because the problem is liquidity: pensioners are asset rich and cash poor, while other people are income rich and asset poor. That is why a system that is based solely on property tax or solely on income tax creates massive distortions. We need a mixed system of taxation that balances such elements.

Let us be clear about where those values come from. There has been a huge increase in the value of property, and a certain element of property value arises from the community's investment in roads, fire services and hospitals. It is right that the community should collect back some of that increase in value in the form of a property tax. That is why we need a mixed system of taxation. Bristow Muldoon was absolutely right to point out that a local income tax would create problems of evasion and avoidance. At the moment, some people in Scotland evade paying any income tax. However, although they can move their incomes offshore, they cannot do the same with their land. That is why, in any system of taxation, we must consider people's ability to pay, based on their wealth. Instead of putting all our taxation eggs in the income tax basket, we need a mixed system of taxation. Council tax should be reformed, not done away with.

09:59

**Brian Adam (Aberdeen North) (SNP):** It is very rare for me to agree with Jeremy Purvis, but today is a wonderful exception. Undoubtedly, the Conservatives, the Labour Party and—as we have just heard—the Greens have a great desire to tax the various forms of capital such as that accrued in a pension fund or in the artificial inflation of property values. However, people who own large or expensive houses and have small incomes have to live somewhere. If we are saying that we have to dissipate that capital to finance a revenue consequence, that is daft economics.

**Mark Ballard:** Will the member take an intervention?

**Brian Adam:** The member should let me develop the point.

It is the same daft economics that Mrs Thatcher applied to the revenues from the dissipation of capital that came from privatisation. That approach has been continued by the present chancellor with regard to the capital that comes from North sea oil, which is being blown as if it were current revenue. We are being asked to continue the same discredited method of taxation on capital, which is a great disincentive to investment and savings for the future. I am surprised that the Conservatives, who tried to encourage people to think about and invest in the future—at least I thought that they did—want to tax that investment, whether it is in the form of a house or anything else. Not only will there be that tax on capital but there will also be capital gains tax. Indeed, if the Conservatives do not get the money when one is alive, they get it when one is dead, through inheritance tax.

We have had some debate about whether there should be a revaluation. Brian Monteith successfully blew a hole in the amendment in the name of Mr McCabe, in that one cannot have Labour's proposals without a revaluation.

**Maureen Macmillan (Highlands and Islands) (Lab):** Will the member take an intervention?

**Brian Adam:** No, thank you.

Even the current arrangements for valuation are nonsense. In my constituency, properties built by the council in the 1940s and 1950s, in estates where hardly any of the houses have been sold, are given the same valuation as houses in Manor and Logie, or in Ruthrieston on the south side of the city—which is regarded these days almost as a leafy suburb—where many houses have been sold. Those properties all have the same capital value. The system is nonsense and does not reflect the true capital value of the properties—it is impossible for the system to do so. The system is expensive to administer and does not in any way

reflect the ability of the people who live in those houses to pay.

**Mark Ballard:** Will the member take an intervention?

**Brian Adam:** No, thank you.

We need much greater correlation between ability to pay and charges. Successive Governments have shifted the various charges. As Mr Monteith rightly pointed out, there was an increase of 2.5 per cent in VAT, so that we would swallow the council tax rather than go back to the discredited rates system. However, since then both Conservative and Labour-Liberal Democrat Administrations have shifted taxation from central taxes to local taxes. That is why, when inflation has gone up by 10 per cent over the past few years, we have had a 55 per cent increase in council tax. We are back at the same point. Indeed, we have also had an introduction of successive—[*Interruption.*] Am I running out of time, Presiding Officer?

**The Presiding Officer:** Yes—you have almost run out of time.

**Brian Adam:** I commend a system of local taxation that reflects ability to pay: that system is income tax, whether or not the words are in the motion.

10:03

**John Swinburne (Central Scotland) (SSCUP):** I am pleased to hear the problems of senior citizens being so thoroughly addressed by this Assembly.

All forms of taxation are highly unpopular. However, the main criteria for all types of taxation, if they are to be generally accepted, are: the ability to pay; a fair rate across the board; and no loopholes for evasion.

We hear a lot of talk about fairness. There are only about 2 million homes in Scotland for a population of 5 million. Forty per cent of the population pay council tax and 60 per cent of the population do not need to pay council tax because they do not own their own home. Why should people who do not own their own home enjoy facilities that are paid for by pensioners who happen to own their own home?

On the collection of income tax and council tax, Andy Kerr last year stated that it cost 2.8 per cent of council tax to collect it. For income tax, the figure is much lower, at 1.41 per cent. However, because 7 per cent of council tax is never collected, the system is almost 10 per cent inefficient. In other words, if it costs 2.8 per cent to collect the tax and 7 per cent does not get collected at all, 9.8 per cent of all council tax never

reaches the council. Some efficient councils in central Scotland and elsewhere are still struggling to get some of yon poll tax from citizens in their areas. They have not even collected the poll tax yet, and we all know how long ago that was.

**Mark Ballard:** Does Mr Swinburne agree that a huge amount of income tax is avoided and evaded? It is much more difficult to avoid paying tax on a property, which one cannot move out of a local authority area or out of Scotland, than it is to avoid paying tax on an income, which can be moved out of Scotland. A large amount of income tax that should be collected is not collected.

**John Swinburne:** As I have said before, there is a growth industry in this country among the accountants, lawyers and so forth who enable the very rich to avoid paying their fair share of income tax. If the Government and others would address that problem, the economy of the country would be much richer.

I do not know where members' views are leading. Should we bleed a pensioner who is living on a pittance—someone who has saved hard and bought their own house? When a pensioner is terminally ill, people come along rubbing their hands and the pensioner has to sell their house to pay for residential care. What kind of society are we living in?

Fairness for all—that is what we are looking for. We must have fairness for people who are on fixed incomes or low pensions, and there are 1.2 million pensioners in that category in Scotland. Many of them are unable to pay the regressive council tax. I do not care whether no other country does something similar: it is time that we got rid of a property-related tax and got some reality into the whole set-up.

10:07

**Colin Fox (Lothians) (SSP):** Yesterday in the chamber, I highlighted a poll that showed that 79 per cent of Scots support greater wealth redistribution. If this Parliament could take one step before all others that would significantly shift wealth from the well-off to those who need it most, it would be to scrap the council tax and replace it with a tax based on income. That would immediately and effectively put hundreds of pounds into the pockets of pensioners and the poor, and it would lift a sizeable burden from their shoulders.

As every member knows, the council tax is hugely unpopular. It is hated out there in the country. Why? Because it is unfair. It is based not on a person's income but on a notional value of their house.

People rightly regard the council tax as the son of the poll tax. It bears no relation to income. The poor pay a greater proportion of their incomes than do the well-off. A low-paid worker on £5 an hour, living in a modest semi-detached house, has to work for six weeks to pay off her council tax demand. However, someone on, say, £100,000 a year—such as a Government minister—works for just five days to pay off their council tax obligations. The bottom 10 per cent of earners pay 12 per cent of their income on council tax; the top 10 per cent pay just 2 per cent. Such disparities are widespread and widely known about.

The council tax system means that the rich are substantially better off than they were before, and the poor much worse off. Under the old rates system, the richest households had to pay 14 times more than the poorest households; now they pay only three times more.

Presiding Officer, you might have seen a film called "Primary Colors" in which John Travolta plays a character—Mr Clinton—who says, "Any idiot can burn down a barn." Instead of just criticising what is wrong with the present system, the Scottish Socialist Party has come forward with a constructive solution. The Scottish service tax is an alternative to the council tax and has been developed by respected academics—the experts whom Wendy Alexander holds in high regard. They suggest that a local income tax should be set uniformly across Scotland. Under the Scottish service tax proposals, 16 per cent of households in Scotland would pay more, but 77 per cent of households would be better off. Nationally, where people live would make no difference to what they would pay. The tax would be easier and cheaper to administer and it would avoid the fiscal flight that others have mentioned, and the possibility of 32 rebates.

I congratulate the SNP on holding this debate. The SNP is on record as saying that we must scrap the hated council tax at the earliest opportunity. That opportunity will come in September, when Tommy Sheridan's bill—to abolish the council tax and replace it with the Scottish service tax—will go before the Local Government and Transport Committee. Will the SNP member who winds up the debate tell us whether the party will back that bill in September?

10:11

**Michael McMahon (Hamilton North and Bellshill) (Lab):** An accusation often heard in the chamber against the SNP, and rightly so, is that the party too regularly uses its allotted time to discuss reserved matters and does not—as Wendy Alexander pointed out—debate policy. I therefore find it rather bizarre that, during a general election period when we are all talking

about Westminster, the SNP now chooses to debate a devolved matter. However, we should not be surprised that that type of muddled logic should emanate from the SNP benches, although it has been worth having the debate just to hear Brian Adam promise to abolish inheritance tax.

In their rush to weigh in on a populist subject—and populism really is the SNP's only guiding principle—have SNP members, like the minister, taken the time to read the report on local government finance that the Local Government Committee produced in the first session of Parliament? If they have, they might be aware that numerous local councils, including SNP-run Angus Council, recommended retaining the council tax, as did many professional bodies, such as the Institute of Revenues Rating and Valuation and the Chartered Institute of Public Finance and Accountancy—people who, it might be said, actually know something about the subject.

Those people were right to make the recommendations that they made. The council tax retains crucial elements that the SNP has failed to discuss, including accountability between councils and the electorate and the council tax benefit scheme that protects people on low incomes who find it difficult to make payments. The Labour Party remains dedicated to providing financial assistance to those who find the council tax difficult to pay, whereas the SNP just wants to score an easy hit and ignore the difficult decisions that accompany tax-raising powers. Taking its usual line of least resistance, the SNP has decided that a locally set income tax would somehow benefit the people of Scotland. In an effort to court the pensioner vote, the SNP ignores the fact that its proposed income tax would hit working families the hardest. According to its own figures, it would increase income tax by 4.3p in the pound. That does not make the system fairer; it just moves the unfairness around.

Having reintroduced—as Bristow Muldoon rightly pointed out—the Andrew Wilson school of back-of-the-envelope economics, the SNP forgets to tell us how it proposes to institute its new taxation system. Would councils collect the local income tax or would the Inland Revenue have to have 32 different collection rates? How does the SNP address the fact that an income tax would result in higher increases in business tax? How does it address the fact that, although the collection rates under the present council tax system are around 91 per cent, they were only around 67 per cent under the poll tax?

Simply lessening the number of people from whom a tax is collected does not in any way enhance local accountability. That accountability, when setting the tax rate, is absolutely precious.

**Stewart Stevenson:** Does the member accept that a local income tax will tax more people and increase accountability? Does he also accept that recovery rates exceed 91 per cent in the income tax system?

**Michael McMahon:** Stewart Stevenson fails to address a point that even the Green party has made. If we simply change to a local income tax, we take a whole lot of people who currently pay council tax out of the system, at both ends. That is not an enhancement of the system. If Stewart Stevenson fails to see that, I do not see how he could introduce an income tax system locally that would be fair in any way.

The SNP has yet again gone for a populist debate, rather than engaging properly in economic arguments. Its members may like to refer to 50-year-old, outdated reports, but they seem to be unaware of the existence of the local government finance review committee, which is currently reviewing different options for local taxation and the reform of the council tax and is considering the pros and cons of any changes to the taxation system. SNP members clearly believe that they do not need to see the findings of that wide-ranging, extensive and independent review correctly to evaluate local taxation. They already have their minds made up.

It is true that the council tax is not popular, but we in the Labour Party understand that there is no such thing as a popular tax. However, we acknowledge the importance of local government and local accountability, which is why we have to retain the link between people's property and the local government area. To drive people out into surrounding areas would punish cities such as Dundee and Glasgow and would just move unfairness around. That is not the basis on which to conduct a debate on local government finance.

10:15

**Mr David Davidson (North East Scotland) (Con):** I am a wee bit puzzled as to what the SNP was trying to achieve today; indeed, most members seem to be somewhat at a loss. When Alasdair Morgan started off, he said that taxation was not simple or equitable, but he did not say anything about high taxation being the worst thing for our economy and for the people who live in this country. There was no mention of high taxation, so I presume that he favours it and that his proposals are simply about tinkering with the system under which he would like to collect it.

**Alasdair Morgan:** Assuming that tax has to be raised, we must tax either people who cannot afford it or people who can afford it. Which is Mr Davidson's choice?

**Mr Davidson:** We have to have a fair system, as we do currently. The system is fair and there are no problems with it.

I ask SNP members a question. If they had the ability to move to a local income tax, where would the tax be set? Many people's wages are paid from an office in England, or even in Norway, as is the case for some of my constituents who work in the oil industry. How is the connection to be made locally? Michael McMahon was absolutely right when he talked about local accountability. That is the first thing that I thought of when the SNP started to talk about local income tax. Where is the accountability of the local councillors? That important issue is certainly not being dealt with.

Bristow Muldoon mentioned the interesting concept of fiscal flight and talked about the black economy. When I first raised that issue, I got some strange remarks from Labour members, but the problem exists. What about the uncollected tax that is already out there? In Scotland, we are collecting only 91.7 per cent of the council tax, whereas the collection level in England is 96.4 per cent. An efficiency gain would help to stabilise the council tax. Not long ago, Jack McConnell and Andy Kerr said that there would be no increases over 2.5 per cent, but what have we seen? We all know that the issue for councils is that they face new burdens for which they do not get funded.

The simplest solution is to go back to a statement that I made some years ago and that has been made again by my Conservative colleagues. We have said that, before we look at how we fund local government, we have to decide what it should be responsible for and where the accountability should lie. One of the reasons why we have suggested removing funding of education from councils back to the centre is that that would reduce the need to raise council tax and would give more autonomy to local schools. People simply do not understand that.

The debate has ranged all over the place, but the long and the short of it is that we need a mix of taxation. We need a mix of direct taxation, which, after all, along with all the taxes that the Government collects in Westminster, funds the greatest part of local government. However, there is an accountability factor with having a property-based tax. We need a mix. Indeed, I agreed with the Green members today—it is not often that that happens—when they talked about that mixed bag of taxation. We have to ensure that, within that mixed bag, we look fairly at pensioners and at people's ability to pay. We must ensure that those who should pay do pay and that those who need help get it.

Quite frankly, I have not heard any of that from the SNP members, who appear to be quite happy to have their party run from Westminster by Alex

Salmond and to use Westminster's Treasury to do all their collection work for them. I find that amazing from a party that is supposed to be full of bright new ideas, but perhaps today's debate is part of the SNP's general election campaign. Perhaps the SNP wants to remove all taxation powers down to Westminster.

10:20

**Tavish Scott:** If we can agree on anything in this morning's debate, perhaps it is that the art of taxation consists in so plucking the goose as to obtain the largest number of feathers with the smallest amount of hissing. So said Jean-Baptiste Colbert, the finance minister to Louis XIV, some years ago, I guess—possibly even earlier than 1954. It is a serious observation that no system is perfect. As Wendy Alexander and a number of other members have pointed out this morning, there is no perfect system of national or local taxation. Different groups will have observations as to the effectiveness, efficiency or fairness of all systems of taxation. The Executive has initiated the review so as to provide an opportunity for those different aspects to be independently assessed and properly scrutinised against a number of important and balanced criteria.

Let me respond to the points that were made this morning. Brian Monteith pointed out that the council tax was introduced by the Conservatives. He also mentioned the simultaneous increase in VAT. If my memory serves me right, the increase was on VAT on fuel, which hit Scottish pensioners, families and businesses pretty hard. We certainly recall the Conservative context of VAT increases.

**Mr Monteith** *rose*—

**Tavish Scott:** If Mr Monteith wants to confirm that, I am happy to let him intervene.

**Mr Monteith:** Clearly, the minister seeks to move into an area completely separate to the one that I was talking about. I was talking about an increase in VAT of 2.5 per cent on all the VAT-able areas. Does he agree that we then actually reduced VAT on heating and fuel?

**Tavish Scott:** Increased, reduced, increased, reduced—yes, we remember VAT during the Conservative years. The real point about the Conservatives' position is that, because of the James review, which is a product of their current thinking—although not in Scotland, because they do not talk about the James review in Scotland—

**Mr Davidson:** Yes, we do.

**Tavish Scott:** The Conservatives talk about the review depending on which question time it is. They are advocating increased spending but lower taxes—one of the more extraordinary positions being taken at this time.



Bristow Muldoon, Wendy Alexander and Michael McMahon argued fairly from their perspective for a property-based tax. Michael McMahon rightly pointed out that the SNP is debating a devolved issue in this chamber; that is a principle that we would all accept. He was also right to point out that Sir Peter Burt's review is open in assessing the different systems; it does not have a presupposed remit to work from and will take a clean-sheet approach. That is an important principle in carrying out the review.

It is also important to point out for the sake of accuracy that, since 2000-01, when this Parliament authorised and approved the annual budget and therefore the allocation to local government, council tax increases set by local authorities have increased by 28.9 per cent, including the current year's increase. I state that for the record as a fact. On the same theme, I point out to Bruce McFee that the Scottish Executive's investment in Scotland's local councils has increased significantly since devolution, rising from 47 per cent to 55 per cent by 2007. Funding for core local authority services will increase by 5.5 per cent in the current financial year.

Margaret Smith pointed out from a Liberal Democrat perspective, first, that the SNP motion does not mention local income tax—the SNP seems to be making overtures to the Scottish Socialist Party by talking more generally of a fairer system of taxation—and, secondly, that there are advantages in a system that is based on ability to pay. I reiterate the point that I made in response to Alasdair Morgan: because of the review, ministers have decided that there will be no revaluation. All that I can say about Mr Ballard's contribution is that my colleagues greatly appreciated his candour. As for Colin Fox's speech, of course the SSP has changed its mind and introduced a Trojan horse bill so that it can get rid of the council tax and then sit around in a nice circle deciding what will replace it. However, the party's real intentions were made clear when it revised Mr Sheridan's proposed bill last autumn: the SSP wants a national tax and is no friend of local income tax. I am surprised that the SNP motion lines up with that position.

I have no doubt that the debate will continue. The issue is important, even fundamental. We look forward to the review's findings.

10:25

**Mr John Swinney (North Tayside) (SNP):** Not for the first time, the Scottish National Party has brought to the Parliament an issue of enormous importance and relevance to the people of Scotland and is leading the debate. I was struck by the responses to a recent TNS system 3 survey, which asked:

"Would you support or oppose a change from the Council Tax to this proposed new system of a local income tax?"

In response, 70 per cent of Scots said that they would support such a change and 15 per cent said that they would oppose it. I must tell Labour members that 70 per cent of their supporters were in favour of a local income tax and 18 per cent were against it. Mr Monteith should know that 61 per cent of Conservative supporters were in favour of abolishing the council tax and replacing it with a local income tax, whereas 24 per cent opposed the measure.

It was a bit odd that Mr McMahon took issue with the SNP for having the audacity to raise a devolved issue in this devolved Parliament. The SNP is pilloried in the chamber for raising issues that are not of relevance to the Scottish Parliament and it is pilloried again for raising an issue that is relevant. Mr McMahon should be more consistent in his arguments; he should not attack us on such grounds.

Tavish Scott skilfully spoke to an amendment that set out the position of two different political parties. It was only fair that he did not spend much time arguing passionately in favour of the Labour Party's position on the council tax; he left that to the eloquence of Bristow Muldoon and others. Bristow Muldoon seems to live in a country that has no postcodes, because apparently it is impossible for the Inland Revenue to work out where people live in this country, to determine where they should be liable in relation to a system of local income tax.

**Bristow Muldoon rose—**

**Mr Swinney:** If Mr Muldoon has remembered his postcode, I will happily give way to him.

**Bristow Muldoon:** Mr Swinney seems to fail to understand that his party's proposals would lead to 33 different variations on income tax and that it would be easier to evade his proposed tax, because people could put down postcodes at which no one was living to achieve lower levels of tax.

**Mr Swinney:** The last time that I looked at my correspondence from the Inland Revenue, it had my postcode on it. I cannot imagine that many members of the Parliament receive information from the Inland Revenue that does not have their postcode on it. Mr Muldoon's line of argument is pathetic.

Mr Muldoon also claims that the council tax is fair and takes into account the ability of individuals to pay because a person's income is in some way related to the value of their property. He suggests that the impending revaluation that the Labour Party will undertake if the council tax system continues will be okay, because people's

circumstances have changed. What about the many individuals—my constituents and, I am sure, those of many members—who have stayed in the same house for 40 years? They brought their children back from the hospital to their house and watched them grow up there. Now their grandchildren visit them in the same house, but they may have to sell it, because property values have increased and they cannot afford to pay the council tax. The situation will become even worse under the Labour Party revaluation that Mr Muldoon described.

**Mr Monteith:** Given that the Inland Revenue writes to members of the Scottish Parliament because it has a special section that deals with us, will the member tell me whether the Inland Revenue would use the postcode for this address or for his home address? Would he pay local income tax where he resides or where he works?

**Mr Swinney:** My correspondence with the Inland Revenue comes to my home address in Perthshire and I cannot imagine that the situation is different for anyone else. Mr Monteith's intervention was very odd; perhaps he is doing something with his tax returns that he should not be doing.

Mr Monteith said to Mr Morgan that there is a correlation between income and property bands. Inflation has increased by 10 per cent and council tax has increased by 55 per cent since the Government came to power, whereas there has been a 200 per cent increase in average property prices in Scotland during the past 15 years, so the member's point has no substance.

The Conservatives also argue that difficulties can be solved by centralising control of education spending in the Scottish Executive, which is a bizarre proposition. Do we want to hand even more control over local education spending to a Scottish Executive that we in the Opposition constantly say has failed to deliver on its promises?

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

**Mr Swinney:** I will not give way, because I am running out of time. Mr Davidson should remember that he who pays the piper calls the tune. We could get into a dangerous position if we handed over control over education spending.

**Ms Alexander:** This is an SNP debate and I regard John Swinney as a man of principle. We have heard about poll watching and the Opposition. Why is it right in principle to abolish all taxation on domestic property? Why is every one of the small nations that the SNP usually lauds wrong to regard taxation on domestic property as part of the taxation system?

**Mr Swinney:** It is right in principle to abolish taxation on domestic property because we believe in fairness and in a progressive taxation system, in which what people contribute is based on their ability to contribute. Wendy Alexander talks about small countries. In 1997, 12 of the 29 countries that are members of the Council of Europe had systems of local income tax: Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, Greece, Latvia, Norway, Romania, Sweden and Switzerland. The member should stop repeating absolute nonsense. She asks us for an example from a country that is in the settled financial position that we would like Scotland to be in. I want Scotland to be in the same position as Denmark, Sweden and Finland, which are small independent countries that take responsibility for their own affairs.

The local income tax is a fair and progressive system that is based on people's ability to pay. It strikes a chord with the principles of fairness and justice that exist in Scottish society. Although the Deputy Minister for Finance and Public Service Reform can talk about and perhaps even hide behind the independent review of local finance, he cannot hide for ever. Politicians must make choices and stand on their principles. The Scottish National Party will stand on the principle of its demand for a local income tax that is based on fairness and the ability to pay. I hope that other parties will do likewise.

## Nuclear Power

**The Deputy Presiding Officer (Trish Godman):** The next item of business is a debate on motion S2M-2691, in the name of Richard Lochhead, on nuclear power.

10:33

**Richard Lochhead (North East Scotland) (SNP):** During the previous debate, I noted the complaints that were made against the Scottish National Party for choosing to debate a devolved issue during a Westminster election campaign. I hope that all members are happy with the topic for this debate, because we have lodged a hybrid motion that covers devolved and reserved issues. That should ensure that we keep everyone on the Government benches happy.

The debate is important. It is about protecting the future of our people in Scotland and our environment and it is about securing a safe and affordable source of energy to meet our future needs. Most of all, the debate is about creating a non-nuclear Scotland. The SNP was interested to note that, in the manifesto that was launched yesterday, Labour refused to rule out a new nuclear power station for Scotland. The Labour Party's obsession with everything nuclear continues, whether it is considering weapons of mass destruction on the Clyde or more nuclear power stations, which will create mountains of nuclear waste. As a result, all the signs are that Scotland has been lined up to become the United Kingdom's nuclear dustbin. Allan Wilson and his Labour colleagues might raise the spectre of new nuclear power stations for Scotland, but it is for the Scottish Parliament to oppose such plans, which is why we are having this debate.

In recent years, many authorities have scouted for sites in Scotland in which they can store deadly radioactive waste. We have to lay down a marker today by rejecting the prospect of more expensive, polluting and dangerous nuclear power stations for Scotland. We have to say that this nation will not be used as a nuclear dustbin.

It has been reported that 18 million cubic metres of soil and rubble are contaminated by leaks, spills and discharges over the past 60 years from the 30 sites throughout the United Kingdom. It is no wonder therefore that the vast majority of the public in Scotland are opposed to nuclear power. Only last week, the most recent opinion poll stated that 83 per cent of Scots oppose the nuclear option.

One of last night's news programmes featured a tourism conference in Aberdeen at which many of the overseas delegates praised Scotland. They said that more and more people want to come to

this country because of our reputation for having a fantastic environment and for being a safe place to visit. What on earth would those people think if they knew that, of the 33 sites that are earmarked in the UK for high-level radioactive waste disposal, 22—or two thirds—are in Scotland? Those include sites in Caithness and Sutherland, in Argyll and Bute, in Ross, Skye and Lochaber, in West Aberdeenshire and Kincardine, in Banff and Buchan, in Gordon, and in North Ayrshire and Arran. Those communities deserve the support of the Parliament in order to ensure that they are not turned into nuclear waste dumps. A further seven sites have been identified in Scotland for low to intermediate level nuclear waste disposal.

The Committee on Radioactive Waste Management estimates that 470,000m<sup>3</sup> of radioactive waste will have to be stored, two thirds of which could make its way to Scotland. That dangerous radioactive waste would have to be transported on our road and rail network and in our sea lanes and so would pose many risks to our local communities the length and breadth of Scotland.

If Scotland is turned into a nuclear dustbin, waste could be brought here not just from the rest of the UK, but from overseas. Under another Labour Government, Scotland faces the prospect of becoming not only the nuclear dustbin for the UK, but an international nuclear dustbin. Of course, the best way of dealing with nuclear waste is not to produce the stuff in the first place.

Over the past 60 years, the civic nuclear industry has been a hugely expensive drain on the public purse. When we inherited the industry from the defence sector, which is where it started, we also inherited that sector's culture of open-ended budgets and secrecy. The Royal Society said last year that the cost of dealing with existing waste throughout the UK could amount to £85 billion. Another authority said that it could cost £50 billion to decommission the 19 UK sites over the next 25 years.

According to a recent parliamentary question at Westminster, in the five-year period between 1997 and 2002, the Department of Trade and Industry subsidised the United Kingdom Atomic Energy Authority and BNFL alone to the tune of £11 billion. The public purse has had to pay a price tag of £150 billion over the past few years to run the nuclear industry and yet we have not even begun to look at the construction costs of existing nuclear facilities in Scotland and the rest of the UK, never mind the cost of building new nuclear facilities. Let us not forget that Sizewell, which was the last nuclear facility to be built in the UK, took 15 years to build and cost way over budget. It is estimated that the life-cycle costs of a new nuclear power station in Scotland would be £2.5 billion. In an age

of security concerns, do we really want to build new targets for international terrorists in Scotland, especially as it would cost an arm and a leg to protect those sites?

Some members on the Government benches and some Tory members have said that nuclear power is needed to fill the energy gap. We should be talking not about an energy gap, but about a window of opportunity for the development of Scotland's renewables sector, which has enormous potential in relation to meeting our energy needs in the near future. Taking that opportunity would also help us to tackle climate change.

This country possesses 25 per cent of Europe's wind and tidal resource and 10 per cent of Europe's wave resource. There is also fantastic potential for biomass, solar and other renewables technologies. If, over the coming decades, we were to spend even a fraction of the money that is used to subsidise the nuclear industry on renewables, Scotland could become Europe's energy powerhouse within a matter of years.

It is unfortunate that the minister who is responsible for developing the renewables sector in Scotland is also the minister who is responsible for the promotion of nuclear power. The minister should get his eye back on the ball and start promoting renewable power so that Scotland can become a clean, green country. He should ensure that we develop the fantastic potential of renewable energy.

The purpose of the debate is to let us speak with a united voice to ensure that the Scottish Parliament has the ultimate say on whether new nuclear power stations are built in Scotland and on whether this small nation is turned into an international nuclear dustbin. Once we get that say and get that power, we must say no to nuclear; we must say no to more nuclear power stations in Scotland and to turning Scotland into a nuclear dustbin. I urge the Parliament to support the SNP motion.

I move,

That the Parliament notes that the Committee on Radioactive Waste Management (CORWM) is due to make its final report in July 2006; notes that the decision on where to locate sites for the long-term storage of nuclear waste is likely to be taken shortly after that date and that a number of potential sites in Scotland have been identified; notes that the UK Government is clearing the way to build new nuclear power stations; further notes that the UK Government has agreed to accept and store nuclear waste from overseas; agrees that only the Scottish Parliament can take the decision to locate any sites in Scotland for the long-term storage of nuclear waste, and rejects the need for a new nuclear power station in Scotland.

10:40

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** We will now get back to reality. We must get away from ridiculous and childish scaremongering and look at the development of a safe, reliable and balanced energy policy. The Executive position on nuclear power is set out absolutely unambiguously in our programme for government. Although we are not averse to yet another debate on nuclear power, we have made it clear in the various consultations that have taken place that, as long as we do not have a solution to the issue of the safe disposal of nuclear waste, we should not build new nuclear power stations. I am not sure how I could make that position any clearer.

**Mr Mark Ruskell (Mid Scotland and Fife) (Green):** When will the minister consider the issue of waste storage to be resolved? Will it be when a disposal method has been identified or when a site has been put in place?

**Allan Wilson:** The issue will be, of course, a work in progress and I will address it in due course. I am sure that the member is familiar with the consultation that is taking place on the matter. I am also sure that he will be making his contribution to the consultation in due course.

The Scottish Executive is working with other UK Administrations to identify the long-term radioactive waste management options. We are working in partnership through the Committee on Radioactive Waste Management, which is entirely independent, to consider how we might best dispose of our nuclear legacy.

**Richard Lochhead:** Will the minister take an intervention?

**Allan Wilson:** If the member does not mind, I would like to make some progress. I have only five minutes.

The Executive places a great deal of importance on the committee's independence and on the need to engage with the public and stakeholders in Scotland. The CORWM process is the right way of building confidence, trust and respect in the decisions that need to be taken on the way forward in the UK.

CORWM represents a fresh start: its establishment marks a new approach to tackling the long-term management of radioactive waste, which takes into account the consequences of the 1997 Nirex planning inquiry failure. The so-called Nirex list, which Richard Lochhead did not mention by name but which he quoted extensively, is an historical document. It does not in any way form part of the Executive's policy on radioactive waste management.

The criteria for radioactive waste management options are being assessed by CORWM in an open, transparent and inclusive manner. On 4 April, CORWM announced its shortlist of four options for the long-term management of higher-activity waste. The options are deep disposal, phased deep disposal, shallow burial of short-live waste and interim storage. CORWM has begun the next phase of public engagement and consultation on the four options and on the methodology that it will use to assess them. I encourage all members and people around the country who have an interest in the management of radioactive waste to get involved in the consultation.

After CORWM has reported, ministers from the UK Government and the devolved Administrations will decide whether to accept its recommendations, which will be the subject of stakeholder consultation and wide engagement with the public. It is at that stage that siting will become an issue. The criteria for such decisions are yet to be determined and I say to Mr Lochhead that his list of sites in Scotland is entirely spurious.

Under its terms of reference, CORWM will have to consider issues such as compensation, volunteering and veto. Consent for a waste facility is a separate issue. We have said consistently in the Parliament that any proposals for such facilities in Scotland would be subject to environmental and planning regulations, responsibility for which is devolved to Scottish ministers and the Scottish Parliament. All such decisions will be taken by members following due process.

