

# **MEETING OF THE PARLIAMENT**

Thursday 18 May 2006

Session 2

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## Scottish Parliament

Thursday 18 May 2006

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

### National Health Service (Future Needs)

**The Presiding Officer (Mr George Reid):** Good morning. The first item of business is a debate on the implications of the Kerr report for the future needs of the national health service. I call Margo MacDonald to open the debate.

09:15

**Margo MacDonald (Lothians) (Ind):** Good morning to you, Presiding Officer, and to those members who have got here in time. As one would expect from business in the independents' allocation of time, this morning's debate will not be used to bash Lewis Macdonald or to allow Lewis Macdonald to bash anybody else. We have had enough bashing without thought in here, so we will be thinking instead about the implications of Professor David Kerr's report for the NHS in Scotland.

I believe the report to be a good analysis of the principal requirements of the NHS in the 21<sup>st</sup> century. When it was published, some commentators talked down the importance and quality of "Building a Health Service Fit for the Future". Some said that we had heard most of the report's observations and recommendations before, which seemed to me to be a case of "Never mind the quality, feel the width."

Of course, it is true that we have heard clinicians, academics and health workers in general expounding the need for a particular specialism to be located in one hospital because that is the only way in which the necessary throughput of patients can be achieved to enable surgical teams to develop their expertise to the highest level possible. However, the Kerr report is the first of its kind to remind us implicitly but quite firmly and consistently that there will be trade-offs in the redesign of health services delivery systems.

To paraphrase Professor Kerr, if patients want to be admitted to hospital as soon as possible after diagnosis, within the timescale intimated to them, and to leave after as short a stay as is compatible with a good recovery, they—that is us—will have to take more responsibility for their own health, fitness and sense of well-being. In principle, that seems a fair enough trade-off to me, but such a

refocused approach will not just swing into place without the appropriate planning procedures or without excellent communication of ideas and objectives to health workers and their potential patients, before policies are signed and sealed. There must also be practical demonstrations from the Executive of how trade-offs can work in the interests of all parts of the Scottish community.

It is important that the Executive should take the lead in demonstrating that. To give an example of what I mean by the Executive taking the lead in changing our perceptions about how the NHS can best nurture good health, as opposed to cure bad health, I commend Andy Kerr for his attendance at and support for the launch of the Long-Term Conditions Alliance Scotland a couple of days ago. That new charity comprises voluntary organisations that have been campaigning for years on single conditions, representing people who live with diabetes, epilepsy, asthma, post-polio syndrome, lymphoedema, the after-effects of stroke, colitis, Parkinson's disease and many other conditions, some of which are life-threatening and some of which are not but which, nevertheless, are extremely debilitating and, if not managed properly, can easily act as catalysts for the development of other conditions and illnesses, including mental illness, resulting in misery for the sufferer and additional cost to the NHS.

The minister has wisely pump-primed that new charity because if it is to contribute to the redesign of services as a genuine partner with health boards and social work and housing departments, it will need the money to engage staff who are equal to the task. Thought and energy are required to maximise the return on the resources committed by the Executive and the money raised by the various charities in the umbrella alliance of long-term conditions campaigns. I know, as I am sure other members will, of umpteen campaigning groups and charities that are forced to spend a disproportionate amount of their time and energy on fundraising. Although I am not advancing a case for throwing even more money at organisations such as the Long-Term Conditions Alliance Scotland—because I am well aware that we are now spending twice what we were spending when the Parliament came into being—I urge the minister to get together now with the voluntary organisations that might be expected to underpin the collective care in the community of people with the sort of conditions that I have referred to and to deliver much of the information and education that will enable sufferers to manage their conditions and achieve their personal optimum level of good health. It is a waste of the expertise of sufferers, their carers and the volunteers who support them—to say nothing of the diminished quality of support for sufferers of long-term conditions—if too much time is spent on

trying to raise money. There is a balance to be struck and I do not think that we have got it quite right.

In Edinburgh, there is a prototype of the sort of provision that utilises the energy and imagination of volunteers and appropriate services. The Minister for Health and Community Care has visited the Fala Court health initiative with me. I hope that Lewis Macdonald has heard of it, and he is welcome to visit it too. That sort of service points to the future of achieving what the Kerr report says we should be attempting to achieve for the NHS.

09:21

**Mr John Swinney (North Tayside) (SNP):** At the heart of the conclusions of the Kerr report are the aspirations of promoting local access to services and balancing local delivery with the need to have centres of excellence that provide high-quality, modern, specialist care. I do not think that that is a definition that anyone could disagree with if they believe in a health service that respects the desire of individuals to be treated as close to home as possible but which is clinically safe. Although the Kerr report gave a great deal of thought to the balance between locally available health services and the need for some specialist care to be delivered in a limited number of locations, it did not give definitive guidance on which services should be located at a local or a specialist location.

That is now the issue that bedevils a number of health boards as they try to use the conclusions of the Kerr report to justify the centralisation of services in the community, because it is easy to argue in different circumstances and in different parts of the country that one specific service should be locally based and another should be at a more central location. In certain parts of the country, the public are being asked to support the centralisation of certain health services that have been made available locally by health boards, with the Kerr report being used as justification. That is exactly the type of lazy management that the Government has been prepared to accept from health boards around the country. Members of the public are being asked to accept a route to centralisation by Executive-appointed health boards that is being resisted by numerous members of this Parliament, many of whom support the Executive. The situation is so serious that the Home Secretary, among his many other problems and challenges to date, has had to take to the streets to defend local health services from the centralising acts of a health board appointed by Labour ministers in the Scottish Executive.

In my view, those members of Parliament and members of the public are right to challenge the centralising tendencies of the health boards.

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** Do Mr Swinney's general comments on the import of the Kerr report mean that his party would never support the specialisation of services or the delivery of specialised services at a prime site?

**Mr Swinney:** I made it clear in my opening remarks that anybody who believes that we should have a health service that is clinically safe must accept that there will be specialisation at certain locations. The issue that concerns me is the use of the Kerr report as an excuse for centralisation by lazy health boards. I will go on to say more about the health board in my locality, which is a good example of a health board that is resisting the temptation to centralise, but in the course of my remarks I will illustrate to the minister exactly what I mean by lazy health boards that use the Kerr report as an excuse. I believe that the decisions to centralise have been driven more by a desire to save money and to avoid changing the medical profession's working practices than by a desire to deliver the optimum service to patients within the resources available.

I represent a constituency that has had to put up with a lazy health board that is prepared to take decisions on that basis. Thankfully, that has changed since the appointment of Peter Bates as chairman of NHS Tayside. When I was elected to Parliament, NHS Tayside was running down Stracathro hospital. My colleague Andrew Welsh and I repeatedly said that it would be a death by 1,000 cuts for that hospital. The drive was to centralise services at Ninewells hospital in Dundee and to reduce levels of service for patients in Angus. After a huge and broadly supported local campaign we changed the mind of NHS Tayside. The board listened, it thought out of the box and it challenged working practices in the medical profession. Today, more patients than ever before are being treated at Stracathro hospital. There is to be an expansion of services and patients can barely get near the hospital for the queue of Government ministers visiting to see how it can be done.

Perth royal infirmary faced similar threats. The health board removed consultant-led maternity care and tried to initiate a process of removing other key services. The community resisted and the health board came up with a virtual acute hospital model, which was achieved by linking Ninewells hospital and Perth royal infirmary. The objective was to expand the services available in Perth by changing working practices. We will hold the health board to that objective.

In the context of the local delivery of care, my colleague Christine Grahame will address the threat to local cottage hospitals in the Borders. The health board in my area has maintained and is investing in a range of cottage hospitals at Blairgowrie, Aberfeldy and Pitlochry. It sees cottage hospitals as providing a valuable level of care a step down, which can take the strain off acute hospitals. Why do boards in other parts of the country not see such hospitals as the valuable assets that they are?

The one gripe that I have about the centralisation of services relates to the out-of-hours service. The minister will be aware of my concerns about what is happening in the very remote areas of my constituency, where the fact that GP practices are being allowed to opt out is resulting in a diminished level of out-of-hours care. That is an example of the centralisation of services in rural areas; many other examples in more urban communities also concern many members. It is right to resist centralisation, to challenge health boards and to seek to get the right balance between local and specialist care, which many health boards have failed to do.

09:27

**Mrs Nanette Milne (North East Scotland)**  
(Con): The Kerr report reflects a consensus in Scotland that the national health service needs to change, but the question is how it should change.

The report recognises that most patient care is best provided at local level. Primary care services should supply the care and support needed to enable patients to cope with their chronic health problems at home or in their local communities and should encourage them to take responsibility for their own health. Such an approach reduces demand for secondary care and relieves pressure on hospital and specialist services.

Most people want the focus to be on local care. It is accepted that there are compelling arguments for highly specialised services to be available in a few centres of excellence, but there is a clear demand for as much health care as is reasonably practical to be provided locally.

However, if local delivery is to work, it will involve a great deal of workforce planning. People will have to get used to being seen by the practice team and not only by their GP; many allied health professionals may be involved in the care of a patient.

Recruitment is already a problem. GPs are hard to come by in some parts of Scotland. There are global shortages of specialists in a number of clinical areas, and there will be an escalating need for already scarce specialist nurses and various allied health professionals. There will be a need to

train generalists as well as specialists and GPs are being encouraged to develop special skills, for example in orthopaedics, dermatology and minor surgery.

Health boards are taking their first steps towards change. They are not all doing it at the same pace or in the same way. There are tensions between boards that are trying to rationalise services through amalgamation and centralisation and patients who want to retain their familiar local facilities.

Kerr says that the NHS in Scotland can meet the challenge of change by building a new relationship of partnership and trust with the public, but that is already being threatened by the proposed closure or downgrading of local hospitals. People do not accept that having to travel to a distant accident and emergency department because their local facility has gone represents progress.

The mums in Aboyne in Aberdeenshire will fight to the end to keep their midwife-run maternity unit, because they value the care that they receive in their community. Rather than accept closure because the local delivery rate is low, they want actively to promote their unit, as was done successfully at the Montrose unit in Angus, which is now a thriving unit that nobody would dream of closing. People want the local hospital to diversify and perhaps to provide chemotherapy, care for the elderly or minor surgery, but not at the cost of losing the maternity unit.

Compromises must be made. Not every facility can be available everywhere, but local input and co-operation are vital if Kerr's proposals are to be implemented successfully.

There is not time in such a short debate to deal with all the current issues of concern. The establishment and operation of the new community health partnerships seem to be variable, according to anecdotal evidence. Some CHPs appear to be working better than others. I would welcome an update on the matter from the minister.

There are still concerns that, whatever the minister has said to the contrary, the centralisation of specialist services will lead to the downgrading of units such as Aberdeen's neurosurgical unit.

As John Swinney said, in many areas there are serious problems with out-of-hours provision of primary care. The care that patients desire is often not available. Workforce issues are far from being resolved.

I want a health service in Scotland that is clearly focused on the needs of patients and is accountable to them, in which the primary care team, led by GPs—who are best placed to advise patients—determines, in conjunction with patients,

their journey of care within the NHS. The service would cease to be a monopoly provider, which is centrally driven and developed according to directives and targets. Instead, it would become a service that reacts to the needs and demands of its patients. If the NHS is to work in the real interests of patients, power must be given to them and to the professionals rather than to politicians. Sadly, we are a long way from achieving that.

09:32

**Euan Robson (Roxburgh and Berwickshire)**

**(LD):** The Scottish Liberal Democrats welcomed the publication of the Kerr report. In years to come, it will be remembered as a significant landmark in the history of the NHS in Scotland. The Executive's response, "Delivering for Health", set the agenda for implementing the Kerr report. "Delivering for Health" is set against the background of the near doubling of the NHS budget from £4.6 billion in 1999 to £8.8 billion in 2005. The effective use of that large increase in the budget is critical to achieving the vision set out in the Kerr report and "Delivering for Health". It is critical because it is unlikely that the next six years will see another such increase in the NHS budget.

"Delivering for Health" set out four main priorities for reshaping the NHS: to make it as local as possible; to achieve systematic support for people with long-term conditions; to reduce health inequalities; and to actively manage hospital admissions.