CORWM is due to present its final recommendations to ministers in July of next year. I stress that it is not looking at sites, contrary to what Mr Lochhead's scaremongering indicated. The identification of sites will be undertaken separately, once ministers are confident that they have a publicly acceptable management solution. Public consultation is an essential part of the process. CORWM's recommendations will inform Executive policy on the future management of radioactive waste in Scotland.

The people of Scotland, including MSPs, have a genuine opportunity to participate in the decision-making process. Given that we have a waste legacy, we need everyone's commitment to face up to the responsibility of dealing with that environmental challenge. We need the nationalists to grow up, join the rest of the adults in the communities concerned and get involved in the process.

I move amendment S2M-2691.2, to leave out from "that the Committee" to end and insert:

"the work of the Committee on Radioactive Waste Management; welcomes the Scottish Executive's study into present and future energy supply and demand in Scotland; endorses the Executive's position of not supporting the further development of nuclear power stations while waste management issues remain unresolved; supports the Executive's continuing commitment to the development of renewable energy in Scotland, including wind, wave, tidal, solar, hydrogen, biofuels and biomass power, as a key element of a balanced energy supply portfolio; supports the Executive's commitment to achieving 40% renewable electricity generation by 2020, and welcomes the ongoing review of the Scottish Climate Change Programme and the priority being given to strengthening the contribution of energy efficiency and renewables to reduce carbon dioxide emissions."

10:46

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

I welcome the debate and will take the opportunity that it presents to run briefly through the Conservatives' position on nuclear power again.

The Conservatives believe that the future development of Scotland and the economic growth that is essential to maintenance of our public services must be fuelled by availability of reasonably affordable electricity supplies. Without such supplies, we will not have an economy to talk about or to tax in the future. Half of our electricity is generated by nuclear means, so it is essential that we address the future of nuclear power and decide what place it has in the structure of our economy.

We must also consider climate change—which is at the top of the Environment and Rural Development Committee's agenda—and how we can reduce the emissions that contribute to climate change. Nuclear energy is one option for greatly reducing CO<sub>2</sub> emissions over time. Even if we do not choose that option, it must remain on our agenda because it is being actively pursued by a number of other countries.

**Bruce Crawford (Mid Scotland and Fife) (SNP):** Will the member give way?

**Alex Johnstone:** No—I just do not have time.

Today we are talking about not only nuclear power, but issues surrounding nuclear waste, on which Richard Lochhead went into great detail. Let us address those issues. In this country, nuclear waste is essentially an historical problem. Such waste was generated in large quantities by our early nuclear power stations, which were designed basically to generate fuel for our atomic weapons programme. Since then, nuclear power stations have gone through several generations of development and, at each stage, the amount of waste that has been produced has been significantly reduced. When they generate nuclear energy, the most modern nuclear power stations are capable of producing as little as one tenth of

the waste that was produced by the original Magnox reactors.

**Stewart Stevenson (Banff and Buchan) (SNP):** Will the member take an intervention?

**Alex Johnstone:** I am sorry, but I cannot.

Waste is an historical problem and we must not confuse that problem with the problems of this country's energy needs and its requirement to address CO<sub>2</sub> emissions.

**Bruce Crawford:** Will the member give way?

**Alex Johnstone:** I am sorry, but I just do not have time.

I want to deal with the position that is taken by the Scottish National Party and, to some extent, by the Liberal Democrats in this Parliament. It is essential that we understand that although there are matters to address, we must progress the argument over time.

The "Meeting Scotland's Future Energy Needs" report was published by the House of Commons Scottish Affairs Committee and set out in great detail the discussions that need to take place. I praise Allan Wilson, the Deputy Minister for Enterprise and Lifelong Learning, for what he said both before and after publication of that report.

The debate must be engaged now, which is why the Conservatives have lodged an amendment that sets out that our position is that we need a balanced range of options for meeting Scotland's future energy needs. Although we accept that renewables are one of those options, we are clear that there is more to renewables than simply covering Scotland's hills with wind turbines. There is, for example, the option of using technology to generate electricity through cleaner use of our existing coal reserves. Nuclear energy must play an important part in generating affordable electricity for Scotland in the future. Richard Lochhead stated that it is a heavily subsidised form of power generation, but the cost of nuclear power pales into insignificance when we calculate the real cost of supporting development of wind energy.

If we are to address the issue properly, we must be concerned about the fact that the Minister for Enterprise and Lifelong Learning is a Liberal Democrat. If his opinions on Scotland's future energy requirements are coloured by his party's policies, perhaps it is time we had in charge someone who understands the issues.

I move amendment S2M-2691.1, to leave out from first "UK Government" to end and insert:

"House of Commons Scottish Affairs Select Committee concluded in its report, *Meeting Scotland's Future Energy Needs*, that it is 'vital that decisions are taken now, to obviate the possibility of, quite literally, the lights going out

in Scotland in the foreseeable future'; further notes that nuclear power is currently estimated to save the United Kingdom annual emissions of eight million tonnes, and therefore urges the Scottish Executive to support any plans brought forward by the UK Government to replace current nuclear power stations with new nuclear power stations in order to protect our energy supply, protect existing jobs and reduce our CO<sub>2</sub> emissions."

10:50

**Chris Ballance (South of Scotland) (Green):** We have already invoiced our grandchildren for an incalculable amount—the cost of clearing up the waste that the nuclear electricity we have burned so far has produced. I welcome the opportunity for a realistic and mature debate, which the minister spoke about. Let us have such a debate on cost, on the AP1000 and on climate change.

First, I will deal with cost. The Department of Trade and Industry has set aside £4.4 billion for the first two years of the Nuclear Decommissioning Authority's work. It is projected that the job of decommissioning Hunterston A, which was the first major nuclear plant in Scotland, will take 90 years. To date, only £4 billion has been set aside from the sale of nuclear electricity to clear up the mess that Hunterston A left behind. That is not enough to fund the first two years of a 90-year programme. The nuclear industry has so badly underestimated the cost of clearing up that waste that it has set aside enough money to pay for only two years of a 90-year process. The rest will be paid for by generations to come. How immoral and irresponsible is that? How dare we consider increasing the figure on the invoice to our grandchildren by even £1?

**David Mundell (South of Scotland) (Con):** It is all very well for Chris Ballance to make such arguments in Parliament and in the leafy suburbs of Edinburgh, but why does he not show the courage of his convictions and raise those matters with the people of the community of Annan by putting up a Green candidate in that constituency for the general election?

**Chris Ballance:** Mr Mundell knows perfectly well that I have been to Annan and have discussed the issues with the workers at Chapelcross.

**Stewart Stevenson:** On a point of order, Presiding Officer. Would you care to draw to Mr Mundell's attention the document that the Scottish Parliament has produced on candidates who are standing at the approaching general election, which refers to their inability to raise general election issues in the Parliament?

**The Deputy Presiding Officer:** I note what the member has said.

**Chris Ballance:** In the case of Hunterston, the timeline assumption is that most of the cost of

decommissioning will be spent not in the first two years of the budget, but in 60 years' time. According to the NDA, that is because the eternally optimistic nuclear industry hopes that the decommissioning costs will be cheaper in 60 years. What a legacy we are leaving.

Fifty years ago, the industry that is so optimistic about future costs promised us electricity that would be too cheap to meter, and 25 years ago, during the inquiry into the dumping of waste in Mr Mundell's Galloway hills, it promised us that a waste solution was just round the corner. Hunterston A alone will produce 6,384m<sup>3</sup> of intermediate-level waste. Where will that go? It will also produce 33,000m<sup>3</sup> of low-level waste. Where will that go? The low-level waste depository at Drigg is almost full—there is no room there and there is no store anywhere else. It is estimated that the current decommissioning programme will produce enough material to fill 15 Drigg-sized depositories. The Committee on Radioactive Waste Management is not even considering that problem.

As my speech has been so heavily interrupted, I must turn quickly to the AP1000, which raises significant safety issues because it has only one containment vessel and minimises the scope for operator intervention. As regards security of supply, if we build 10 such reactors—not one of which has yet been built anywhere in the world—we will have only the word of our happy-go-lucky nuclear industry that every part of their intricate systems will work. If a problem occurs, we might overnight have to close down every single one for months. Where would that leave security of supply?

As for climate change, if one examines the full life cycle of a nuclear power station—including uranium mining, fuel enrichment, construction and decommissioning—one finds that nuclear power produces five times more CO<sub>2</sub> than wind power and almost as much as gas.

Health and safety should have destroyed the nuclear industry decades ago but economics is now killing it, so let it rest in peace. Let us look to the renewable future. Let us see the Executive investing £500 million in marine renewables. Let Scotland lead the world.

I move amendment S2M-2691.3, to insert after the fourth "waste":

"notes that the industry proposal to base electricity supply on identical reactors of the unproven AP1000 design would undermine the security of electricity supply; notes that the amount set aside from nuclear generation revenues over the last 50 years to pay for decommissioning of existing nuclear power stations is only sufficient to fund the first two years of the Nuclear Decommissioning Agency's 30-year programme and therefore that the multi-billion cost of decommissioning existing nuclear power stations will have to be paid for by future generations of tax

payers and therefore considers that nuclear power is economically unsustainable; further notes that, over its whole life cycle, nuclear power is not carbon-neutral and agrees with the Chief Executive of the Energy Saving Trust that 'to present nuclear power as one of the main ways of combating climate change is short-sighted'; believes that renewable energy and energy efficiency offer a truly secure and sustainable energy future".

10:55

**George Lyon (Argyll and Bute) (LD):** On behalf of the Scottish Liberal Democrats, I am pleased to support the Scottish Executive amendment, which states categorically that we will not support further development of nuclear power stations in Scotland. I was especially delighted to hear the deputy minister repeat that. The commitment not to support further development of nuclear power stations will also be contained in our Westminster manifesto, which is launched today.

I would have thought that ahead of the SNP's manifesto launch tomorrow, its members would debate some of its policies and the choices that it will put before the Scottish people because—as Wendy Alexander pointed out in the previous debate—we have heard very little from the SNP about its policies for the forthcoming election. The SNP has had a number of chances in the past few weeks to debate the issues; today it could have debated them in detail. We have heard from SNP members about Trident, and today the debate is about nuclear power. They might have been able to tell us how they will fund the £7 billion-worth of transport pledges that they have made.

**Bruce Crawford:** I assure George Lyon that when we launch our manifesto tomorrow it will be full of promises to have no more nuclear power stations. Will George Lyon rule out entirely the Liberal Party's support for any new nuclear power stations or nuclear dumps in Scotland in the future?

**George Lyon:** As the amendment in the minister's name makes clear, right now we have ruled out any further development of nuclear power. As the minister made clear, Parliament will take the final decision on whether there will be any waste sites in Scotland. We are committed to ensuring that there is none.

Tomorrow, the SNP will launch many promises, but the question is this: how will it pay for them?

**Mr John Home Robertson (East Lothian) (Lab):** I have read carefully the amendment in Jim Wallace's name, and it refers to

"not supporting the further development ... while waste management issues remain unresolved".

That means not yet, does it not?

**George Lyon:** It means that there will be no new nuclear power development in Scotland while

this coalition Government of the Labour Party and the Liberal Democrats is in power, because there is no answer to the waste problem.

The SNP must answer the question about how it would pay for the promises that it has made. I believe that tomorrow it will use its opposition to Trident and nuclear power to explain its spurious proposals for filling the huge spending gap in its proposals.

Parliament will take the final decision on the sites to bury waste. We fully support the Executive's commitment to development of renewables. It is good to see that a BBC poll showed that the general public are fully behind us—73 per cent support wind power and only 17 per cent support nuclear power. That knocks on the head the myth that there is widespread opposition in Scotland to further sensitive development of wind power. That support will give comfort to my constituents in Campbeltown who are employed at Vestas-Celtic Wind Technology Ltd.

In conclusion, the Scottish Executive is taking the right approach by ruling out nuclear power development while there is no solution to the waste issue. It is right to pursue a target of 40 per cent renewables and it is right to pursue clean coal technology and gas technology with gas sequestration as the right energy mix for Scotland. It is not, however, right to say that the answer to the energy-gap question is nuclear power. There are other options, and we are pursuing the right mix, which is why we will support the Executive amendment at decision time.

**The Deputy Presiding Officer (Murray Tosh):** Time is very tight. I will try to call four speakers.

11:00

**Dr Elaine Murray (Dumfries) (Lab):** I am pleased to have the opportunity to discuss nuclear power again, not least because nuclear power generation has made an important contribution to the local economy of my constituency over the past five decades. The SNP's reasons for bringing the issue to the chamber at this time are twofold: to attack perpetually the constitutional settlement and to drive a wedge between the coalition partners, which the general election could do more successfully than any debate in Parliament.

The Labour policy is a balanced energy policy that keeps all options open. The SNP, on the other hand, rejects the need for a new nuclear power station in Scotland. We heard a lot of scaremongering from Richard Lochhead, but he consistently refuses to support the alternatives, such as wind farms. The actions of people such as Roseanna Cunningham and Fergus Ewing, and particularly of Christine Grahame in the Borders—

**Stewart Stevenson:** Will the member give way?

**Dr Murray:** I am sorry, but I do not have time.

Every time there is a wind farm planning application, Christine Grahame opposes it. The SNP cannot have it both ways.

The SNP's target is that 25 per cent of our energy will be generated by renewables by 2010, and 50 per cent by 2020. At the same time, the SNP wants Scotland to rule out nuclear power while countries such as Finland, Canada, France, Romania, Japan, Russia, China, the USA and many others throughout the world are either planning or proposing new reactors. Those countries will be able to replace carbon-emitting power stations with non-carbon-emitting nuclear power stations. However, in the UK, which currently uses nuclear power for 25 per cent of its needs—indeed, Scotland uses it for 32 per cent of its needs—if we rule out the nuclear option we will be in danger of using the emerging renewables technology simply to replace nuclear power stations that are coming to the end of their lives, rather than using them, as we would all wish them to be used, to reduce carbon emissions.

**Richard Lochhead:** Will the member give way?

**Dr Murray:** No, I will not.

I acknowledge that the general public have many fears that are based on problems with the old technologies to which Alex Johnstone referred and—in particular—because of the link to nuclear weapons. Indeed, Chapelcross is one of the older generation of nuclear power stations that had some of those problems. However, the nuclear waste problem exists now because of the current stations. The issue is not what might happen in the future; we have to deal with nuclear waste now. In doing that, we can deal with nuclear waste issues that may emerge if new nuclear power stations are built in Scotland or the UK.

We are now on the third generation of nuclear power stations and research is being done on the fourth generation. Chris Ballance is wrong to describe the AP1000 as unproven; it is one of the technologies that is being developed throughout the world. Third-generation power stations produce far less waste. The AP1000 would have five times the power-generating capacity of Chapelcross and, over its 60-year life span, would produce only 2,000m<sup>3</sup> of low-level waste and 700m<sup>3</sup> of intermediate-level waste. It would also use passive safety measures using gravity, natural circulation and compressed gas and would avoid many of the safety problems that are associated with pump failure and overheating. The new systems will be 60 times more efficient and will therefore require far less subsidy than current systems. The discussion that we are having is based on the past, not the future.



I will support the Executive amendment. Decision time is coming, because options to resolve the nuclear waste disposal issue will be suggested and, when the time comes, we will have to make decisions that are based on logical, sensible, scientific and factual discussion, rather than on opinion polls or scaremongering. When the time comes, we must have sensible discussions and debate.

11:04

**Rob Gibson (Highlands and Islands) (SNP):** This debate covers decommissioning of nuclear installations, the question of how waste storage is dealt with and the SNP's total opposition to the creation of new nuclear power stations. We have not heard a defence of the Government's renewable energy system, or a discussion of the problems that might arise in the decommissioning process.

I would like to dwell on a couple of those matters. In the far north of Scotland, the decommissioning process—a £2.7 billion exercise—has been under way at Dounreay for some time. The UK Government splashed out a whole lot of money on nuclear investment. Since then, energy markets have been liberalised—I will come back to that. The Government must not skimp on ultra-safe dismantling measures and waste storage in order to handle what has been produced. However, it has been shown at Dounreay that far more waste is created during decommissioning; indeed, there is not enough storage space at Dounreay for the low-level waste, and for the gloves and other trivia that are used for dismantling. That waste will have to be shipped to Drigg, which was referred to earlier.

The SNP's policy is to deal in Scotland with the nuclear waste that is created in Scotland. There should have been plans ahead of time to have enough monitorable above-ground storage, but storage is not in place. The costs of nuclear decommissioning are far greater than has so far been estimated. The SNP believes that the kind of programme that is required must be made clear to the public in order to show how expensive and dangerous decommissioning is. The United Kingdom Atomic Energy Authority is steadily tackling the Dounreay nuclear legacy, but if the nuclear decommissioning agency comes into play it could use a tender process to bring in Bechtel, AMEC or other companies, which may cut corners on the way in which the job is done.

The staff at Dounreay are dedicated, unionised public servants. This is a public problem, and the SNP believes that we should deal with the matter in the public domain. Nuclear waste is the unsolved public problem; we must therefore find a way of dealing with Scottish waste in Scotland: we must not export waste or import anybody else's.

I turn to the argument about nuclear energy as a possible way of dealing with the problem of climate change. Climate change is a lifebelt for the nuclear industry because that industry believes that it can argue that nuclear energy would reduce emissions. However, it has been argued that if we take the money for a new nuclear power station and spend it on energy efficiency, five to seven times the amount of carbon dioxide would be removed from the atmosphere than if we built a nuclear power station. If experts are saying that, the Government had better tell us whether it agrees. The arguments that stack up in the SNP motion show clearly that if we have a mature and balanced debate, there can be no place for nuclear power and that if the Government is going to take climate change seriously, it must ensure that energy efficiency is a large part of that.

11:08

**Mr John Home Robertson (East Lothian) (Lab):** The argument that climate change is a "lifebelt" for anybody is frankly absurd, as indeed is the motion. The nationalist motion

"rejects the need for a new nuclear power station in Scotland."

The concept of rejecting a need may have been all very well for a penitent medieval monk in a hermitage, who thought that it was a good idea to go without food, heat or any kind of creature comforts—on reflection, I might like to inflict that version of hair-shirt independence on Richard Lochhead—but it would be grossly irresponsible to reject the basic needs of the people of Scotland. We need secure supplies of electricity. We need electricity to cook our food, to provide heat and light and to power our fridges, televisions, computers and just about everything else. It would be the ultimate dereliction of responsibility if we were to fail to plan to provide for those basic needs for people in Scotland and in the rest of the United Kingdom. We must think in the long term.

**Chris Ballance:** Will the member take an intervention?

**Mr Home Robertson:** I am sorry—I have only four minutes. There will be other opportunities to discuss the matter.

It takes up to 10 years to plan and construct a power station. Failure to plan ahead could lead inexorably to power cuts and blackouts, which have already happened in California, New York and Italy. The motion is a good example of the sort of blinkered vision that could take us into economic chaos and environmental disaster in the UK. Let us face it: there are three imperative responsibilities that responsible politicians should face. First, if we are serious about the global environment we must drive emissions of

greenhouse gases down to the absolute minimum. Secondly, we must plan to provide our share of the UK's energy needs from sustainable, secure and affordable sources. Thirdly, Britain requires a secure permanent repository for its waste radioactive material. That last point is a big political problem, but it is not a big deal in engineering terms. There are safe repositories for radioactive waste in many countries. One is being built in Finland. We will have to build such a repository for Britain; at the very least it will have to accommodate a bulky legacy of material from old civil and military nuclear programmes, and I argue that it could in due course perfectly well accommodate material from new nuclear plant.

I agree with the Executive's position that it would be irresponsible to build new nuclear installations before we address the big issue of storing radioactive waste, but when that is addressed—as it certainly will be—there will be a compelling case for consideration of new nuclear generators on sites in Scotland. The time has come when we should consider the options for electricity in Scotland after 2010. The peak demand for electricity on cold winter nights in Scotland is about 6GW. At present, we have a safe margin of generating capacity that enables us to export power to other parts of the UK. The electricity supply industry employs 7,000 people in Scotland. It provides for all our domestic needs and exports 16,000GW hours. That is fine for now, but we will lose 2,340MW of capacity when Cnockenzie and Hunterston B reach the end of their design lives in about five years, which will mean job losses and possible shortages of electricity.

We no longer produce deep-mined coal. We should be very worried about emissions of millions of tonnes of CO<sub>2</sub> from Cnockenzie and Longannet, and it would not be very clever to become even more dependent on imports of gas from the middle east or central Asia. The options for replacing decommissioned generating stations are becoming rather limited. I support the Executive's ambitious target of 40 per cent of our power coming from renewables, but we will have to take account of public opposition to wind turbines. Even if we achieve that target, that will leave 60 per cent of our electricity to come from base-load generators. We must begin planning new base-load power stations, in addition to our renewables programme, to replace the generators that will have to come out of commission quite soon. I hope that that will include a Torness B power station.

11:12

**Stewart Stevenson (Banff and Buchan) (SNP):** I want to deal with one or two issues that have arisen in the debate, from a scientific viewpoint.

Alex Johnstone would not allow me to intervene to tell him that it is good news that the modern generation of power stations is producing only a tenth of the waste of previous ones. If we consider that the half-life of caesium and strontium isotopes, which are at the heart of the waste that is produced, is 30 years, that reduces the period until such waste is safe by 150 years. That sounds quite encouraging until we realise that that period is a million years, and 150 years off a million years ain't a big deal, Alex.

The waste is unsafe in two ways. Proximity to the waste is the main problem—the half-life and decay after a million years deal with that—but escaping waste is the most immediate and continuing danger. The ways in which we store waste at the moment do not protect communities from escaping waste. Elaine Murray suggested that the SNP never supports wind farms. She has said that before in debate, and I have told her before that I supported the wind farm at Boyndie in my constituency. I ask her to acknowledge that the SNP supports wind farms where they are appropriately sited; where they are inappropriately sited, the SNP does not support them. I would be surprised if Elaine Murray took a different view.

We have been told that the numbers do not add up. Well, I say to quite a few people—including Elaine Murray—that on Monday I lodged 31 questions, out of a long list of possible questions I could have lodged, asking the Executive to correct number errors in its parliamentary answers. If anyone is on the record as being unable to make their sums add up, it is the ministers in the Executive.

To be positive, I point out that the key opportunity that arises from the situation in which we find ourselves is the significant amount of waste that we have produced in Scotland from our nuclear industries. We have a brilliant set of technicians working in the far north of Scotland to learn how to deal with that waste, so let us create industries that will support international efforts to deal with nuclear waste throughout the world. In future, that could be a revenue earner for Scotland, but there is also a moral issue, because there are no boundaries to the contamination that nuclear industries can cause. In the south-west of Scotland, we still have sheep that cannot be harvested for the food chain as a result of the Chernobyl incident. The time that has passed is a blink of an eye compared with the lifespan of radioactive heavy metal isotopes.

We also have opportunities to take new initiatives in renewables industries. We have lost the initiative that we had for many years in Scotland in hydroelectric power, but there are initiatives that we can take and should be taking to become world leaders in the development of wave

and tidal power. We should invest in and support such initiatives now.

We must also consider low-level waste, which is based around deuterium and tritium isotopes of hydrogen, which are particularly dangerous because they can be bound with carbon and enter the human body.

There are many challenges in which we should invest. Today's debate has been useful, but I have to say that there has been much heat and very little light.

I urge members to support the SNP's motion.

11:16

**Mr Mark Ruskell (Mid Scotland and Fife) (Green):** I thank the SNP for lodging the topic for debate, because it will not go away until we have an energy strategy and an energy efficiency strategy for Scotland, have a clear route map for how we will achieve at least 40 per cent of our electricity production from renewable sources and have resolved the issue of nuclear waste storage. There is a lack of clarity between the minister's position, that of his colleagues in the Labour Party and that of the Liberal Democrats. Where is the clarity in the partnership agreement on when the waste storage issue will be resolved? Will it be resolved when CORWM reports on potential options or when a site is identified? The minister needs to clarify that.

The real myth is that nuclear power can somehow play a role in tackling climate change, which I find bizarre, given the fact that even the International Atomic Energy Authority does not believe that it has a role in tackling climate change.

**Allan Wilson:** Will Mark Ruskell give way?

**Mr Ruskell:** I am sorry; I do not have time.

We must be clear that there is a timescale issue with regard to tackling climate change: we need to tackle it quickly. If the energy review reports in 2008 and we decide to go down the nuclear route, we will have five years during which the AP1000 reactors will have to be licensed—assuming that the Tories do not want to speed up that process by reducing some of the red tape surrounding it—three years to find sites and deal with planning issues and, potentially, another six years for construction. That means that it would be around 2020 before we could get a nuclear programme up and running.

Members should contrast that with what the Government's energy technology support unit says about renewable energy, which is that, by 2025, two thirds of the UK's electricity production could come from renewable sources. What is

missing is a route map from the Executive or the Department of Trade and Industry for moving towards realising that potential and getting in place the full mix of renewable sources.

The other issue is cost, which very much relates to renewables. The private sector will not touch nuclear energy with a barge pole, which means that the state will have to support it. Ten AP1000 reactors would cost £50 billion. Where would that £50 billion come from but from the funding for renewables and energy efficiency?

It was interesting that Elaine Murray talked about the experience of Finland. The Green Party there was in a coalition Government but left it because of the decision to approve a new nuclear power station. That poses a serious question for the Liberal Democrats in Scotland: what will their position be when they face a similar quandary to the one that the Finnish Green Party faced? The reality is that CO<sub>2</sub> emissions in Finland have gone up since the Finns built their new nuclear power station. That is because investment has been switched from energy efficiency and renewable energy into nuclear power and dealing with its legacy. As Rob Gibson pointed out, for every pound that we spend on energy efficiency, we get up to seven times the reduction in CO<sub>2</sub> that we get for every pound that we spend on nuclear power. That is the choice that we face.

We need to start to phase out nuclear power in Scotland and phase in a diverse mix of reliable renewable power sources. We need wave and wind power, biomass and hydro power and we even need to consider combined heat and power. That will produce a base load and deliver the CO<sub>2</sub> reductions that we need to make. The parties that favour nuclear power are the parties of real waste, creating a legacy of nuclear waste for future generations and the financial waste of blowing taxpayers' hard-earned money on a 1950s fantasy that will never be realised.

11:21

**Nora Radcliffe (Gordon) (LD):** As the SNP motion states and Allan Wilson clearly outlined, the Scottish Parliament has control over whether nuclear waste storage facilities—or, indeed, new nuclear power stations—are sited in Scotland.

Scottish and UK Liberal Democrats oppose the development of new nuclear power stations. The Scottish Executive's position is not so unequivocal but is clear that further development of nuclear power stations cannot be supported while waste management issues remain unresolved. The Committee on Radioactive Waste Management was set up to re-examine all the options. Its final report is expected to be published in July next year, after which the Scottish Parliament will decide how to proceed in Scotland.

The Tories want us to embrace nuclear power to save emissions and to stop the lights going out. They cite the House of Commons Scottish Affairs Select Committee's report "Meeting Scotland's Future Energy Needs", which says:

"The Committee heard from UKAEA about the possibility of nuclear fusion ... rather than nuclear fission ... being used to produce electricity in the future. Nuclear fusion technology ... would be safer, cleaner with no waste produces and with no possibility of the technology having a military application."

**Chris Ballance:** Will Nora Radcliffe give way?

**Nora Radcliffe:** I ask Chris Ballance to let me continue the quotation.

"The major problem with nuclear fusion ... is that ... it is 30 years, at least, before a commercial fusion reactor would be available."

Therefore, the arguments that are usually deployed against renewable technologies apply to nuclear generation in spades. Nuclear fusion will take three times as long to commercialise as wave and tidal power will.

Climate change and the necessity to reduce greenhouse gas emissions have been seized on by those who are pro-nuclear, but nuclear power is found not to be a carbon-free source of electricity when we factor in the significant emissions from uranium mining, transport, the construction of power stations, the construction of waste storage facilities and decommissioning.

Nuclear energy is also extremely expensive. We have not finished paying for the nuclear energy we have had. Decommissioning existing nuclear power stations will cost us an estimated £48 billion on top of the billions that have been poured into the industry. If we add the potential for nuclear energy as it stands today to cloak nuclear arms production and the industry's vulnerability to terrorist attack, it is clear that—let's face it—we should forget it.

**Richard Lochhead:** Will Nora Radcliffe give way?

**Nora Radcliffe:** I am sorry, but I have four minutes left and four minutes' worth to say.

The massive sums of money that are needed to build new nuclear power stations would be far better spent on commercialising the many emerging renewable technologies that would meet our energy needs without creating damaging emissions, which we could export to developing countries and which would give us a profitable industry to boot. A fraction of that money, if not spent on new nuclear power, would pay for clean coal technology that could be exported to China, for example, for it to use to fuel the burgeoning demands of its growing economy without pouring carbon into the atmosphere.

There is no doubt that climate change is a serious and present threat and that concerted and immediate action is needed to deal with it, but building new nuclear power stations is not the nice, simple, big-bang answer—it might be a big bang, but it is not the answer—because there is no simple answer. The answer is the cumulative effect of doing many things differently by changing our profligate attitude to energy and taking forward on all fronts and with increased urgency and determination the measures that we have started to take.

I quote the Scottish Affairs Select Committee's report again. It says:

"the best way of ensuring that Scotland's energy supply is maintained is by conserving energy."

I ask members to support the amendment in Jim Wallace's name, which outlines the Executive's sensible commitments and priorities.

11:25

**David Mundell (South of Scotland) (Con):** I will try hard not to be political in my speech, but I believe that people who argue against the nuclear industry should have the courage to do so in communities that the nuclear industry has benefited and not just in the Parliament, where it is easy to attract applause. It is much more difficult to do so in communities that the industry has benefited.

As a member of the Scottish Parliament, I have been one of the most long-standing advocates of the nuclear industry. I have been an advocate of it not because 72 per cent of people in an opinion poll said that they were in favour of it, although that is what drives SNP policy today. The SNP picks up a ragbag of issues in the hope of being on today's policy. As Dr Elaine Murray said, opinion polls are localised, and although nationally the SNP is against nuclear power, somebody somewhere will be for it. Local issues explain why Councillor Bob Higgins, the leader of the SNP group on Dumfries and Galloway Council, is one of the staunchest supporters of the nuclear industry. That is the reality of the SNP's position.

The debate highlights that the SNP has no real aspiration to govern, because the nuclear debate and the energy debate require leadership. I applaud Allan Wilson, John Home Robertson and others in the Labour Party, such as Brian Wilson, who have been willing to lead the debate in their party. We in Scotland have led the debate. It is important that people understand it, because the issues are serious.

The questions in the energy debate do not all have solutions with which everybody is happy. The Communities Committee recently had a lengthy discussion about another issue on which some

people express opinions but do nothing—opencast mining. Such mining will provide clean coal, but it is not easy to achieve a balance on the issue. Similarly, it is not easy to satisfy all stakeholders in the nuclear industry. We require leadership and to argue for the industry, and Conservatives will continue to do that in the Scottish Parliament.

The one issue on which I disagree with John Home Robertson, as he knows, and with the minister, is double-tracking, for which I believe scope exists. As the Committee on Radioactive Waste Management continues its work, we should begin the process of commissioning new stations, because that will take a long time and many procedural issues must be overcome. We must start now.

It is clear that the existing licensed sites here in Scotland will provide the best opportunity for new nuclear development, but I will not promote a particular site. I am heartened because the leadership that has been shown in the Parliament is having an effect and ultimately we will have nuclear development in Scotland. I am heartened because I read in my local paper the comments of a leading Liberal Democrat politician, who said:

“Having seen various programmes and reports on global warming, I have come to the personal opinion that in the future there will be a place for nuclear power in our energy provision.”

I am clear that when the moment comes, the Liberal Democrats in the Parliament will back nuclear power and that we will have it in Scotland.

**The Deputy Presiding Officer:** I call Allan Wilson to close for the Executive. Try to do so in four minutes, Mr Wilson.

11:29

**Allan Wilson:** I will do my best, Presiding Officer.

I have dealt with the SNP's scaremongering about the role of the Committee on Radioactive Waste Management in informing future policy on radioactive waste management and I will move on to energy policy more generally.

In their own way, Mark Ruskell, John Home Robertson and David Mundell referred to the critical issue that is under debate. Energy is an essential commodity for Scotland's society and economy. As John Home Robertson said, it heats our homes, lights our schools and hospitals and powers our factories and offices. We must address the need. Unlike the SNP motion, which runs away from addressing that need, serious politicians and serious political parties—I exclude the SNP from that—must address the issues.

It is clear that nuclear power is an important zero-carbon form of electricity generation that will

make a continuing contribution to minimising carbon emissions from electricity generation for some years to come. However, nuclear power is just one available form of energy supply. We will find in the diversity of sources the balance to which David Mundell referred that will suit Scotland's needs.

That brings me quickly to climate change, to which many members referred. We are committed to tackling climate change and to finding ways to reduce energy consumption—I say to Nora Radcliffe that that is not in dispute. Moving towards low-carbon generation must be part of the solution.

Britain leads the way in global efforts to tackle climate change and in showing what action can be taken. Scotland is playing and will continue to play its part in that wider context. We will continue to work in close partnership with the UK Government to ensure that the Executive contributes fully to UK climate change targets.

Chris Ballance made a couple of interesting technical points. I will not go into the detail, but it is untrue to suggest that the AP1000 is untested. It is based on the existing AP600 model and is designed to retain most of the existing specifications. While optimising power output, it reduces generation and increases efficiency. I make it clear that I am not aware—perhaps the member is—of any proposal to build a nuclear power station in Scotland. As Nora Radcliffe and others said, powers to approve new nuclear power stations are a matter for the Scottish ministers. No proposals have been made to rely completely on electricity from nuclear power generation. As the amendment in Jim Wallace's name says, we believe in diversity of supply to maintain security of supply.

**The Deputy Presiding Officer:** You have one minute.

**Allan Wilson:** As I have only one minute, I do not have enough time to deal with Dounreay issues or low-level waste, but I will be happy to respond to members later.

I will conclude with a point that Elaine Murray made and which Stewart Stevenson did not address. The SNP formerly demanded publicly in the Parliament that the Executive should have a target of generating 25 per cent more electricity from renewables. Not unreasonably, the wind power industry could presume that the decent people of Alyth or Angus, for example, should know that that was an SNP demand. However, all the SNP elected leaders in Alyth and Angus—MSPs, MPs and councillors—have omitted to tell the decent people of those areas that they believe in more wind power.

The SNP consistently talks green then turns yellow in Alyth and other parts of Scotland. To

hide that deceit, SNP members choose again not to talk about energy policy, the indigenous coal industry or the increasing cost of importing gas, but to rehearse old anti-nuclear scare stories, which have been consigned to history by Mr Lovelock—the father of the green movement—Professor King and other distinguished environmentalists and scientists.

I ask members to support the Executive amendment.

11:33

**Bruce Crawford (Mid Scotland and Fife) (SNP):** I will nail some of the disingenuous and dangerous positions that some members adopted on new nuclear facilities and the suggestion that the lights will go out. We know the Tories' position, but we find increasingly that most in Labour adopt that position and even the Liberals accepted today that we might yet have more nuclear power in the future. George Lyon accepted that that is his position.

Some people—either deliberately or because they are too lackadaisical to go beyond the shallow and superficial—are only too willing to accept the arguments of the new nuclear facilities lobby. I hope that David Mundell accepts that I visited the former nuclear plant at Chapelcross to talk to staff about the SNP's policy. When I was there, I was surprised to find that the plant only ever produced 190MW of electricity; it was intended to produce weapons-grade material for nuclear weapons. The position that has been adopted is a disgraceful one for any party in Scotland to take.

Scotland can produce 9,500MW of electricity on any day, but during times of peak demand in the winter—as John Home Robertson said—only 6,000MW are needed. Therefore, there is spare capacity of 3,500MW. Only 2,500MW will be lost when Hunterston B nuclear power station closes in 2011 and Cnockenzie closes in 2010. John Home Robertson should do the sums. Even with the loss of Hunterston B and Cnockenzie, we will have a spare generating capacity of 1,000MW.

**Mr Home Robertson:** Does that mean that the member is happy to lose the jobs in question and that he is not in favour of exporting electricity from Scotland?

**Bruce Crawford:** I will give John Home Robertson at least some credit on this occasion. His argument is always consistent, but it is a pity that he is consistently wrong. The report that was produced for the Scottish Executive in 2001 by the Garrad Hassan outfit clearly showed that 60,000MW of capacity in renewable energy in Scotland can be achieved, 25,000MW of which would be from wind power. The SNP has led on

that issue for some time. The spare capacity that exists is the reason why the lights have stayed on when the nuclear power stations at Torness and Hunterston have gone offline, which they have done more and more in the past few years. As they have gone down, the lights have not become dimmer and the kettles have not stopped boiling. The simple fact is that we do not have the gap that people, including those in the new nuclear brigade in Scotland, are talking about. Their arguments are utterly spurious and empty and do not stand up with any credibility.

That does not stop the myths that come from new Labour politicians. Allan Wilson recently asked:

“does it make sense, at the very time when climate change and the reduction of greenhouse gases have shot up the political agenda, to be planning the elimination of nuclear power?”

Of course, he conveniently forgot to mention that the very ethos of the Kyoto protocol, which deals with the reduction of greenhouse gases, is to pursue advanced and environmentally sound technologies. The idea of phasing out environmentally damaging methods of electricity production by increasing the use of other methods that are equally environmentally damaging cuts right across the ethos of the Kyoto protocol and represents neither good environmental nor sustainable practice. In short, the idea is plain daft and shows that those who support new nuclear production are not doing so for altruistic reasons. The minister can be sure that the SNP council leader—who is the local councillor—voted in favour of the wind farm at Alyth. The minister should not come here and peddle untruths about what is happening in other parts of Scotland.

According to the Committee on Radioactive Waste Management, which the Government established, even wastes from the existing power stations are conditioned and packaged. As Richard Lochhead rightly pointed out, there will be 470,000m<sup>3</sup> of deadly intermediate-level and highly radioactive waste in the UK and millions of tonnes of concrete and soil materials will be contaminated by low-level waste although warnings have been issued for 30 years that we must have a nuclear repository that will deal with intermediate-level radioactive waste. There have been delays after delays and consultations after consultations simply because the Government knows well that the argument about nuclear power is being lost in this country and that it needs time to soften up the people to accept new nuclear production in the future.

In the circumstances, I am glad that an opinion poll that the BBC issued this week clearly showed that 83 per cent of Scots do not support new nuclear production in Scotland. Members should

be absolutely sure that there will be the mother of all battles if the UK Government decides either to foist new nuclear power stations on Scotland or to give us new nuclear dumps to deal with all the UK's waste. The SNP will not allow that to happen in Scotland.

Members should support the motion.

## Question Time

### SCOTTISH EXECUTIVE

#### General Questions

11:40

#### State Hospital, Carstairs

**1. Scott Barrie (Dunfermline West) (Lab):** To ask the Scottish Executive what assistance is available to national health service boards to ensure that people inappropriately accommodated at the state hospital, Carstairs, can be returned to their home areas. (S2O-6090)

**The Deputy Minister for Health and Community Care (Rhona Brankin):** Patients are transferred to the state hospital because they need clinical care and treatment in a secure environment. In most cases, following treatment, it is expected that their state of health will improve sufficiently to enable them to move to supportive and appropriately secure settings outside the state hospital. Some patients will be transferred to other hospitals and others will be managed in the community with appropriate support from social work and local health services.

During 2003-04, 57 patients were discharged or transferred from the state hospital—32 went to other NHS hospitals, 14 went to the courts, 10 went to prisons and one went into the community. We are currently working with NHS boards and the State Hospitals Board for Scotland to ensure that arrangements are in place so that patients who are assessed as no longer requiring care and treatment at the state hospital can be returned to their home areas with the minimum of delay.

**Scott Barrie:** I thank the minister for her comprehensive response.

The minister may know that there are currently six patients from Fife who have been placed in the state hospital who no longer need to be there and for whom the hospital no longer offers appropriate accommodation. Continuing care at the state hospital is viewed as detrimental to their health and care. I am sure that there are examples of such people from other parts of Scotland. How can health boards be encouraged, or perhaps forced, to provide adequate community resources? When will investment be made available so that such people will no longer have to remain at Carstairs? Does the minister agree that much needs to be done, perhaps with the Executive's leadership, to reduce and—I hope—eradicate the prejudice towards and stigma that is attached to former patients of the state hospital?

**Rhona Brankin:** I am aware that some patients are inappropriately placed at the moment. NHS boards' responsibilities for and commitments to mentally disordered patients have been made abundantly clear to them through policy documents and the performance management process.

On provision and where we are with medium secure units, the east of Scotland is well catered for by the 50-bed Orchard clinic in Edinburgh. Work is expected to begin on the 76-bed unit at Stobhill in Glasgow in the coming months, and the business planning process for the 36-bed unit at Dykebar in Paisley—which will serve patients from the west of Scotland—is progressing well; it is expected that that unit will receive patients in 2007. Discussions are under way for the development of a medium secure unit for patients in the north of Scotland.

I agree that there is a need to reduce the stigma that is associated with patients with mental health problems who have offended. Scott Barrie will be aware that the anti-stigma work that the Executive is funding is beginning to show results. We continue to commit ourselves to such work.

### **Sewage Pollution**

**2. Ms Rosemary Byrne (South of Scotland) (SSP):** To ask the Scottish Executive what powers the Scottish Environment Protection Agency has over sewage pollution. (S2O-6029)

**The Deputy Minister for Environment and Rural Development (Lewis Macdonald):** SEPA has statutory powers to regulate water pollution under the Control of Pollution Act 1974, as amended. The entry or discharge of sewage effluent to controlled waters is illegal, unless it is authorised by a consent that is issued by SEPA. Consent standards are established from the requirements of a range of legislation. SEPA also has statutory powers to issue notices to prevent, minimise, remedy or mitigate the effects of polluting discharges on the environment, and powers to report offences under the Control of Pollution Act 1974 and other legislation to the procurator fiscal, with a recommendation for prosecution.

**Ms Byrne:** In the light of the non-stop flow of e-mails and letters that I receive that highlight continued instances of sewage pollution, and in the light of the number of pollution incidents with which SEPA must deal, does the minister agree that SEPA's current powers are insufficient to deal with a problem that is increasing? As a result, will he increase SEPA's powers to deal with such problems? Will he increase the level of monitoring and regulation of sewage pollution? Will he increase the levels of fines for companies that have been found to cause sewage pollution?

**Lewis Macdonald:** I do not agree with the fundamental proposition that SEPA lacks adequate powers. Rosemary Byrne will know that under the provisions of the Water Environment and Water Services (Scotland) Act 2003, SEPA has an overview of the pollution of waters. That is clearly significant, as is the act to which I referred earlier. The water investment programme that we outlined in Parliament last month provides for significant investment in improving the standard of waters around Scotland's coastline and of its internal waters.

The solution is to maintain activity in the way that SEPA has done. SEPA maintains a close watching brief and is effective in dealing with issues when they arise.

**Mr Adam Ingram (South of Scotland) (SNP):** As the minister is aware, I have proposed to his colleague Ross Finnie that pollution prevention and control regulations should be amended to require a specific waste recovery licence that would allow SEPA to conduct much more rigorous control over sewage sludge disposal on land and which would be paid for by the operators under the polluter pays principle. What consideration has he given to that proposal?

**Lewis Macdonald:** Adam Ingram should be aware that waste management licence exemptions are required for the kind of spreading that has been discussed. It is worth restating that when it comes to how we deal with sewage, recycling it and using it for constructive purposes, such as on land or for burning for energy, are far preferable options to landfill and other forms of disposal. Rather than seeking to inhibit the proper use of sewage sludge for recycling, we should seek to enable it to happen in a way that is controlled and monitored—as it is by SEPA—but which allows that waste to be disposed of in as environmentally beneficial a way as possible.

**Mr Mark Ruskell (Mid Scotland and Fife) (Green):** SEPA has identified more than 2,000km of rivers and coastal waters that are being affected by sewage or contaminated surface water discharges and some 600km of our rivers and coasts as an absolute must for investment. SEPA is already set to be underfunded to the tune of £20 million for meeting the water framework directive requirements. Why is the Executive, through its under-resourcing of SEPA, undermining its own Water Environment and Water Services (Scotland) Act 2003, to which the minister referred in his answer to Ms Byrne?

**Lewis Macdonald:** The simple answer is that we are not underfunding SEPA; we are making provision for SEPA to carry out its statutory duties, in relation to the Water Environment and Water Services (Scotland) Act 2003 as well as its other statutory duties. As I said in my earlier answer, the



provision that we have indicated for Scottish Water over the coming investment programme period will allow the investment of significant sums to improve water quality in our rivers and around our coasts.

**Phil Gallie (South of Scotland) (Con):** The minister referred to the burning of waste products. He will be aware that a block has been put on burning at Longannet power station, which produces a pelletised, treated sewage product. The alternative method is to bury untreated sewage around the country. Surely the minister must take a stand on that matter and address it promptly.

**Lewis Macdonald:** I am glad that Phil Gallie agrees that landfilling of sewage sludge is not a preferable option. That is why we support other forms of disposal, including its proper use on land and in burning for energy. The decision to which Phil Gallie referred has been made in court and it is not for me to comment on the merits of judicial decisions. However, that decision does not prevent Scottish Power from burning sewage sludge at Longannet. Although it puts new regulatory requirements on that process, it does not prevent disposal of sewage sludge by that method.

### Institutional Child Abuse

**3. Linda Fabiani (Central Scotland) (SNP):** To ask the Scottish Executive what action has been taken following the debate in the Parliament on institutional child abuse on 1 December 2004. (S2O-6237)

**The Minister for Education and Young People (Peter Peacock):** We are actively taking forward the wide range of work that I outlined in my speech during that debate and my subsequent letter to the convener of the Public Petitions Committee, and we are seeking to do so in collaboration with survivors of institutional abuse wherever possible.

**Linda Fabiani:** We are almost five months on from that letter, in which the minister made commitments to redact files for public inspection and provide support for those who wished to access them; to hold discussions on the law of limitation; to establish a short-life working group, which was supposed to be set up early in 2005; to appoint an independent analyst; and to provide financial support for the in-care abuse survivors group.

It was agreed unanimously in the chamber that the survivors of institutional child abuse had been ignored for too long—for two years, in fact—by the Executive after they submitted their petition. Will the minister confirm that action will be taken soon

and that those people will not be ignored any longer?

**Peter Peacock:** Far from seeking to ignore the people to whom the member refers, we seek to engage them actively in the work that we are undertaking. As members know, we take such issues seriously; that resulted in the First Minister making an apology on behalf of the people of Scotland for what happened to some survivors of institutional abuse.

As I said, we have a comprehensive work programme. All the files that we said would be redacted have been redacted and they are open for inspection. A web page advertises how they can be accessed and a helpline has been established, run by Who Cares? Scotland, which makes referrals to counselling services as appropriate. We are helping the In Care Abuse Survivors/In Care Abused Support group—INCAS—to advertise access to that helpline. As we promised, the information commissioner is auditing our practices to ensure that we opened up those files properly. The short-life working group to which the member refers is about to start work in the next couple of months. INCAS has been involved in the remit of that group and in recommending membership for it. We expect INCAS to be represented on that group.

As for the independent expert, we have identified candidates, we are making approaches to individuals to ensure that they are available to do that work and we hope to make an announcement soon. Although I see the Presiding Officer indicating to me that I am going on too long, I must say that we are taking a number of actions to which I could continue to add. I know that Linda Fabiani has lodged nine written questions on the matter and she will receive full answers to them all in due course.

### Outdoor Education

**4. Iain Smith (North East Fife) (LD):** To ask the Scottish Executive what plans it has to improve opportunities for schoolchildren to participate in outdoor education. (S2O-6072)

**The Minister for Education and Young People (Peter Peacock):** Learning and Teaching Scotland has been asked to undertake a development programme to promote and support the development of outdoor education in Scotland. It is in the process of employing a development officer to drive forward progress in that area.

**Iain Smith:** I am sure that the minister will agree that outdoor education has a number of benefits for young people, particularly with regard to their health and in understanding the environment, as well as in teaching them leadership skills and team building. Does the minister agree with the Liberal

Democrats that there should be an opportunity for all children of secondary school age to have a week's outdoor education?

**Peter Peacock:** I am always happy to see other parties catching up with the Labour Party. It is evident that Iain Smith has been reading the Labour Party manifesto that was published only yesterday and I am glad that that is the case. However, he has no need to convince me of the benefits of outdoor education, which are apparent to me. I am a strong supporter of outdoor education for exactly the reasons that Iain Smith mentioned. It can have life-changing effects for young people, it can contribute to their learning across the curriculum, it provides new lifelong interest for them, and it helps them to understand sustainable development and the impact of change in our environment on our lives.

That is why we are making efforts to improve outdoor education. Curriculum reform will try to open up more space in which young people can participate in outdoor education and additional teachers should give more opportunity for that. An outdoor education development officer is being appointed by Learning and Teaching Scotland this month and that will contribute to good practice. We have recently issued health and safety guidance for outdoor education to encourage those activities to take place safely. All that is being done, but I am always willing to listen to what more we could do to promote outdoor education even further.

### Eco-schools

**5. Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** To ask the Scottish Executive how it is supporting the development of eco-schools. (S2O-6063)

**The Deputy Minister for Education and Young People (Euan Robson):** The Executive is providing significant funding to the keep Scotland beautiful campaign to develop its capacity to support and assess schools that are engaged in the eco-schools programme. That funding amounts to £350,000 a year for the next three years, which is more than double the funding for the previous years.

**Jeremy Purvis:** The minister is aware of the additional funding for the development of three new high schools in Berwickshire, in both his and my constituencies, as well as the imagination of Borders pupils in responding to the eco-schools initiative. Will he ensure that he works closely with ministers with responsibility for enterprise and Scottish Borders Council so that, as the council moves towards the tendering stage for the building of those new high schools, every consideration is given to their environmental sustainability, including their heating and power by biomass,

which is a renewable source of energy that is in abundant supply in the Borders?

**Euan Robson:** As Mr Purvis knows, the eco-schools programme encourages young people to think about a sustainable future and promotes active citizenship through a pupil-centred approach. There is no doubt that children and young people can make a significant contribution where schools are being redeveloped.

I am intimately familiar with the situation in Berwickshire, as Mr Purvis will understand. There are major opportunities, both in Berwickshire and in schools that are being redeveloped in other areas, for energy-efficient systems to be put in, for developmental work to take place and for us to share good practice in that regard throughout Scotland.

**Irene Oldfather (Cunninghame South) (Lab):** Will the minister join me in welcoming yesterday's announcement of a new-build school at Greenwood Academy in Irvine as part of an £80 million school investment programme in North Ayrshire? Does he agree that North Ayrshire Council's commitment to making the school eco-friendly is an excellent example of partnership between local authorities and the Scottish Executive, which is delivering for the children in my area? Given that Greenwood Academy is Nicola Sturgeon's former school, perhaps, for a change, the Scottish National Party will welcome the initiative as well.

**Euan Robson:** Indeed the initiative is welcome, as is the opportunity that will be provided by the development for the provision of modern systems in the new school building. Nicola Sturgeon's former school might still be able to teach her something years later.

**Mr John Swinney (North Tayside) (SNP):** Is the minister in a position to update the Parliament about breaking down some of the barriers that perhaps do not exist in North Ayrshire Council but which seem to be affecting the ability of schools in my constituency to break through the restrictive rules of public-private partnerships and ensure that sustainability can be built into the heating systems of schools such as Breadalbane Academy? That has been an issue for a considerable time. Will the minister give us specific evidence to show that the Government has resolved the difficulties?

**Euan Robson:** I am grateful to the member for raising the issue again; he has been assiduous in doing so in the past. Other ministers had a meeting with the local authority about it, which I would be pleased to discuss with the member outside the chamber. I am not intimately familiar with all the details of that meeting. I have said before that opportunities, such as that at

Breadalbane Academy, should be taken where possible.

### **Infected Cadavers (Handling Guidelines)**

**6. Margaret Jamieson (Kilmarnock and Loudoun) (Lab):** To ask the Scottish Executive whether it will adopt the recent Department of Health guidelines contained in "The management of health, safety and welfare issues for NHS staff" on handling infected cadavers. (S2O-6081)

**The Presiding Officer (Mr George Reid):** I call the First Minister—sorry, I meant Mr Kerr.

**The Minister for Health and Community Care (Mr Andy Kerr):** A shock was felt around the chamber there, Presiding Officer—my shock was the biggest.

The guidelines on handling infected cadavers will be referred to an expert group to consider whether they should be adopted for use by NHSScotland.

**Margaret Jamieson:** The minister has indicated that he will set up a group. Will he assure me that that group will pay appropriate attention to the health and safety of health professionals, relatives of deceased persons and funeral workers? Will the outcome of the group's work be applied uniformly throughout Scotland?

**Mr Kerr:** The expert group will consider all those matters and I hope that that would be its conclusion. We want to ensure that the advice is appropriate to Scotland and takes account of Scotland's needs and that Scotland's professionals are involved in the process. The group will include occupational health physicians and nurses as well as health and safety representatives. NHS Tayside has undertaken good work in developing its advice to its staff. The advice will protect health professionals, funeral workers and relatives. The expert group will consider what we can learn and from where, as well as building on the best practice that exists in Scotland.

## **First Minister's Question Time**

11:59

**The Presiding Officer (Mr George Reid):** We come a few seconds early to questions to the First Minister.

### **Cabinet (Meetings)**

**1. Nicola Sturgeon (Glasgow) (SNP):** To ask the First Minister what issues will be discussed at the next meeting of the Scottish Executive's Cabinet. (S2F-1567)

**The First Minister (Mr Jack McConnell):** At the next meeting of the Scottish Cabinet, we will discuss issues of importance to the people of Scotland. At yesterday's meeting, we congratulated Charles Kennedy and his wife on the birth of their baby son.

**Nicola Sturgeon:** I, too, take the opportunity to congratulate the Kennedy family.

I draw the First Minister's attention to the publication that I have in my hand. It looks a wee bit like the Labour manifesto, but it is not. It is another wee red book called "Labour's achievements". I advise the First Minister that it is written by two Scottish Labour MPs and that it is being distributed here in Scotland, yet all the facts and figures that it lists about health are English, not Scottish. Does the First Minister think that that is because his colleagues are ashamed of his record on waiting lists and waiting times?

**The First Minister:** I have never seen that publication and I do not know which MPs Nicola Sturgeon is referring to, but I am happy to talk about our record on health. Here in Scotland, the numbers of people who are waiting longer than six, nine and 12 months are lower than anywhere else in the United Kingdom. The median wait here is shorter than anywhere else in the United Kingdom and there are fewer people on waiting lists per head of population than there are anywhere else in the United Kingdom. However, those statistics are still not good enough for us. That is why we are driving forward to ensure that we have not only shorter waiting times for in-patients, but—as we now have—shorter waiting times for out-patients, too. We are making real progress in the health service and we are using contractors to help us to do that—something that the Scottish National Party would cancel, leaving thousands of people still on the waiting lists without their operations.

**Nicola Sturgeon:** I find it funny that none of what the First Minister has just said finds its way into his Scottish colleagues' list of Labour's achievements. When the First Minister sees this

publication, I wonder whether he will agree that it is a disgraceful attempt to pull the wool over the Scottish public's eyes. It tells them that waiting lists have gone down, although in Scotland they have gone up; it tells them that bed numbers are up, although in Scotland they are down; and it tells them that more patients are being treated, although in Scotland fewer patients are being treated. Will the First Minister demand that the publication be retracted and that his Labour colleagues—no matter how embarrassed they are about it—start telling the truth about his record on health?

**The First Minister:** It is interesting to note that Ms Sturgeon has stopped trying to find an obscure statistic to produce at First Minister's question time and is now trying to produce obscure publications instead. That publication is not produced by our office or by anybody in the Executive. The truth is that the Scottish health service has the lowest number of people waiting longest anywhere in the United Kingdom; the shortest waiting lists per head of population anywhere in the United Kingdom; and commitments to go even further on that for in-patients. We also have not only a commitment to but a delivery of shorter waiting times and shorter waiting lists for out-patients. Changes are taking place in the health service, not just because of the investment that is being made but because of the reforms that are taking place. Every one of those reforms is opposed by the SNP and, if the SNP were ever in charge, every one of them would be cancelled, leaving more people on the waiting lists waiting longer for their operations.

**Nicola Sturgeon:** The First Minister talks about commitments. I turn to one fact about the English health service that Scottish patients will be interested to know. Yesterday, Labour promised that no patient will have to wait more than 18 weeks from seeing their general practitioner to having their operation—except if they live in Scotland. If the First Minister is doing so well, can he tell us why his target is 36 weeks—double the target in England? Is it just his incompetence that means that Scottish patients have to wait twice as long under Labour as patients in England do, or is there some other explanation?

**The First Minister:** The target to which Ms Sturgeon refers is for 2008. Our targets in Scotland are for 2007. In 2007 not only will we have a target but, because we have met every other target in the areas that we have identified, we will meet that target of 18 weeks for out-patients and 18 weeks for in-patients. We will then outline, in 2007, where we will go next.

We will also ensure that Scotland has not only a ban on smoking in public places, which will make a difference to Scottish health, and a health improvement strategy, which is making a

difference in our primary schools and elsewhere, but many other measures, including improved school meals. We in Scotland are proud to be ahead of the rest of the United Kingdom and are determined to ensure that we have a better health service and better health for our population.

**Nicola Sturgeon:** Does the First Minister, who in six years has failed to bring down waiting times, expect anyone to believe that he will halve those times in 12 months? Is it not the case that he has let down patients in Scotland and that, with targets that are double those south of the border, he is set to continue failing patients in Scotland? Why do Scottish patients have to pay as much for the NHS as English patients do but get so much less?

**The First Minister:** For the umpteenth week in a row, Ms Sturgeon insults the people in the Scottish health service who produce the statistics to which I referred. In Scotland, we have the lowest number of people on waiting lists per head of population anywhere in the United Kingdom. We have the lowest number of people waiting longer than six months for in-patient treatment. Because of the hard work of doctors, nurses and other professionals in the health service, out-patient waiting lists and waiting times are coming down. When we achieve those targets in 2007, we will go further in 2008 as our colleagues in England are doing, but we will assess the situation properly at that time.

At the same time, we will persist with a wider programme of health improvement for Scotland. The health service is getting the investment and the reforms that were opposed by the SNP and which are now making a difference. We will also have health improvement so that our primary school children, our smokers and many others across Scotland can see that a better way of looking after themselves helps the health service, the individual and the community.

### Prime Minister (Meetings)

**2. David McLetchie (Edinburgh Pentlands)**  
**(Con):** To ask the First Minister when he will next meet the Prime Minister and what issues will be discussed. (S2F-1568)

**The First Minister (Mr Jack McConnell):** I am not sure when I will next meet the Prime Minister, but I suspect that it will be sometime during April.

**David McLetchie:** The First Minister will recall that, when he was in Dundee last month, the Prime Minister said that if people thought that the health service was better under the Conservatives than it is under Labour, they should vote for Michael Howard. Of course the national health service in Scotland was better under the Conservatives. There were more than 9,000 fewer patients on our waiting lists, 7,000 fewer out-

patients had to wait more than a year for treatment, and 15,000 more in-patients were being treated compared with now. Is it not therefore the case that in health, as in so many other areas of our national life, Scotland is going backwards and not forwards under Labour and, of course, its Liberal Democrat allies?

**The First Minister:** I am not too sure where to start—there is so much information in front of me that I can use to compare the records of Mr McLetchie's party and our party and coalition on the health service in Scotland.

There was a 20 per cent increase in waiting lists under the Tories in Scotland during their final seven years; that is four times higher than the increase during the past seven years. Because we concentrate on waiting times and not waiting lists, we now have a waiting times target that people will have to wait only 18 weeks by 2007. Under the Tories, not just the target but the reality was 18 months. That is the difference between the policies on the health service of the Executive and the Tories.

We saw what the Tories did to the health service: they demoralised doctors and nurses, raised waiting times and made a mess of the health service. We must continue with our programme of investing in and reforming the health service in Scotland. We must also ensure that next month, we do not get a Conservative Government that will cut our health service, cut the resources that are available and ensure that our health service goes back to where it was in the 1990s.

**David McLetchie:** I know what the Conservatives did for the health service in Scotland. They opened hospitals and established locally based services that the Executive is closing and running down the length and breadth of Scotland. If members do not believe me, they need only go to areas such as the Vale of Leven, Argyll and Clyde and the Highland NHS Board area to speak to campaigners the length and breadth of the country who are complaining about the centralisation of services that is taking place under the Scottish Executive. Today, in his answers to Nicola Sturgeon and me, the First Minister has compared Scotland with England. Does he not think that it is rather pathetic that the best that he can do is compare the inadequacies of the health service under a Labour Government in England with the inadequacies of the health service under the Executive in Scotland? Does that not betray a total poverty of ambition?

**The First Minister:** Let me go back to our record. Fifty-six hospitals have been built, modernised or upgraded, and 114 primary or community care facilities have been modernised. The number of dental staff is up. The number of

medical and dental consultants is up. The number of medical and dental doctors who are being trained is up. The number of nursing and midwifery staff is up. Is Mr McLetchie hearing what we are hearing? Deaths of under-75s from coronary heart disease, cancer and strokes are down. Those are the improvements that have taken place in our health service. Of course it is not as good as we all want it to be—that is why we will make it even better. However, the worst thing that the people of Scotland could do in the next month is put Mr McLetchie's lot back in charge, because then the health service would go back to the 1990s, rather than forward into the 21<sup>st</sup> century.

**David McLetchie:** The First Minister can bluster all he likes, but I am afraid that facts are chieftains. Waiting lists and waiting times are up. The number of people in Scotland who lack a dentist is certainly up, up, up. It is ridiculous that the First Minister has the temerity to suggest that everything in the health garden is rosy. The truth of the matter is that the First Minister, like the Prime Minister, has lost the plot when it comes to health and that, by international standards, he is failing miserably to deliver the health care that people in Scotland need and deserve. Why is there no proper target and ambition to end the waiting lists that are Scotland's international disgrace and over which the First Minister presides?

**The First Minister:** Every party that is represented in the chamber demanded that the waiting list targets should go and that waiting time targets should come in, because that was the right way in which to improve the health service in Scotland.

As a result, the number of people who have been waiting for more than nine months is down. The number of people who have been waiting for more than six months is down. The number of out-patients who have been waiting for more than six months is down. Nobody is waiting for more than eight weeks for angiography or for more than 18 weeks for coronary revascularisation. Those are the improvements that have been made in our health service. Every one of them is opposed not only by the Conservatives—because of the cuts that they have promised and to which they will not admit, although there is a document that proves where they will fall here in Scotland—but by the SNP, which would cancel the contracts and leave thousands of people waiting for their operations. The SNP wants to choose the hospital that people should go to, instead of letting the patients choose so that they can get the operations that they need and deserve.

**The Presiding Officer:** There is one urgent constituency question.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** This morning, I gave the First Minister's office notice of the question that I wish to ask. It concerns the Ardtoe marine research institute, which is based in Ardnamurchan in west Lochaber. Just yesterday, the board of the Scottish Association for Marine Science announced that SAMS Ardtoe Ltd would be placed in liquidation. The liquidator arrived today. The staff learned of the decision yesterday.

There are few jobs involved, but they are essential to this remote rural part of Scotland. The workforce believes that it has a future and wishes to explore every possible option for survival, so that it can continue to provide its expertise, possibly to the university of the Highlands and Islands. This morning, the workforce instructed me that it wishes to send a delegation, led by me, to meet ministers in both the Environment and Rural Affairs Department and the Enterprise, Transport and Lifelong Learning Department in order to explore a future for Ardtoe. Can such a meeting take place as a matter of urgency?