On the first—making the NHS as local or as close to home as we can—we must ensure that NHS boards and local authorities take a new approach to infrastructure and buildings. It is self-evident that not every town and village can have one of everything. However, shared facilities and the delivery of health services in community settings allow services to be provided close to home. There are good examples throughout Scotland of shared facilities. There are new or improved buildings where community health services are delivered alongside social work and social care, and from where allied voluntary bodies offer their expertise in the community.

**Mr David Davidson (North East Scotland)**

**(Con):** The model of sharing premises for care raises another issue, which is that patients can fall between two budgets. Can the member suggest a solution to that problem?

**Euan Robson:** It is interesting that Mr Swinney talked about health boards being lazy. That may be his experience in his area, but I think that it is more about mindset. The point is to ensure that people understand that there are huge benefits to be had from sharing facilities and, where

necessary, pooling the labour force in social care and health services. There is a great deal to do.

I will return to my theme, which is that there is no reason why the NHS should not go beyond that and—where it is sensible to do so—share facilities with the private sector. For example, where we need to replace or renovate a community hospital and there is scant local nursing home provision, there is clearly an impetus for having a shared facility. Indeed, I advocated exactly that in my constituency, where in Coldstream and Jedburgh the community hospitals are in need of renewal and nursing home provision is lacking and needed. There are clear opportunities to develop an innovative approach.

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

**Euan Robson:** Yes.

**Mr Swinney:** In supporting Mr Robson's line of argument, I suggest that he might want to investigate a proposal in Pitlochry in my constituency to construct, for the first time ever, a GP practice, a local community hospital and nursing home provision on a single new site. That is a welcome model of how to proceed.

**Euan Robson:** That is precisely the kind of innovative solution that many local health and social work professionals would advocate and which I am sure can provide answers for the future. There is no doubt that sharing facilities leads to much more and better local services.

**Margo MacDonald:** I am part of a group of people in Edinburgh who are trying to bring together medical GP services, associated complementary services, social work services and all the things that we have talked about and which the Kerr report talks about. I hope that Euan Robson agrees with me that we must address the point that David Davidson raised, which is that funding streams often get in the way of good ideas.

**Euan Robson:** The Executive could assist with funding streams by ensuring that innovative approaches are promoted.

We are not good at sharing best practice in Scotland. Mr Swinney mentioned an example of good practice and there are others in Ayrshire and Lanarkshire. I believe that if we were better at sharing good practice—in which there is a role for the Executive—we could ensure that the vision in the Kerr report is brought to reality.

On long-term care, we must take into account important workforce development in certain areas. I believe that there are greater opportunities to share training and to dovetail social care and health care skills to provide a more effective service for people in Scotland.

09:37

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

There is no doubt that in future the Kerr report will be regarded as a turning point for the better in the long history of the NHS in Scotland. In many ways, the report is visionary and, as such, it has caused controversy and debate in many areas of the NHS. The attempts at rationalisation are probably the most contentious issue currently in the NHS in Scotland. Many people regard that approach as missing the first dominant issue that Professor Kerr identified in the foreword to the report—addressed to the Minister for Health and Community Care, Andy Kerr, on 15 May 2005—which was

“Maintaining high quality services locally”.

In many areas, such as Lanarkshire, the local health boards seem to have missed that important point.

Lanarkshire NHS Board's cost-saving decision on which accident and emergency unit to retain certainly cuts across the principle of maintaining high-quality services locally. However, I am confident that in the final analysis our minister, Andy Kerr, will show the wisdom of Solomon and will come up with a solution that will allay the fears of the people of Lanarkshire. That will possibly be done by retaining the A and E units in Wishaw, East Kilbride and Monklands. It has not been shown that anything less than the existing set-up would be as good. Not retaining those units would mean that high-quality local services would not be maintained, which would be against the spirit and the intention of the Kerr report.

Care in the community is a key element of the Kerr report. I wish the minister every success in that area because it involves treating people in their own homes, wherever possible. Obviously, that will mean a massive increase in the number of ancillary workers who are required. Care in the community services would alleviate the sad situation of elderly people who live alone all too often being placed in care homes and then being shocked to find that their home has been sold to pay for their residential care. To have their homes stolen by an uncaring state is no way to treat hard-working senior citizens who have contributed to the welfare of our country all their lives. That intolerable situation cannot be allowed to continue. We should remember that the NHS was set up to care for all from the cradle to the grave and not from the cradle to the care home.

Despite that major glitch, are things improving in the NHS in Scotland? The simple answer is a definite yes and the proof of that is the increasing life expectancy across the country, except for in a couple of black spots where it is attributable to basic deprivation. Statisticians forecast that by the end of the century more than 1 million people in

the country will be over 100 years old. Longevity is the ultimate measure of the success of the NHS. That pleases me because it will increase my party's scope to increase its membership.

The Kerr report is a consensual document. As I have stated before, health should be taken out of the political arena and every party should propose its positive ideas. They should do so not for party-political gain, which happens too often in this place, but for the overall good of the NHS and for the ultimate good health of the people of Scotland.

That is why the Scottish Senior Citizens Unity Party will invariably support Andy Kerr as he strives to improve the health of Scotland's population. He is being attacked on the issue of targets by the media and by MSPs from other parties. However, targets are set with the best of intentions. They are laudable and it is superb when they are achieved. Instead of the usual yah-boo confrontation in this place, let us hear in the future—and starting from today—constructive ideas being advanced by all those who claim that they could do better.

09:42

**Eleanor Scott (Highlands and Islands) (Green):** First, I declare an interest: I am a member of the British Medical Association.

I very much welcome this debate and do so, perhaps slightly unusually, not primarily for the chance to express my point of view but to hear what the minister will say. When the Kerr report was published almost exactly a year ago there was a cross-party welcome for it. There was a feeling that here was a way of taking forward the NHS and that the report's recommendations would be implemented rather than just sit on a shelf as previous reports had done, such as the report on the acute services review. Rather than debate the report's merits, which we are pretty much agreed on, we want to hear that progress is being made towards implementing the report's recommendations.

In answer to a question on 25 May last year, the minister said:

“I am happy to support the proposal for a network of rural hospitals and the education and training infrastructure that will support it”.—[*Official Report*, 25 May 2005; c 17165.]

I would very much welcome an update on progress towards that because for those of us who represent rural areas the idea of rural general hospitals was one of the most welcome things in the report. It was regarded as an answer to what we had been asking for all this time: an area between the highly specialised centres, which we all agree are necessary for some conditions, and delivering care as near to people as possible.

The report also mentioned community hospitals. When we debated the Kerr report when it came out, I was not clear whether the minister envisaged that as simply a rebranding of existing cottage hospitals or an expanded network of community hospitals. I am still not clear about that and I would like an update on the matter. On the technological side of bringing medicine closer to the people, I would like an update on our progress on telemedicine, which is important in remote and rural areas.

We have all agreed that local delivery is the right approach and that an appropriate network of professionals should support it. We are talking about not just doctors but specialist nurses and specialist allied health professionals. I still think that there are not enough specialist nurses for epilepsy, asthma, diabetes and so on. Such professionals are much valued by the patients who are lucky enough to have access to them, but they are grossly overstretched.

I will give a local example of that—we are all trotting out such examples. The cystic fibrosis physiotherapist who covers the whole of the Highlands, Western Isles and west Grampian area works 25 hours a week. When the post was established in 1988, her caseload was 27 but, because people with cystic fibrosis now live a lot longer, it is now 46. That professional, whose work is hugely necessary in treating cystic fibrosis and keeping people with it healthy, is trying to cover an area the size of Belgium on 25 hours a week. Financial constraints mean that the health board cannot increase her hours. I do not believe that that is acceptable. It is just one example; I am sure that members have others.

A pledge was made to engage early with local people about what was being delivered. I would like to know whether that is happening, what has changed in how the NHS engages with communities and how far-reaching the engagement is. Some people will share my reservations about some of the target-driven approaches in the NHS. I have heard that in Highland, where there is a shortage of orthodontists, the locum orthodontists are being encouraged to make senior referrals to keep to the waiting-time targets for such referrals rather than for initiating treatment. The permanent post-holders will come back to a huge backlog of patients who need treatment, which has been piling up because the locums have not been treating them. I belong to a party that often insists that the Executive should set targets in certain areas but, although targets can be valuable in some areas, they can have a distorting effect in others.

I do not have time to cover health inequalities and the need for good demographic information.

One of the points in the Kerr report—and the Executive's response to it—was that good case finding might prevent some acute admissions. That is fine up to a point, but it is dangerous to assume that we will not need acute beds as a result, in the same way as it would be unsafe to assume that because people are living longer and staying healthy longer, local authorities might not have to provide residential care.

On health promotion, I draw to members' attention a motion that I lodged just after the new year. It was an excellent motion—some members might remember it and some might have signed up—because the words were not mine but the BMA's. The motion says a lot about what we need to do to build a healthy Scotland, which is not just about delivering health care. It states:

"That the Parliament agrees with Dr Peter Terry, chairman of the British Medical Association in Scotland, that a long-term public health strategy can be effective only if there is a co-ordinated approach across all ministerial portfolios; notes that decisions taken in other policy areas have a significant bearing on public health; agrees on the need to develop synergistic policies and cross-departmental co-operation, and calls on the Scottish Executive to introduce a system of routine health impact assessments to be applied to all policies and legislation."

That is crucial. We assess the impact of all legislation on equal opportunities and human rights; we should also consider its impact on health.

I will finish with a statistic that members might have noticed on the excellent play display in the garden lobby. For every 80 acres of golf course in Scotland, there is 1 acre of children's play area. We are not really building a Scotland in which it is possible to grow up healthy. We should consider not just health delivery, but the kind of Scotland that we have.

09:48

**Mrs Mary Mulligan (Linlithgow) (Lab):** I welcome this opportunity to discuss the challenges that we face in providing the health service that people in Scotland will need in the future.

We spend a disproportionate amount of time discussing hospitals, given that 90 per cent of health care is delivered in a community setting. I crave members' indulgence, because I want to discuss a local building that is causing concern. Perhaps we should give more consideration to the range of services that are delivered in GP surgeries and health centres. In Linlithgow, there are two strong pressures on the health centre. First, there are increasing patient numbers, given the growing population that has resulted from new housing. Secondly, there is a desire to offer a wider range of preventive health services within the health centre. I have attended yoga classes for

babies and support groups for people with multiple sclerosis—I am sure that other members have done such things in their constituencies. Those are small examples of what goes on within the health centre, which means that it is outgrowing its existing premises. However, given the developments that are taking place in the town, it is difficult to find a site for a new facility. Options are being considered, but they will cost money and they need to be fit for purpose.

I acknowledge the substantial funding of £50 million that the Executive has made available for new, modern health centres. However, many people are competing for those funds and I hope that the minister understands that a growing population cannot wait—people need the service now.

As I said, the health service should be seen as more than buildings. The Kerr report stated clearly that the health improvement agenda was crucial. We need to establish good eating habits, which can be learned at home and supplemented in schools. We need to keep active, whether by exercising at the local gym or walking more regularly—even if we just walk around the shops. We need to care for our mental health, perhaps by having a job that we enjoy, which raises our self-esteem, or by socialising with family and friends. All those measures can help us to stay healthy and none of them requires a hospital or a health centre. However, the Scottish Executive has a role to play, which Eleanor Scott mentioned, in joining up the services that we provide to ensure that there is a framework within which to deliver them.

When health problems arise, we need a range of health staff to meet our needs. Much of our previous discussion has concentrated on doctors and consultants in particular, and the figures are encouraging. In answer to a question from the Scottish National Party health spokesperson, the minister was able to confirm that the number of consultants in the Lothian NHS Board area rose from 536 in 1997 to 685 in 2005. However, the figures also need to show consultants' specialties. The national workforce planning framework will be essential to ensure full coverage of all specialties.

The Kerr report acknowledged the role of other health workers and the wider roles that could and should be developing for them. I found the Royal College of Nursing's briefing for the debate interesting and agree that nurses could and should play a wider role in the community in health education and preventive health, and that their skills in more complex areas should be developed. Other allied health professionals can also offer support. Podiatrists, physiotherapists and occupational therapists provide services in local, and even home, settings. They can support older

people with physical and mental health problems, which keeps them out of our hospitals.