**The First Minister:** The minister will be happy to meet Mr Ewing on that matter. Indeed, the ministerial team is well aware of the important skills that exist in that area and the importance in a rural part of Scotland of good skills and highly paid jobs not only to the individuals concerned but to the whole local community. However, it is important to discuss the matter further, and the minister will be happy to have such a meeting.

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

**3. Shiona Baird (North East Scotland) (Green):** To ask the First Minister when he will next meet the Secretary of State for Scotland and what issues he intends to discuss. (S2F-1575)

**The First Minister (Mr Jack McConnell):** With apologies in advance to my Liberal Democrat colleagues, I met the Secretary of State for Scotland this morning to discuss the best small manifesto in the world.

**Shiona Baird:** Five weeks ago at the sustainable development conference in Edinburgh, the First Minister said:

"For the past three centuries, too many people simply didn't ... look to the future, and ... concern themselves with the impact their actions might have on the future of our planet ... too often many decisions makers take short term decisions rather than the right action for the long term."

However, just two weeks later, the Executive gave the M74 the go-ahead. Friends of the Earth Scotland, of which he is a member, described that as

"probably the worst environmental decision ever taken by the Scottish Executive".

This road will damage local communities and the environment. Even his own response says that climate change pollution will get worse as a result.

**The Presiding Officer:** Put your question, please.

**Shiona Baird:** How can the First Minister possibly justify this decision?

**The First Minister:** Because the word "sustainable" goes with the word "development". I am to some extent constrained in what I can say on this matter, but I make it very clear that I believe that the construction of the M74 will ensure that parts of Glasgow and the west of Scotland have less congestion and pollution and that the economy of Ayrshire, Renfrewshire and that whole part of west and south-west Scotland improves in years to come. That, in turn, will ensure that we deliver sustainable development for those communities. That is why this decision is so important and why the balance of environmental and economic considerations would lead anyone who looks carefully at all the evidence to say that the road should go ahead.

**Shiona Baird:** The First Minister has not even read the report or listened to what he has said himself. His words sound fine, but his environment-wrecking actions demonstrate hypocrisy of the highest order. His green thread—

**The Presiding Officer:** No, you must put a question.

**Shiona Baird:** It is coming.

**The Presiding Officer:** In that case, let it come a bit quicker.

**Shiona Baird:** The First Minister's green thread is well and truly broken. If he does not listen to the advice of his independent inquiry reporter, to Tony Blair's chief scientific officer, to his own Sustainable Development Commission Scotland or to Friends of the Earth Scotland, to whom does he listen? Just the business lobby?

**The First Minister:** I will tell the member whom I listen to: communities the length and breadth of west and south-west Scotland. I listen not only to communities in Glasgow, Ayrshire, Renfrewshire and South Lanarkshire, but to the other communities north and south of those areas that will also benefit from the improvements to the road. Those people will also directly benefit from the reduction in congestion and pollution that will take place because of the diversion of traffic in that area, should the project go ahead.

I am proud of the Executive's record on transport infrastructure. Not only are we dealing with projects that the previous Conservative Government did not deal with for years, but we are investing in the public transport network with new

lines in the Borders, from Airdrie to Bathgate, from Larkhall to Milngavie and from Alloa across to Dunfermline. Those key new pieces of infrastructure are making a difference; they are taking people off the road and ensuring that we have a railway system for the future that is as good as our roads system and that Scotland is connected not just within itself but to the rest of the world.

### **Economic Strategy (Employment)**

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

**(Lab):** To ask the First Minister what effect the Scottish Executive's economic strategy is having on boosting employment opportunities. (S2F-1574)

**The First Minister (Mr Jack McConnell):** Our economic strategy is based firmly on the fundamentals of a strong and stable UK macroeconomy. We aim for full and fulfilling employment in every part of Scotland giving every Scot the chance to learn throughout their life. The effect is that in Scotland today employment is at its highest since quarterly records began in 1992; the employment rate is above that of the UK and second only to Denmark among the 25 countries of the European Union; and unemployment is at historically low levels. That is a proud record and one that we will build on.

**Des McNulty:** Like every other area of Scotland, Dunbartonshire has benefited from stability—in particular, through a dramatic reduction in unemployment. However, in view of the past, and in view of the scale of the task of regenerating areas such as Clydebank, Dumbarton, Inverclyde, Paisley and North Ayrshire, what steps does the First Minister feel can be taken to speed up the Clyde waterfront initiative, and to co-ordinate and target investment in transport, housing, land reclamation and enterprise more effectively, to maximise the significant opportunities that exist right along the Clyde?

**The First Minister:** We will continue to discuss with our partners on the Clyde waterfront initiative the pace of the programme of work as well as its content and financing. We will also ensure that the area is properly connected to the rest of Scotland and beyond.

This week, I have been delighted to see yet again the success of the new air routes in and out of Glasgow and Prestwick. Those routes are making a difference in connecting that area of Scotland to Europe and the wider world. There are also other new transport connections—new road and rail improvements—to the north and south of the United Kingdom, which will make a difference to the economy of the area.

Our massive investment—a 23 per cent increase in university spending, and a 400 per cent increase in capital investment in our universities and colleges—will make a huge difference to the west of Scotland. Not only do we have employment and infrastructure projects, but we will have the skills, the innovation, the research and the commercialisation that will make a difference and allow the west of Scotland—and all of Scotland—to compete in the rest of the world. It is a comprehensive package. It means that, in future, the west of Scotland will be in a healthy employment and economic position. I am determined to see that through.

#### **Jim Mather (Highlands and Islands) (SNP):**

The First Minister's answers paint a picture that is dramatically at odds with the UK Government Actuary's Department forecast, which now extends to 2073. It predicts that Scotland will lose 1.13 million working people by that time—35.8 per cent of the current working population. Can the First Minister reconcile his optimism with that stark statistic?

**The First Minister:** The best thing that we could all do—on the SNP benches, on the Green benches, and even on the Tory benches—is to ensure that young people in Scotland do not hear the girning and moaning of the SNP, telling them that their country is rotten and that they have no job opportunities. After 18 years of disastrous Tory Government, when Scotland's population went down and down and the number of young people leaving Scotland went up and up, we have now reversed both those trends. More young people stay in Scotland than leave. In 1999, the figure for Scottish students who stayed in Scotland was 79 per cent; today it is 89 per cent. Those people are proud of their country. They are taking up their opportunities. The SNP should stop running Scotland down and convincing people to go elsewhere.

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

Is it not a source of some embarrassment to the First Minister that we have a Minister for Enterprise and Lifelong Learning who is promoting a policy of scrapping the Eurofighter, which will cost hundreds of jobs in Edinburgh? Is it not time for the First Minister to sack his enterprise minister and replace him with somebody who is interested in increasing employment opportunities in Scotland and not reducing them?

**The First Minister:** I am not going to get into this. I hope that my colleagues in the Liberal Democrats will forgive me if I point out that it is unlikely that they will form the next Government at Westminster and that therefore that particular proposal is unlikely to be implemented.

Both parties in the Executive are committed to employment opportunities and economic growth,

and both parties are ensuring that young people—not only in the west of Scotland, as Des McNulty pointed out, but throughout Scotland—have the opportunities that the Conservatives and the nationalists want to run down but that we want young people to take, so that they stay in this country to make something of themselves and make something of their communities.

### **Fresh Talent Initiative**

**5. Ms Sandra White (Glasgow) (SNP):** To ask the First Minister what impact low immigration levels into Scotland would have on the fresh talent initiative. (S2F-1577)

**The First Minister (Mr Jack McConnell):** The fresh talent initiative aims to retain Scottish talent, attract Scots back home and attract talented people with a variety of skills from the rest of the UK and beyond to live and work in Scotland. The initiative is helping us to reverse Scotland's projected population decline, which is the biggest long-term challenge facing our country.

**Ms White:** I thank the Prime Minister for that answer—[*Laughter.*] Please excuse me for saying "Prime Minister". Sometimes I think that the First Minister is doing more Westminster electioneering than Scottish Parliament electioneering, and that is terribly wrong.

My question was about immigration and the fresh talent initiative. In February this year, the Home Secretary said with regard to population decline in Scotland that his policy on immigration was industry led rather than region led. Does the First Minister agree that that policy will have a detrimental effect on the fresh talent initiative and will further compound Scotland's growing population crisis? Has he had any meetings with Mr Clarke regarding those concerns?

**The First Minister:** I do not want to—and I am sure, Presiding Officer, that you would not want me to—quote at length from Labour Party manifestos. However, I would like to make it absolutely clear that, both in the UK Labour Party manifesto that was published yesterday and in the Scottish manifesto that was published today, there is a clear proposal for a reformed system of immigration for this country. Within that reformed system, there is plenty of capacity, supported by UK Government ministers, for Scotland to have a specific set of criteria that can be used here in Scotland to attract the talented people whom we need in our country to help us not only to reverse population decline but to have a dynamic and diverse economy in the years ahead. That is the policy of the coalition Government in Scotland and one that we are prepared to argue for, and win the argument for, in the years ahead. It is a policy that is already attracting interest not only from Europe but from further afield, as talented people

recognise the opportunities and potential that exist in this great small country of ours.

### **Trade and Industry**

**6. Lord James Douglas-Hamilton (Lothians) (Con):** To ask the First Minister whether the Scottish Executive's actions to promote the interests of Scottish trade, industry and exports abroad are supported by the United Kingdom Government. (S2F-1580)

**The First Minister (Mr Jack McConnell):** Yes, they are.

**Lord James Douglas-Hamilton:** Does the First Minister accept that there is a prospect of China becoming the world's largest economy well within our lifetime? Will he clarify, for the benefit of Scots looking for trading opportunities in China, who should be their first port of call in our embassy in China, so that they will receive the best possible advice and assistance?

**The First Minister:** We are determined to ensure that we have a strong presence not only in North America and in Europe but in the important emerging economy of China. There are opportunities for Scottish companies to export and to build partnerships and there are opportunities for our universities and colleges. We have had two successful visits in the past six months and have put together a comprehensive programme of work. That work will be led in the Beijing embassy by the Scottish Executive official whom we will appoint to work there, but that person will work with other agencies, too. VisitScotland, Scottish Development International and other Scottish agencies will work with Scottish companies in China and will have an opportunity to co-ordinate their actions. That work will be fully supported by the British embassy in Beijing.

**Alex Neil (Central Scotland) (SNP):** I welcome what the First Minister has just said about representation in Beijing. I encourage him to expand that representation into other countries, particularly India, Indonesia, Malaysia and Australia, and to follow the advice of his predecessor, Henry McLeish, who suggested that we should have a whole network of Scottish representatives in all the embassies throughout the world. Finally, I have a specific question. When does the First Minister hope to appoint a successor to Susan Stewart in the embassy in Washington?

**The First Minister:** The permanent secretary will appoint a successor as soon as is appropriate, and obviously in advance of anybody leaving their post. Our network, not just of Scottish Executive offices but of SDI offices, is comprehensive across the continents of the world and has just been increased in size by a considerable number of new



members of staff and new posts. That network ensures that we in Scotland have direct representation in many countries throughout the world. We also have the benefit of direct Scottish representation through the many British embassies and consulates. Of course, the direct impact of Mr Neil's political position would be that we would no longer have access to 200 or so embassies and consulates and Scotland's industries and companies would lose out.

**The Presiding Officer:** There is a final question, from George Lyon.

**George Lyon (Argyll and Bute) (LD):** Will the First Minister tell us what action the Executive will take to assess the success of the VisitScotland Scottish village, which was set up in Grand central station in New York last week and which hundreds of thousands of American visitors took the time to visit? Will he also say how the Executive will measure the success of the Scottish universities life sciences conference in Boston, at which exciting Scottish projects were showcased to an American audience?

**The First Minister:** It is unfortunate that from time to time the activities in which we are engaged, not just during a particular week in the United States of America but all year round, are described as being based around one or two marches and parades. A range of activities is taking place, which allows Scotland to be more effectively promoted in the USA and further afield. The Scottish village is an outstanding and innovative idea that has been taken up by VisitScotland and other agencies. It was a huge success in New York—that is already clear—and it will be used at the G8 summit in July to showcase Scotland to up to 3,000 international journalists and media representatives. It will also be used at the Commonwealth games next year in Melbourne to showcase Scotland to the whole of the Commonwealth at one of the premier events of the sporting calendar. The idea will be used again and again to ensure that Scotland has its place.

Our life sciences industry and universities are always uppermost in our minds as we organise not just events but promotions to tell everyone that Scotland is the best small country in the world.

12:32

*Meeting suspended until 14:15.*

14:15

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

#### Enterprise, Lifelong Learning and Transport

**The Deputy Presiding Officer (Trish Godman):** Question 1 has not been lodged.

#### Workplace Skills (Young People)

**2. Robert Brown (Glasgow) (LD):** To ask the Scottish Executive what assessment it has made of the number of 16 to 19-year-olds who have no workplace skills. (S2O-6052)

**The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace):** Although the Scottish Executive does not measure the skills profile of 16 to 19-year-olds, Futureskills Scotland provides us with evidence from employers on the skills needs of the wider workforce. Those surveys have shown that the labour market works well for most employers. In order better to assess the particular skills needs of young people, Futureskills Scotland has recently commissioned a study into the work readiness of school leavers. It is anticipated that that research will be published in May.

**Robert Brown:** Does the Deputy First Minister agree that addressing young people's lack of skills on leaving school is vital both to meeting Scotland's skills shortages and to giving our young people the best chance to fulfil their potential in life? Will he report to Parliament in due course on the outcome of the study, with particular regard to whether we are making headway? Can he give me an indication of what the Scottish Executive is doing to motivate young people—particularly those who are turned off by the school experience—as they move into adult life, with regard to well-organised work experience placements, learning in a more adult environment and encouraging them to set themselves objectives, all of which the Careers Scotland research has shown to have a vital link to attainment?

**Mr Wallace:** I certainly take the underlying point of Robert Brown's question. We take seriously the issue of school leavers who are not in employment, education or training. Indeed, studies show that there is a close correlation between those who did not get into education, employment and training on leaving school and worklessness in later adult life. That is a loss to the community as well as being an indication that such young people are not fulfilling their potential. That is why

we are engaged in developing an employability framework and is part of the reason for the emphasis that the Executive places on closing the opportunity gap.

I take on board Robert Brown's point about the need to enthuse and stimulate young people who do not see the school environment as being one that best stimulates their interests. That is why we are proceeding with work that will improve the relationship and interface between schools and colleges. My colleague Peter Peacock and I hope to take that further when we announce more detailed proposals before the summer recess.

#### **M74 (Economic Benefits)**

**3. Mr Frank McAveety (Glasgow Shettleston) (Lab):** To ask the Scottish Executive what the economic benefits are to the west of Scotland economy arising from the commitment to proceed with the M74 motorway link. (S2O-6142)

**The Minister for Transport (Nicol Stephen):** Completing the M74 will bring significant economic and social benefits to the west of Scotland. It will improve the efficiency of transport, support new housing, leisure and industrial developments and help to create around 20,000 jobs in the Glasgow and Clyde valley area.

**Mr McAveety:** I welcome that commitment from the Executive and agree that the M74 will assist in the major economic development of the west of Scotland economy. Does the minister agree that the Clyde gateway project in the east end of my constituency will benefit enormously from the M74's completion and that the increasing economic benefits brought by the M8 to Easterhouse and by the M77 to Pollok, for example, demonstrate the worth of such projects? Does he further agree that opposing the project by using the language of the ned and threatening to "pay a visit" to any companies that are involved in it is utterly inappropriate and that we want to maximise the benefits for the communities that are most affected?

**Nicol Stephen:** I agree with Frank McAveety that there is potential for the regeneration of the parts of Glasgow that he mentioned. As everyone would agree is appropriate in relation to such a project, I have seen the length of the route of the new motorway and can say that those parts of Glasgow are in desperate need of regeneration, new jobs and new opportunities. The project will have a central role to play in delivering that. The project will also be good for road safety, as it is expected that it will result in around 50 fewer road injury accidents a year. Further-more, everyone who travels on the M8 and attempts to cross the Kingston bridge during rush hour will be aware of the serious congestion problems that exist there. The new road will help to tackle those problems.

That must be good not only for the Glasgow area but for the whole of the west of Scotland and for Scotland's future economic development.

**Patrick Harvie (Glasgow) (Green):** I assure the minister that although some people might make threats, others make promises of peaceful, assertive protest on the issue.

I ask the minister to explain, or at least to hazard a guess about, why the areas of Glasgow that had other destructive motorway projects put through them back in the days when Liberal Democrats thought that such projects were a bad idea are not now the thriving hubs that one would expect if the economic benefits had materialised.

**Nicol Stephen:** It is important that we invest in the regeneration of areas in a substantial way, alongside investing in the motorway project. I accept that a single project on its own is not enough, but the M74 project will be central to the opening up of new opportunities in the areas concerned. That is why it has been supported not only by a significant number of people in the Glasgow area but by those in the local communities that are affected. The project will help to remove congestion from local roads; it will also help with the regeneration initiative. The approach must be integrated.

I hope that Patrick Harvie will take a positive attitude to the matter and that he will support the local communities to make the most of the opportunities that will arise from the project, which will now proceed, because they will be significant.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** As the minister knows, the Scottish National Party has supported the M74 project from the outset. Given that his arguments are correct, would it not have been better for the project to have gone ahead five or six years ago? Given that the cost has doubled, does he agree that the money that would have been saved could have been used to fund other projects, such as the dualling of the A9? Is he concerned about what will happen if there is any delay to the M74 project? In the words of the trade representative body, there is no plan B and any delay may lead to Scottish workers being handed P45s and chasing construction work down south.

**Nicol Stephen:** I prefer to look to the future and to try to be positive about the investment that we are making in transport. I look forward to the day when Fergus Ewing takes a similar approach.

We are determined to deliver the project on time and on budget, and we want to do the same with our other investments in transport in Scotland. We have planned a substantial programme of new investment, which comprises £3 billion of investment over a 10-year period. It will take a lot of hard work to deliver that programme and we will

have to project manage it well, but to do that we need more skills, more employees and more companies bidding for projects in Scotland. I welcome the support that we are getting not only from construction companies but from the business community in Scotland. At last they are seeing new investment in both roads and public transport.

### **Bus Services**

**4. Mr John Home Robertson (East Lothian) (Lab):** To ask the Scottish Executive whether it has any plans to improve the quality and reliability of bus services. (S2O-6115)

**The Minister for Transport (Nicol Stephen):** We provide substantial funding to improve the quality and reliability of local bus services. On 8 March, I announced the initial award of funding for the bus route development fund, which amounts to £12.2 million for 27 projects throughout Scotland. At the same time, I announced indicative allocations of a further £10.3 million against which local authorities may bid in the current financial year. In addition, we support the bus industry directly through the bus service operator grant and we have also agreed to fund an increase in the number of Scottish bus compliance officers from two to six.

**Mr Home Robertson:** It would be nice to see some value for that money. Is the minister aware that companies such as FirstBus are still running seriously unreliable services in clapped-out buses in some parts of Scotland? I have had letters this week from passengers who had to get out of a fume-filled bus on the Edinburgh city bypass. When they were picked up by another bus, it broke down in Tranent. We are about to pay those companies to provide free transport for pensioners on such services. Does he accept that the situation is not tolerable? Will he take action to ensure that FirstBus and other companies provide satisfactory services for the passengers they carry?

**Nicol Stephen:** Such situations are unacceptable. We need to improve the quality and reliability of public transport across the board, both in relation to train services, which were the subject of yesterday evening's members' business debate on Scott Barrie's motion on problems with rail services in Fife, and in relation to bus services, on which John Home Robertson is right to raise his constituents' concerns about poor quality. That is why it is so important that public transport receives new investment not only from the Government but from private operators.

I also want tougher enforcement. From my regular discussions with the traffic commissioner, I know that she welcomes the increase in the number of bus compliance officers. I hope that

bad, serious incidents of the nature that John Home Robertson described are drawn to the attention of the traffic commissioner and the bus company involved.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** On the quality and reliability of bus services for school runs, the minister will be aware that I have taken up with him a number of cases, including that of the students of Peebles High School, whom I joined recently at a meeting that we had with FirstBus. What priority does the minister expect local authorities to give to new investment in bus services to ensure that such services are not only reliable and of the right quality but safe?

**Nicol Stephen:** It is important that children have a positive experience of public transport and that they get into the habit of either walking or cycling to school or making use of the bus. That is why I want to see a system that allows for proper investment in bus services for school runs. Too often, the vehicles that are used are the oldest coaches and the poorest quality vehicles. We need to raise the standards of bus services for schools and education providers. A number of pilot projects are considering ways in which that might be achieved and more funding has been allocated to the issue in the latest Scottish budget. Over the next 12 months, I will address the issue. I hope to report back to Parliament on further proposals in due course.

### **A8000**

**5. Margaret Smith (Edinburgh West) (LD):** To ask the Scottish Executive what action it is taking to ensure the prompt delivery of the A8000 project. (S2O-6076)

**The Minister for Transport (Nicol Stephen):** We are working closely with the City of Edinburgh Council and the Forth Estuary Transport Authority—FETA—to ensure that work can begin on this important project as soon as possible.

**Margaret Smith:** The minister will appreciate that the A8000 project is a major issue for my constituents, who share my concern about the number of delays to the project and its rising cost. Will he assure me that the Scottish Executive will underwrite part of the funding for the A8000 project to cover a temporary—I hope—funding gap that has been caused by the public inquiry and judicial review of tolls, which is currently delaying this crucial project? Will he agree to an urgent meeting with FETA, the City of Edinburgh Council and me so that we can investigate options to allow the project to go to tender in the next few weeks, as was previously intended by the FETA board?

**Nicol Stephen:** Margaret Smith has written to me on the issue and I will be pleased to have a

meeting with her. I also look forward to meeting the council and FETA. I do not rule anything out at this stage. If there are constructive proposals that would help such an important project to go ahead, I will give them serious consideration. I want to ensure that we get cracking with the project and get construction under way so that it can be completed on schedule for 2007.

If we consider the areas of Scotland's road network that are crying out for new investment, it is clear that, as with the other major road project in the west of Scotland that we discussed earlier, the early upgrading of the A8000 in the east of Scotland on the way to the Forth road bridge is vital to the completion of a sensible road network.

**Mrs Mary Mulligan (Linlithgow) (Lab):** The proposed improvements to the A8000 are welcome, but will the minister ensure that my constituents in the village of Newton, which is on the A904, do not suffer further pollution and inconvenience from traffic as people try to avoid the road works that will be required? As I have asked frequently, will he also ensure that, once the improvements to the A8000 have been completed, drivers are encouraged to use the road so that the heavy traffic through the small village of Newton can be reduced?

**Nicol Stephen:** The most convincing answer that I can give is that I will ensure that the A8000 project is completed as quickly as possible. I give Mary Mulligan that guarantee. I am convinced that once the road is properly dualled and brought up to the high standard that the City of Edinburgh Council proposes, the congestion problems affecting the village of Newton and other communities will be swept away, because people will make use of the new road. In the meantime, if the community has proposals that it wants to put to the council, to FETA or to me on how the current difficult position could be improved, I will certainly give them serious consideration.

**Alasdair Morgan (South of Scotland) (SNP):** The A8000 is not part of the trunk road network. Can the minister tell us why not?

**Nicol Stephen:** The last trunk road review was held back in 1996, so perhaps I should pass that question to Conservative members. We are reaching the stage at which we need a fresh trunk road review, and I hope to announce the second stage of the toll bridges review next week—I note that the Forth road bridge itself is not a trunk road. Those are issues for the future, although I agree with the sentiment that I think lies behind Alasdair Morgan's question. We need a sensible approach for the future, but it would not be possible to give a sound and logical answer to the question without Lord James Douglas-Hamilton being present.

## Hydro-electric Power

**6. Murdo Fraser (Mid Scotland and Fife) (Con):** To ask the Scottish Executive what action it has taken to encourage the development of small-scale hydro-electric schemes. (S2O-6235)

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** New and existing hydro schemes below 20MW are eligible for support under the renewables obligation in Scotland. Since the obligation was introduced we have consented to three small-scale hydro stations and a further three proposals are being considered.

**Murdo Fraser:** The minister may be aware that changes that are being proposed to the rating system would have the effect of increasing the rateable values of small-scale hydro schemes by including the value of renewables obligation certificates as part of the rateable value. The impact of that would be to increase substantially the rates bills for many such small schemes. Those proposals apply only north of the border and will not affect hydro schemes in England and Wales. Given the Executive's commitment to renewable energy, will he undertake to examine the issue and bring forward proposals to try to alleviate the impact of the changes on hydro schemes?

**Allan Wilson:** The member is correct to point out that, in November 2003, the Minister for Finance and Public Service Reform announced that from 1 April the practice of setting rateable values or related formulas for certain industries would be abolished. That means that the formerly prescribed industries, which include the electricity industry, now have their valuations done conventionally. That means that all ratepayers are treated on the same basis and are valued by an independent assessor. The industries affected now have a right of appeal, which they did not have under the prescription regime.

I will certainly examine the impact of the change on the companies concerned, but a transitional relief scheme that is attached to the change will limit increases in rates bills for companies that are adversely affected. That scheme is paid for by the companies that, in the short term, might benefit from the process.

## Competitiveness

**7. Richard Lochhead (North East Scotland) (SNP):** To ask the Scottish Executive what steps it is taking to ensure that Scotland remains competitive with the new European Union countries in terms of jobs and business opportunities. (S2O-6216)

**The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace):** “The Framework for Economic Development in Scotland” sets out the Scottish Executive’s approach to continued economic development in a rapidly changing global economy.

**Richard Lochhead:** Will the minister assure the Parliament that the impact of the first year of European Union expansion on the Scottish economy will be assessed to ensure not only that we are responding to the threat of the increasingly attractive business opportunities that many global companies are finding in eastern Europe but that Scotland grasps the opportunities presented by EU expansion?

On that theme, I turn the minister’s attention to the situation that faces RB Farquhar, which is a very successful and well-respected family-owned manufacturing company in Huntly. It recently opened up its second factory in the Czech Republic and now the Huntly operation is struggling.

**The Deputy Presiding Officer:** Mr Lochhead, you are wandering. Can you please ask your question?

**Richard Lochhead:** Will the minister take a close interest in the situation at RB Farquhar and find out from local agencies what he can do to help to protect those jobs?

**Mr Wallace:** I will certainly follow up the point that Mr Lochhead has raised.

The latest annual study from Ernst & Young, which, I admit, refers to 2003 figures that were produced prior to the most recent accession of countries to the EU, shows that Scotland was succeeding in attracting more projects with a research and development focus than both our United Kingdom and European competitors: 10 per cent of projects had that focus compared to an average of 6 per cent both at UK and Europe-wide levels.

Scottish Development International announced in March that it would increase its overseas staffing by more than 60 per cent. That includes an increase of eight staff in the Europe, middle east and Africa region, which will enhance the services that are available in that region—including those in eastern Europe. We have been very active in looking at opportunities in eastern Europe. Moreover, on Monday, I attended a meeting in Brussels with the director of Scottish Development International, who was en route to visits this week in Slovakia and Hungary, where an effort is being made to provide an enhanced service and to identify opportunities for Scottish companies.

**Irene Oldfather (Cunninghame South) (Lab):**

The minister is aware of the European Commission’s recently published document, “Restructuring and employment—Anticipating and accompanying restructuring in order to develop employment: the role of the European Union”, which proposes reforms to the European economic and employment strategy. Does he agree that many of the document’s proposals on anticipating and managing economic restructuring are to be welcomed? Moreover, does he believe that some of the proposed joint technological initiatives might offer opportunities for us in Scotland?

**Mr Wallace:** The general thrust and tenor of that document is very welcome. For example, it notes that, as long as there is adequate anticipation, companies can manage any restructuring effectively.

It is important that we continue to play to our strengths. Scotland cannot and does not want to compete for inward investment purely on costs alone. We want to attract companies to come here and invest in higher-value, skilled projects and in research and development, and the fact that Scotland has been identified as the European region of the future indicates that we have a very good record in the things that attract companies to invest.

## Justice and Law Officers

### Fatal Accident Inquiries

**1. Shona Robison (Dundee East) (SNP):** To ask the Scottish Executive whether it intends to review the operation and effectiveness of fatal accident inquiries. (S2O-6251)

**The Minister for Justice (Cathy Jamieson):** I am aware of some concerns about the operation and effectiveness of fatal accident inquiries. The Crown Office and Procurator Fiscal Service has been reviewing its practice and procedure in the area of investigation of deaths and the preparation and conduct of FAIs, and will issue new guidance and training to procurators fiscal. However, this issue is not just for the Crown Office and Procurator Fiscal Service, and I expect all agencies involved to pursue continuous improvement in their operations.

**Shona Robison:** The minister will be aware of the cases that I have raised of my constituents James Mauchland and Nicola Welsh, and their families’ concerns about the FAI system. Is she aware that the system can be very lengthy, intimidating and costly for families who wish to be represented in court and that, because the conclusions and recommendations of an FAI are not legally binding, they do not need to be

implemented? Will she agree to meet both families to discuss their views and concerns in more detail and ensure that those are fed into the process that she has outlined?

**Cathy Jamieson:** I am aware of the concerns because of the raising of correspondence by Shona Robison, Iain Luke and the Public Petitions Committee. Although for the majority of situations the current system appears to work well, some concerns have been raised.

I am particularly aware of the concern in relation to the follow-up on the recommendations. One of the difficulties in calling for the recommendations to be legally binding is that they often refer to working practices which require interpretation on the ground. For example, there have been changes to working practices as a result of the particular case referred to.

However, although it might be difficult in the context of primary legislation to look at making recommendations legally binding, that does not get away from the fact that we ought to ensure that the recommendations that are made are followed up. I would not be against the setting up of some kind of system for recording recommendations centrally and for monitoring implementation, and I have asked officials to take forward some work on that. It would be important to do that before perhaps coming back with proposals to the members concerned and the Public Petitions Committee.

**Alex Fergusson (Galloway and Upper Nithsdale) (Con):** During a recent fatal accident inquiry into five separate deaths at Dumfries and Galloway Royal infirmary, the bereaved families were utterly distraught at the procedures and processes which left them feeling excluded, unwanted, misled and ignored. I have written to the Solicitor General on the matter. In any review, will the minister ensure that bereaved families are fully included and, above all, informed about the procedures of fatal accident inquiries so that these emotions are not experienced in future?

**Cathy Jamieson:** I am not aware of the details of the cases that Mr Fergusson mentions. If he has written to the Solicitor General, I am sure that she will respond in due course. Mr Fergusson raises exactly the kind of issues that the current review will consider.

### Home Detention Curfews

**2. John Scott (Ayr) (Con):** To ask the Scottish Executive for what categories of crime an individual could be given a home detention curfew. (S2O-6242)

**The Minister for Justice (Cathy Jamieson):** It is important to recognise that home detention curfew is not a sentencing option for the courts. It

is, however, a way for selected low-risk prisoners to spend the last part of their sentences in the community. Home detention curfews would only be granted following a risk assessment. Some categories of prisoner will be excluded completely, including those serving an indeterminate sentence and those on the sex offenders register.

**John Scott:** The minister will know that, in England, assurances were given that such curfews would be given only to low-risk prisoners. However, since the curfews came into operation, 2,107 released prisoners have reoffended. They have been responsible for 3,748 crimes, including 525 crimes of violence. Does the minister accept that the only way to prevent such needless crimes from being committed is to end automatic early release, thus ensuring that a prisoner serves the sentence that has been handed down by the court? That would afford greater protection to the public.

**Cathy Jamieson:** It is important that prisoners serve their sentences. It is also important that sentences include an element of punishment and an element of rehabilitation. The purpose of the home detention curfew is to ensure that low-risk prisoners who are to be released in the not-too-distant future—towards the end of their sentences—get the opportunity to be in the community, under strict supervision. I believe that that will assist in the process of reintegrating people into the community.

I give an assurance that I have given on many occasions: there are particular categories of offenders who would not be considered for a home detention curfew.