I welcome the development of community health partnerships. The CHP in West Lothian, although still relatively new, is already having an impact in joining up services. The buck can no longer be passed between social care and health care. That is particularly important in addressing the needs of an older population, who, with minimal support, could remain in their own homes for longer, which the majority of them say that they wish to do. New technology is also helping people to stay in their homes, so we need to continue to invest in it.

Given the variety of health professionals who work in the community, I would be interested to know how far we have moved in developing protocols to allow health workers other than GPs to take self-referrals and, if necessary, to refer cases back to GPs.

I am sorry that we do not have more time for the debate, because I think that it will play an important part in developing a new, modern system that will address people's needs, not just through hospitals and doctors, but through a range of health facilities and professionals who work in our communities.

09:54

**Ms Sandra White (Glasgow) (SNP):** Like Eleanor Scott, I want to know what has happened since the Kerr report was published a year ago. I remind members of some of the report's recommendations, which were that high-quality services should be maintained locally; that local needs and expectations should be met; that options for change should be developed with people, not for them; and—this one is close to my heart—that the Scottish Executive should review its guidance on public consultation, with a view to promoting best practice.

A number of weeks ago, NHS Greater Glasgow and Clyde held a workshop about the new sick kids hospital, which I and others were not told about. However, being the type of person that I am, I found out about it and managed to go along. In light of my experience, perhaps the Executive should review its guidance on public consultation.

On the maintenance of local high-quality services, I point out that Glasgow has gone from having five accident and emergency departments to having only two. Given the threat to Monklands hospital, which I mentioned last week, and the state of the services in Argyll and Clyde, I have to ask what kind of local services we can expect in Glasgow. When people have to travel three quarters of the way around Glasgow and beyond to get to what should be local services, I do not think that local needs and expectations are being

met. How would having only two maternity hospitals in Glasgow meet local needs and expectations? It is proposed that the new site for maternity and sick kids services should be at the Southern general hospital, but it is in dire need of modernisation. Operating theatres are closing down there because of modernisation. Maternity wards are being closed because they need refurbished and fixed—they are falling down. How can people be comfortable with that situation? I would like the minister to look into that particular issue.

Margo MacDonald and Eleanor Scott mentioned the training of staff. That is an important point. I recognise the fact that staff have to be trained to do outreach work. However, at the NHS Greater Glasgow and Clyde meeting that I referred to, certain fears were raised regarding specialised paediatric nurses. Obviously, if facilities are closing, parents will themselves diagnose their children, deciding whether to take them to the sick kids hospital across the river, an ambulatory care and diagnostic centre or local services—of course, we should bear in mind the fact that the ACADs and local services will not be open at night.

When I asked a question about the specialist training of paediatric nurses, I was told that that was being looked at. It is an important point and I would like the minister to tell us whether the Executive has any figures regarding the training of staff. Like Mary Mulligan, I think that the Kerr report's recommendations in that regard were important. We do not seem to have any monitoring or evaluation of any of those aspects of the Kerr report.

The Kerr report mentioned the fact that we have to look after people in deprived areas. However, I do not see any more outreach work being done in the deprived areas that I represent, such as Drumchapel. There is no evidence of extra nurses, doctors and health workers being able to do outreach work in those areas. I would like the minister to tell us whether there are any updated figures on outreach work or recommendations about how we can get the health professionals to work in the areas that I mentioned, so that people there get the services that they deserve.

The Kerr report says that services should be localised to meet people's needs. I do not believe that closing down three hospitals and having only two maternity hospitals is meeting people's local needs in Glasgow. I would like the minister to revisit that issue.

09:58

**Mr Duncan McNeil (Greenock and Inverclyde (Lab)):** Although I do not want to focus on them, it is worth noting the issues that brought about the

Kerr report. Issues such as the European working time directive, consultants' specialisms and subspecialisms, junior doctors' hours and training and accreditation have brought us politicians to a point at which, like it or not, we have to make decisions to ensure that a much-loved, respected and valued institution continues in a modern form in Scotland.

Although it is not a panacea, Professor Kerr's report gives us a course of treatment for the ills that affect today's national health service and offers a way forward that could revolutionise the health service and make it more responsive, effective and efficient.

The key innovation in Kerr's report is the idea that services should be designed to suit need and that there should not be Berlin wall-style health board boundaries. As I have argued repeatedly, the case for designing services to meet need is strengthened by the fact that quality health services still tend to be most readily available to those who need them least. We are still beset by the strange one-size-fits-all approach. Out-of-date funding formulas and notional equal access to general practitioners has resulted in healthy, affluent areas having the same concentration of doctors as do the poorest pockets of public health. That results in poor sick people having less time with GPs; being less likely to be referred to a consultant; being more likely to be seen in an overburdened, single-doctor practice; being more likely to be seen by a younger doctor who has never been in a deprived community before in his life; and being more likely to die younger. The report of the Kerr subgroup on health inequalities confirms that that approach has seen the gap between rich and poor grow rather than shrink.

**Margo MacDonald:** I do not disagree with a word that Duncan McNeil has said. However, does he agree that it is not the health service's policies or strategies that have brought about the situation that he describes, but the economic situation? If we are talking about tackling the inequalities in health, we must address that as well.

**Mr McNeil:** Yes, but today we are discussing the health service's role. If we wanted, we could discuss the community regeneration fund, the central heating programme, the warm deal and the massive investment that there has been in early years and other stages of education. We are making progress in that regard but, this morning, we are discussing the responsibilities of the health service with regard to that agenda. That is why I slightly disagree with the British Medical Association, which promotes the interests of consultant doctors in relation to subspecialisms, reduced hours and less contact with patients. The BMA lectures us about our responsibilities, but it needs to face up to its own responsibilities.

Last month, I had the opportunity to put some of those points to the chief medical officer for Scotland, Dr Harry Burns, who was attending a meeting of the Health Committee to discuss the Kerr subgroup's findings. To his credit—this underlines how the debate has matured and moved on—Dr Burns said:

"If we are to tackle the increased prevalence of disease in deprived communities, we must match that increased prevalence with an increased number of GPs."—[*Official Report, Health Committee*, 18 April 2006; c 2725.]

Implementing the Kerr report properly means giving most help to those most in need and using resources to maximum effect. However, if we are serious about doing that, bold choices must be made. We cannot continue to pour money into making the healthiest healthier while my constituents are dying in their 60s—indeed, too many of them do not even make it that far. This week, members will have seen figures highlighting the persistently poor infant mortality rates in some deprived areas.

Further—and this will be difficult for some people to hear because of the positions that they have held—implementing the Kerr report properly requires us to address the complete disgrace that is the Arbuthnott formula. I understand that the work on the review of the Arbuthnott formula has been delayed—given the sensitivity around the issue of redistribution, I suppose that that is not too surprising. I await the outcome of those discussions with interest.

I repeat: if we are serious about tackling health inequalities in Scotland, bold decisions need to be taken.

10:03

**Dennis Canavan (Falkirk West) (Ind):** Earlier this week, NHS Forth Valley made an important announcement about plans for a new hospital in Larbert. That modern, state-of-the-art hospital will cost £300 million and will have about 800 in-patient and day-patient spaces, providing a range of acute services for people in the health board's area.

I warmly welcome the fact that the plans are on schedule for work on the site to begin early next year and for the new hospital to open in 2009. The design of the hospital looks good and it will be located in an excellent environment, in the spacious grounds of the former Royal Scottish national hospital.

However, I am not happy about certain aspects of the health board's announcement. I am concerned about the fact that many of the employees in the new hospital, including porters, catering staff and cleaning staff, will be employed by a private company rather than by NHS Forth

Valley. At present, the dedicated NHS employees in those positions give such a quality of service that they have won national awards for catering and cleaning standards. I fail to see how a private company won the contract for that work unless it is intent on cutting wages or cutting the number of employees. That could threaten the standard of patient care, which is dependent on staff morale and the employees' team spirit.

I am also concerned about the apparent assumption that the new hospital will be a private finance initiative project. Last Friday, I and some parliamentary colleagues met board members and officials of NHS Forth Valley. We were told that a decision on the method of funding the hospital will not be taken until later this year, yet according to the press release that the health board issued on Tuesday of this week, Mr Richard Weston, the managing director of Equion, said:

"We are delighted to have been awarded this project, which is the largest PFI hospital in Scotland."

That company or consortium—whatever we call it—has a dodgy track record in PFI projects, including alleged profiteering from the refinancing of a hospital south of the border. Past experience shows that PFI does not represent best value for money. The number and cost of PFI projects could be a millstone around the necks of future generations of taxpayers for many years.

The NHS was founded to serve the needs of the people, not to line the pockets of profiteers. Yes, we need new, modern hospitals for the 21<sup>st</sup> century, but surely there is a better way of financing the building programme in the interests of patients, NHS employees and taxpayers. I therefore urge the Scottish Executive to think again.

10:07

**Helen Eadie (Dunfermline East) (Lab):** I begin by reminding members how many people work for the health service throughout the United Kingdom. I believe that it has more than 1 million employees. For our ministers, both at the United Kingdom level and here in Scotland, managing the process must be like turning the Titanic around on a sixpence.

As my colleague Mary Mulligan said, 90 per cent of health care is delivered at the primary care level. The challenge is to move health care services even further into primary care rather than simply continuing to think that services can be delivered only in hospitals. I remind Sandra White, in particular, of that point. Her mindset seems to be that we can deliver services only in the hospital environment. There are some essential services that must be delivered in hospitals, but we must

open our minds to ways in which we can deliver more services in local communities.

I welcome Margo MacDonald's comments on the Long-Term Conditions Alliance Scotland. Like her and other members, I have worked with a number of organisations—including the Skin Care Campaign and organisations that are concerned with musculoskeletal conditions, rheumatology and osteoporosis—and tried to help them to highlight chronic conditions. We need to pay more attention to those organisations' concerns. That challenge is in the Kerr report and it also comes across in the briefings that were sent to us by the Royal College of Nursing and Age Concern. In dealing with chronic conditions, demographic changes are the biggest challenge. We need to think about how the reform of prescription charges is going to pan out, given that the minister's consultation on the matter is coming to an end.

Eleanor Scott said that we should focus on the delivery of services rather than simply debating the Kerr report. I will highlight a few things that are happening in Fife. When I picked up a publication from the National Rheumatoid Arthritis Society recently—I promise that I had no hand in preparing it—I was delighted to learn that it cited Fife NHS Board as the best example of good practice in the UK. The board was commended for the way in which it delivers rheumatoid arthritis services much closer to people in the community. I am sure that the minister and others will also be delighted to hear that. We need to think about taking more services out of the hospital environment and into local communities. Throughout Fife, the aim has been to deliver services as close as possible to people's homes.

Another example of good practice that was highlighted in the Kerr report is the Leith medical centre, which is a model urban community hospital that could be replicated elsewhere. In my constituency, at Dalgety Bay and Inverkeithing, I have what is perhaps the biggest general practitioner practice in Scotland, which is striving to deliver services more locally, outwith the hospital environment. Simple procedures for which people previously had to go to hospital are now carried out locally.

There is yet more progress—I am not ashamed of mentioning all these examples of good practice. In the Kerr report, the workforce planning inquiry and elsewhere we heard about how many of our students were ending up in Manchester rather than here in Scotland. A lot of our students were lost to Scotland forever because they were trained in Manchester, but I am delighted that we now have a really good set-up. Medical students no longer automatically go to Manchester but are trained in our own backyard at the Randolph

Wemyss memorial hospital in the Buckhaven and Methil area.

Fife is in the vanguard of delivering digital imaging services. When people go for X-ray treatment they can now access the service not just locally, in Fife, but—

**Margo MacDonald:** I accept that Fife is fabulous, but given that there are GP surgeries, walk-in services at hospitals and complementary services, how are the funding streams straightened out?

**Helen Eadie:** In Fife, we are addressing that problem. The social work department and the health board have a joint approach and a joint agenda for the future in Fife. They are tackling the issue of the funding streams. I was interested to hear what is happening in other areas. It seems so straightforward. We get the people who have the budgets, sit them down and tackle the issues. There is a lot to learn from the Fife example.