**The Deputy Presiding Officer:** Question 3 has been withdrawn.

### Her Majesty's Prison Kilmarnock

**4. Alex Neil (Central Scotland) (SNP):** To ask the Scottish Executive when it intends to publish the latest report of Her Majesty's chief inspector of prisons on HMP Kilmarnock. (S2O-6182)

**The Minister for Justice (Cathy Jamieson):** The report by the independent HM chief inspector of prisons on HMP Kilmarnock will be published on 26 April 2005.

**Alex Neil:** Is the minister satisfied that it takes six months from the completion of the investigation to the publication of the report?

Given the recommendations in last month's fatal accident inquiry report by Colin McKay into the suicide of James Barclay, will the minister request that the chief inspector undertake an immediate further investigation into the procedure for suicide watches in Kilmarnock prison? In the Scottish

Prison Service, the prison has a track record in suicides.

**Cathy Jamieson:** I am sure that Alex Neil will read the answers to the large number of questions that he has lodged on this issue, and he will see from the figures that the suicide rate at Kilmarnock prison is similar to that in other similarly sized prisons in Scotland.

The chief inspector of prisons is independent of ministers when he undertakes his investigations and considers his report. He would seek clarification with the Scottish Prison Service only on factual information. Ministers are given the opportunity to see reports in advance, but it is not the practice for ministers to amend those reports. Reports are published when the chief inspector of prisons decides to publish them.

I see that Alex Neil is not content with that answer, but it is important to acknowledge that the chief inspector of prisons is independent of ministers and conducts investigations very properly.

A number of issues arise from the fatal accident inquiry. Premier Prison Services has already appointed an independent expert to assist. It is right that the Scottish Prison Service continues to monitor the procedures within Kilmarnock prison to ensure that lessons are learned—and to see whether those lessons can be applied throughout the prison service.

### **Prisons (Drug Rehabilitation)**

#### **5. Margaret Mitchell (Central Scotland) (Con):**

To ask the Scottish Executive what its policy is regarding the rehabilitation of drug users in prison. (S2O-6037)

#### **The Minister for Justice (Cathy Jamieson):**

The Scottish Prison Service recognises that many offenders have addiction problems. On their admission to prisons, priority is given to attending to their immediate health care needs. Offenders are also offered programmes to help tackle their addiction problems, and to prepare them for a return to the community.

**Margaret Mitchell:** Will the minister guarantee that every prisoner who seeks to come off drugs will have access either to a methadone reduction programme or to an abstinence programme, according to his or her needs? Does she agree that it is absolutely unacceptable that any prisoner in a Scottish jail who seeks that support should not be given it? Does she further agree that, if a failure to access that support resulted in a prisoner having to resort to self-help by illegal means to address their drug dependency, that situation would be intolerable?

**Cathy Jamieson:** As I said in yesterday's debate, when people who have drug misuse problems come into prison, I want those problems to be addressed. I want people to come out of custody in better shape than they went in and more ready to go back and lead decent lives in their local communities. It is right and proper that each prisoner who has an addiction problem receives an assessment and that the appropriate course of action is then taken. That ought to involve a range of different options, and people who are in custody ought to have access to the same range of options as those in the community. I am pleased to hear Margaret Mitchell accept that there may need to be a range of options, from substitute prescribing right through to abstinence, because that seems to be a welcome change in direction from the Conservatives.

#### **Richard Lochhead (North East Scotland)**

**(SNP):** The minister will be aware that Craiginchies, like many other prisons in Scotland, has a situation where the majority of inmates are drug misusers. How does she measure the effectiveness of the drug programmes that are delivered in our prisons? Do we measure the number of inmates who are given drug programmes but are then sent back to prison for drug-related crime, showing that the programmes did not work?

**Cathy Jamieson:** Richard Lochhead has asked a specific question about measurements of people who are sent back to prison for drug-related crimes, and I am not sure that we currently have all the information that we might require to answer that question. We do, of course, focus on reducing reoffending. It will always be the case that we want to try to deal with addiction problems, because that in itself will reduce the likelihood of reoffending. I am very concerned about the number of people who come into our prison system who have drug misuse problems. It is important that we get treatment and rehabilitation services right, but it is also important that we do not have to wait until people are in prison before they are able to access those services. That is why we want to consider such things as arrest referral schemes and why we are also considering the introduction of mandatory testing where there are drug-related offences, to try to ensure that people get into treatment and rehabilitation at the earliest possible stage.

### **Civil Law Review**

**6. Pauline McNeill (Glasgow Kelvin) (Lab):** To ask the Scottish Executive whether it will review the operation of civil law. (S2O-6039)

**The Deputy Minister for Justice (Hugh Henry):** As set out in the partnership agreement, the Executive is committed to continuing to

modernise the law and legal system. We have already made significant progress through initiatives such as abolishing feudal tenure and reforming the diligence system. More reforms are planned, for instance through the Family Law (Scotland) Bill, which is presently before the Parliament. We are also continuing to support the work of the Scottish Law Commission in reviewing the law and making recommendations for change.

**Pauline McNeill:** I put on record my support for the work that the Executive has done in modernising our criminal justice system. I welcome the minister's answer, because I think that there should be some focus on and attention to the reform and modernisation of civil justice. I would like a commitment from the minister to consider three areas of civil law in the Executive's review: the Prescription and Limitation (Scotland) Act 1973 in relation to time limits and the interpretation of those limits; damages for cases such as those of asbestos victims; and the accessibility of the civil courts with regard to costs and the length of time involved, particularly in relation to family law.

**Hugh Henry:** Pauline McNeill's final point is a more difficult one to address. We recognise that there are concerns about the length of time that it sometimes takes for cases to go through the courts system, and we have been considering ways of improving access to justice across the range of our courts. On accessibility and costs, I understand the concerns about how much it takes to get cases resolved.

We are anxious to consider a range of options. For example, we are concerned to encourage mediation so that cases can be resolved before they go to court and so that those cases that go to court can be resolved speedily and their costs minimised. We acknowledge that there are issues about affordability and people being denied access to justice through a lack of resources and we continue to scrutinise the matter carefully.

The Scottish Law Commission is undertaking a number of reviews at ministers' requests, one of which relates to time limitation, for example for personal injury claims. We expect the commission's discussion paper to be published for public consultation in the second half of the year.

### Offending on Bail

**7. Michael McMahon (Hamilton North and Bellshill) (Lab):** To ask the Scottish Executive what action it will take to reduce the likelihood of offending by people on bail. (S2O-6149)

**The Minister for Justice (Cathy Jamieson):** We are determined to reduce the abuse of bail and to deal effectively with people who offend while on bail. That is why we asked the

Sentencing Commission for Scotland to review the use of bail and remand as its first priority; the commission's recommendations were published on 5 April. Electronic monitoring as a condition of bail in certain circumstances is being piloted from this month.

**Michael McMahon:** Is the minister aware that a young accused person is nearly six times more likely to offend while on bail than an older person? A recent report shows that the rate of offending while on bail for people aged 16 to 20 is 35 per cent, whereas the rate for people aged between 41 and 60 is only 6 per cent and the overall rate is 29 per cent. Does the minister agree that that situation is unacceptable? Will she give an assurance that the proposed changes will tighten up the existing bail system and ensure that many of the people who are granted bail are subject to greater restrictions, such as the electronic monitoring that she mentioned?

**Cathy Jamieson:** I accept that the situation is serious. The Sentencing Commission for Scotland's report certainly raised concern that some people do not seem to respect the bail conditions that are imposed on them or to understand the seriousness of keeping to the conditions and turning up at court when they should do. The proposals that we will pilot will tighten up the situation. In some circumstances, people who would currently receive bail for serious offences, in particular rape and murder, will potentially be electronically tagged. In certain circumstances, a person who has been remanded and who has a stable address and can give assurances that they will be able to comply with the conditions has the option to request that electronic monitoring be made a condition of bail, to allow them to be bailed. Through the pilot schemes, we can begin to address some of the anomalies that Michael McMahon described.

### Crimestoppers

**8. Ms Wendy Alexander (Paisley North) (Lab):** To ask the Scottish Executive what progress is being made in tackling drug dealing using the crimestoppers freephone telephone number. (S2O-6089)

**The Deputy Minister for Justice (Hugh Henry):** The First Minister launched the "drug dealers don't care, do you?" campaign on 15 February. There has been an excellent response and 3,339 calls about drugs have been made to crimestoppers since the campaign began—four times the normal volume of calls. The information and intelligence that has been gathered through the campaign is starting to yield arrests and drug seizures.

**Ms Alexander:** Will the minister clarify whether the opportunity for anonymity, which I understand



is available to callers, is encouraging people to come forward who in the past might have hesitated to get in touch because of the fear of intimidation? Does that account for the rise in call volume since the campaign began?

**Hugh Henry:** The campaign that was devised for and implemented throughout Scotland was based on a successful local campaign, Renfrewshire against drugs. Anonymity was a feature of the Renfrewshire campaign. It is particularly important that people who live in communities that are ravaged by drugs should have the confidence to report drug dealing and other such matters to the police. We acknowledge that many people have legitimate fears and concerns about intimidation and downright threats and violence, so anonymity and confidentiality are an important, guaranteed feature of not just the telephone calls, but the thousand responses that I think were received in slightly more than a week to the leaflets that were put through people's doors.

That critical feature should give confidence to more people so that they pick up the phone and give information to Crimestoppers not just during the short period of the advertising campaign, but throughout the year. I say again that their valuable information can be given anonymously and in confidence: people will not be put at risk. Their information is making significant results possible for the police in local communities.

## Skills

**The Deputy Presiding Officer (Trish Godman):** The next item of business is a debate on motion S2M-2694, in the name of Jim Wallace, on skills.

14:55

**The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace):** This afternoon, I open a debate on an issue that I am sure everyone in the chamber recognises as fundamentally important to ensuring the future prosperity of Scotland. Although members clearly have different views about the means, I think that there is unanimity in the chamber on the ultimate goal and a shared belief that achieving improved skills is central to Scotland's future economic performance.

It is important to acknowledge at the outset that our approach to skills improvement in Scotland is in some respects different from the approach that is taken in the rest of the United Kingdom. That is right and sensible, as we seek to meet specific Scottish needs in a variety of ways. Our approach to the skills agenda must have a comprehensive rationale. That, too, is important.

The rationale is given at the highest level in "The Framework for Economic Development in Scotland". It finds more detailed expression in our lifelong learning strategy, "Life Through Learning; Learning Through Life", and is a key tenet of our strategy for enterprise, "A Smart, Successful Scotland: Ambitions for the Enterprise Networks". Those strategies recognise that a strong focus on skills is central to growing the economy sustainably over the long term, which is the top priority of this devolved Government.

We are talking not about a one-size-fits-all solution, but about a strategy that aims to address the skills needs of all in Scotland through identifying different sectoral needs. We aim to address the needs of young people, employers, people in work and people out of work. If I may, I will take each of those groups in turn.

Our young people are the future drivers of Scotland's economy. "Determined to Succeed: Enterprise in Education", our innovative strategy for enterprise in education, aims to expose young people to enterprise from the earliest years at school. It aims to ensure that they have the confidence, ambition and creativity to participate fully in the world of work. I believe that that is an investment for the long term, with the potential to effect radical and long-lasting change.

Scotland's record on further and higher education is good; indeed, in many cases, it is

world class. Around 50 per cent of young Scots participate in higher education today. Scotland continues to lead the United Kingdom in that regard, with over 18 per cent of young full-time first degree entrants coming from low participation communities. In the period between 1998-99 and 2002-03, there was a 23 per cent increase in further education enrolments.

Nonetheless, we must address the skills needs of the young people who do not go into FE or HE. Our modern apprenticeship programme combines employment experience and learning. We now have more than 34,000 modern apprentices in Scotland, which exceeds our partnership agreement target two years ahead of schedule.

**Stewart Stevenson (Banff and Buchan) (SNP):** I am sure that we all share the minister's delight in those high participation rates. However, does he share my concern that the "Higher Education in Scotland: 1<sup>st</sup> Update Report", which came out in March, shows that the age participation index has dropped from 51.5 per cent in 2001-02 to 48.9 per cent in 2002-03? What is the explanation for that not insubstantial drop in the API?

**Mr Wallace:** Although there is no scientifically proven reason for the drop in the API, one explanation could be that more people have gone into employment, as employment levels increased over the same period. I am not claiming that that is the full answer, but it is the most likely explanation.

The Executive will continue to focus on issues of quality and completion rates in the modern apprenticeship programme. The programme clearly demonstrates our commitment to achieving our goal of a Scotland where people demand and providers deliver a high-quality learning experience. We know that our young people are Scotland's future, so we wish them to have the skills that enable them to be full citizens, to be creative and enterprising and to face the challenges of work and business.

It is clear that the skills challenges that employers face are changing and intensifying. That is why we are building the skills for business network in conjunction with colleagues at Westminster. The skills for business network is important because it will enable employers to influence the skills agenda, which in turn will help to drive up productivity. There are 23 licensed or recommended sector skills councils and their engagement with employers and business will ensure that skills issues remain a priority of workforce development.

When I meet employers, many of them tell me that one of the biggest barriers to workforce development is the effort that is needed to find appropriate training, so it is vital to provide

information and advice on training for business. As well as offering dedicated business advice, the enterprise networks give specific advice for start-up and growing companies. In providing a national service for businesses, learndirect Scotland concentrates its efforts on small to medium-sized enterprises and provides training partners, who visit businesses to facilitate workplace learning.

We must always remember that most businesses in Scotland are small businesses, so it is only right that we offer specific help to allow them to address their needs. Business learning accounts are being piloted with businesses that have not previously invested in training. The aim is to provide advice and guidance and to fund up to half the cost of a training plan.

We are doing a lot to meet employers' skills needs in a sustainable way, but I believe that businesses must be more demanding of Government, of colleges and other training providers and of themselves and their workforce. That means encouraging companies to appreciate the value of training for themselves, helping them to develop their employees' potential and, through doing that, helping them to develop the potential of their businesses.

I turn to the training needs of people who are in work. We recognise that, as well as working with employers, we need to reach people who are in work in different ways so that they can improve their skills or acquire new skills, both for their own benefit and for that of their future employers. We are ensuring that universities and colleges provide flexible learning opportunities for those who are in work and that modern apprenticeships are open to over-25s so that they can improve their skills and career prospects. We are providing literacy and numeracy initiatives such as the big plus, which has helped to remove the stigma for those who seek help. Through the efforts of union learning representatives, we are working closely with the trade unions to exploit the expertise and reach that they have in relation to skills development.

It is vital that we address the skills needs of people who are out of work. Although the claimant-count unemployment rate in Scotland, which stands at 3.3 per cent, is at its lowest level of my adult lifetime, for those people who are still without jobs, skills development remains one of the surest routes back into employment. As became apparent in the discussion at question time that followed Robert Brown's question, it is especially important to address the situation of those in the 16 to 19-year-old age group who are not in education, employment or training. The research suggests that people who have not had education, employment or training at that age are more likely to find themselves out of work later in

life. That is why we are focusing our efforts on that age group.

**Robert Brown (Glasgow) (LD):** In that context, does Jim Wallace accept that it is just as—if not more—important to tackle the issue during people's school years as it is to tackle it after they have left school, when the boat has sunk?

**Mr Wallace:** I fully agree. That is why we are pursuing our proposals to have a better interface between schools and colleges and our skills for work agenda. Last autumn, a number of seminars were held in an effort to devise courses that would allow young people in secondary 3 and secondary 4 to develop practical, experiential and vocational skills. That work has been progressed by the Scottish Qualifications Authority in conjunction with Learning and Teaching Scotland, the Scottish Further Education Unit, the Executive and relevant stakeholders.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** Will the minister give way?

**Mr Wallace:** I have just taken an intervention, so I will carry on; I might come back to the member.

It is important that the investment that we are making in individual learning accounts is acknowledged. The revised ILA Scotland allows unemployed people free access to £200-worth of learning. The re-engineered national training for work programme, which is for people who are not in work, is being developed successfully by both enterprise networks. In addition, learndirect Scotland is working at a local level with the excluded, believing rightly that getting people into learning is often just the first step in their gaining confidence and ambition to do more. That approach is crucial to realising the potential of our people and communities and it will reap considerable rewards through supporting robust and sustainable economic growth over time. We know that it is no good providing learning opportunities if people do not know where to turn for advice and information, not least about financial and other types of support. That is why learndirect Scotland acts as a first point of contact for learners.

**Fergus Ewing:** It is difficult to disagree with the notion that we should be investing in skills to get people into work. However, with regard to people who are already in work, I understand that, in December, those who work at the research facility in Ardtoe sought, in a letter to the minister, support of £200,000 a year, which they calculated was necessary for the institution to survive. They have not received a formal response, although I understand that the minister will meet me and the workforce. Will he ask his civil servants to re-examine the issue, so that the skills that are involved in vital research can be preserved in that

remote and rural part of Scotland, where the jobs are highly skilled and there are no alternatives for the people who work there, two of whom have been recruited from South Africa and Canada respectively in the past few weeks?

**The Deputy Presiding Officer (Murray Tosh):** I can allow additional time to let you absorb that, minister.

**Mr Wallace:** I am grateful to Fergus Ewing for raising that point. I am aware that my colleague Ross Finnie has had discussions recently with Sir John Arbuthnott on that issue and I continue to have discussions on the matter. I am not sure whether Fergus Ewing has formally sought a meeting with me, but I will see what can be done to facilitate one at an appropriate juncture.

The skills of our people are a defining characteristic and undeniable strength of this country, as is reflected in the world-class reputation of our universities and colleges, in the innovative and cutting-edge work of many of our businesses and in the decisions that companies have made. I note in particular the many recent occasions when we have welcomed examples of significant inward investment into Scotland, such as by Amazon, by Dell, by Huntswood and, as Stirling Medical Innovations, by Inverness Medical Innovations. Those companies have stated the importance of the skills and quality of the workforce that they find here. They are investing millions in establishing new operations in Scotland. Indeed the International Institute for Management Development "World Competitiveness Yearbook", which is regularly quoted, ranks highly Scotland's economic performance on the labour market, inflation and the export of goods and services. Moreover, the skills of our people are an important reason why Scotland was recognised last year as the European region of the future by a group of independent international direct investment experts.

Although the messages that we receive are encouraging, further skills development is vital for our current and future economic health. I assure the chamber that we will continue to invest where we see skills needs. I recognise that we must have a range of initiatives to satisfy the different needs of young people, employers, people who are in work and people who are out of work. However, those initiatives are underpinned by the central importance of lifelong learning. That is the way to effective, continuing skills improvement. That is how we will achieve the goals of our lifelong learning strategy and it is how we will continue to meet the skills needs of everyone in Scotland.

I move,

That the Parliament acknowledges the importance of a policy of effective skills improvement and the contribution it

can make to Scotland's prosperity; supports the objectives of the Scottish Executive's lifelong learning strategy which has helped raise the skill levels of Scotland's current workforce and increased the potential for future skills improvement; recognises that the sustained success of the Modern Apprenticeship scheme and record investment in Scotland's colleges have contributed significantly to improved skill levels; welcomes the Executive's commitment to improving adult literacy and numeracy rates and to better preparing Scotland's young people for the world of work through enterprise education and greater vocational learning opportunities, and believes that a continued focus on skills can help maintain Scotland's position as European Region of the Future.

15:08

**Jim Mather (Highlands and Islands) (SNP):** We in the SNP will support any initiative that adds value and improves skills and Scotland's ability to compete. Personally, as a Scot, as a taxpayer and as the father of two bright, well-qualified twentysomethings, I am keen to see the Government's skills strategy work. However, in itself, the strategy is not enough. That view is well known.

In addition, the strategy is being undermined by the way in which the Scottish Government creates—perhaps inadvertently—local scepticism throughout the country, as people see glaring gaps between the rhetoric of “A Smart, Successful Scotland” and the practical implementation of policy on the ground. First, we have the prospect of a second round of job cuts removing a further 20 teaching posts at Inverness College. That provides yet another reason for local young people to leave the area, even before they gain a qualification. Secondly, we have the uncertainty about the role of and funding for the Hannah Research Institute, which we will debate this evening. Thirdly, as Fergus Ewing mentioned, we have the proposed closure of the research facility at Ardtoe, which will further hamper the potential of the Highlands and Islands to play a full and powerful role in the knowledge economy.

Nevertheless, like the Government of Scotland, we accept that there is a proven link between research and development, skills expenditure and economic growth. That is supported by those members who read and understand endogenous growth theory, one of the key components of which is the truism that investment in human capital and in the education and training of the workforce is an essential ingredient of growth. However, our Scottish problem is that, although we invest reasonably well, we are not good at retaining qualified people and, compared to elsewhere, we cannot get enough of them to complete their training.

There is a hole in the Scottish economic bucket, which is allowing skills acquired and funded in Scotland to leave to benefit other local and

national economies. There is evidence of that in yesterday's *The Scotsman*, which reported that, according to a survey, one in four of our construction students plans to leave Scotland. What must we do about that? We need to achieve much higher completion rates for university courses and modern apprenticeships and much higher retention rates for graduates and people who are aiming for journeyman status.

Retention is a great concern to me. It should be the subject of improved research and reporting, based on concrete and accurate data. We have data on participation and completion, but we do not have data on additions and retention and on the residual numbers that are staying here in Scotland. I am sure that I am not alone in my dissatisfaction with the lack of short-term data, when the long-term view—the forecast reduction in people of working age in Scotland in the years to come—is so stark. The net migration numbers do not tell the full story, because the reported figures aggregate young people leaving Scotland and older and retired people coming to Scotland.

The bottom line is that, like any aspirant nation, Scotland needs to do more to help its young people to achieve higher skills and greater confidence. We need to create a proposition that makes it compelling for those people to stay in Scotland. To do that in the short term, we need to boost the confidence of employers. Anyone who has been an employer or who has talked to employers will be aware of their understandable concerns that spending on staff skills can create the risk of losing skilled staff, especially if other employers are not making similar commitments.

We therefore welcome the Executive's financial support to encourage more training, although that support can be undermined by the increasing concern about the risk implicit in Scotland that people are liable to move to faster-growing and more rewarding economies. If we are really to convince employers that they should be serious about training and retention, it is incumbent on Government to prove that it is serious about growing the economy and about retention. That is where we hit a problem, because the Government can never prove that until it has the full range of powers to compete. Happily, that is obvious to anyone who examines the facts.

**Robert Brown:** Does the member accept that, in the unlikely event of Scotland becoming independent, the uncertainty that that would create would probably be the biggest blow to business confidence and stability that one could wish to see?

**Jim Mather:** We watch the “uncertainty” of the accession states with admiration. We look at their growth of 6 per cent against our 1.8 per cent and salivate at the prospect of joining them. It is

obvious to anyone, with the exception of Robert Brown, that new powers would produce the desired outcome. Primarily, that requires Government to create the conditions that will foster a competitive, growing economy and that will open up rewarding roles and opportunities for newly skilled people. Scotland can ensure that that happens, but we could also benefit in the short term from taking some simple, prosaic, practical steps—as in the case of modern apprenticeships—and from providing a recognised and valued national diploma. Such a diploma would mean that the agencies, colleges and businessmen would go the extra mile to create real value and to persuade youngsters that the qualification had real value.

On the positive front, I welcome today's announcements about unemployed and older people. I met some wise first-year kids in Oban High School a week ago, who told me that they wanted more people to be provided with the means of a second chance. If today's announcements are a second chance, the SNP welcomes them. Beyond that, there is a second chance for Government. Jean-Philippe Cotis, the chief economist at the Organisation for Economic Co-operation and Development, was right when he said:

"At the end of the day, being unable to converge"—

on other, better-performing economies—

"is nothing other than losing the capacity to learn from others and their successes."

The minister is right to suggest that the key driver is competitiveness and to point out that the IMD is obligingly keeping our international scorecard. However, it is the Government's duty, in line with the words of Mr Cotis, systematically to improve our current poor rating. That is vital to winning and retaining investment in jobs. Surely we should be embarking on a transparent and open-ended process of evaluating how we will move forward in line with Mr Cotis's advice.

As for convergence, if it comes to the question of whom we should converge on, I suggest Quebec. We should focus on its version of the First Minister's fresh talent initiative. Quebec starts from a stronger base. It has nine international offices, does roadshows in target countries and co-operates and competes with other Canadian provinces. It has a clear focus on the industries and professions that it wants to support and to which it wants to attract people and is targeting people with all the mechanisms that one could possibly think of.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** Will Jim Mather give way?

**Jim Mather:** I am in my last minute, so I am afraid that I cannot give way.

In addition, Quebec has a fast-track system for those who are going to make a significant investment. More important, it is using its fiscal system to make its policies work better by giving two-year tax holidays to those who come to carry out research and development and to returning Canadians and Quebecers. On top of that, it is taking the significant step of being competitive with all its neighbouring provinces and all the states in the United States.

The net effect is that Quebec has a running rate of 40,000 people a year returning to the province compared to our so-called ambitious target of 8,000 per annum. The Government Actuary's Department is now telling us that that target is even more vital because, by 2073, the working population in Scotland will drop by 1.13 million people, which is 35.8 per cent of the current workforce. We are not doing enough. We need to do more.

I move amendment S2M-2694.1, to leave out from "which has helped" to end and insert:

"and encourages the Executive to embark on a twofold strategy of radically improving the competitiveness of Scotland as recorded annually by IMD of Switzerland and increasingly matching the ability of other parts of the developed world to retain and attract skilled people and the type of investment that capitalises on existing skills and develops yet more skills here in Scotland."

15:16

**Murdo Fraser (Mid Scotland and Fife) (Con):** I appreciate that there is an election campaign going on and that, with a 13 per cent poll rating, the SNP has to work hard to try to get its message across, but I will try to drag the debate away from constitutional arrangements and back to skills, which is what we should be discussing.

I agree with a lot of what the Deputy First Minister had to say in his opening speech. To have a successful economy, we need a well-trained and skilled workforce. The Conservatives certainly agree with the opening part of the Executive's motion, which underlines

"the importance of a policy of effective skills improvement".

We can all agree that a more skilled, better-trained workforce could increase productivity and business revenue. The Sector Skills Development Agency has found that, if we trained up just another 1 per cent of the current UK workforce, we could add £8 billion to gross domestic product. That would be a prize worth having.

Many of the Executive's best policies on skills are, of course, Conservative ones. It was the Conservatives who launched the modern apprenticeship scheme, the sustained success of which is referred to in the Executive's motion. There are now more than 30,000 people in

modern apprenticeship initiatives, which we fully support. The Conservatives also introduced other measures, such as the young enterprise initiative.

**Stewart Stevenson:** Will Murdo Fraser give way?

**Murdo Fraser:** I am always reluctant to give way to Mr Stevenson, because he goes off at rather obscure tangents, which are no doubt based on his previous night's reading of the "Encyclopaedia Britannica". However, in the interests of debate, I will give way.

**Stewart Stevenson:** Murdo Fraser will be delighted to know that I have been reading Conservative policy—there is no limit to my masochism. On 29 March, David Davis said at Tory headquarters:

"we will introduce legislation to require employers to put down bonds, equivalent to six month's remuneration, which will only be repayable once the permit holder has left."

That applies to the 13,000 students from outside the European Union, who we hope will stay in Scotland to contribute to our economy. If David Davis and the Tories ever had the opportunity to introduce that legislation—heaven help us—employers would be required to put down £117 million. Would that be good value for money and would it be likely to help us?

**Murdo Fraser:** The Scottish nationalists might believe in a free-for-all immigration policy, but the Conservatives believe in controlled immigration, which requires controls. The SNP should be a little bit more honest and admit whether it wants controlled or uncontrolled immigration; I am not entirely sure what its policy is.

Let me return to the subject of this afternoon's debate. The "Skills in Scotland 2004" report, which was published in January, sets out the results of Futureskills Scotland's latest employer skills survey, which is drawn from interviews with more than 7,500 employers and provides information about skills shortages, skills gaps, recruitment and training activity in Scotland. The report discloses that 25 per cent of vacancies in 2004 were related to skills shortages and most hard-to-fill vacancies were hard to fill because of a shortage of the required skills. That is a major issue for the construction industry in particular; when we drill down further, we find that employers in the engineering sector are the most likely to report skills gaps. There is much to be done.

The report also says that basic literacy and numeracy skills are a major issue. There is plenty of anecdotal evidence that employers are concerned that school leavers lack the basic ability to read, write and add up to a reasonable standard. The poor performance indicators for 14-year-olds in our schools seem to bear out the anecdotal evidence.

Not just basic skills are lacking. Many employers emphasise soft skills such as planning and organising, problem solving, customer handling, team working and communication. We all want a well-educated and capable workforce, but we also need a set of new employees to leave school annually equipped for the workforce and with the work ethos that employers look for. Between 40 and 50 per cent of employers that have recruited school leavers report that they do not consider them to be well prepared for work, so there is much to do.

Key to improving the skills base is the further education sector. Next week, the Parliament will debate stage 3 of the Further and Higher Education (Scotland) Bill, which will merge the further and higher education funding councils. I am particularly keen for the bill to progress, not least because it will ensure parity of esteem between higher education and further education. I was interested that the Executive lodged this week an amendment that proposes the introduction of a statutory skills committee, which I would support, not least because it would provide the necessary balance between the two sectors in the new funding council. We should not forget that a Conservative Government incorporated the further education colleges, which freed them from local authority control and set them on their current path of expansion and success.

Our amendment refers to school-college partnerships. The partnerships that have been tried—several programmes exist—have been extremely successful in providing youngsters with an alternative to school-based education post-14.

**Jeremy Purvis:** One way in which that initiative will succeed is through the further development of community schools, which can open after normal school hours for use by local communities, businesses and others. Does the member regret the Conservative party's policy of stopping the development of community schools?

**Murdo Fraser:** We have no such policy. Moreover, we want schools to be given greater freedom. Perhaps there is an argument for schools to emulate further education colleges in being freed from local authority control and being able to develop their own paths.

We have championed for some time the development of school-college partnerships. We know all about the dangers of having young people in the classroom who are not particularly interested in academic work. The current horrendous figures on truancy and school indiscipline bear that out. If we can give all youngsters the opportunity to access vocational training in FE colleges, that will be better for all pupils. The more academic pupils can get on in school and those who are more interested in a

vocational route to a career can pursue that, which will improve their employability.

We should not tell our youngsters that they must go on to highers or to university and that, if they do not, they will somehow be failures. Going straight into work or into further education is as valuable a career route. We have succeeded in raising the number of young people who enter university and I am proud of the previous Conservative Government's record on that, but we also need people who are educated to sub-degree level, particularly in technical subjects, to fill some of the skills gaps in our economy to which I referred.

I was interested to see in information from the Equal Opportunities Commission in Scotland that 5 per cent of young people have careers advice from careers advisers and that 63 per cent have careers advice from their mums. That says something about parents—particularly those who did not go to university—having expectations about their young people, wanting them to go on to higher education and perhaps having a slightly different perspective. Sometimes, it might be in young people's best interests not to go to university, not least because graduates now leave with high levels of debt.

I agree that it is essential to have a well-trained workforce if we are to turn around our relative economic decline. I also agree that we need a more business-friendly environment across the piece. Our further education colleges supply the foundations for the necessary training and skills not only for our young people, but for those who are older and who are part of the workforce.

We should expand the existing school-college partnerships and provide greater opportunities for those who are in school. We should place greater emphasis on basic literacy and numeracy skills and on soft skills, such as communication, to meet our employers' needs. Together, those measures should ensure that future surveys of employers present a more encouraging picture on the problem of skills gaps.

I take pleasure in moving amendment S2M-2694.2, to leave out from "supports" to end and insert:

"notes the success of the Modern Apprenticeship scheme initiated in the mid-1990s by a Conservative government which has trained over 75,000 people in Scotland and which is currently providing skills training for over 31,000; notes with disappointment figures from the Futureskills Scotland 2004 report which show that 29% of applicants to skill shortage posts lacked basic literacy skills and 24% lacked basic numeracy skills; notes with concern findings from the same report that between 40 and 50% of employers who have recruited school leavers report that they are not well-prepared for work, and calls for more effective school-college partnerships with a view to improving the skills base of the economy."