Technology is vital. I do not often cite things that have been done by members on the Opposition benches, but yesterday I attended a very good briefing that Shona Robison—who is not here this morning—organised on a new machine for cancer treatment called CyberKnife. Apparently, there is not a single CyberKnife machine in the UK, even though there are such machines in the Netherlands and throughout Europe. I am told that the best example of their use is in northern Italy. I appeal to Scottish and UK ministers to seek a briefing on CyberKnife. However, I am delighted that Ninewells hospital in Dundee is leading the way on new photodynamic therapy treatments for cancer.

Coming back to Fife, our catering service has been returned in house and is no longer provided by external contractors. It is tremendous that we have that in-house service.

Eleanor Scott made a good point about play improving people's health. There are more swimming pools in Paris than in the whole of Scotland. Joined-up working by the Scottish Executive is essential. We need many more swimming pools because the therapy of being in a swimming pool is superb for elderly people, people with mobility problems and people with chronic conditions. I am sure that Dennis Canavan, as convener of the cross-party group on sports, would agree that we need a great expansion in the number of swimming pools throughout Scotland.

10:14

**Mr Adam Ingram (South of Scotland) (SNP):** In my contributions to previous debates on the Kerr report, I acknowledged that most, if not all, of us can agree with the prescription that Kerr gives

us for the reconfiguration of the NHS in Scotland. We want to move away from a reactive system that is geared up to provide a crisis intervention service to a system that prevents medical crises from arising in the first place. The provision of continuing care in the community will be the key to such a transformation, particularly for the growing number and proportion of elderly patients.

How we get from where we are to where we want to go is fraught with difficulties, not least of which is the poor performance of health boards in making the case for change and bringing patient and public opinion with them as they develop proposals. The Kerr report highlights the need to meet patient expectations and build public trust, but the public are losing confidence in the NHS because of creeping centralisation and specialisation. People are willing to travel for highly specialised surgery, but they want core services, such as accident and emergency services, to be close to home. A and E units are the safety nets in a crisis intervention system and their proposed closure is bound to cause public alarm.

The consultation exercise on NHS Ayrshire and Arran's review of emergency and unscheduled care presented only variations of a preferred option, all of which entailed the closure of Ayr hospital's specialised A and E unit. NHS Ayrshire and Arran's approach offered a model of how not to conduct a consultation exercise, although the board claimed to have followed to the letter the Executive's guidelines on public consultation. If that was so, the guidelines are deeply defective and utterly fail to ensure public engagement with the change process. Even if one accepts the need to centralise specialised A and E services, what justification can there be for not presenting an option for centralisation of such services at Ayr hospital, which was deemed feasible in the options appraisal exercise? Given Ayrshire's geography, that option would minimise inconvenience to the public. I urge the minister to consider the mess that NHS Ayrshire and Arran has made of the public consultation. The matter must be revisited if we are to restore a semblance of public confidence that the future of the NHS is in safe hands.

The minister should focus on how to deliver community-based services before he approves radical surgery to specialised A and E units. If public support for the direction of travel that Kerr advocates is to be generated, the Executive must take time to build capacity for home care for the elderly, community casualty units and the extra specialist staff that the NHS needs. The minister should not allow health boards to force him to make hasty decisions for which a heavy political price must surely be paid.

10:18

**Mr David Davidson (North East Scotland)**

**(Con):** The debate has been interesting, because members have promoted ideas and set challenges for the Executive, which I think was Margo MacDonald's intention when she started her speech. She said that people must take personal responsibility for their health, because they are on a lifetime's journey. However, if people are to do that, they must have education. Parents must understand how to educate their children so that they are tooled up to assume that responsibility.

I am worried about long-term alliances, because we had a little difficulty with the Scottish cancer coalition. The coalition was a great idea and most MSPs turned up for its launch, but it has been pretty quiet on the ground and I wonder whether it enjoys much independence. There must be a joined-up approach to using the voluntary sector to supplement or develop services, which might mean that the voluntary sector should be given contracts to do its work. Such an approach might enable standards to be set but would require reasonable funding.

John Swinney, who is today's substitute striker for the Scottish National Party, mentioned a couple of interesting issues, of which clinical safety was the most important, because clinical safety should be the basis on which services are designed. In that regard, A and E services should be designed on the basis not of geography but of the time that it takes to reach a unit. The odds of someone to the north of Stirling who is in a critical condition getting an ambulance all the way to Larbert in time are pretty remote. We must ensure that A and E planning takes account of the emergency nature of A and E.

John Swinney talked about the misuse of centralisation. The minister appoints health board chairs, so a variation in performance is very much at the minister's door and should be dealt with by him.

Nanette Milne talked about workforce planning and recruitment and retention. She said that we need clinical generalists, which is a matter that Dr Jean Turner has raised in the past.

We support CHPs, but they must be regarded as joined-up organisations and not just a group of people who sit round a table, each with their own budget. As I said to Euan Robson, what happens if a patient falls between two budgets? We must be brave and amalgamate budgets, to eliminate the nonsense of double handling and ensure that patients do not fall through the gap.

When Malcolm Chisholm was the Minister for Health and Community Care, I told him that the debate should be about who can do what, rather than who does what. We must consider upskilling

different health professionals. Susan Deacon supported an increased role for pharmacists. Specialist nurses can also take on increased roles, because most nurses have degrees that include a specialism. Such nurses are an important asset, because doctors do not have to do everything.

We must ensure that we have a good network of local general hospitals, which are key to the whole approach—that is a major theme of the Kerr report. If there is to be specialisation, we must decide what should be specialised, where specialised services should be available and to what standards such services should operate.

**Margo MacDonald:** Adam Ingram said that it will take time to change the attitudes of the public and patients to the redesign of services, so the minister should not quickly chop off services with which people are familiar. Does David Davidson agree?

**Mr Davidson:** Yes. However, the key to that is consideration of what we mean by consultation. If we want the public to come on board and play their part, ministers and health boards must listen and there must be reasonable consultation.

In the case of Ayr hospital's A and E unit, in which John Scott has been heavily involved, some 55,000 people signed a petition and 5,000 went on a march, which indicates people's anger and frustration that, despite the consultation, apparently nobody had paid a blind bit of notice to their angst. Similar situations have arisen in relation to maternity services at Aboyne hospital and Fraserburgh hospital. There is disunity between thinking in the health service and public opinion and we must bridge the gap. That will require leadership.

Eleanor Scott talked about removing silos. During many debates in the Scottish Parliament, people have talked at length about the roles of education, social work and health services, yet the ministers with those portfolios seem to operate in silos—I say “seem” because that is the perception; if joint working is going on behind the scenes, we should tell the public about it.

Like other members, I attended yesterday's presentation on the CyberKnife. We should consider such innovations, but they cost money.

Duncan McNeil was right to talk about the support that is offered to different parts of society. Health inequalities exist, but much can be dealt with by education and a will to move away from a sticking-plaster service towards an approach that is based on health promotion and disease prevention.

The independent MSPs asked for ideas and I am sure that many people have ideas. We do not use statistics properly. Because we do not gather

or make available the right statistics, we do not do proper forward planning on staffing and other matters. If we do not plan, our approach can only be piecemeal.

If we are to move forward, we must take the public with us. There is a place for the consumer and the potential consumer in the redesign of health services, which affect everyone's family. I welcome the tone of the debate. We must ensure that we plan efficient, focused services that can be delivered. The public must feel that they have ownership of such services.

10:25

**Christine Grahame (South of Scotland) (SNP):** This has been an interesting debate. My remarks will jump around a bit because I want to deal with what several members have said.

I could not agree more with what Margo MacDonald said about people taking more responsibility for their fitness and health. However, in Penicuik, for example, the leisure centre is under threat of closure. That example links into what has been said about silo mentalities. Last night, a meeting was attended by 150 people— young and elderly—who were desperate to keep the centre open. The centre helps to keep them fit, keep them out of trouble and keep their minds alert. Such things are happening on the ground as a result of local authority cuts. The Parliament provides substantial budgets to local authorities, so members must consider such matters. Local authorities are making cuts, leisure centres are being closed and there will be an impact on the health programme. Cross-cutting work is therefore not happening.

I will deal with John Swinney's interesting remarks later. I will visit the Tayside model—I wish that I had done so before—and take Borders NHS Board representatives with me. The ethos at Hay Lodge hospital in Peebles is to combine a GP unit, nursing beds and a cottage hospital, but it is a pity that such an approach is not taken elsewhere. I will touch on what is happening in Jedburgh and Coldstream later.

Euan Robson, Margo MacDonald, David Davidson, Helen Eadie and others mentioned issues to do with silo mentalities. I do not know how the cycle can be broken, although we have all said that doing so would be common sense. Social work departments, health boards and local authorities defend their budgets, but people who have been assessed as being able to return to their communities are stuck in hospital beds that they cannot leave because social work departments do not have enough money to allow them to do so. By the time those departments have money, people become more

institutionalised, have to be reassessed and end up back at the end of a queue. Human misery and costs result. We have been saying that for seven years.

**Mrs Mulligan:** Does Christine Grahame welcome the approach of the CHP in West Lothian, which has brought together council and health board funding? One officer is responsible for overseeing matters, so no one can say that something is not their responsibility, and people are not kept in hospitals when that is inappropriate.

**Christine Grahame:** I welcome progress that is made anywhere. I cannot speak about what happens in the Lothians, but that approach is not being taken elsewhere—it is certainly not being taken in the Borders, where there is still competition for budgets. There is a patchy approach.

I am sorry that I got lost with John Swinburne's remarks on septuagenarians. I do not know whether he was directing them at me, although I do not think that he was.

I agree with Eleanor Scott. There are issues to do with having a target-driven approach, which distorts requirements on the ground—health professionals, too, are conceding that.

I got lost with Mary Mulligan's images of babies in the lotus position. I thought that they could adopt that position anyway.

Sandra White referred to an important point that the Kerr report makes. The report states that we must

"develop options for change with people, not for them, starting from the patient experience and engaging the public early on to develop solutions rather than have them respond to pre-determined plans conceived by the professionals."

I am afraid that the experience of many people who have gone to NHS board meetings is that the latter approach has been taken. They get the feeling that decisions have been made, that consultation is cosmetic and that people are not going with the grain of public feeling.

**Helen Eadie:** Does the member agree that consultation does not necessarily mean saying yes to everything and that part of the problem is how to track changes and make transparent to the public what changes there have been as a consequence of consultations? To my knowledge, that has never been done.

**Christine Grahame:** That is another issue. However, in respect of the Borders, I knew ages ago that the hospitals in Jedburgh and Coldstream were set for closure and that the NHS board was simply working out how to present the case. That is the reality. People are not silly—everyone else

involved knew that too. Such an approach is not in the spirit of the Kerr report and does not deliver what people want. I agree that people cannot have everything that they want, but if we go with the grain and listen to people, we will find that they sometimes have jolly good ideas about what should happen in their communities.

Duncan McNeil rightly talked about issues that have impacted on costs to the health service. Contractual and legal imperatives, whether we like them or not, have had an impact on costs. However, I say to him that the changes to health delivery in Scotland across the various levels should be clinically driven and driven by the various levels of treatment that are required and not by costs. That is a huge issue, as we are designing an NHS service for the next decade and more.

I completely agree with what Adam Ingram said about the poor performance of health boards, and I will knock Borders NHS Board again in that context. Adam Ingram picked up on the location of accident and emergency services. We agree with David Davidson that time is the issue. I refer to the golden hour. A person who is travelling to Ayr hospital for accident and emergency treatment may have to travel a long way. If the accident and emergency department is moved somewhere else, another half hour could be added to that person's journey. The critical golden hour in which lives can be saved represents the test for accident and emergency services.

**Margo MacDonald:** I think that all members want as many accident and emergency departments as possible so that people are given a feeling of comfort, but providing such services in rural areas is not possible in the way that it is in urban areas. In that context, the training of paramedic staff—who are the first people to reach patients—is all the more important and must be considered alongside the siting of accident and emergency units.

**Christine Grahame:** I have no difficulty with first responders, but the issue is having the appropriate level of treatment at the local level. It is not an either/or situation.

I want to compare the Tayside model with what has happened in the Borders. As Euan Robson and I know, 700 people marched in Jedburgh and 700 people marched in Coldstream, not necessarily to save a building but to save an appropriate service, particularly for elderly people in respite care or convalescing or people with chronic conditions such as asthma—I see that Euan Robson agrees with me. Those communities have made a proposal to have combined services, which will be on the minister's desk. In fact, GPs in Jedburgh had a model built up years ago in which

there were social services and housing all within the GP complex and a cottage hospital.