15:24

**Christine May (Central Fife) (Lab):** I remind members of my declared interests as a board member of Community Enterprise in Strathclyde and as chair of the Scottish Library and Information Council, both of which are dedicated to improving access to skills and to growing employment out of skilled individuals. I, too, congratulate the minister on lodging the amendment to the Further and Higher Education (Scotland) Bill on the establishment of a statutory skills committee and hope that members will support that essential amendment in order clearly to tie business to the future of the economy and not to leave training, development and education to the educators.

I do not know how many members have been listening to this year's Reith lectures, which have been given by the president of the Royal Academy of Engineering, Lord Broers. In last night's lecture, which came from the University of Cambridge's department of engineering, Lord Broers argued that the days of the individual inventor are over. He described how innovation and technological development could be described as

"established capabilities, combined in new ways"

and stressed the need for collaboration in order to continue the development that is necessary to take forward the economy. He outlined how, in order to be able to use those established capabilities in new ways, a sound grasp of the principles underlying the technology is essential.

Members might be wondering how that is relevant to today's debate, but Lord Broers went on to tell his audience that it took the skills of 10 people to progress the work of one scientist or inventor. He made it clear that a six-month delay in introducing a technological change could reduce the profit from the new technology by 50 per cent. If ever there was an argument that supports what the Labour-led coalition in Scotland and the Labour Government in the United Kingdom are doing to develop skills and to emphasise skills development, that is it. Lord Broers was talking about the higher end—the cutting edge—but what he said applies to every walk of life and to every business, including public sector businesses.

I apologise to the minister for not being in the chamber at the beginning of his speech, but I did hear him describe what the Executive has done to progress the skills agenda. We know that for the smart, successful Scotland strategy to be successful, we must improve skills development.

On Tuesday, during its first evidence session in its inquiry into business growth, the Enterprise and Culture Committee, which is convened by my colleague Alex Neil, heard from Professor Donald MacRae of Lloyds TSB Scotland about how

Scotland is in the first quartile of 15 comparator Organisation for Economic Co-operation and Development countries in respect of the percentage of people in employment who are in training. I will, to be fair, return to that if I have enough time because he also highlighted areas in the economy in which we do not do so well. We must find out whether what we have done with skills and our success with skills development can be applied in other areas.

The minister mentioned sector skills alliances and sector skills development and Murdo Fraser talked about skills shortages in various areas. I will briefly tell members about the broad range of areas in which sector skills alliances and sector skills councils are developing training and capacity in the economy. I will not go through the full range of work that is being done or the whole list, but it includes housing, construction, the gas industry—in Glasgow, there is a scheme for lone parents to address skills shortages—working with pupils in schools, land-based industries, logistics, television and the media, the voluntary sector, hospitality, leisure and tourism.

Sector Skills Alliance Scotland—which is represented in the gallery—is promoting a collaborative project to increase workplace learning, especially among small and medium-sized enterprises and microbusinesses. Those businesses most frequently tell ministers and members that they have difficulties in finding time and capacity for training. At the end of this month, 150-plus sector skills council folk and employers will gather in Parliament to tell MSPs about what they are doing. I hope that many folk will be there.

I turn to what is being done in the colleges in Fife. Glenrothes, Fife, Elmwood and Lauder colleges all work individually and collaboratively to increase the skills of my constituents. I draw members' attention to a publication that arrived on my desk yesterday. In it, members can find details of an innovative scheme that Lauder College is promoting in Methil, where there has been huge success with the new deal and the getting ready for work schemes. The Methil scheme ensures that people who have had difficulty in dealing with their chaotic lifestyles or deprivation can get back into work.

What do I want the Executive to do? We need to be clear about how we will monitor what works, what arrangements are in place and how they can be strengthened. How will we arrange stopping doing what clearly does not work so that we can make the necessary changes? How can we disseminate good practice? Most important, how can we generate hunger for learning and development among employers and communities that are currently not able to demonstrate it or which are not demonstrating it? I do not have a

plethora of employers beating a path to my door saying, "We want to innovate, but we can't." I need to see that; I suggest that we all need to see that. I hope that over the course of this Administration, the Executive will develop such methods of monitoring, and that the economy will continue to grow.

15:32

**Stewart Stevenson (Banff and Buchan) (SNP):** Today's is a timely debate because the subject affects everything that happens in Scotland. Our success or failure in the matter will determine the long-term future of everyone in our country. In the absence of targets for what we are trying to achieve in our economy, it is kind of difficult to know whether we will succeed. There is an old saying: "If you don't know where you're going, you won't know whether you've got there."

The kind of targets that I and my colleagues on the SNP benches wish to see for Scotland's economy are distinctly different from those that are hinted at and suggested from the shadows by members on the Government benches. We need targets for economic activity in Scotland that exceed those for the rest of the United Kingdom in order that we can make progress because we have been underperforming relative to the rest of the United Kingdom for a number of years—we could argue about how many years.

However, targets are not the issue; delivery on targets is. We must also not be afraid of being a confident country—or of being the best small country in the world, as someone who occasionally sits on the Executive benches says—that competes within the settlement that we have currently with the other countries and areas of the United Kingdom. Competition in that context is the sin whose name must not be spoken too often, but it is time that we heard it.

I keep returning to an astonishing experience that I had when I suggested in committee that we should allow councils to set planning fees for themselves instead of telling them what they should charge. I was told by a minister, "Oh, but we can't have competition." That attitude permeates too much of the Executive's thinking.

I turn to some of what the First Minister said today at question time. He suggested, if I heard him correctly—I think the figures sustain this—that 87 per cent of Scots graduates who take up employment do so in Scotland. That is good; the figure is higher than it has been for some time. Let us be fair and say that some progress is being made. It might also be interesting to know how long those graduates stay; to know—of the 13 per cent who are currently not taking up employment in Scotland—how many come back; and to know



how many foreign people we manage to retain in Scotland. There are some numbers for that and they are modestly encouraging.

Of course, as I suggested when I intervened during Murdo Fraser's speech, it is clear that the Tories' policies would be absolutely disastrous. I do not think that the business community has quite caught up with the fact that the Tories would require any company that employs someone who has a work permit to put up half of that person's annual salary if they want to keep the person on board. If that policy were implemented, I estimate—based on the number of work permits in my constituency—that the cost to businesses in Banff and Buchan alone, which is only one of 73 constituencies, would be in excess of £1 million.

Furthermore, in relation to people who are seeking their first job, if an employer has a choice between putting up half a year's salary, which is about £9,000, given that the average graduate starting wage is £18,000, to employ someone who needs a work permit, such as a highly skilled person who came from China to study in our country—currently, just under 1,700 students from China, many of them excellent, do so—or employing someone for whom that sum need not be put up or leaving the position vacant, I think I know what the employer will do.

As members would expect, I have been looking at less obscure sources of information than the Tory party website and from those sources I see that the category of occupation that has the highest number of employees who receive training is personal services occupations, in which the figure is 50 per cent. I also see that the training rate—that is, the percentage of employees who receive any sort of training—is 43 per cent. That is all well and good, but it means that more than half of our employees are not getting in-service training. We have to consider ways of increasing that figure substantially.

In the Scottish Enterprise Grampian area, which includes the area that I represent, 24 per cent of companies expect to have recruitment problems, which is largely due to the fact that there is an inadequate skills base upon which they can draw.

I am worried about the drop in the proportion of people who are going into training and I am also concerned about something that I have been told—but have not yet confirmed—which is that colleges are having to deal with the funds that they are given in a new way, in that they must make an operating surplus to pay off capital debt and that much of the new money that they are getting is hypothecated.

There is little doubt in my mind and in the minds of my colleagues that we could do better if we had more powers. The challenge for the Government

benches is to show that, with the powers that we have, we can do better than the rest of the United Kingdom. That is at best not proven, but I think the jury votes guilty.

15:38

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** I want to talk about some matters that have not generally been touched on. The first is gender stereotypes and how they contribute to skills shortages and the second is the responsiveness of colleges to skills shortages.

In Scotland, the construction industry employs approximately 110,000 people, but we know that there are skills shortages in that area. Furthermore, we know that skills shortages account for 60 per cent of the vacancies in the construction industry, which is a large proportion. In general building, painting and decorating and roofing the shortages are pronounced.

From visiting Denmark and other Scandinavian countries, I know that gender stereotyping has been tackled in ways that have helped to resolve the problems of skills shortages.

**Robert Brown:** Will the member give way?

**Mr Monteith:** I will finish making my point before Mr Brown asks me about it.

It is quite plain that, in Scandinavia, there was a gender stereotype—which is also prevalent in Scotland—that meant that people who were employed as decorators tended to be male and that females tended not to apply to become painters and decorators. People who phoned for quotes and estimates for work would find when the workers arrived that they were, on the whole, male. Efforts were made in Denmark to change that and to encourage women to enter the painting and decorating business. Work was also done in schools to encourage women to take courses in painting and decorating and it was found that the small number of women who went into decorating were suddenly sought by clients who wished to employ decorators. The social experience was that decorators were employed and contracted mostly by women, who felt particularly comfortable that the people who were in their homes with them were other women. Employers of decorators found that recruiting more women brought them more business, so there was a market imperative to train and recruit more women.

Gradually, but quite quickly, the gender stereotype in the construction industry, starting with painting and decorating but moving into other areas such as plumbing, was broken down. Employers recognised that having women working in those trades was important to their attracting business, and colleges recognised that their

training of women built up stronger relationships with employers and ensured that they had students coming through their doors. It is not a matter of Government initiatives; we must recognise that we can all benefit from changing our stereotypical views.

**John Swinburne (Central Scotland) (SSCUP):** I accept Brian Monteith's remarks on gender. Does he agree that the continuing failure to address the problem of ageism is a contributory factor in skills shortages? Forty per cent of people between the ages of 60 and 65 are unemployed, and a high percentage of them are skilled people.

**Mr Monteith:** I have no difficulty in accepting that point. That is another stereotype that needs to be tackled. I recognise that many businesses have learned that employing older people makes good business sense, given not just their skills but their experience of dealing with people.

We can see from the example that I have given that we need a response to tackle such stereotypes. That leads me to my second point, which is on the responsiveness of colleges and their ability to address the problem. As Murdo Fraser said, it was the Conservatives who incorporated our FE colleges. I hear no one these days talking about going backwards and taking colleges back to local authority management. That is important, because incorporation of colleges has ensured that they are more responsive to the needs of employers and potential employees. It is no surprise that the record of colleges since 1995-96 shows that productivity has improved by some 33 per cent. Were we to have such productivity gains in other sectors of public services, we would have to deal with and debate in Parliament far fewer problems in the health service and in local authorities. We can learn from the incorporation of colleges and from their independence.

Murdo Fraser's amendment calls for

"more effective school-college partnerships".

We argue that such partnerships can be improved far more readily by liberating schools from local authorities and by giving them more independence, as is enjoyed by FE colleges. That would enable schools to build up partnerships that are of particular benefit to their pupils—the potential students of FE colleges—rather than their being centrally directed. I support Murdo Fraser's amendment. The liberation of schools and colleges will ensure an adequate response to the skills shortages in our economy.

15:44

**Des McNulty (Clydebank and Milngavie) (Lab):** One of the pleasures of such debates is that we occasionally hear unexpected speeches,

such as the first half of Brian Monteith's speech in which he highlighted gender stereotyping. I largely agree with him that there is too much gender stereotyping of skills and that the issue needs to be addressed in Executive policies.

A recent study by Ailsa McKay and her colleagues at Glasgow Caledonian University shows that the modern apprenticeships system has operated in a gender-stereotyped way, with males tending to congregate in the construction sector and females tending to be concentrated in the caring occupations. If such a process takes place when people are in training, it will obviously carry through to their entering work. The study found that wage levels were a key driving factor. Fundamentally, the lower wage levels that were available for child care and other types of caring occupation were accepted by females but not by males when they entered training. If we are to address that issue, it seems to me that we will need to increase wage levels in the caring occupations in order to create a level playing field in respect of gender and greater parity of esteem and reward for those occupations. I believe that such a move would be widely welcomed.

**Mr Monteith:** I hear with interest the member's comments on wage levels. It strikes me that the solution that he offers might move males into the stereotypically female areas of work in which higher levels of salary might be made available, but how would it move females into stereotypically male areas of work, in which wage levels are already higher?

**Des McNulty:** There are different barriers, but wage levels are certainly a barrier to getting young men into traditionally or stereotypically female areas of work.

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** Does the member agree that the gender imbalance to which he referred in the modern apprenticeships scheme largely reflects the situation in the wider labour market? Does he agree that the best way to make inroads into the problem would be to increase overall female participation in the MA scheme?

**Des McNulty:** That would be helpful. We also need to think through what kinds of provisions might be made within the scheme to remove existing gender barriers and gender boundaries.

On a different subject, the Futureskills Scotland report "Skills in Scotland 2004" suggests, in a most comprehensive analysis of the issue, that the Scottish workforce has relatively few identifiable skills shortages and is relatively well educated and well trained. In many ways, therefore, how we use our skilled people is more important than how we provide them with skills. It is all too easy to think simply about the supply side of the workforce

without thinking about how we bring together people and employment. To pick up on Jim Mather's point, whether skilled people are retained in Scotland depends on whether they can find appropriate jobs here that they want to do. When we lose highly skilled people, it is because they cannot find appropriate employment in Scotland. I believe that the issue is about economic co-ordination and development rather than about the constitution. It is a collective problem that we must all face and address.

**Jim Mather:** Will the member give way?

**Des McNulty:** Let me finish this point.

Another thing that is noticeable in the Futureskills Scotland report is that employment shortages and vacancy rates are highest in jobs that require lower levels of skills and qualifications. Those are the jobs for which employers report problems in recruiting people.

One point that is coming across is that the issues that are seen as being those that most require to be addressed are ones about how people develop core skills such as team working, numeracy, writing skills, oral communication, customer handling and problem solving. Many of those would not most appropriately be dealt with in skills development at further and higher education level, but need to be addressed lower down at nursery level and in primary and secondary education. We need to be much more up front about how we deal with those matters and we must consider resourcing them properly.

As someone who worked in a university for more than 20 years, I am proud of how universities have increased the level of participation and involvement, and the number qualifications that people can now get. However, many universities—particularly the older universities—have been inflexible in going about that. Their approach has been to give everybody a four-year degree, whereas what many people need is mixed modes of attendance, flexible qualifications and the opportunity to develop skills in shorter periods of time. We congratulate ourselves too often in those sectors and we fail to be flexible and forward thinking in responding to what people require. There is much to be done on skills: we must identify the problems and work towards the right solutions.

15:51

**Mr Andrew Arbuckle (Mid Scotland and Fife) (LD):** Earlier this week I showed a couple from Thailand around the Parliament building. During their visit they asked about upcoming debates. When I said that there would be one on skills in Scotland they pointed out that the Thai Government has made education and—as they

called it—re-education, a top priority. That demonstrates the importance to Scotland of not only training our workforce but continually re-training and updating skills. That is what our competitors are doing.

Christine May referred to Professor Donald MacRae's presentation to the Enterprise and Culture Committee earlier this week. He pointed out that the various initiatives that are promoted by the Executive to improve our skills base are working and that we are outperforming many other OECD countries. He also said that another benchmark of the success of education and training in Scotland is that we have the second lowest level of unemployment to Denmark.

Jim Wallace, the Minister for Enterprise and Lifelong Learning, gave us a comprehensive overview of all the current initiatives. I noticed that Murdo Fraser claimed credit for all of those—if he had been given another minute he would have claimed credit for the poll tax. Mr Fraser and Mr Monteith both mentioned the move of colleges from the control of local authorities to independence, but neither mentioned that when that happened there was no co-ordination on educational targets. As Christine May pointed out, only now is there forward thinking and forward plans for various work sectors.

That brings us on to the important issue that Des McNulty raised: the linkages between education and jobs. Many students have gone through courses and have been disappointed to find that the jobs that they would like do not exist. Unless we get the linkages right, that will continue to be the case.

I will concentrate on vocational education and training because I believe that insufficient support and direction had been given to the sector until recently. The pendulum had swung too heavily in favour of book knowledge and away from physical skills and dexterity. That is why I welcome the increasing number of young people who are moving into the modern apprenticeships scheme, which represents a traditional system of learning being brought up to date with the appropriate level of knowledge being gained from textbooks.

I also welcome the scheme that allows youngsters who have superior practical abilities to move into colleges where those attributes can be harnessed and improved in trades and professions in which dexterity and physical ability are rewarded.

Those are my views on basic education. I will move on to what my Thai friends referred to as “re-education”. Skills require constant polishing and nourishing. I know myself that although many of the principles that I learned decades ago in agriculture are still there, my rudimentary physical

skills in farming will come back into use only if the Greens have their way and abolish modern farming and take us back to simple tilling of the land with hoes and hand-pulled ploughs. I also know that the journalistic skills that I have developed over the past 15 years will slip away quickly if they are not constantly revised and utilised. That shows why it is important that the whole Scottish nation realise that one education is not sufficient. The mantra throughout the country must be "lifelong learning".

If we do not continually hone and refine our skills base in order to cope with, and be competitive in, future, that future will be dim.

I support the Executive motion.

15:55

**Mr Adam Ingram (South of Scotland) (SNP):**

First, I take issue with the motion's self-congratulatory tone. Futureskills Scotland has published an interesting comparison between Scottish and English employers in the light of their respective 2004 skills surveys, which shows that although both countries have skills shortages and gaps the situation is marginally worse in Scotland. There is little evidence that Scottish solutions have been found for Scottish problems, and yet more evidence of a lack of competitive edge to the Scottish economy when compared with our nearest neighbours.

As Murdo Fraser pointed out, 25 per cent of all vacancies in Scotland are hard to fill because of skills shortages. In addition, almost 10 per cent of all employees are judged by their employers to lack proficiency in their work, with more than one in five workplaces being affected by such skills gaps. I take issue with Des McNulty's claim that those weaknesses are not significant.

It has been mentioned that the most common skills that are lacking are soft skills such as oral communication, customer handling and problem solving, and skills gaps are most common in jobs that require lower levels of skills and qualifications. That places a question mark over basic education levels and standards.

I am concerned most of all by the fact that all the figures that I have quoted indicate a worsening rather than improving trend. The same goes for the number of employers who are not offering some kind of training to employees. In 2004, 36 per cent of employers did not offer any training, compared with 32 per cent in 2003. Last May, the then Deputy Minister for Enterprise and Lifelong Learning acknowledged that, according to a Confederation of British Industry survey, Scottish businesses invested less in training than did those in any other part of the UK. The minister promised progress, but we are getting the opposite; I invite

him either to admit to Parliament the failure of the Executive's skills improvement policies and the need for a new approach or to explain how more of the same will produce the goods in the foreseeable future.

Any approach to improving our skills base clearly needs to engage with business to bring about a culture change among what appears to be a growing proportion of the business community that regards deskilling with equanimity. The effort that is required to raise skill levels could be seriously devalued if, at the end of the day, jobs are not available that are relevant to those skills.

I see little or nothing coming from the unionist parties to address such issues. Of course, they are content to operate with one hand tied behind their backs in managing the Scottish economy, much to its continuing detriment. That said, the Executive could and should do much more to stimulate upskilling in the public services and a consequent uprating of pay, thereby setting an appropriate example.

The caring services in particular have been mentioned. They deserve much more investment in human capital across the board, from home care and residential care of the elderly to foster care and nursing care of children. Such an effort would also represent a direct method of attacking low pay, particularly for women.

As a former member of the Enterprise and Lifelong Learning Committee in the previous session, I express my disappointment at the Executive's failure to pick up and run with the main recommendation of the committee's inquiry into lifelong learning, which was to create a unified system that would empower the individual, from whatever background, to access training and educational opportunities in pursuit of personal development. Why can those learners who enter higher education count on support for their learning as an entitlement while other post-school learners cannot? The committee recommended that everyone should be entitled to the equivalent of six years of study, which could be used at any level and at any time in their life. That would be a simple mechanism to make lifelong learning an accessible and practical choice for people. Why have ministers rejected that Scottish solution to a Scottish problem? At the time, it was welcomed across the political spectrum.

16:00

**Cathie Craigie (Cumbernauld and Kilsyth)**

**(Lab):** I am pleased to be taking part in this afternoon's debate—unlike SNP members. The SNP, it seems, is becoming day by day more irrelevant to the people of Scotland. It sees nothing good in anything that is proposed. I am

pleased that young people in my constituency and throughout Scotland have the opportunity—because of the policies of the Labour Government and the Scottish Executive—to make a start in life or, in some cases, to make a new start in life.

Some members on the SNP side of the chamber seem to have forgotten what it was like in the past. Others will remember—it was not all that long ago—how difficult it was for young people to find a job. Parents were worried about what the future held for their children once they left formal education. For many of those children, there was very little hope of a job. Even young people with very good academic qualifications found it difficult. Apprenticeships were like gold, and companies that trained apprentices were few and far between.

**Alex Neil (Central Scotland) (SNP):** Will the member take an intervention?

**Cathie Craigie:** I would like to move on.

The level of youth unemployment was the most shameful aspect of life in Scotland during the 1980s and on into the mid-1990s. Unemployment can have a devastating effect on an individual at any age and can impact on their life in many ways. Without a job, money is scarce; without a job, there is hardly a reason to get up in the morning; and, without a job, it is easy for a young person to think that society does not care and that they have been thrown on the scrap heap. Eventually, self-respect and respect for others can be lost. Without skills—the subject that we are talking about this afternoon—it is difficult for someone to find employment and to get the respect that they want as a member of society.

Thankfully, things have improved since 1997. The economic stability and confidence that the Labour Government has generated have given hope. Training opportunities have been created. Working with businesses, universities, schools and colleges, many thousands of young people have benefited from the opportunities that Labour policies have created. Young people now have a greater chance of going on to further and higher education. The new deal and modern apprenticeship schemes have helped to slash youth unemployment. Since 1997, unemployment in my constituency has been slashed by 90 per cent, and something like 850 young people have benefited from the new deal. The Tories would put that at risk.

The Tories forget what the difficulties were. Their loss of memory is selective; they choose to forget the difficulties that young people endured while the party was in power. They also forget, when employers suggest that young people are leaving school without skills, that many of those young people were in primary school—the most formative years—when the Tories were in power.

Des McNulty was right to say that giving people skills is not just about giving them skills for a particular apprenticeship—or the skills to be an engineer or whatever—but about giving them skills for life. That can start in pre-school education—giving people the skills to communicate with one another and to learn. Sadly, we have to deal with problems in those areas among young people who are leaving school without the qualifications even to take on the challenges of learning a skill. Through partnership working with employers and, in particular, with colleges, we have been addressing that problem and taking away the stigma and shame that some families felt if their son or daughter was leaving school without the ability to move on to employment.

**Alex Neil:** First, I congratulate Cathie Craigie on her 50<sup>th</sup> birthday today. I hope that, in the next 50 years, she will be more accurate when describing SNP policy than she has been in her first 50 years. I draw her attention to the record number, confirmed last week in a parliamentary answer to me, of 16 to 19-year-olds who are not in education, employment or training. That is a Labour record.

**Cathie Craigie:** I thank Alex Neil for his contribution and his congratulations, but I am sorry to say that the SNP always gets its figures wrong. I am actually 51 today, but I am happy to accept his congratulations, because we are always trying to turn back the clock. If Alex Neil read about my birthday in *The Scotsman*, I remind him that he should not always believe what he reads in the newspaper.

We have moved away from what it was like in 1995-96, when people genuinely worried about their young people leaving school and when grandparents were worried about whether young people would get a job. The Scottish Executive is working in partnership with the Government at Westminster—the Scottish National Party would never do that—to ensure economic stability, which gives young people hope and opportunities. That is what we have, and we do not have people hanging about in the evenings unable to go to bed because they are not tired because they have not done a day's work. We are getting there. It will not be easy, but we have the right programme and the lifelong learning strategy. I am pleased that a forum has been set up to evaluate how programmes are working. We can always improve, but we are certainly going in the right direction.

I fully support the motion in Jim Wallace's name, and believe that the whole Parliament should support it tonight.

16:07

**Shiona Baird (North East Scotland) (Green):** I would like to focus on two main areas: gender

segregation and disability. I shall also mention briefly the need to build and transfer skills for green jobs.

I, too, recently received a copy of the Equal Opportunities Commission report on its investigations into workplace segregation of women and men. The commission's work was the first ever general formal investigation into occupational segregation, and specific research was conducted to reflect the position in Scotland. I am delighted that Brian Monteith recognises the benefits of tackling stereotyping, and I suggest that Andrew Arbuckle goes away and takes a few upskilling lessons in that area.

Occupational segregation has long been present in the labour market, and the report shows that it is still very much with us, particularly in manual trades and vocational occupations such as construction and child care. It is encouraging that occupational segregation seems to be much less prevalent in the professions, and girls are becoming more ambitious than boys in choosing higher education. However, the aims of the Executive's strategies on lifelong learning, skills and enterprise will not be met if action is not taken to promote non-traditional jobs and training and to remove the barriers that are currently found in vocational training.

I agree completely with the Equal Opportunities Commission when it says:

"The current challenges facing Scotland for skills deficits and increased productivity will not be met if we continue to stereotype jobs into those appropriate for either women or men."

As we all know, and as Des McNulty highlighted, many of the jobs that are stereotyped for women are also the least secure and most badly paid.

Another aspect is that a fifth of our population is disabled. The employment rate for disabled people is disproportionately low. Disabled people are twice as likely as non-disabled people are to be unemployed, and the current legislation in that area seems to be having only a modest impact. Training and skills improvement for disabled people must be simply and easily accessed and delivered in a more creative and flexible way that works for them.

I agree with the recommendations of a report by Inclusion Scotland, which calls for training to be made available

"as a direct means to accessing employment",

and for

"Closer links ... between training providers and employers".

As a society, we must allow the full potential of disabled people to be realised, so we must give consideration to the matter in all policy areas,

including the benefits and student loans systems, which disproportionately penalise the disabled. I urge the minister to ensure that the Executive does all that it can do to ensure that disabled people have the same chance of gaining and improving skills as anyone has.

The Equal Opportunities Committee's disability inquiry is finding that, too often, the real barriers to access to work are not individual disabilities but the barriers that employers present to a potentially loyal and skilled workforce. Perhaps the Executive needs to be reminded that fresh talent is available in Scotland, but that such talent needs more effective resourcing.

There is great potential for Scotland to become a world leader in sustainable green jobs if the right support is given to emerging Scottish industries, to allow them to mature. We must ensure that we have a well-skilled workforce for the transition from an inefficient, waste-oriented society to a more enlightened society that conserves resources while allowing a good standard of living for all. The building and transferring of skills for a more sustainable future must be a central part of the Executive's policy on skills.

I have quite a bit of time left—I expected to speak for about four minutes—so I draw members' attention to the lobby that was held today by a group of disabled people, which was entitled, "Use your loaf: scrap charging for community care!" I am not sure how many members know how disabled people are penalised, but I will read—

**The Deputy Presiding Officer (Trish Godman):** You have one minute left. Please speak to the subject on which you are supposed to be speaking.

**Shiona Baird:** My comments relate to skills. A student who is trying to update her skills says:

"Because I am charged for Community Care; I cannot save money, pay off my student overdraft, see the financial benefits of job promotions and higher paid jobs, invest money in my future, save for a pensions plan, buy luxury items that society assumes I could afford, or keep the same amount of money for my work as a non disabled person would in the same job."

She raises serious issues that we must address.

16:13

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** The debate has been characterised by very general comments. We have heard warm words about good intentions and high hopes and members of all parties have expressed sentiments with which I am sure that we can all agree without difficulty.

However, beyond the high-level debate, we should consider what is happening on the ground.

I am pleased that the Minister for Enterprise and Lifelong Learning has returned to his seat, because although I acknowledge that, as the motion says, there has been increased investment in Scotland's colleges, I want to talk about the predicament of Inverness College in my constituency.

Some weeks ago, at the invitation of a trade union, I met lecturers at Inverness College to discuss its financial plight. The minister will be aware that for many years, as the result of past mismanagement, the college has had a deficit of more than £5 million. The rules say that the college must pay back the money and, as the minister knows, I have argued that that means that today's students and lecturers must pay the price of past mismanagement, much of which arose from the policy of incorporation and the way in which it was introduced by the Conservatives. Be that as it may, the first problem is that a £3 million deficit remains and a 10-year recovery plan means that the college is technically insolvent.

The second problem is that the rules have changed; I am told that by Professor John Little, whom I met last Friday. In a letter to me, Professor Little says that he was told that the college must make an operating surplus and that it must pay for depreciation. That is a change. It is an extra burden, the effect of which is that the college faces staff cuts right now. Inverness College also faces a drain on its resources: for every £1 that the college receives by way of higher education funding, it pays 44p to the UHI Millennium Institute. Professor Little told me that that is the case and the staff agree.

My question for the minister is simple. How can it be fair for the colleges that will become part of the University of the Highlands and Islands to also have to pay for their existing structures? We welcome the fact that the colleges are to be part of the embryonic University of the Highlands and Islands, for which—as the minister knows—we have campaigned for decades, but why does the burden of developing degree courses and all the preparatory work have to be borne by today's students and lecturers?

Tomorrow, I will meet Bob Cormack of UHI to discuss the matter further. I will also discuss the matter next Wednesday morning, when I meet Roger McGuire of the funding council. A point of principle is involved, and if Mr Purvis thinks that it is funny, I say to him that neither my constituents nor his minister agree with him.

I hope that, in closing, the Minister for Enterprise and Lifelong Learning or his deputy will explain how it can be right that colleges have to pay for the only university that Scotland is creating. We welcome the university. We hope that it will lead to opportunities, new businesses and possibilities

that will, in turn, bring people back to the Highlands—that is what we all want. That said, the university's development costs seem to be funded substantially by the college.

Unlike some members, I do not call for extra funding for every pledge of the day—it is not my style to do that. It would be better if we were to spend far more time on looking at how the existing budget is spent. Last Friday, I was told that £2.3 million of Inverness College's budget will be spent on doing maintenance work on a building that the college hopes to vacate in four years' time. The college will have to spend all that money for health and safety reasons. I ask the minister to look into that situation, because it sounds pretty perverse and against everything that most people would see as common sense. I understand that some money may have to be spent, but spending £2.3 million on maintenance will mean 20 to 25 staff being dismissed and students losing the opportunity to pursue courses and other opportunities at a time when we are hearing fine sentiments and warm words on the creation of UHI, which we all agree is desirable.

An issue that relates to the lifelong learning strategy and retaining skills is the situation at Ardtoe. I believe that Ardtoe representatives met the Minister for Environment and Rural Development last Friday. The minister was asked for a funding package of £200,000 per annum, and I am told that Mr Finnie said no. If I am wrong in saying that, I am delighted to be wrong.

On Monday of this week, the boards of the Scottish Association for Marine Science met and decided to put Ardtoe into liquidation. The staff were not told about that decision and learned of it from a press release. Indeed, two of them were at a conference that Lewis Macdonald attended. They had to read out a press release to the conference saying that Ardtoe had been made bust. How can that be right? More important, how does it square with the warm words? How can it be right at the very time that Ardtoe, as part of SAMS, is to be part of the UHI that both the minister and I support and have always campaigned for? How can it be right that Ardtoe is axed for the sake of £200,000, a figure that is one tenth of the health and safety budget for Inverness College?

The issues are serious. Although I do not expect an immediate answer, I expect an answer and so do my constituents.

16:19

**Richard Baker (North East Scotland) (Lab):** At this time, it is inevitable that political debate is focused on Scotland's future economic prosperity. Labour members welcome that debate, because

we have succeeded in encouraging prosperity and creating record employment.

Economic growth is the Executive's top priority because, although we have achieved a great deal, there is no room for complacency, as significant challenges lie ahead. As we have heard, there are many opinions—some more informed than others—on how continued economic growth can best be achieved, but we all agree that Scotland cannot prosper or compete if it has a narrow, low-skill economy. That is why it is right that the Executive's strategy for skills is based on creating an enterprising culture and a knowledge economy.