In England, 100 cottage hospitals have been reprieved because people see the value of the level of treatment that they involve at the local level. People can travel to such hospitals, which can be right beside their houses. In areas such as the Borders, people, including elderly people, will have to get buses that do not yet exist—travel issues have not been resolved—or drive in their cars to visit elderly relatives. No wonder people feel how they do. It would be common sense to retain such hospitals. England—God bless it—has led the way in keeping cottage hospitals open, keeping people out of general hospitals and keeping beds free so that people are treated at the appropriate level. I hope that when the proposal in question lands on the minister's desk, he will reject Borders NHS Board's proposals on closing cottage hospitals.

10:32

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** There are many challenges ahead in responding to the Kerr report and in delivering on the change in focus of the NHS in Scotland, which we laid out in "Delivering for Health" last October. I welcome the proposition from Margo MacDonald and John Swinburne that the debate should not focus on the negative but emphasise the positive, and I want to respond in that spirit.

Of course, the challenge is not only for ministers or the NHS—it is for all of us. As Mary Mulligan said, if we are to deliver the type of health care that Kerr envisaged, we must move away from the overwhelming emphasis on acute care delivered in hospitals to in-patients that characterised the NHS's first 50 years, and towards a wider emphasis on delivering care to people through improving health across the board.

Margo MacDonald asked about our willingness to work with voluntary sector organisations that represent people with long-term conditions. We very much support such work. For example, we are working with Asthma UK Scotland on plans and clinical standards for children with asthma; we are working with Epilepsy Scotland on the development of managed clinical networks—we have recently provided funding to it; we are working with Voices of Experience, or VOX, to give voice to users of mental health services; and we are working closely with Diabetes UK to refresh the Scottish diabetes framework. We regard the voluntary sector, which represents and talks to and for users of the services, as a key partner in a number of ways.

Several members have mentioned the secondary care sector. The Kerr principles lay out a national framework for service change. That framework does not provide excuses for easy decision making; rather, it sets criteria against which changes must be designed and justified. That is a process that all parties should welcome. The real laziness is in saying that, in spite of those principles, change should always be opposed. We cannot accept the principle of specialisation where it is needed and yet find no case for ever changing anything in real terms.

**Christine Grahame:** At what point in the debate did anybody say that?

**Lewis Macdonald:** At what point in the debate did I suggest that that had been said? Let me be clear. There are principles according to which service changes must be justified, and I reject the proposition that no changes should ever happen. Services should be delivered as locally as possible, but they should be as specialised as is necessary. That is why, since the debate last October, we have carried out further work to establish which services need to be concentrated in fewer centres. I emphasise the fact that the default position is the local provision of services.

Several members have referred to the need for proper consultation. The Scottish health council was established last year to act on behalf of ministers in ensuring that the proper processes for public consultation are followed. That is the assurance that we have. The members who referred to those processes will be aware of that and will know that the Scottish health council's views are considered by local health boards when they are making their recommendations as well as by ministers once those recommendations have been brought forward.

The emphasis under the Kerr report will be on keeping people healthy for as long as possible. Improving the health of Scotland in the longer term requires effective action, such as the ban on smoking in public places and our proposals on the promotion of better nutrition in schools. It also requires us to address the issues to do with inequality that were raised by Duncan McNeil. The prevention 2010 pilot projects will have a key role in developing new models of anticipatory care to increase the rate of health improvement in our most deprived communities through the provision of enhanced primary care services and through picking up early what otherwise might turn into serious long-term conditions.

When people develop a long-term condition, we want to slow its progress as much as we can, to reduce complications and to help people to cope with that condition. As I said at the outset, we also want to work with users and carers, who know more than anybody about the nature of those

conditions and what it is like to live with them. That is a key task for the Long-Term Conditions Alliance Scotland, whose launch Andy Kerr supported a couple of days ago. When the disease process cannot be halted, people should have the best possible care as locally as possible. Our review of community nursing and the development of the rehabilitation framework underpin that aim.

Our work on neurosciences has shown that even specialised services must have a strong base in the community. That is why we need to see our neurosurgical units as part of a neurosciences service for the whole of Scotland, which involves developing a local tier that is designed to give people the ready access that they want to neurological opinion.

The services that people get must be personal and should be integrated so that all health care and other care that people receive work together. The community health partnerships are the key agencies in delivering that, and schemes of establishment for those have now been approved in most areas. Through the CHP development group, we will continue to support those developments. Likewise, the funding that we are providing for primary care premises is designed to encourage the co-location of services wherever that is possible.

**Mr Davidson:** On the subject of the CHP development group, is any work being done to establish where services should be combined into one organisation with one budget, rather than having an agreement to share money?

**Lewis Macdonald:** The joint future programme that is going forward as we speak is very much about encouraging the alignment of budgets and the sharing of premises. Indeed, in some local areas it has involved joint appointments of staff by health and local authority services. That provides us with the right direction forward in those areas.

We have developed a long-term conditions toolkit for CHPs to use in working with people who have long-term conditions. We also recognise the need to support those people in our communities who have complex needs. That involves developing services that focus on the patient and ensure that all the relevant professionals are able to provide the necessary service.

We are taking forward the delivering for health programme and we are delivering on a whole range of issues, including many issues that have been raised today on which there is no time to respond. That approach is central to the development of public services in Scotland. We want to focus on people as people rather than as patients or carers, and we want to provide services that are personal and address all those

people's needs. As I said at the outset, the emphasis must be on the positive aspects, recognising that the more successful we are in maintaining people's lives, the more people will live with long-term conditions. We need to work across the board to ensure that people can enjoy the best quality of life in those circumstances.

10:40

**Dr Jean Turner (Strathkelvin and Bearsden (Ind):** I thank the minister for what he has said. It is obvious that we are all singing from the same hymn sheet. We all want to put people first and we should be grateful that Professor David Kerr was asked to produce his report, as he stopped the juggernaut that was, for years, the only plan to solve every problem in the Scottish health service—the centralisation of services in Inverness, Aberdeen, Dundee, Edinburgh and Glasgow. That would not suit our geography or our population. John Swinney emphasised the different requirements in different parts of his constituency and the importance of establishing a balance between the need for centres of excellence and the need for local access.

As a former general practitioner—members will know that that is my professional background—I know for certain that 90 per cent of health care work is done in general practice. That is where most general practitioners, nurses and allied health professionals want it to be done. However, buildings can create difficulties in certain areas. I worked in a health centre that was built in 1982 but which by 1990 was not fit for purpose. Medicine moves on and there must always be changes.

Another point to emphasise is that people do not understand exactly what general practitioners and primary care professionals do. Many of the things that people think are new in general practice have already been done. We have been running clinics for chronic conditions such as asthma and cardiovascular disease. If we want to put more into general practice, we must take on board what Nanette Milne said about workforce planning. It is essential that we have a bigger workforce. I know that there is a huge wage bill, but we need specialist nurses for diabetes, lupus and psoriasis and to provide allied arthritic care. I would like to hear that more specialist nurses are being trained who will enter the workforce further down the line. There seem to be a lot of qualified people out there who could be doing a more wonderful job for the patient.

The most precious thing that a health care professional can give a patient is time. In order to think and make the right diagnosis, everybody needs time. Patients love that and will be prepared to wait weeks to see the same doctor. Providing

many different professionals does not always solve the problem for the patient. We should listen to the patient.

John Swinburne mentioned deprivation. It is accepted that there are more hospital emergencies in areas of deprivation. If GPs do not have time to think about how they wish to place their patients, there will be more hospital emergencies.

It has always been the case that 80 to 85 per cent of the work of a large major hospital is done in the out-patient department. We welcome all the ambulatory care and diagnostic units that there are around, especially in our city, but in effect they will be doing everything that can be done in a day unit and I think that that will involve split-site working, despite the intention of the European working time directive to put all the doctors into one hospital—or three. There will be hospital units in which out-patient work will be done and there will be split-site working. The doctors will therefore have to consider rotating as they did in Glasgow to keep the casualty department open.

There is a general misconception that A and E departments deal only with accident and emergency cases; people do not think about trauma. A lot of the changes that have taken place have been due to the desire to have combined accident and emergency departments and trauma units. That is why the number of trauma units has been reduced in Glasgow and elsewhere. We know that we can get people to trauma units by helicopter, but it is much better to stabilise people near to where their accident happened and then transfer them. Some cases will require a helicopter, but they are very expensive and the skies will be buzzing with them if everyone has to get to the trauma unit as fast as possible.

The Government is doing a lot of good work on prevention through its work on healthy eating in schools and encouraging children to play in the playground—that exhibition about children and play in the garden lobby was wonderful. As Eleanor Scott said, it is astonishing that there are 80 acres of golf course to 1 acre of playground. The swimming pools that used to be all around our cities were all closed because they were all neglected. The Victorians were pretty great at knowing what we needed, even though we had other problems, all those years ago. Many swimming pools were closed and we have had to build new ones, but we do not have enough. Aquatherapy is important.

We need more physiotherapists and allied health professionals. When we are making any changes, we should consider that change should not be for its own sake; it should provide at least the same service or a better one. I would like us all to consider that.

We sit in front of a mace on which are written the words “wisdom, justice, compassion, integrity”. When he accepted the mace from the Queen, Donald Dewar said:

“Timeless values. Honourable aspirations for this new forum of democracy, born on the cusp of a new century.

We are fallible. We will make mistakes. But we will never lose sight of what brought us here: the striving to do right by the people of Scotland; to respect their priorities; to better their lot; and to contribute to the commonweal.”

We all have that in our hearts and I think that the Scottish Executive has it in its heart. However, it needs to listen to more front-line managers, perhaps get rid of some targets, do more monitoring, and think and plan ahead.

## Crown Appointments

**The Deputy Presiding Officer (Trish Godman):** The next item of business is a debate on motion S2M-4380, in the name of Donald Gorrie, on behalf of the Procedures Committee, on its second report in 2006, on procedures relating to Crown appointments.

10:47

**Donald Gorrie (Central Scotland) (LD):** Thank you. I am happy to be moving the motion on behalf of the Procedures Committee.

I emphasise that the committee was asked to look at a very narrow aspect of the commissioners and their role—their reappointment. Since then, other committees and groups have become interested in the cost of the commissioners, whether we need so many, their remits and so on. The committee had nothing to do with any of that. Our report is only a small part of the overall picture. However, because of those other interests we will not press any of our recommendations, other than those on the standing orders. We will lay our recommendations on the table and push for them at the right time during the overall discussion.

The changes to standing orders on which members are being asked to vote are relatively minor. They will tidy up the system of reappointment and lay down rules that will enable the Scottish Parliamentary Corporate Body to bring whatever reappointment system is adopted to Parliament to be voted on. The same rules on the length of debates, majorities and so on will apply to appointments and reappointments.

We propose to delete two rules because they already exist in the Scotland Act 1998 or in the Scottish Parliamentary Standards Commissioner Act 2002. We do not see any point in having a standing order that just replicates a bit of an act. Whatever views members have on other aspects of the commissioners, I hope that the proposed new standing orders will receive general support.

For our report, we were asked to consider a number of different issues, the first of which was how to reappoint commissioners. Taking the approach of the Eurovision song contest, I say that the third and least popular proposition was that we just pat the incumbent on the head and tell them to carry on. That proposition received nul points.

Coming in second was the proposition that we rerun the initial competition. If a commissioner wanted to be reappointed, they would have to fight for their place against allcomers. That proposition was supported by Bruce McFee, who no doubt will speak with vigour and eloquence on the subject.

The remaining six members of the committee supported what we might call the middle road—a reappointment process that rigorously scrutinised how the incumbent had performed through a proper grilling by the SPCB. The difficulty is that if the commissioner's strength lies in the fact that they are entirely independent, how do we evaluate how well they have done? We grappled with that question for a long time and came to the conclusion that we should have an assessor who is knowledgeable about the commissioner's work to advise the SPCB on how the person had performed against the job specification and the legislation that set up their position. The assessor would not judge individual cases, but they would judge how well a person had performed in managing their operation, and they would provide advice to guide the SPCB's vigorous grilling of the commissioner. Six members of the committee thought that that was the best way forward, and I hope that it will be pursued.

**Alasdair Morgan (South of Scotland) (SNP):** I do not know whether I missed this point in the committee's report, but I cannot recall reading it: if a commissioner's reappointment is going to be turned down because they have received an unsatisfactory performance report, should not their bosses have warned them during their four or five years of tenure that their performance was becoming unsatisfactory, to give them a chance to remedy it? That is what would happen with a normal position. People do not suddenly get told that their performance is unsatisfactory and they are going to be dismissed. How do we get round that particular employment law problem?

**Donald Gorrie:** That is an important point, and I should have mentioned it. The committee discussed and agreed that more use should be made of the annual report that the commissioner is supposed to make. The relevant committee would question the commissioner on their annual report and obvious dissatisfaction would be made apparent. That would address Mr Morgan's point. I think that the report covers the issue but, if it does not, it is certainly one of the points on which we were keen.

We have tried to find what we think is a sensible route. It is difficult to attract very good people to these arduous jobs that might last for only four or five years. It would be easier to attract people to the jobs if they knew that, as long as they were performing well, they would get eight, nine or 10 years in the post. That had to be balanced against an open competition.

**Mr Bruce McFee (West of Scotland) (SNP):** Donald Gorrie assumes that even if the person is doing a good job and is the most suitable candidate, they would not be reappointed in an open competition, but presumably they would get

the job for a second term if they were the best person for it.

**Donald Gorrie:** Somebody even better might apply. The person in post might do well, but there might be somebody who the appointing committee feels is even better. There are difficulties in any approach to this issue, but the committee feels that its proposition is the fairest.

I will deal briefly with other points that the committee was asked to consider. We are totally against third-term reappointments, unless in very exceptional circumstances. On the removal of Crown appointees, the committee feels that the existing rules are adequate and that we do not need more of them. However, we made one minor point about voting thresholds: they are marginally different for different commissioners and they should be tidied up.

**Margo MacDonald (Lothians) (Ind):** Just before Donald Gorrie summarises, will he tell us where the consumer's voice comes into this? At the moment, it appears as if we are Pooh-Bah and we do it all, yet there is supposed to be an ombudsman who responds to public complaints.

**Donald Gorrie:** We are keen that they should be able to respond to public complaints without coming under pressure from us, but I do not think that there is any way of having a sort of plebiscite on whether a person should be reappointed. The situation would be dominated by two or three people who were not satisfied with a particular decision.

I want to make one other point about independence. Some rules allow the Parliament or the SPCB to give directions on the form and content of the annual reports of commissioner-type people. The committee feels that those rules should not be in place. They should be changed in due course and, until they are, the Parliament and the SPCB should not press the point. The independence of commissioners is key.

Members are not voting on such issues today, but I am presenting the Procedures Committee's report to Parliament. I hope that members will support the suggested changes to standing orders.

I move,

That the Parliament notes the Procedures Committee's 2nd Report 2006 (Session 2), *Procedures relating to Crown appointments* (SP Paper 515) and agrees that the changes to Standing Orders set out in Annexe A to the report be made with effect from 19 May 2006.

10:57

**Mr Bruce McFee (West of Scotland) (SNP):** As Donald Gorrie suggests, the Procedures Committee's report was wide-ranging and it has

been narrowed down to one proposal on changes to standing orders on the reappointment of Crown appointees.

I am aware of the Finance Committee's report on the accountability and governance of commissioners, and of the clear impacts that it had on the Procedures Committee's inquiry and report because of the crossover points. I hear the different views on how this Parliament should ensure that commissioners and ombudsmen are performing their duties well and stewarding public money properly. It is correct that we have a debate. However, the Procedures Committee's report accepts that such assessments should be a continuing process rather than a single event towards the end of a commissioner's term of office. Of course, we must always ensure that a commissioner's independence is not infringed. Those issues will take time to digest before recommendations can be made.

One issue of which I am certain is that the assessment process—whatever form it takes—should not prevent this Parliament from ensuring that it has the best available person for the job. Unfortunately, the proposed changes to standing orders will prevent that. They will, at a stroke, hand to the SPCB the ability to refuse to advertise a position, to refuse to seek or accept applications, to permit only one individual to apply—namely the present postholder—and to abolish competitive interviews. At the end of the process, everyone will express their surprise when the present postholder is reappointed.

There is no doubt about what will happen: the closed process will be followed by the SPCB. Time and again, the SPCB has told us that that is what it wants to do. It wants a non-competitive administrative process to reappoint commissioners. That is exactly the process that it used in the one opportunity that it had: there was a non-competitive interview.

During our inquiry, the Procedures Committee was never told about the drivers for change or about why we must adopt a closed-doors, non-competitive, shoo-in procedure. First we were told that the reason was cost. Then we were told that it was not cost but expertise and continuity—only for us to discover that, if the existing postholder possessed the appropriate level of expertise and other attributes, they could go forward to a competitive interview. Then we were told that a five-year term would deter people from applying in the first instance. Not a single scrap of evidence was provided to support any claim.

However, thanks to Donald Gorrie today, we now know why we need a non-competitive, closed-list, one-application-only procedure: it is in case there might be somebody "even better" for the job. What a wonderful principle on which to

base reappointments to posts—"For God's sake, don't open it up to competition, because we might get somebody who's even better."

Not a single scrap of evidence was provided to the committee to demonstrate why a change to a non-competitive administrative reappointment process was required, or why such a process was more desirable than an open and competitive process. We were told that cost might be a reason—it could be around £20,000 for the full process—but I submit that that is nothing compared with the millions of pounds that are spent by commissioners and ombudsmen.

A principle must be upheld any time that this Parliament makes an appointment or reappointment: the best candidate must get the job. That principle will be sacrificed if the proposed changes to standing orders are accepted. Not only will it leave us open to charges of offering jobs for the boys and girls, it will confirm that things are not done differently here and that, in the brave, new Scotland, positions are protected and challenge is not permitted.

Reappointments should be honest, open and competitive and should be aimed at driving up standards, not at accepting mediocrity simply because we do not want to rock the boat.

11:02

**Alex Johnstone (North East Scotland) (Con):** Bruce McFee is a hard act to follow. Throughout this whole process, he has been persistent in taking his isolated line.

**Mr McFee:** Will the member take an intervention?

**Alex Johnstone:** A very brief one.

**Mr McFee:** Does the member agree with Donald Gorrie that we do not want to open up the reappointment process to competitive interview because there might be somebody even better?

**Alex Johnstone:** No, I do not, and I do not think that that is what Donald Gorrie meant either.

Throughout the process, Bruce McFee, representing the Scottish National Party, has taken the view that we have been discussing some kind of automatic reappointment, but never at any stage did the committee believe it was talking about that. The request for us to consider possibilities for the process of reappointment for a second and possibly a third term was reasonable. Having considered the possibilities, we believed that it was reasonable that, if the right person was in the job and was doing a good job, they should expect to have a route by which they could be reappointed for a second term.

**Mr McFee:** Will the member take an intervention?

**Alex Johnstone:** No, not at the moment.

We went on to decide that third-term reappointment was inappropriate and that, in order to deal with any difficulties in appointing a replacement at the end of the second term, there should perhaps be limitations on the time of the second term, to allow some flexibility.

The one concern that the committee got bogged down in reflects the very point that Bruce McFee is most concerned about—that is, how we assess the quality of the person who is in the job so that we can decide whether it is appropriate for them to continue. That is the issue on which the committee found itself slightly at odds with the SPCB representatives who gave evidence. Yes, it is essential that the performance of incumbents is rigorously assessed, but how do we decide whether they have done the job appropriately and well, and how do we decide whether they are worthy of entering the reappointment process?

The corporate body seemed to think that it was in a position to make that assessment, and it may well be qualified to do so, but we disagreed, because there must be a truly unbiased, independent and non-political way of determining the performance of office-holders. We all know that we will disagree with decisions that they make, often for fundamentally political reasons. That should never be a reason for us to object to their holding their jobs. The competence and independence of those people is key, which is why we came to the rather clumsy but inevitable conclusion that an assessor has to be involved in the process. Although the corporate body resisted that idea, we have insisted that someone should have that role.

I turn to some of the other proposals. As Donald Gorrie said, a number of suggestions emerged as a result of the committee handling the SPCB's request. We have indicated that, at some time in the future, primary legislation might be necessary to end the possibility of reappointment for a third term; to standardise the procedures relating to the removal of postholders and the reasons for such removal; and to take away the power to direct the Scottish public services ombudsman on the nature of reports. Perhaps there should be independence on that.

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

**Alex Johnstone:** No.

I am keen to hear the views of members and the Executive on whether the Executive could introduce legislation to deal with those matters or whether a committee bill—which would enable the committee to make decisions about how to

proceed—is likely to be necessary. I await their responses with interest.

11:06

**Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** I am pleased to take part in the debate. I suppose that it is unusual for a committee member to acknowledge that the Executive will not accept all the committee's recommendations. As both the convener of our committee and Alex Johnstone mentioned, we hope to be able to address that situation later in the session by introducing a committee bill to deal with some of the issues that we uncovered in the course of our inquiry into the reappointment of Crown appointees.

As other members have said, some time ago the Presiding Officer asked the committee to examine the issue in detail. Bruce McFee said that the reappointment process should be open, honest and above board, but I do not agree; it must be open, honest and above board. There is no room for any doubt. The process must also be seen to be open and honest by members of the Parliament, the public and the office-holders concerned.

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

**Cathie Craigie:** I will move on. [*Interruption.*]

**The Deputy Presiding Officer (Murray Tosh):** Order. Mr McFee, the member who is holding the floor is not giving way.

**Cathie Craigie:** Thank you for your protection, Presiding Officer.

The committee was asked to consider the possibility of Crown appointees being reappointed and the introduction of procedures to deal with that. It was also asked to determine whether standing orders could be amended to specify the special circumstances under which it would be possible to reappoint some Crown appointees for a third term and whether a parliamentary mechanism could be introduced to facilitate the removal from office of Crown appointees. Those are all important issues.

As well as taking evidence, committee members brought their experience as parliamentarians to bear on how matters should proceed. We felt strongly that reappointment should not take place automatically and that an office-holder should be able to demonstrate that they have carried out their job confidently and ably and in a way in which we would have wanted it to be done.

**Mr McFee:** According to the letter from Margaret Curran that was distributed yesterday, the Executive does not accept the requirement for a second assessment. If a commissioner who is up

for reappointment receives a good assessment that says that he has done his job well, on what possible grounds could that individual fail the subsequent interview?

**Cathie Craigie:** We will have to wait for an answer on that and talk the matter through. In our report, we mention that there must be a mechanism to allow someone to be removed from post, as well as a way of measuring how an individual has carried out their job.

I hope that the Executive will find time in the parliamentary timetable to deal with those issues, because it is important that we get the process right. Although the present number of Crown appointees is manageable and the existing legislation can cope, we must ensure that we adopt a uniform approach to all Crown appointees' terms of office and to how they can be reappointed or removed from office. I hope that the Executive will welcome the adoption of such an approach as being in the interests of the good management of its organisation, of the Parliament and of public office-holders, who are accountable to the people of Scotland.

The Procedures Committee has given the matter a great deal of detailed consideration. We believe that it is important to put in place a mechanism that will allow us to deal with the necessary processes in the coming months, which are galloping towards us. We should agree to the motion in the name of Donald Gorrie, which seeks to put in place an administrative mechanism that will ensure the good and smooth running of the Parliament.

11:12

**John Scott (Ayr) (Con):** On behalf of the SPCB, I thank the Procedures Committee for undertaking such a comprehensive review of Crown appointees who are nominated by the Parliament. Throughout the committee's inquiry, the SPCB provided written and oral evidence and we are grateful to the committee for allowing us to do so.

The SPCB invited the Procedures Committee to consider changes to standing orders that would allow reappointments to be made and would clarify the special circumstances under which it would be possible for an office-holder to be reappointed for a third term, if that was desirable. The committee was also asked to assess the extension of standing orders to allow for the removal of those office-holders who are not already covered.