The debate has rightly highlighted the success of the lifelong learning strategy, the skills fund, the investment in further and higher education and initiatives such as the modern apprenticeship scheme, all of which give people the skills that they need to succeed in the workplace. It is also right to consider other ways in which the Executive has sought to expand our skills base, such as the measures that it has taken to encourage skilled people from around the world to come to Scotland to live and work, which include the fresh talent initiative. As the Executive motion acknowledges, that work must be complemented by doing yet more to improve the range of skills that people who work here already possess.

Although Des McNulty was right to point out that in Scotland overall there are relatively few skills shortages, in my region of the north-east there are specific skills gaps in the local workforce—for example, in construction and in the oil and gas sector. In those fields, there is a lack not of excellent employment opportunities, but of people with the skills to take them up. We must address that situation, not only because in doing so we will encourage better growth in those sectors, but because in failing to do so we would lose an opportunity for our economy and for the people who could be trained to do those jobs.

We are well placed to succeed in taking on that challenge, given the Executive's record levels of investment in further and higher education and its lifelong learning strategy. We must remember that there has been a 23 per cent increase in investment. Addressing skills gaps should be a major part of the work of the new joint funding council for further and higher education. That is why I welcome the fact that the Executive has lodged amendments to the Further and Higher Education (Scotland) Bill to ensure that the council will establish a skills committee.

A range of agencies need to be involved in the task of ensuring that the right workforce skills are provided in every area of Scotland, but local colleges and universities are particularly well placed to work with local employers to identify and address skills gaps. I have seen evidence of that

in the north-east, where Banff and Buchan College and the University of Aberdeen developed a new course to train teachers in technology, after it was found that local schools were experiencing great difficulty in recruiting technology teachers. Investment in tertiary education is vital to ensuring that we have future economic growth that is based on a knowledge economy and a skilled workforce.

As Christine May said, in the first evidence session of its inquiry into business growth, the Enterprise and Culture Committee had an excellent presentation from the economist Donald MacRae, in which he outlined some of the issues that we must tackle if we are to create stronger growth. He pointed out that, in an international context, Scotland is well ahead of the game in producing graduates and in investing in colleges and universities. He was right to suggest that we should have an even greater focus on earlier years education, as other members have indicated, but I counsel that there is no room for complacency about our levels of investment in tertiary education. In the future global economy in which we will compete, developing nations will have more and more graduates and ever-increasing levels of academic capital. We must respond to that prospect if we are to remain ahead of the game as a knowledge economy.

We will certainly not develop skills or our economy by abandoning already successful schemes, as the Tories would do under their proposal to scrap the new deal. Only nationalists could truly believe that constitutional reform is the key to economic prosperity and distort their economic arguments to fit that overarching, misguided goal.

Unlike the Tories, Labour invests in people rather than in unemployment. Our new commitment to create even more employment is a key part of our strategy for an economically successful Scotland. When we talk about increasing skills, that is not just about setting an economic target; it is about transforming people's lives. More than 30,000 people are being trained through the modern apprenticeship scheme. Those people are not just a statistic—each of them is being given new and better opportunities thanks to our focus on skills and jobs. The Executive has the right strategy to allow us to meet the challenge of giving even more people new skills and making Scotland an even more prosperous society in the years to come.

16:24

**Robert Brown (Glasgow) (LD):** This has been an interesting and worthwhile debate, in which some good speeches have been made. Murdo Fraser and Brian Monteith in particular made good points. However, Murdo Fraser denied that the



Conservatives have a policy to slash community schools. To echo the words of Richard Baker, I would have thought that throughout the chamber there was solid support for the idea that skills and training require investment in education. That view appears to be held by all with the exception of the Conservatives.

I have in my hand a document from the Scottish Conservatives that is interestingly called—perhaps one could quibble with the phraseology—“Value for Money” and subtitled “Lower Taxes”. On the second page it has the Letwin guarantee. On the next page is a table with the heading “Income and Savings”, which sets out the savings that will be made to fund tax cuts such as council tax cuts. Against “Community Schools programme”, it lists £175 million, which appears to be a saving. In addition, under the heading “Expenditure and Tax Cuts”, against “Council Tax cut/School funding”, it lists £614 million. As I understand it, that funding will be taken from councils, because schools will be directly funded. However, I would have expected to see that figure on the other side of the table, to make up the difference through some sort of central Government funding, but that is not the case. There is no other figure of £614 million in the document. I can only take it that not only will the Conservatives slash the community schools programme, they will slash school funding generally by £614 million. I am interested to hear from the Conservatives on that point.

**Murdo Fraser:** Our policy is perfectly clear. We are transferring the funding of education from councils to central Government budgets. We will pay for education through efficiency savings, which have already been identified by the Executive. There will be no cutting of education budgets.

**Robert Brown:** I am interested in Mr Fraser's comment, but my only difficulty with it, even with my limited knowledge of accounting, is that the efficiency gains are spent elsewhere on tax cuts and various other items that the Conservatives hope to address with their budget. Unfortunately, it just does not add up.

Much capital—political and otherwise—has been invested in Scotland to ensure that our country is and remains a successful economy that pays its way in the world, creates wealth for its people and exceeds the efforts of its competitors. I think that it was Stewart Stevenson who made the valid point that we have to do better than the other parts of the United Kingdom.

Members throughout the chamber recognise that a successful economy requires certain basic ingredients. First, it requires a sustainable and prosperous home market, which in our case primarily is the European Union. Secondly, it requires stability, predictable interest rates and low

inflation. A large factor in that is the independence of the monetary policy committee of the Bank of England, which was established by Gordon Brown in 1997. That measure was not in the Labour manifesto but was quite rightly taken from the Liberal Democrat manifesto.

A third ingredient is the spirit of enterprise among businesspeople and young people in particular. The approaches that have been taken in that area, such as the enterprise in schools agenda, the linking of enterprise and lifelong learning, the importance that is afforded to education, and the removal of barriers to education such as the Labour Government's tuition fees, represent some of the contributions that the Liberal Democrats have made to the Executive.

The last ingredient is skills—I should also mention research and development, but skills are the central focus of this debate. The skills agenda is central and represents a challenge and an opportunity.

We heard in Jim Wallace's speech and in the First Minister's comments at question time of Scotland's success in having one of the best employment records in Europe. As members have said in various ways, that implies that the pool of skilled employees is largely in employment and needs to be replenished by young people coming out of school, by the fresh talent initiative and by skilling or reskilling those who have dropped off the employment registers.

The difficult point is often made that in Glasgow there are 100,000 people on the incapacity list. Some of those people are the casualties of the old heavy industries. Some have poor health or learning difficulties. Some have chaotic lifestyles. Some are simply crushed by domestic or financial pressures and the other pressures of life. The sad fact is that throughout Scotland that situation is supplemented by too many young people who lack the basic skills, the personal organisation, the drive or the ability to get up in the morning to be of immediate use to employers. That challenge is faced throughout Scotland. It is not enough to say, as Alex Neil suggested, that it is in some way the fault of the Executive, because it reflects wider trends and issues in society that we all have to deal with as parliamentarians.

Of course, major strides have been made in this area. We have exceeded by a considerable amount the target for modern apprenticeships. A great deal of work is being done by individuals in schools, colleges and projects across the country. The Education Committee visited some very good projects in Perth, for example. A series of such initiatives are making a considerable impact. We need to assess them, to see what works and to ensure that the more successful projects are made

available across the country, in places where they are important.

A number of other points have been made. Rightly, the importance of colleges was touched on. Brian Monteith made a good point about gender imbalance. However, gender imbalance in the construction industry has much to do with the industry's structure and the way in which it has developed. Because of a lack of stability of contracts over time, there has been a move towards contracting out to smaller organisations and individuals who do not see training new people as their responsibility. That is one of the issues with which we must deal. There is the oddity of there being skills shortages at the same time as we are unable to get people jobs and openings in parts of the construction industry. Everyone suffers from that structural problem.

Shiona Baird was right to speak about the need for us to transfer to less wasteful industries. In the background is the green jobs strategy that Jim Wallace announced a while ago. I think that that is one of the most significant strands in the Scottish Executive's work in this area. It is matched in many respects by work that is being done at Glasgow Caledonian University and a number of colleges across Scotland to provide the skills and training that will enable us to take full advantage of opportunities for green jobs.

Much has happened in the area of skills. We face big challenges and there is much to do. However, this has been a useful debate. I support the Executive motion and the work that is to be done in the area.

16:32

**Lord James Douglas-Hamilton (Lothians) (Con):** I start by reassuring Robert Brown that under the Conservatives there will be no cuts in funding for education. His colleague in the coalition Tom McCabe has said that savings of more than £700 million will be found. It is our priority to have direct payment of schools. I recognise that Robert Brown may have a different policy regarding the savings that Tom McCabe has identified, but we wish them to be ploughed into education. I want to make it clear that we are in favour of a policy of no cuts in funding for education.

**Jeremy Purvis:** Will the member give way?

**Lord James Douglas-Hamilton:** No—I have a lot to say on this subject.

I have made the point many times, and will continue to make it, that there will be no cuts in funding for education under the Conservatives. That is our policy. As long as I am education spokesman for the Conservative party in Scotland, it will remain our policy.

I am glad to sum up for the Conservatives in what has been an enlightened and productive debate on skills. We recognise the direct benefits that a skilled workforce will provide to the Scots economy. That is why we believe in improving education and training opportunities, through co-operation between schools and businesses.

Cathie Craigie spoke about the importance of hope and opportunity—a theme to which we should all be sympathetic. We suffer from a skills shortage. Adam Ingram mentioned soft skills. A much-repeated complaint is that Scotland is sending too many of its young people to study at university, while there is a lack of skilled plumbers and builders. Unfortunately, there is a considerable amount of truth in that complaint. Sixty per cent of hard-to-fill vacancies in construction and 63 per cent of hard-to-fill vacancies in plumbing are due to skills shortages. I echo colleagues' concerns that Executive policy, rather than the demands of business and industry, is driving the number of young people who go to university. Many young people are graduating with substantial debt and are unable to find graduate-level jobs in Scotland. That is a prime cause of the brain drain that we are experiencing, with Scotland suffering a net loss of 16 to 34-year-olds to the rest of Britain.

As a nation, we should encourage young people to stay in Scotland by making Scotland a more attractive place in which to do business, attracting investment and creating jobs. We can do that by, among other measures, reducing business taxes such as non-domestic rates and water charges, and increasing investment in the transport infrastructure.

Truancy and classroom indiscipline and disengagement have been on the increase in Scotland. Last year, more than 3,000 young people left school with no qualifications. The Education Committee is currently carrying out a curriculum review to establish ways of engaging more pupils. The smart young people project in Perth, which Robert Brown rightly praised recently, is an excellent example of what successful initiatives can achieve.

Another key initiative is the school-college partnership. The Conservatives are committed to enabling all 14-year-olds who wish to access vocational courses at further education colleges to do so. Many schools and colleges have already engaged in successful partnerships but, in some cases, there remain issues of transport, timetabling and extending the provision to all pupils, not only the disengaged. It is encouraging to note that enrolments to colleges have gone up by 19 per cent since 1997-98, but 60 per cent of students have no qualifications on entering college. More effective school-college partnerships

must be encouraged to enable a greater number of young people to access vocational training before they reach school-leaving age.

**Jeremy Purvis:** Lord James Douglas-Hamilton re-emphasises the role of schools and college, which I welcome. However, the Tories' document on the Letwin guarantee shows that a saving of £175 million from the community schools programme would be part of the income and savings that would contribute to their proposed £916 million tax cut. The Conservatives' Letwin guarantee document shows that they would cut that funding.

**Lord James Douglas-Hamilton:** I have already told Jeremy Purvis that the Conservatives are not cutting a single penny from education, however much he might repeat the statement that we will. I happen to be the Conservative school education spokesman in Scotland and I tell him that it is our policy not to cut a single penny from the education budget for Scotland. We have explained our position and, however much the Liberal party might dislike it, it will remain our position.

Businesses have a strong contribution to make to the local community and can form the basis of a strong entrepreneurial future for local economies by equipping young people with skills for work. Local businesses should be encouraged to work with schools on young enterprise and enterprise in education schemes to train pupils in the skills that are necessary for work and provide them with the necessary work experience.

Brian Monteith and, I think, Shiona Baird spoke against gender stereotyping. There is a great deal to be said for less stereotyping. We want the best people for the jobs concerned and want everyone to have the opportunity to obtain fulfilment within the system. I remember visiting Ethicon, where surgical needles were made, some years ago. Hundreds of the employees were women; I cannot recall a single man doing the same job as the women there. If men and women have the aptitude, ability and inclination to do something, they should be allowed to follow it through to success.

If we are to retain our talented young people in Scotland, we have to foster an environment that is conducive to enterprise and the entrepreneurial spirit. As Sir Winston Churchill said,

"We make a living by what we get, but we make a life by what we give."

**The Deputy Presiding Officer:** I call Alex Neil. Mr Neil, I can give you eight minutes.

16:38

**Alex Neil (Central Scotland) (SNP):** Thank you very much indeed, Presiding Officer. Perhaps it is my birthday as well.

I will begin on a positive note. I am sure that we all agree that there is much to be proud of in skills and education in Scotland. The performance of our universities is one example, as our academic achievement is third best in the world—not per head, simply third best—as measured by the OECD. There is also a great deal to be proud of in the good work that is going on in our colleges and among private sector training providers.

I am sure that we all share in that pride, but we must also recognise that there are still problems to be solved and issues to be addressed, which is not to run Scotland down. I will list 10 challenges on the skills agenda in Scotland. The first, which is one of the most urgent, concerns the 16 to 19-year-olds who are not in education, employment or training—NEETs. I will not make a party-political issue of the matter, because I accept that, as Robert Brown said, such issues are complex, but the situation is getting worse not better.

The official statistics show that between 2001 and 2003, the number of NEETs increased from 33,000 to 35,000. In Cathie Craigie's area—North Lanarkshire, which includes Cumbernauld and Kilsyth—the increase was 50 per cent, so there is nothing for us to be complacent about. If a good proportion of those 35,000 16 to 19-year-olds were in training or an apprenticeship, that would go a long way towards solving many of the problems of shortages to which Lord James Douglas-Hamilton referred, when employers report an inadequate supply of young people to train in the construction industry or in plumbing, for example. Addressing that must be top of our priorities. I hope that when the Executive produces its employability framework in the summer, it will zero in on that problem.

The second issue is more strategic and Robert Brown referred to it in an intervention. All the evidence shows that intervention in the early years—pre-school and in primary school—provides a far bigger bang for the buck than waiting until later years to invest in our kids. We have quite a good record on spend per student in the higher education sector—we spend on average about 120 per cent of the OECD average. However, our spend per pupil in the early years is only about 75 per cent of the OECD average. A strategic issue that we all must address is the need to up investment substantially in the early years, although not at the expense of the tertiary sector, because that would be cutting off our nose to spite our face. We must give priority in additional spending to the pre-school and primary school years. That will be a fundamental prerequisite for long-term success in our skills agenda.

Thirdly, we must address access. In Scotland in 1950—long before I was born—1 per cent of

school leavers went to university. That figure has now increased to about 52 per cent. The number is slightly down this year, at about 48 or 49 per cent, but the average is 50 per cent. That represents a massive increase in those who go to university.

Despite that increase, the reality is that the percentage of children from poorer backgrounds who reach university is stubbornly still about 14 per cent, which is much the same as it was in the 1950s and 1960s. We have never fundamentally addressed how we improve access to higher education for that group. I do not believe that anything in their genes—I am not talking about their denims—is inherently inferior to the genes of middle-class or aristocratic children. Something is fundamentally wrong when we allow the great pool of talent among our working-class kids to continue to go to waste.

I do not accept that an easy and simple solution exists and I do not think that all that is needed is money, grants or loans, although they are a major part of the solution. Other issues are involved. However, one exciting thing that the Parliament can do is to address access to higher education.

**Jeremy Purvis:** The member may well wish to correct me, but I understand that the 50 per cent refers to school leavers who go into higher education, not necessarily to university. Many gain a higher education qualification through the further education system. The future emphasis will be on those who are in their early 20s or 30s returning to an FE college to obtain a higher education qualification.

**Alex Neil:** I am talking about higher education. The member is right: 40 per cent of the people who go to university go via the FE route. That is why it is important to move to having one funding council, for example, because the institutional division between further and higher education is being blurred.

Another challenge relates to part-time students. If we want to encourage more people to come back into the labour market, we must get people in their 30s and 40s to go back into training and into re-education. However, as Adam Ingram pointed out, those who go back in via the part-time route probably still get the worst deal and have the least entitlement, although there have been improvements. Addressing that issue is important.

I think that we all agree that the modern apprenticeships programme is good, but the non-completion rate in most local enterprise company areas is still approaching an enormous potential waste. We must address that issue as well as the related issue of skills shortages in particular sectors. I highlight the construction sector. Over the next few years, we will need to recruit around

27,000 people into the construction sector in Scotland. Around half of those people will have to be recruited as a result of people retiring; the other half will have to be recruited as a result of additional investment. However, with the modern apprenticeships and Construction Industry Training Board work, only between 2,000 and 2,500 people are being trained each year, which means that it will take around 10 years to fill the current shortages, never mind the shortages that there will be in 10 years' time. A step change is needed, particularly in the construction sector, and that represents a massive opportunity for jobs and training.

Finally, we must address the related issue of demographics, which Jim Mather talked about, and the problems of literacy and numeracy. There is still the ridiculous situation in Scotland whereby some universities are running remedial English classes for students who go to university from school to learn languages. That is unacceptable in a modern industrial country.

All those challenges must be faced up to. The issue is not about running down Scotland—we should recognise the big pluses that I mentioned at the start of my speech. We should face up to the challenges so that we can be top of the class in every one of the areas that I have mentioned.

16:47

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** The debate has been good and interesting, and there have been some excellent contributions, not least from Alex Neil, if he does not mind my saying so. I ticked off the boxes as he spoke and it can reasonably be claimed that we got nine out of 10, which is a pass rate by any standards.

I readily accept that we could and should do more, not least in the NEET category to which Alex Neil referred. As members know, I got the job as Deputy Minister for Enterprise and Lifelong Learning relatively recently, and one of my personal priorities—as well as one of the Executive's partnership priorities—is to address the problem of young people who are not in education, employment or training. We are discussing a number of ideas, which we will be happy to share with the Enterprise and Culture Committee in due course, because we lag behind other parts of Europe and places beyond Europe in that regard. There may be many reasons why that is so, but we need much better data that show who the young people in question are and why they are in such a position. I categorically assure members that as we develop, roll out and discuss the employability strategy with the Enterprise and Culture Committee, the priority will be to address that issue.

Since I got this job, it has been clear to me—indeed, it was clear to me long before then, in the 28 or so years in which I worked in the trade union movement and had a close interest in skills development—that skills in all their various forms are absolutely crucial to the development of our growing economy. Skills are absolutely vital to our future economic prosperity and to the well-being not only of individuals, but of communities that depend on the industries that feed off those skills.

We all know that for Scotland to be truly prosperous, it must draw on the potential of its workforce, its people, its human resource. That is why the skills and training agenda is one of the most important political issues of the day. That is why we believe that through our lifelong learning strategy, we must not only develop the skills of today, but constantly revisit and develop those skills to match the requirements of the global economy in which we now compete and the needs and requirements of business and industry, through an employer-led approach to rolling out skills training.

In the short time that I have been doing this job, I have been enormously encouraged by the individuals and groups that I have met, who have demonstrated the genuine difference that learning new skills makes to them and their lifestyles. For instance, I met a number of former drug addicts who have transformed their lives and potential by learning skills and going through new training to bring them back to a normal human existence. There is nothing better in this job than to see that process come to fruition.

Such training benefits not just individuals, but wider society as a whole. Skills can provide individuals with a gateway to a confident, positive and prosperous future. That is why we have put so much emphasis on them. The partnership agreement makes it clear that growing the economy is our top priority and skills improvement and development are an important part of that.

I agree absolutely with what Cathie Craigie said. Like her, I will never see my 50<sup>th</sup> birthday again, but it is easy to forget how bad things used to be. More than 34,000 apprentices are currently receiving skills training. In addition, more than 90,000 people have received training through a modern apprenticeship since the programme began. Through the new deal, we have virtually eradicated youth unemployment in this country. It is to the eternal shame of the Conservative party, and indeed anyone in the nationalist party who does not support the new deal programme, that they seek to dispense with the programme and abandon young people again to the hopelessness that was the Thatcher years.

The Futureskills Scotland report was badly misrepresented by Adam Ingram. As Des McNulty

correctly pointed out, the skills supply in Scotland is generally fit for purpose, with vacancies as a result of skills shortages representing less than 1 per cent of employee posts. This is not a controversial thing to say: skills shortages are not necessarily a bad thing per se. They are symptomatic of a growing, vibrant expanding economy.

**Alex Neil:** I accept that general point, but skills shortages go side by side with 150,000 people who are officially unemployed in Scotland. There is a clear breakdown in getting more of those 150,000 unemployed people trained and retrained to take up current vacancies.

**Allan Wilson:** There is no dispute between us on that point. The Futureskills Scotland survey shows that where skills shortages exist, they are predominantly in the growing business sector that is mostly small and expanding. Were such shortages to act as a constraint on growth, it would undoubtedly be a matter of greater concern to us, but there is no evidence of that.

If we are to expand employment and training opportunities, we must not only continue to invest in the public sector and further education, which I will come to in a minute, but ensure that there is growth in training opportunities in the private sector. I do not disagree about that.

Futureskills Scotland did not publish any information about the number of job applicants who lack certain skills. The report refers to the proportion of respondents to the employers skill survey who reported a skills shortage vacancy and who said that applicants for those vacancies lacked certain skills. Of the 5 per cent of establishments that reported being affected by a skills shortage vacancy, 24 per cent felt that applicants lacked basic numeracy skills and 29 per cent felt that they lacked basic literacy skills. Comparatively speaking, those percentages are extremely small proportions of the total.

Murdo Fraser is wrong to say that 29 per cent of respondents with skills shortage vacancies reported that applicants lacked basic literacy skills. That ranked only eighth in the list of 12 skills that were reported as lacking. For example, it was some way behind oral communication skills, which was cited as lacking by 57 per cent of the 5 per cent of respondents who reported being affected by a skills shortage vacancy. I am not being complacent or suggesting that there is no problem, but the problem is not of the order of magnitude that Murdo Fraser made it out to be.

Murdo Fraser is right to refer to the fact that the Conservative Government incorporated the further education colleges. However, it was not the act of incorporation that was controversial but the proposition that further education establishments

should compete with each other for students rather than co-operating to build a skills agenda.

It is true that the Conservatives increased the number of places in higher education but they did not fund that expansion. The reason why they could not do so was that they were paying too much money to people to be unemployed. Not only were they paying people not to be economically active but they did not have the money that they should have been investing in further and higher education because they had 3 million people on the dole. They were increasing education opportunities but not providing employment opportunities at the end of the route. That was a recipe for disaster, which is why the Conservatives are sitting on the Opposition benches and will not be standing in my position for the foreseeable future.

**Murdo Fraser:** That is an interesting analysis. Of course, many people would say that many people now work for the Government. Since 1997, we have lost 1 million jobs in manufacturing. Scottish manufacturing is now at its lowest ebb—lower than it has been in the history of this country. What does the Executive have to crow about in relation to the state of the Scottish economy?

There has indeed been a shake-out in the manufacturing industry, but at the same time, we have record levels of employment across the economy, the longest period of sustained economic growth for 200 years and more people in employment now than has been the case since records began.

**Alex Neil:** Not in Scotland.

**Allan Wilson:** My statement is equally true of Scotland. I will deal with the nationalists' proposition in a minute but first I want to talk about employers and unions.

Employers play a hugely important role in driving up Scotland's skills base. We understand that and are working with them closely through the skills for business network and Investors in People to ensure that their contribution is valued and maximised.

I would not want to leave the podium without mentioning the trade union movement, as it is equally important. Our lifelong learning strategy speaks of the important role that unions can play in learning. Unions have a key role to play in workforce development, by influencing and working in partnership with employers, and they have an important role in leading workplace learning projects. That role will be enhanced in the coming years with the development of the union learning academy. That is why we have invested £3.3 million in 54 union learning projects and will invest a further £1.6 million during the period from 2006 to 2008.

Mr Mather made reference to Quebec, which was a departure for him. I had been expecting the usual litany of small, independent European countries to be rolled out as examples of places that are better than us. However, we learned that it is now Quebec that will be held up to us as the epitome of economic performance, which is strange, considering that Quebec is not independent and is part of a much larger economic union, albeit a federal one. Does that not somewhat destroy the member's constitutional argument that economic growth can be born only of independence, outwith the economic union to which he refers?

I conclude with some important statistics. Scotland's percentage of tertiary graduates is well above the mean. In fact, we surpass Japan, Spain, Sweden, Ireland, France, Italy, Germany, Switzerland, Austria and the Czech Republic. On the percentage of the population aged 25 to 64 that has attained at least upper secondary education, Scotland again exceeds the mean and is ahead of the Netherlands, France, the rest of the UK, Belgium, Australia, Ireland, Iceland, Luxembourg, Greece, Poland, Italy, Spain, Turkey and Portugal. Last but by no means least, on the percentage of the population aged 25 to 64 that had attained at least higher education in 2001, Scotland exceeds Sweden, Spain, Switzerland, Finland, Hungary, Ireland, New Zealand, Germany, Mexico, Belgium, Greece, Poland, France, Luxembourg, the Czech Republic, Slovakia, Italy, Turkey, Austria and Portugal. All those countries support the Executive's motion.

## Decision Time

17:01

### **The Presiding Officer (Mr George Reid):**

There are 10 questions to be put as a result of today's business.

In relation to this morning's debate on council tax, if the amendment in the name of Mr Tom McCabe is agreed to, the amendment in the name of Mr Brian Monteith will fall. In relation to this morning's debate on nuclear power, if the amendment in the name of Mr Jim Wallace is agreed to, the amendments in the name of Alex Johnstone and Chris Ballance will fall.

The first question is, that amendment S2M-2693.1, in the name of Mr Tom McCabe, which seeks to amend motion S2M-2693, in the name of Alasdair Morgan, on council tax, be agreed to. Are we agreed?

### **Members: No.**

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

### **FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)

McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

### **AGAINST**

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Kane, Rosie (Glasgow) (SSP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 MacDonald, Margo (Lothians) (Ind)  
 Martin, Campbell (West of Scotland) (Ind)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Tosh, Murray (West of Scotland) (Con)  
 White, Ms Sandra (Glasgow) (SNP)

### **ABSTENTIONS**

Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)

Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)

**The Presiding Officer:** The result of the division is: For 65, Against 39, Abstentions 7.

*Amendment agreed to.*

**The Presiding Officer:** The amendment in the name of Mr Brian Monteith falls.

The next question is, that motion S2M-2693, in the name of Alasdair Morgan, on council tax, as amended, be agreed to. Are we agreed?

**Members:** No.

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

**FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)

Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

**AGAINST**

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Kane, Rosie (Glasgow) (SSP)  
 MacDonald, Margo (Lothians) (Ind)  
 Martin, Campbell (West of Scotland) (Ind)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Tosh, Murray (West of Scotland) (Con)

**ABSTENTIONS**

Adam, Brian (Aberdeen North) (SNP)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinburne, John (Central Scotland) (SSCUP)  
 White, Ms Sandra (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 65, Against 20, Abstentions 26.

*Motion, as amended, agreed to.*

*Resolved,*



That the Parliament notes that the Scottish Executive has established the independent inquiry into local government finance consistent with the Partnership Agreement of May 2003; notes that, because of the ongoing inquiry, there are no plans for a council tax revaluation in Scotland; notes that the Labour Party has submitted clear and detailed proposals to support changes to the council tax and that the Liberal Democrats have submitted clear and detailed proposals to support a local income tax, and therefore encourages all parties and others to make submissions to the inquiry.

**The Presiding Officer:** The next question is, that amendment S2M-2691.2, in the name of Mr Jim Wallace, which seeks to amend motion S2M-2691, in the name of Richard Lochhead, on nuclear power, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marilyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)

Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Kane, Rosie (Glasgow) (SSP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, John (Ayr) (Con)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Tosh, Murray (West of Scotland) (Con)  
 White, Ms Sandra (Glasgow) (SNP)

#### ABSTENTIONS

MacDonald, Margo (Lothians) (Ind)  
 Martin, Campbell (West of Scotland) (Ind)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

**The Presiding Officer:** The result of the division is: For 65, Against 43, Abstentions 3.

*Amendment agreed to.*

**The Presiding Officer:** The amendments in the name of Alex Johnstone and in the name of Chris Ballance fall.

The next question is, that motion S2M-2691, in the name of Richard Lochhead, on nuclear power, as amended, be agreed to. Are we agreed?

**Members:** No.

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

**FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marilyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)

Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

**AGAINST**

Adam, Brian (Aberdeen North) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Kane, Rosie (Glasgow) (SSP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, John (Ayr) (Con)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Tosh, Murray (West of Scotland) (Con)  
 White, Ms Sandra (Glasgow) (SNP)

**ABSTENTIONS**

MacDonald, Margo (Lothians) (Ind)  
 Martin, Campbell (West of Scotland) (Ind)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

**The Presiding Officer:** The result of the division is: For 65, Against 43, Abstentions 3.

*Motion, as amended, agreed to.*

*Resolved,*

That the Parliament notes the work of the Committee on Radioactive Waste Management; welcomes the Scottish Executive's study into present and future energy supply and demand in Scotland; endorses the Executive's position of not supporting the further development of nuclear power

stations while waste management issues remain unresolved; supports the Executive's continuing commitment to the development of renewable energy in Scotland, including wind, wave, tidal, solar, hydrogen, biofuels and biomass power, as a key element of a balanced energy supply portfolio; supports the Executive's commitment to achieving 40% renewable electricity generation by 2020, and welcomes the ongoing review of the Scottish Climate Change Programme and the priority being given to strengthening the contribution of energy efficiency and renewables to reduce carbon dioxide emissions."

**The Presiding Officer:** The next question is, that amendment S2M-2694.1, in the name of Jim Mather, which seeks to amend motion S2M-2694, in the name of Jim Wallace, on skills, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Adam, Brian (Aberdeen North) (SNP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 White, Ms Sandra (Glasgow) (SNP)

#### AGAINST

Aitken, Bill (Glasgow) (Con)  
 Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Brown, Robert (Glasgow) (LD)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Davidson, Mr David (North East Scotland) (Con)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Finnie, Ross (West of Scotland) (LD)  
 Fox, Colin (Lothians) (SSP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marilyn (North East Scotland) (Lab)

Godman, Trish (West Renfrewshire) (Lab)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kane, Rosie (Glasgow) (SSP)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Tosh, Murray (West of Scotland) (Con)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### ABSTENTIONS

Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 MacDonald, Margo (Lothians) (Ind)  
 Martin, Campbell (West of Scotland) (Ind)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)

**The Presiding Officer:** The result of the division is: For 20, Against 82, Abstentions 9.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S2M-2694.2, in the name of Murdo Fraser, which seeks to amend motion S2M-2694, in the name of Jim Wallace, on skills, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Tosh, Murray (West of Scotland) (Con)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

#### AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Fox, Colin (Lothians) (SSP)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kane, Rosie (Glasgow) (SSP)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 MacDonald, Margo (Lothians) (Ind)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Campbell (West of Scotland) (Ind)

Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### ABSTENTIONS

Adam, Brian (Aberdeen North) (SNP)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 17, Against 69, Abstentions 25.

*Amendment disagreed to.*

**The Presiding Officer:** The final question is, that motion S2M-2694, in the name of Jim Wallace, on skills, be agreed to. Are we agreed?