In general, the SPCB welcomes the recommendations in the committee's report and we will consider how we can give effect to most of them as soon as possible. In particular, we welcome the conclusion that the Parliament

should adopt a largely administrative reappointment process, as part of which office-holders would be subject to a panel interview conducted by the SPCB. It is already the case that an assessor is appointed to oversee any interview process to ensure the probity of reappointment proceedings.

We note the committee's recommendations that, prior to interview, an independent assessor should be appointed to undertake an appraisal of the office-holder's performance against a published set of criteria and that a report should be sent to the SPCB. We are considering the mechanics of introducing an appraisal process because we acknowledge that by introducing one not only would the SPCB be provided with an independent and comprehensive picture of the officer-holder's term in office, but the Parliament would have added confidence in the reappointment process.

**Mr McFee:** The member will be aware of Margaret Curran's letter, which states the views of the Executive. Doubt is expressed about whether it is necessary to have two assessments, which is a requirement that some members of the committee have hung their whole case on. After an assessment has been carried out and the SPCB has received a report that says that a commissioner is doing their job reasonably well, how could they fail a subsequent interview? On what grounds could that individual's reappointment be turned down?

**John Scott:** I am afraid that I am not aware of the letter. That is a matter of regret. If I may, I will move on.

Given the provision in all the enabling legislation for the SPCB to appoint an acting office-holder, we note the committee's recommendation that third-term appointments should not be made.

The committee also recommended that second-term reappointments should, as part of standard practice, be limited to four years. Although we will give serious consideration to that recommendation, our view is that we require the flexibility to be able to offer a shorter term in certain circumstances. For example, an office-holder might advise us that, for personal reasons, they wish to remain in post for only a further three years.

The committee has invited views on whether it should formally propose a committee bill to give effect to its recommendations for legislative change. The SPCB views that as desirable. In particular, we welcome the proposal to regularise the position of all office-holders in relation to removal from office and the provision of specific grounds for removal.

We are aware that the Finance Committee is undertaking an inquiry into the costs and

accountability of commissioners and ombudsmen, on which I will give evidence to the committee in June. That inquiry might highlight other changes that need to be made to the enabling legislation, so it might be prudent to await its conclusions before we further consider whether the Procedures Committee should lodge a committee bill.

The SPCB welcomes the Procedures Committee's proposed changes to the standing orders to provide for reappointments, and, for consistency, to delete rules 3.12 and 3A.2, which provide for the removal of office-holders. We welcome the proposal that the Parliament should instead rely on statutory provisions for the appointment and reappointment of all office-holders.

11:17

**David McLetchie (Edinburgh Pentlands) (Con):** The Procedures Committee is to be commended for undertaking its comprehensive review of the subject and for its identification of gaps and inconsistencies in the relevant legislation and standing orders.

I do not take issue with the recommendation that the SPCB should take the leading role in determining whether various office-holders should be recommended to the Parliament for reappointment for a second term. However, in paragraph 14 of the report, I note that the committee considered the option of reconvening the original selection panel, but discarded it in favour of the SPCB fulfilling the role. The committee did that because

"some or all of the members of the original Selection Panel may have moved post or left the Parliament altogether."

In that context, it is worth while making the observation that turnover in the membership of the Scottish Parliamentary Corporate Body is not exactly unknown. Indeed, not only does none of the original five members of the corporate body still serve in that capacity, but Sir David Steel and my friend John Young are no longer members of the Parliament. That said, I believe that the members of the SPCB can bring the necessary qualities to the role in question, the determining factor of which is not continuity of personnel but the ability to build corporate expertise over time and to demonstrate a degree of independence of judgment.

I was intrigued by the discussion of the performance assessments that independent assessors might undertake when the question of reappointment arises. In particular, I was intrigued to note the recommendation in paragraph 21 that the performance assessment should not be published. Of course, any objection to the

proposal may impose an intriguing dilemma for at least one of the office-holders whose reappointment may be under consideration.

The committee should be commended for its review of the maximum term that the various appointees can serve. I whole-heartedly endorse its recommendation that that should be rationalised and that a two-term limit should be set on all appointments. In that respect, the proposed committee bill to amend the various statutes would mirror the 22<sup>nd</sup> amendment to the constitution of the United States of America that was ratified in 1951. British Prime Ministers may aspire to go on and on, but presidents of the United States cannot do so. In my judgment, the US model is a better constitutional model for us to follow in the case of all our appointees.

We support the motion.

11:20

**The Minister for Parliamentary Business (Ms Margaret Curran):** I congratulate Mr McLetchie on livening up the debate. I will pass no comment on the longevity of certain office-holders in British political life.

I thank the Procedures Committee very much for its report and take this opportunity to emphasise the committee's contribution to the running of the Parliament. In my post, I am often in discussion with the Procedures Committee—usually our discussion is consensual, although I get the odd challenge from time to time. The Parliament is moving towards ensuring that we create parliamentary processes that fundamentally work. That is in the interest of members. The Procedures Committee, of course, champions that approach. The committee discharges its work effectively; this morning's debate is part of that.

The report makes recommendations on the reappointment and removal of Crown appointees and other ancillary changes in that regard. Those are primarily matters for the Parliament, given that it controls the governance of the posts, but the Executive has an interest in the matter. We sponsored the legislation that established the Scottish public services ombudsman—I need to think of a way of saying ombudsperson without it sounding clumsy—the Scottish information commissioner and the commissioner for public appointments in Scotland. It is clear that the Executive has a policy interest in the matter.

Of course and more generally, as members, we have an interest in the good governance of public bodies to ensure that value for money is achieved for taxpayers, from whom the money ultimately comes. Often, what is associated with the commissioners is the expenditure of public moneys, for which we are all accountable. The

Executive welcomes the opportunity to contribute to the debate.

I acknowledge my appreciation of the Procedures Committee for taking on board the wider points that I made in response to its inquiry. I think that we are all aware of the broader interest in the Parliament in the effectiveness, governance and accountability of the commissioners. That interest is cross-party and widespread; indeed, it has been the subject of debate in a number of avenues in the Parliament. Accountability and governance in relation to commissioners and similar appointments is the subject of a current Finance Committee inquiry. In addition, with the agreement of the Parliament, the Scottish Commissioner for Human Rights Bill will lead to the appointment of a commissioner for human rights. The Justice 1 Committee has a strong interest in that bill. I appreciate the wording in the amendments to our standing orders that the Procedures Committee proposes in that regard.

From my discussions with colleagues, I am aware of the strong consensus in favour of having coherent frameworks for governance and clear structures around accountability for the various commissioners and other appointments with which we are involved. It is important that the Parliament holds that broader debate. I welcome the approach to those broader issues that the Procedures Committee has taken in its report.

The Procedures Committee was tasked with offering a view on how best the Parliament should handle nominations for the reappointment of Crown appointees. In its report, the committee focused on the importance of establishing transparent procedures that would incorporate an assessment of an office-holder's performance of the relevant function to date. The Executive welcomes the committee's approach in recognising the need to establish the appropriate mechanisms to support the statutory obligations that are placed on the Parliament but which also preserve the independence of the office-holders. That point was emphasised in the debate.

Although the Executive respects, and in certain cases has promoted legislation to support, the independence of Crown appointees, there is obviously a requirement for the Parliament to have procedures under which the performance of those who hold positions of independence can be considered as objectively as possible. Clearly, that is unavoidable when there is a need to ensure the integrity of public functions and, of course, the best use of public funds. The committee's response addresses those issues and recognises the challenges and difficulties that need to be overcome.

Clearly, the arrangements that need to be put in place will differ from those that the Executive uses

routinely for its appointees. The role of the Parliament's Crown appointees is substantially different and requires an approach that underlines their degree of independence and takes account of the way in which they undertake their respective functions. Appraisal arrangements must reflect in principle and in practice that relationship, which is often different for the Parliament.

However, we are pleased that, as a starting point, the committee took account of the requirements that are placed on the Executive in relation to reappointments. Our general view is that the proposals for assessing the performance of commissioners and the reappointment procedures are sensible in principle. We probably go along with the SPCB's concerns about whether involving two assessors in the reappointment procedures is proportionate or practical. Perhaps a single assessor could undertake the tasks. However, that issue is not critical and it certainly does not jeopardise the Executive's support for the committee's proposals.

We note that the report recognises the independence of Crown appointees. We approve of the emphasis on that and of the recommendation that the criteria against which an office-holder's performance is measured should be made public. That recommendation aims to make clear the basis on which suitability is assessed and to avoid the accusation that decisions by an office-holder have impinged on their chance of being reappointed.

The Executive is happy to support the committee's motion and looks forward to considering the remaining recommendations in due course. I will take advice on legislative timetables. It would be wrong of me to make a legislative commitment now and to provide time for that, because many issues need to be factored in. However, I am happy to discuss that with the committee's convener and other appropriate people.

**The Deputy Presiding Officer:** I call Karen Gillon to wind up the debate for the committee. You have just over 13 minutes for your speech.

11:26

**Karen Gillon (Clydesdale) (Lab):** Aye, okay. Thank—you—very—much—Presiding—Officer. *[Laughter.]* It is not funny. Why do I always get the job of winding up? Donald Gorrie will do it next time.

**Mr McFee:** I can help the member with an intervention.

**Karen Gillon:** I am happy to take an intervention—as many as members like.

**Mr McFee:** As Donald Gorrie is a Liberal, my intervention may open a door to Karen Gillon. Does she agree with his assumption that one problem of opening the reappointment procedure to competition is that someone who is even better for the post might be found? Is it valid for the Scottish Parliament not to open reappointments to competitive interview simply because somebody who is better for the job might be found?

**Karen Gillon:** I promise to answer those questions after I have given the gist of my speech.

I thank all members who have spoken in the debate, which has been interesting. Alasdair Morgan made a fair point about appraisal. It is important for the Parliament continually to appraise the roles and responsibilities of people whom we appoint. That is a difficult job that we must perform while maintaining the postholder's independence. I hope that if somebody went way off the line, the Parliament would pass a motion of no confidence and that person would be removed from the post.

Bruce McFee has maintained his position throughout the committee's consideration of the subject. I have some sympathy with the points that he has made about having a competitive process. Under the non-competitive process, the SPCB must first assess whether the postholder is doing the job as we set it out. The SPCB always has the option of saying no and of opening the post to competition. The non-competitive process is cheaper and simpler when there is no good case for looking beyond the postholder, but it keeps options open when there is a case for doing that.

**Mr McFee rose—**

**Karen Gillon:** I will proceed with my point.

I understand the point that Bruce McFee makes about the view of my colleague Mr Gorrie. Sometimes, I disagree with the positions that the committee's convener takes in his various capacities. My response is that I hope that we have the best person in the job in the first place. Finding that person is the role of the initial interview and selection process. Continuity in such posts over two terms has benefits. Postholders need time to get into their job, to make contacts, to build relationships and to develop their team of staff. Having continuity over two terms of office allows a good-quality postholder the time in their second term to build on the experience and expertise that they gained in their first term.

**Mr McFee rose—**

**Karen Gillon:** I will take an intervention in a minute.

If we are serious about appointing to posts the best people—the people whom we want to take such positions—we must offer them at least the

option of having eight years in the post, if they are doing a good job. If we do not offer that, the quality of applicants for posts will be lower, because the posts will offer no job security. Bruce McFee knows that as the holder of a four-year fixed-term position that is reviewed under an open selection process. Some would say that that is why he will not go through that open selection process at the end of his four-year term. Postholders are given a role and responsibilities. If they fulfil them, they must have surety that they will be able to have their post for eight years.

**Mr McFee:** Perhaps a good argument has been made for non-competitive interview.

Does Karen Gillon accept that if an individual is doing the job that they are supposed to do, existing legislation offers every possibility that they can be reappointed for a second term as she desires? Will she answer the following question, which I have asked three other members who made the same proposal as she has? If a sitting candidate is given a good assessment and they have a non-competitive interview, on what grounds can they fail that interview?

**Karen Gillon:** I could have a great assessment but answer a question at my interview about how I intend to do my job in the next four years by suddenly changing my position. I could say, "Actually, I think what we've done in the past four years was a lot of rubbish and we should do this instead." If that diverged completely from what had been done, we could say that somebody should not be reappointed. If it emerged in the interview process that a person was flawed—if they made a racist, sexist or homophobic remark—that would give the corporate body reason to consider whether that person should be reappointed.