**Members:** No.

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

**FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Arbuckle, Mr Andrew (Mid Scotland and Fife) (LD)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Barrie, Scott (Dunfermline West) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brown, Robert (Glasgow) (LD)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)  
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Finnie, Ross (West of Scotland) (LD)  
 Gillon, Karen (Clydesdale) (Lab)  
 Glen, Marilyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Henry, Hugh (Paisley South) (Lab)  
 Home Robertson, John (East Lothian) (Lab)  
 Hughes, Janis (Glasgow Rutherglen) (Lab)  
 Jackson, Dr Sylvia (Stirling) (Lab)  
 Jackson, Gordon (Glasgow Govan) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Lyon, George (Argyll and Bute) (LD)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Maclean, Kate (Dundee West) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Mr Tom (Hamilton South) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)  
 Wallace, Mr Jim (Orkney) (LD)  
 Watson, Mike (Glasgow Cathcart) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

**AGAINST**

Aitken, Bill (Glasgow) (Con)

Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
 Davidson, Mr David (North East Scotland) (Con)  
 Douglas-Hamilton, Lord James (Lothians) (Con)  
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gallie, Phil (South of Scotland) (Con)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Mrs Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Tosh, Murray (West of Scotland) (Con)

**ABSTENTIONS**

Adam, Brian (Aberdeen North) (SNP)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Ewing, Mrs Margaret (Moray) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Fox, Colin (Lothians) (SSP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Mr Adam (South of Scotland) (SNP)  
 Kane, Rosie (Glasgow) (SSP)  
 Lochhead, Richard (North East Scotland) (SNP)  
 MacDonald, Margo (Lothians) (Ind)  
 Martin, Campbell (West of Scotland) (Ind)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Robison, Shona (Dundee East) (SNP)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 66, Against 15, Abstentions 30.

*Motion agreed to.*

That the Parliament acknowledges the importance of a policy of effective skills improvement and the contribution it can make to Scotland's prosperity; supports the objectives of the Scottish Executive's lifelong learning strategy which has helped raise the skill levels of Scotland's current workforce and increased the potential for future skills improvement; recognises that the sustained success of the Modern Apprenticeship scheme and record investment in Scotland's colleges have contributed significantly to improved skill levels; welcomes the Executive's commitment to improving adult literacy and numeracy rates and to better preparing Scotland's young people for the world of work through enterprise education and greater vocational learning opportunities, and believes that a continued focus on skills can help maintain Scotland's position as European Region of the Future.

## Hannah Research Institute

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

The final item of business today is a members' business debate on motion S2M-2544, in the name of Phil Gallie, on the Hannah Research Institute—the loss of home-based scientists. The debate will be concluded without any question being put.

### *Motion debated,*

That the Parliament views with concern the loss of scientists and support staff as a consequence of uncertainties over research funding currently surrounding the Hannah Research Institute near Ayr; considers that the actions of the Scottish Executive Environment and Rural Affairs Department over recent times have been unhelpful and misleading when considering the research direction that the Institute has followed; believes that the levels of expertise and knowledge available within Hannah are identical to those that the Executive seeks to recruit under its Fresh Talent initiative and retain, if its much-used phrase of "a smart, successful Scotland" has any meaning, and considers that the Ministers for Enterprise, Health and Rural Affairs should come together to secure the future of this quality Scottish resource.

17:11

### **Phil Gallie (South of Scotland) (Con):**

Although I and others have concerns over the future of the Hannah Research Institute, the motion has implications that extend beyond local interests. In particular, it seeks to draw attention to the need for joined-up thinking between Government departments—particularly on science and research. I made that point in the debate in Parliament on life sciences on 24 March and I make no apologies for repeating my plea for a joined-up approach.

Prior to the debate, I and others have attempted to draw together the ministers with responsibility for higher education, economic development, health and the environment as we believe that they all have an interest in extending the future of the Hannah. Cathy Jamieson, the local member, chaired a meeting with Lewis Macdonald, and I suspect that she feels some disappointment that, following that meeting, a further meeting involving me, the attendees at the original meeting and the Hannah's staff—who have asked for such meetings at various stages—has not taken place.

Before I discuss the current situation, it will be worth while to look back and consider the history of the Hannah, which was established in 1928, the child of a development commission of that time. The commission recognised that there was a need for agricultural research, which was of great importance to Scotland's economy, that had the potential to develop agriculture and its markets in Scotland and beyond.

John Hannah provided the main building and grounds, and the Government was the principal source of funding for the launch of the institute. Since it got off the ground, it has achieved much. Its particular expertise has given Ayrshire's dairy base a principal role in Scotland's dairy sector. The Hannah's principal involvements were in lactoral and ruminant research. That work continued over many years, but not too many people know about some of the successes that have been achieved. Many of us buy a bottle of Baileys Irish Cream without thinking too much about it, but the Hannah originated ideas on the creaming of whisky—sadly it did not hold on to the patents for that work.

Development in cheese processing has also been a major achievement of the institute. In other areas, such as the life and death of cells in particular cultures, major advancements have been made at the Hannah. Although the bulk of the credit for Dolly the sheep goes to the Roslin Institute, we ignore at our peril the fact that the Hannah Research Institute also played a part in that renowned research.

In more recent times, recognition has been given to the importance of the Hannah's activities to the food industry—most significantly, their potential to benefit human health.

**Margo MacDonald (Lothians) (Ind):** Before the member develops his point further, will he say whether he thinks that the Hannah's current funding deficit and the lack of co-ordination in its strategic development will have any implications for Roslin?

**Phil Gallie:** The member makes a very good point. What is happening to the Hannah today could well happen to other research institutes tomorrow. I understand that Roslin's finances are not as secure as many would like them to be. Perhaps Margo MacDonald should look into the matter. Above all, she should take note of my motion, because the issues that it raises will certainly be of interest to her.

As I have said, although the work at the Hannah has been recognised as being important to the food industry, research that is being carried out, particularly into obesity and diabetes, also has massive potential to benefit human health. Moreover, there has been some diversity; for example, the private sector has been involved in the establishment of Charis Innovative Food Services Ltd and Hannah Interactions at the institute. Given that both developments have taken place with Scottish Enterprise's encouragement and given the importance that that organisation has placed on the site, people in Ayrshire in particular will be disappointed if the institute disappears over the hill. After all, Scottish

Enterprise envisages longer-term involvement with the institute in creating a research business park.

The funding of principal research work at the institute remains the domain of the Scottish Executive Environment and Rural Affairs Department. I find it worthy of note that the department provides 50 per cent of all Scottish research funding in this field. That has been all-important. However, the strange thing is that SEERAD encouraged the institute to develop into biomedical research. In 1999, SEERAD brought out a strategy for agricultural, biological and related research that laid the foundation for that switch in emphasis at the Hannah. Subsequently, two groups visited the institute. The first group, which visited in 1999, reported on the good quality of science that was worthy of support at the institute. In 2003, the visiting group referred to the international quality of the work carried out there. However, the Hannah faces a withdrawal of funds by SEERAD on the basis that SEERAD believes that it should not fund the health side of the research that is carried out at the institute—I remind members that SEERAD encouraged the Hannah to go down that line.

**Alex Neil (Central Scotland) (SNP):** Does the member accept that there is a strong case for the funding for the Hannah to be transferred to the new merged funding council that will be responsible for all other research funding through the Scottish Executive?

**The Deputy Presiding Officer:** I ask Mr Gallie to start to wind up his speech.

**Phil Gallie:** In winding up, I will pick up on Alex Neil's point. I agree that there is such a case and, considering the problems faced by the Hannah, the terms of the motion address that point. It is important that the research that is carried out at the institute be recognised for its value in other areas.

Umbrella funding is all-important. I make this point once again: SEERAD picks up 50 per cent of research funding in Scotland and it is time that the scope of such funding was widened.

The Hannah has excellent staff—the kind of staff that the First Minister was boasting about at First Minister's question time, when he said that we should retain them in Scotland under the fresh talent initiative, for example. The staff at the Hannah are now under threat and are liable to go to other places. That would be contrary to everything that the Executive stands for in respect of retaining expertise, knowledge and talent in today's Scotland.

17:20

**Mr Adam Ingram (South of Scotland) (SNP):** I congratulate Phil Gallie on securing this evening's

debate. I know full well his long-standing interest in, and his concern over, the future of the Hannah and its first-class scientists and support staff. I have shared that concern, and have felt a mounting frustration at the apparent reluctance of Executive ministers to engage in a meaningful discussion aimed at securing the institute's future in Ayrshire.

The prospective demise of the Hannah is galling—not least because it follows hard on the heels of ministerial approval for the Scottish Agricultural College's exit strategy. The SAC at Auchincruive is just across the road from the Hannah. However, at least in the case of the SAC, public and political pressure, plus ministerial intervention, have salvaged a long-term future for the SAC and its educational provision in Ayr. I would like the same consideration to be given to the Hannah Research Institute and its staff, who deserve nothing less.

Despite the institute's international reputation and the excellence of the science conducted at the institute—as confirmed as recently as 2003 in the visiting group assessment to which Phil Gallie referred—SEERAD seems determined to distance itself from responsibility. Research conducted by the Hannah is deemed not suitable for SEERAD's remit, although it was SEERAD that pushed the Hannah in the direction of biomedical research, as Phil Gallie explained. The previous director of the institute was more often than not at odds with the department, but how does that justify a deliberate and systematic underfunding of the Hannah's research when compared with the other Scottish agricultural and biological research institutes over the past five years?

Why has SEERAD signally failed to act on the 2003 visiting group's recommendation, which was to undertake a fundamental review of the future of the institute along with all the other stakeholders? Why has SEERAD passed the buck to the institute on employment matters, despite the fact that public sector research funders have a responsibility for maintaining the infrastructure and sustainability of institutes when they are the main funders? SEERAD provides more than 70 per cent of the Hannah's funding. It is hard to avoid the conclusion that SEERAD has been determined to get rid of the Hannah for a considerable time and has been conducting a campaign of attrition to that end. Ministers should have stepped in before now to stop that happening. First-class scientists and their work have already been lost to Scotland. I challenge the Executive to live up to the rhetoric of "A Smart, Successful Scotland" and to invest in the scientific talent at the Hannah, rather than discard it.

17:24

**Irene Oldfather (Cunninghame South) (Lab):**

I, too, begin by congratulating Phil Gallie on securing this debate on the Hannah Research Institute and on bringing the matter to the chamber's attention. Many pertinent points have already been made about the history and the past successes of the institute. It is right to acknowledge its legacy of important scientific research. As has been mentioned, the institute was founded in 1928 to undertake research on the dairy industry. That was in recognition of the impact that the dairy industry had—which it continues to have—in Ayrshire.

The present situation is worrying for all concerned. Although the institute is not in my constituency—it is in Cathy Jamieson's constituency, and I know of the work that she has done on the issue—I have constituents who are employed by the institute. I am sure that the minister will appreciate that we have a fragile economy in Ayrshire and in Cunninghame South, and that any further job uncertainty or job losses are not welcome at this point in time.

I fully understand the Executive's need to fund research projects that are justifiable in terms of their end-user relevance, but the institute is home to many world-class scientists, of whom Scotland can rightly be proud. I acknowledge the comments made by Mr Gallie and Mr Ingram about the visiting groups, and it is important to note that it was the management at the Hannah that was criticised in those reports for its lack of foresight, not the scientists. Indeed, the reporters rated the science as being of international quality.

I for one feel that it would be a great shame if the benefit and knowledge of those highly qualified and experienced individuals were to be lost to the Scottish science sector. We have to consider how we can utilise those skills and that knowledge and how we can boost the Scottish science sector. Through today's debate, we may yet find an opportunity for more applied and directly relevant research, and I do not really detect an unwillingness on the part of the scientists to whom I have spoken to engage with the Executive on such matters. As in all such situations, it is important to keep lines of communication open to provide for that continued dialogue and to compromise as far as possible. I hope that today's debate will allow us to develop such dialogue.

We all agree that science and research are key to a dynamic Scotland and to our future success in the knowledge economy. It would be helpful if the minister could give an assurance that the Executive will engage with the institute to consider how available funding can be put to maximum use. I am sure that he will recognise the difficulty that scientists face in attracting grants and further

funding when there are uncertainties around, and it is important that we make maximum use of any funding that is available, while at the same time recognising the Executive's need to fund research with practical application. I hope that that will provide an avenue for further discussion.

I also wonder whether, in that engagement, the Executive could assist the Hannah in considering whether it could form strategic partnerships, including perhaps examining any opportunities that might be available to work with colleagues in eastern European member states, which will attract a significant amount of European funding post 2007. There may be opportunities there, and it would be helpful if the Executive could look at how such partnerships could be facilitated.

I ask the minister to keep an open mind and, in the interests of maintaining a science base in Ayrshire and in Scotland, to consider how we can work together to make a contribution to the knowledge economy. I again congratulate my colleague Phil Gallie on bringing the matter to the chamber today.

17:28

**John Scott (Ayr) (Con):** I begin by welcoming staff from the Hannah Research Institute who are in the public gallery and by congratulating Phil Gallie on securing this important debate. I also note that, although the Hannah lies outside the boundaries of my constituency, many of its staff live in Ayr constituency, so today's debate is of importance to them. However, the debate about the Hannah is important not just in a narrow constituency sense as it has to be seen in a whole-Ayrshire context, and indeed in a west of Scotland context. From a west of Scotland perspective, the threatened closure of the Hannah is sending out a dreadful message.

I was elected to the Scottish Parliament just over five years ago, and in early meetings with Scottish Enterprise Ayrshire I raised the possibility of a bioscience or life science park for Ayrshire, loosely based around the Hannah Research Institute and SAC Auchincruive. After discussion with local authorities, that idea was adopted by the Ayrshire economic forum. The establishment of a bioscience park became the forum's number 2 priority. That was welcomed and agreed by all MPs, MSPs and councillors in Ayrshire at a presentation in this Parliament.

What has happened now? Auchincruive is a shadow of its former self, and today we are debating the loss of the Hannah as a world-class institute. It is no exaggeration to say that the Hannah's reputation internationally far exceeds SEERAD's perception of it in Scotland, and therein lies the problem.



Critical visiting groups have created the current situation. SEERAD has actively discriminated against the Hannah, and the Hannah, Ayrshire and Scotland are the poorer for it. The critical mass of the scientific communities at the Hannah and Auchincruive are being lost; staff numbers at the Hannah are down from 130 to 70. I am hugely disappointed that SEERAD—and therefore the Government—appears actively to be pursuing such a reduction, in contradiction to the stated aims of the Ayrshire economic forum. At a time when, as Irene Oldfather said, we should be trying our utmost to attract scientists to Scotland and retain them, particularly in the west of Scotland, we are driving scientists away. Phil Gallie is correct to say that the approach does not represent joined-up thinking in pursuit of a smart, successful Scotland.

Rather than be less than helpful to, or less than open with, the Hannah, the Government should grasp the opportunity that is presented to demonstrate its commitment to science in Ayrshire and throughout Scotland. If the Hannah is unable to help itself through leadership and direction, the Government should make a positive contribution to finding solutions to the problem, rather than putting obstacles in the institute's path, for example by cutting its funding.

If visiting group recommendations have been implemented by the Hannah, it is simply not fair for the Government to move the goal posts and say, "Your research is not relevant; it is not what we want." Ministers approved the direction of research and directed budgets for years, so they cannot walk away and say, "The Hannah has got it wrong". There is manifest unfairness and a lack of openness about the situation, which flies in the face of open and accountable government.

I look forward to hearing the minister's closing remarks. I hope that he will acknowledge the quality of research that the institute carries out and that he will not be critical of the institute's recent past, given that it has been following SEERAD's recommendations. I hope that he will tell us what he intends to do to secure the Hannah's future as a working, well-funded, world-class institute. It is not too late to throw the Hannah a lifeline and establish a new, positive direction for the institute. That is the minister's responsibility—I hope that he is up to it.

17:32

**Alex Neil (Central Scotland) (SNP):** I congratulate Phil Gallie on securing the debate. I have never voted for him, but he has always been a great champion for Ayr and Ayrshire. I hope that the minister will acknowledge not only the strength of feeling about the Hannah Research Institute in Ayrshire and the wider west of Scotland, but that

members of all parties are speaking with a united voice.

It is incredible that we must have the debate. The Scottish Executive Environment and Rural Affairs Department is flying in the face of the policy of every other department in the Scottish Executive. The Hannah institute is doing work on obesity and diabetes at a time when the Minister for Health and Community Care tells us that tackling those problems is a top priority, and the Minister for Education and Young People says that we must deal with those problems among young people or face major problems in the future. The Minister for Enterprise and Lifelong Learning and his agencies have said that research in those areas is a top priority.

How is it that among all the Executive Departments and the Cabinet, every member of which has been told to back up the smart, successful Scotland agenda, one rogue department has put a fine institution under dire threat? If we were talking about an area of science that is in decline, we might begin to understand SEERAD's arguments, but we are talking about an area of science that is growing apace at a geometric rate, not just in Scotland and the United Kingdom but internationally in Europe and across continents. Everyone recognises the importance of that area of activity.

I hope that the minister will not give us woolly answers. We face a great problem, because the uncertainty that SEERAD's position has generated is creating a self-fulfilling prophecy. Dr Zammit, a leading scientist of international renown in diabetes, has left the Hannah to go to the University of Warwick.

We are already suffering the brain drain that has resulted from the uncertainty that SEERAD has created. We need neither pious hopes nor the promise of the promise of a pledge: we need a decision. We need the Executive to take the decision to keep the Hannah and not just to keep it but to develop it, expand it and continue to build it up as a centre of excellence.

If SEERAD is not prepared to do that, it should hand over responsibility for the research facility to the Minister for Enterprise and Lifelong Learning. He would then fund it as the Executive is funding all other major research institutes in Scotland, through a co-ordinated science policy and backed up by the newly merged funding council and the scientific advisory committee.

The debate is not a groan and a whine and a special interest plea for Ayrshire. It is a debate about Scotland, the future of our kids and the need for research. It is about the need for Scotland to remain a scientific hub in Europe. We must send out the message loud and clear that not only

should the Hannah survive, it should be allowed—and funded—to prosper.

17:36

**Ms Rosemary Byrne (South of Scotland) (SSP):** I welcome the debate and I want to congratulate Phil Gallie on bringing it to the chamber.

It is significant for Ayrshire and the rest of Scotland that we are in the chamber to debate the Hannah. The situation should not be happening; funding for the Hannah should be in place. Ayrshire cannot afford to lose the institute—withdrawal of funding and loss of the institute will have a significant impact on Ayrshire's economy.

As other members have said, we have an Executive policy that promotes a smart, successful Scotland, yet staff with the level of scientific expertise that exists at the institute are denied funding—so much for Executive policy.

The lack of support also flies in the face of Executive promises to promote the placing of jobs outwith the central belt. Ayrshire is looking for civil service and public sector jobs, but we lose them as quickly as we gain them. As Irene Oldfather rightly said, Ayrshire has a fragile economy and the Executive must take heed of that factor as well.

The institute is now reduced to 70 staff from a total of 130 a few years ago. The present staffing level still represents about 1,000 years of scientific experience and expertise, which would be largely lost to the Scottish scientific base if the institute were to close.

As Alex Neil and other members said, much of the current research centres around work that has relevance to breast cancer, diabetes and obesity. Those key areas should be researched in Scotland. If we want Scotland to be on the scientific map, there should be no dubiety about whether funding exists to keep the institute going. Several senior members of staff recently left the institute; some took redundancy payments only to be swiftly appointed to new senior posts south of the border or abroad. That is the brain drain to which Alex Neil referred.

Recently, European funding of some £9 million was given to a project in Dundee in which the effects of exercise on people who suffer from obesity and diabetes are to be studied. The Hannah, in partnership with the University of Glasgow, submitted an almost identical project proposal to SEERAD nearly a year ago. After some six months of silence, the proposal was rejected. I do not know why, but I would like the minister to explain the reason. It seems that such projects can be based anywhere except at the

Hannah. Proposals must be submitted in conjunction with a partner organisation and the partner receives the award to employ a member of the Hannah's staff. Not every project can go forward, but we need to ensure that such projects receive funding and move forward.

Hannah staff continue to believe that their research is relevant to the Scottish Executive, if not to SEERAD. As I said, closure of the institute would be totally inconsistent with the Executive's vision of a smart, successful Scotland or with Jim Wallace's view that the climate has rarely been better for investing in science. If the climate is good for investing in science, let us invest and get the situation at the Hannah sorted out. As far as I am concerned, there is a lot of duplicity in respect of what is being said on the one hand and what is being done on the other.

The Hannah is there and, as has been said, it can tackle many of the problems that need to be examined. The union Prospect seeks a continuing role both for the institute and its staff in Scottish science, where the staff's expertise and experience can benefit stakeholders from all the relevant Executive departments. We want the institute to stay in Ayr. Ayr has already suffered the loss of some jobs from Auchincruive, although we are glad that the Scottish Agricultural College has been saved. The survival of another institute would signal to the people of Ayrshire and Scotland that the Executive believes in them. I hope that the minister will deal with the issue and that something positive will come out of the debate.

17:40

**Chris Ballance (South of Scotland) (Green):** I congratulate Phil Gallie on securing the debate and on his campaign on behalf of the Hannah Research Institute, which he has waged over the past few years, if not for longer.

In the partnership agreement, the Executive pledged to increase investment in research and development and to support innovation, but it is hard to square that with its approach to the Hannah. I am at a loss to understand why SEERAD encouraged the Hannah to shift its focus from agricultural to biomedical science but then announced that it was considering withdrawing funding, on the basis that health research was outwith the institute's funding boundaries. I very much hope that the minister can provide clarification on that point, especially given that programme 4 of SEERAD's environment, biology and agriculture research strategy is "Impacts on Human Health". I am particularly dismayed at the split between health, environment and food production, when the top action point in the research strategy states:

"Research Programmes funded by SEERAD ... will demonstrate increasing and clear relevance to Scottish Executive policy priorities."

It is ironic that when the links between health and diet are at last gaining recognition and the Executive is starting to promote healthy eating, it appears to be ignoring its own research strategy.

The topic of animal experimentation crops up frequently in my mailbag and I am aware of the campaign on that by Viva!—Vegetarians International Voice for Animals. Scottish Green Party policy favours the extension of the application of the current governing principles of reduction, refinement and replacement and the eventual phasing out of all animal experiments. We also favour the establishment of a Scottish scientific centre for research into the development of alternatives to animal experimentation. That is an area in which I would like the tradition of excellence and innovation in Scottish science to continue. In my view, the Hannah Research Institute is an ideal centre for building on that tradition.

Most of all, I hope that the debate will mean that the minister will address the lack of consultation that there has been and the way in which the process seems to have been somewhat ill thought out. I hope that he will at last arrange to hold a ministerial meeting with the institute and the MSPs who support it, so that the matter can be progressed and addressed positively.

17:43

**Jim Mather (Highlands and Islands) (SNP):** I, too, acknowledge Phil Gallie's success in securing the debate. As Phil Gallie said, the number and structure of the SABRIs derives from their history—several institutes were established through private endowments. Over time, the Scottish Office and then the Executive took over the role of providing the institutes' primary funding. In 2002-03, 70 per cent of the Hannah's income came from the Executive.

In recent years, the SABRIs have evolved from having a strictly agricultural focus to embracing wider developments in biotechnology, immunology and genetics. It is worth noting two points about that change in emphasis. First, it means that SABRIs such as the Hannah are actively engaged in research that is relevant to some of today's most important cutting-edge industries. Secondly, the fact that the subjects with which they deal are ones in which Scotland's universities are also actively involved means that opportunities for co-operation have been created.

The SABRIs have a distinguished track record in producing excellent research both nationally and internationally. SEERAD says that it welcomes

that and has the objective of supporting the SABRIs.

To quote from the Scottish Executive's draft budget for 2003-04, the role of the SABRIs is

"To maintain in Scotland an agricultural and biological science base of high quality, relevant to Ministers' wider policies and to support Ministers' legislative, policy and enforcement roles by the provision of scientific and other services."

That statement implicitly suggests a focus on and consistent approach to SABRIs, yet we have the current uncertainty and inconsistency regarding the Hannah. That is why the unions and the staff are now asking the following questions: why did SEERAD encourage the change in Hannah's science focus from agriculture to biomedical in 2002, then refocus its own strategy in 2004 to leave the Hannah outside its scope? Is that simply about refocusing on or retrenching into the agri-environmental sciences in an effort to maintain control of the bulk of the research budget? More important, is it not evidence of a loss of focus, clarity and consistency, which we all know are the prerequisites of successful outcomes and optimal results?

So long as such a climate prevails, and institutes such as the Hannah are on the receiving end of inconsistent direction and have a major question mark over their funding, the Executive risks not only undermining "A Smart, Successful Scotland", eroding any benefit from the fresh talent initiative, throwing the intellectual baby out with the bath water, and losing the home-based scientists but, more important, simply wasting money and destroying asset value.

In the meantime, I would like to know what steps are being taken to clear the way to allow the Hannah and the other SABRIs to bid for research council money. There is an impeccable case for devolving the work and funding of the research councils, for such a move would greatly increase the bargaining power of a body such as the Executive in national negotiations on the science base and the wider funding of our SABRIs in Scotland. The reality is that such an injection of competition and local focus, far from threatening the work of the UK science base, would lead to a more vigorous science base, which is in the interest of all those involved and UK and Scottish taxpayers.

17:47

**The Deputy Minister for Environment and Rural Development (Lewis Macdonald):** I, too, congratulate Phil Gallie on securing the debate and I acknowledge the representations that I have received on the issue from him, from Cathy Jamieson, who is the constituency member, and from other members who have contributed to the

debate. As has been said, I met a number of members about the matter a few months ago and I would be happy to do so again if requested. Indeed, both Ross Finnie, as the Minister for Environment and Rural Development, and Jim Wallace, as the Minister for Enterprise and Lifelong Learning, have discussed the issues with Cathy Jamieson in the recent past.

Let me assure members that the decision to withdraw funding from the Hannah Research Institute was not taken lightly or suddenly. It was taken after lengthy and careful consideration of the situation at the Hannah over a number of years. My department and colleagues elsewhere in the Executive have over the years tried to find ways in which to improve the prospects of the institute. Unfortunately, the most recent visiting group report in 2003 indicated that little progress had been made since the report of the previous visiting group in 1999. Clearly, that was deeply disappointing but, equally clearly, SEERAD had to make a decision on future funding in the light of the evidence of progress, or the lack of it.

**Phil Gallie:** The visiting group said that it was concerned about the management of the Hannah to some degree, but does the minister accept that the lack of progress related not to the science that had been produced at the Hannah, but to the relationship with the University of Glasgow?

**Lewis Macdonald:** No, the comments were wider than that. I will return to that matter in a moment.

The starting point was the report of the 1999 visiting group, which was highly critical. It pointed out that the research focus was not consistent with the SEERAD research strategy that was published in 1999, which emphasised a need for increased relevance to end users. However, recognition at the Hannah that its traditional areas of strength were no longer required was slow in coming. The institute's response—I emphasise that it was the institute's response—was to seek to reorient towards biomedical work. My officials in SEERAD sought to help it do that, but always made it clear that relevance would remain of critical importance. The approach had to be firmly tied to the Hannah's status as a research institute, with a clear strategic focus on end users. That is of fundamental importance. That end-user focus is the difference between an institute of the type that SEERAD can support and a university department that is doing blue-skies research.

The 2003 visiting group was again extremely critical. Its report showed that the concerns that the department had expressed four years previously had not been addressed. The Hannah fell short of the standard expected of a SEERAD-funded institute in five of the seven areas in which it was assessed. The report was the most critical

that SEERAD had ever received on the work of any of the research institutes that it funds.

**Alex Neil:** Given the decision that was taken to reorient the scientific base of the Hannah towards obesity and diabetes research, did the department put the institute in contact with the Minister for Enterprise and Lifelong Learning or the Scottish Higher Education Funding Council, which is responsible for wider scientific research in Scotland?

**Lewis Macdonald:** The department encouraged connections not only with the Minister for Enterprise and Lifelong Learning and the Scottish Higher Education Funding Council, but with the Health Department, which has an interest in these matters. Unfortunately, the chief scientist at the Health Department, who has most interest in the kind of biomedical research that Alex Neil described, also seeks relevance to end users. He came to the conclusion that the type of basic science that was being undertaken at the Hannah across the board did not meet that requirement.

**John Scott:** Does the minister acknowledge that the problems that the visiting group identified were essentially faults of management? The quality of science, even in the face of poor management, was still regarded as good. The institute has almost 200 members. Surely we should encourage and help it, rather than put critical obstacles in its path.

**Lewis Macdonald:** No one has said or is saying that the science that is being conducted at the Hannah Research Institute is of no value. The important point is whether it is being conducted in the right type of institution. I will come on to that point in a moment, because clearly the kind of work that can be done in a directly funded Government institute, such as those that SEERAD funds, is different from the research that will be done in universities and other institutions that are funded from elsewhere.

In January, we revised our strategy to increase the emphasis on the need for end-user relevance. The fundamental problem that we face is that the divergence and discrepancy between the work that is generally being done at the Hannah Research Institute and what we require of SEERAD-funded institutes has grown, rather than diminished. Of course, that has implications not just for the Hannah Research Institute, but for all the other SEERAD-funded SABRIs. They all face the same challenge—to refocus and adapt their research efforts to meet the department's evolving requirements.

**John Scott rose—**

**Lewis Macdonald:** I cannot take an intervention, as I need to make some progress.

Regrettably, the Hannah Research Institute has not been as successful as other institutes have been in adapting, developing the content of its research programmes and positioning itself to respond to the changing research environment. As I said a few moments ago, it has also not positioned itself to meet the requirements of the Health Department's research profile.

As has been said, the Hannah Research Institute's research is closer to the profile of university-type research. That is the basis on which the Environment and Rural Affairs Department has offered transitional funding for three years beyond the end of this financial year. Transitional funding will allow scientists from the Hannah to develop their research elsewhere and put them in a position to seek sustainable support from other, more appropriate funders.

We have received a number of proposals, the majority of which are for work with the University of Glasgow. They will be submitted to peer review, in the manner practised by the research councils, on both quality of science and value for money. If the proposals are successful, the skills and knowledge of the scientists concerned will remain in the Scottish science base, which reflects our commitment to achieving that. However, the Scottish Higher Education Funding Council is not allowed to fund the institute on a free-standing basis, as SEERAD did in the past. The transitional funding is designed to give scientists an opportunity to transfer to more appropriate funding sources.

**Phil Gallie:** Does the minister recognise that transitional funding does not really meet the criteria for funding of scientific research? Does he accept that, although it provides the scientists with a three-year opportunity to build on past research, in many ways it closes the door to other sources of funding for continuation of research? Will he at least consider that issue for the future?

**Lewis Macdonald:** The transitional funding is intended to open doors to other sources of funding. Its purpose is to allow the scientists to attract funding from other sources. I agree that, as Irene Oldfather said, it is important to ensure that the best use is made of the transitional funding and I undertake to ensure that my officials continue to discuss how it can best be used to sustain science of merit where there is a basis for doing so.

It is important that we have a joined-up approach and that we support scientific research in future, but that does not mean that all science must be funded whatever its value or that change in the science base or the way in which science is funded should never happen. The Scottish Science Advisory Committee has clearly advised us that many areas of the science base in

Scotland are fragmented and not achieving their potential because of a lack of critical mass. We certainly want to assist in achieving that critical mass and it is worth making the point that we will increase the SEERAD science and research budget for research, advisory and education activities by £7 million between 2006 and 2008. However, our first commitment on those funds is to distribute them on the basis of evidence on where they would achieve the best results.

The point has been made that such changes have an impact on the local economy and I assure members that my colleagues who have responsibilities for enterprise and the enterprise network will continue to strengthen activity to grow the Ayrshire economy's knowledge and enterprise base. That is an important issue, but it is a different question from how the Environment and Rural Affairs Department commits and spends its available funds for end-user relevant research. It is a matter of regret when an institute that has done good work ceases to be in a position to attract such funding, but I hope that the transitional support that we have made available will allow the scientists who are conducting work at the Hannah Research Institute to find other sources of funding and to continue to work in the Scottish scientific community in future.

*Meeting closed at 17:57.*



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