**Mr McFee:** The member is struggling.

**Karen Gillon:** I am not struggling. We must ask whether we want a full competitive interview process. I do not want such a process, which would not be in the best interests of the commissioners' posts. My personal view is that Scotland has far too many commissioners. The Finance Committee's inquiry should consider whether we have too many commissioners, whether duplication is taking place and whether there is room for considering existing roles and responsibilities. Before we establish any more commissioners, we should consider whether they are needed or whether other people could undertake the proposed roles.

David McLetchie made a fair point about selection panels. I accept his suggestion that we should seek to build up expertise in the corporate body. Perhaps the report's wording was not as clear as it could have been. The question that faced the committee was whether we should recall

an initial selection panel after four years or whether a more appropriate body in the Parliament could undertake that panel's role. If the first interview panel was recalled and it involved people who were no longer MSPs, they would no longer be accountable to the Parliament, so committee members felt on balance that it would be inappropriate for those people to be members of a reselection panel.

The corporate body's personnel might change in four years, but it is still the corporate body of the Parliament and it still has roles and responsibilities. Its members are accountable to the Parliament and are elected by the Parliament. That is why we felt that as the reappointments process operates—several reappointments will be due—the most appropriate body for the task was the corporate body, whose members are elected on a free vote of the Parliament.

**John Scott:** Does Karen Gillon accept that, to take on board the Procedures Committee's points, introducing an annual appraisal—as she has suggested—will go a long way towards satisfying everybody's desire for office-holders to do their jobs as best they can in the Parliament's view?

**Karen Gillon:** We have been grappling with this matter of reappointing for some time, as we always seem to do in the Procedures Committee. We do not like to do anything—and I mean anything—quickly.

**David McLetchie:** Even speaking.

**Karen Gillon:** I am trying to speak very slowly.

Having an annual appraisal process will help, but it is important for the way in which people perform their functions that there is a level of independence. I have been present when a person's character has been ripped to shreds on the floor of the Parliament. That person did his job, I think, completely without fear or favour to any party, yet he had to sit and listen to Mr McFee's colleagues ripping apart his character here in the chamber for no apparent reason. That illustrates one of the principal reasons why we must be careful how we appraise people and how we go through the reappointments process.

Commissioners and the Parliament are in a no-win position, whatever we do. If we choose to appoint somebody, the accusation will be levelled that they are just our poodle; if we choose not to reappoint a person, the accusation will be levelled that we are getting rid of them just because they did something that we did not like. We have a free press in Scotland, which can hold the Parliament to account. We have parliamentary committees that pride themselves on taking their job seriously and on carrying out their responsibilities.

It is important that there are relationships between the commissioners and the appropriate committees, so that annual reports can be considered and so that committees can consider what issues to pursue and what legislation might need to be changed. We can consider whether there are issues on which we might need to challenge the Executive. Are there ways in which the job of the commissioner in question could be improved or developed? The Parliament will have to take such decisions. It is a matter of doing so properly while maintaining the postholder's independence. The Parliament has to be very clear on that.

**John Scott:** Will the member note the current position in legislation, whereby appointees cannot take up office in public life again for three years? That issue has not been introduced into the debate. However, it means that the candidates of a suitable quality whom we might seek will put themselves in an inhibiting position when they first apply, especially if they have only one term in office. They might be excluded from taking up many positions for three years thereafter.

**Karen Gillon:** Mr Scott makes a very fair point. Despite my well-known reservations about commissioners, I am exceptionally keen to ensure that, when we choose to appoint them, we get the best people for the job. Mr Scott's point about people then not being able to do another job in public life is a fair one, as I said. If somebody has been doing a job and there is nothing in the way that they have done that job or in their interview that suggests that they have acted inappropriately; if the corporate body makes an assessment of that; if an appraisal of their job skills is made; if an independent assessment is made of their interview; and if all that is seen to be fair and accountable, that person should be given the opportunity to retain their post for eight years. That is entirely appropriate and we should accept it. That is the right way for us to proceed. Having said that, I respect those who hold a different point of view.

**Donald Gorrie:** Will the deputy convener reassure Mr McFee—perhaps I should have done so in my opening speech—that the proposed standing order changes will in no way inhibit his proposition from going through in due course, if that is the decision that is taken? It is not necessary for him to vote against the proposed standing order changes today. They merely tidy up the arrangements, whichever way we decide to deal with reappointments in due course.

**Karen Gillon:** Far be it from me to prescribe to Mr McFee the way in which he should vote. If the corporate body believes that an open selection process is appropriate for a particular job, I hope that it could implement that within the rules. I

support the motion in Mr Gorrie's name and I urge the Parliament to support it at decision time.

## Question Time

### SCOTTISH EXECUTIVE

#### General Questions

11:40

#### Youth Forum on Europe

**1. Linda Fabiani (Central Scotland) (SNP):** To ask the Scottish Executive whether it will join in the thanks to the senior school pupils from all over Scotland who participated in the youth forum on Europe in the Parliament on 7 and 8 May 2006 and whether it recognises the importance of youth contributions to the debate about our country's future. (S2O-9866)

**The Deputy Minister for Finance, Public Service Reform and Parliamentary Business (George Lyon):** I thank Linda Fabiani for this opportunity to put on record my congratulations and thanks on behalf of the Scottish Executive to the senior school pupils from Bell Baxter high school, Earlston high school, Greenock academy, Holyrood secondary school, Linlithgow academy, Mintlaw academy, Nairn academy and Strathaven academy, and to the other young Europeans, for their contributions to the our voice on Europe event. I was extremely impressed by the high quality of their contributions to the debate on the future of Europe.

**Linda Fabiani:** In recognising the importance of youth contributions, will the minister and the Executive reflect on the concern that was unanimously expressed by the youth contributors last week that the lack of emphasis on language training in our country is potentially damaging to our future? Ailsa Wallace of Mintlaw academy encapsulated the issue:

"However at the moment the Scottish education system's commitment to teaching two foreign languages has been undermined by the decisions of the Scottish executive."

Will the minister, in the spirit of youth participation, undertake to meet youth representatives who took part in last week's gathering to discuss the matter further?

**George Lyon:** We are happy to meet. I gave a commitment at the forum that all the contributions were being listened to. Scottish Executive officials were there recording the views that were expressed, and we gave an undertaking to respond to them and to take away with us the ideas and issues that were raised. Among the issues raised in the pupils' presentations to the youth forum were, first, that there is a widespread ignorance of all things to do with Europe. Secondly, there was the importance of Europe to

Scotland and to this institution, the Scottish Parliament, given that Europe drives much of the legislative programme that we implement here. Thirdly, there was the importance of Europe's impact on daily life. Whether it is to do with the health service, ferries or water quality, the European Union is an extremely important institution. I was pleased that the youth forum showed a willingness to engage further in the debate on how to improve integration and to make its views known to the European Commission and the other European institutions.

**Mrs Mary Mulligan (Linlithgow) (Lab):** I was delighted to join the young people and teachers of Linlithgow academy at the youth forum on Europe. Their enthusiasm for playing an active role in Europe, which has already been referred to, was inspiring. How will the Scottish Executive ensure that all schools keep their young people informed of the opportunities that the European Union can offer them in various aspects of their lives?

**George Lyon:** As I said in response to Linda Fabiani, Executive officials attended the forum and took a note of all the views that were raised. I understand that the Scottish Parliament will be writing up a report on the event, which it will send as a response to the European Commission's plan D for democracy, dialogue and debate. The views that are expressed will help with the Scottish Executive's conclusions on its building a bridge between Europe and its citizens project, which examines how European institutions can better engage with their citizens.

A further event will be linked with the building a bridge between Europe and its citizens project. Commissioner Margot Wallström will be in Scotland. She and the First Minister will host an event at which children from throughout Scotland, including those who took part in the youth forum here in the Parliament, will be invited to come along and ask questions directly of both the First Minister and Commissioner Wallström. I hope that that event will prove to be just as good as the one that we held here in the Parliament.

#### Substance Abuse (Child Protection)

**2. Pauline McNeill (Glasgow Kelvin) (Lab):** To ask the Scottish Executive what assurances can be given that children removed from substance-abusing families are placed in nurturing family environments. (S2O-9892)

**The Deputy Minister for Education and Young People (Robert Brown):** When a child becomes looked after, the local authority has a duty to safeguard and promote the child's welfare. For many children, that will mean being placed with foster families, for others it will mean being placed with other relatives, and for a small number

a children's home or unit will be in their best interests.

**Pauline McNeill:** The report, "Hidden Harm—Next Steps: Supporting Children—Working with Parents", is one of the most important pieces of research that the Executive has done to date, because of the focus on children and the inference that we will take firmer action to remove children from substance-abusing families, at least for a while, to protect the family and, more important, the child. What assurances can the minister give me that children will not just be taken out of families and put into care? What monitoring will the Executive do to ensure that those children will have an environment that will keep them safe and secure and that attempts to normalise their childhood? What resources is the Executive prepared to put in to implement the "Hidden Harm" report, including meeting the need, to which the minister has referred, to attract more foster families and foster carers?

**Robert Brown:** The many questions in Pauline McNeill's supplementary were all important. It is important to remember that the central issue is the best interests of the child, and what is best for the individual child will vary according to circumstances. The primary duty under the Children (Scotland) Act 1995 is to safeguard and promote the welfare of children in need. It is obviously important to keep families together where that is possible, and one of the priorities that emerged from the "Hidden Harm" document and from many other studies was to do with the importance of retaining family links and of supporting families to become drug free. We should remember, however, that drug abuse by parents is a major risk factor for children, and we have to balance how such issues are handled.

As far as monitoring is concerned, that is a matter for all the relevant professionals. In the legislation, the administrative actions and the letters that have gone out from the Scottish Executive, we have been at pains to make it clear to everyone that it is everyone's job to ensure that the children are all right. We will be legislating later in the year to provide new powers to compel agencies to share information and to build on that.

Significant resources are being allocated to the general area of caring for children in such circumstances, through grant-aided expenditure support for local authorities and through a variety of other funding mechanisms. Pauline McNeill will be aware that a fund of £12 million over two years has been made available to support the recruitment and retention of foster parents, because it is important that wider choices should be available. There are pressures on the number of foster parents, as we are all aware, and Pauline McNeill will be aware of the activity that is taking

place to tackle those pressures, particularly in Glasgow, where there is a great need to bring in some of that money, together with the local authority's money, to mount a major campaign to recruit foster carers in the city.

**Fiona Hyslop (Lothians) (SNP):** The Parliament's Education Committee heard yesterday from Glasgow City Council that, increasingly, many of the children removed from substance-abusing families are babies in the zero-to-two age group who have themselves suffered because of substance abuse. Can the minister reassure me that any families taking in such children will have continuing care and support, because many of those children will have health and learning difficulties for some years to come as they grow up?

**Robert Brown:** Fiona Hyslop is absolutely right. Against the background of that difficult problem, there is an increasing emphasis on early intervention at the right time, to avoid families getting into a position where children are damaged in the long term by those early difficulties. The issue is linked to the question of having enough foster places for those children, as I mentioned before, and to the question of the input into individual families. Some families can be supported, because it is not by any means the case that all drug-abusing families are unsuitable for bringing up children. However, families need support, monitoring and backing, and it is important that we are able to make decisions at the right time and in the right way, and that a wide range of possibilities is open to us. It is not a simple issue. A whole series of issues are being brought together in dealing with funding, support and the professional duties on the authorities.

**John Swinburne (Central Scotland) (SSCUP):** What assurance can the minister give regarding kinship carers, given the disparity across the country from one council to another? Of the 32 councils, some do very well and pay kinship carers the same amount as is paid in a fostering allowance, while others give absolutely nothing. Can he assure me that where, with the approval of social workers, children are placed with kinship carers, those children will be financially cared for?

**Robert Brown:** John Swinburne raises another important point. The wider family is a huge resource when it comes to looking after the interests of children. The issue is complex because of the different situations that can exist.

Mr Swinburne will be aware that we are doing two things in this connection. First, the Minister for Education and Young People announced in March that a fostering strategy was to be developed. The matter is currently being taken forward. Secondly, we are taking powers in the Adoption and Children (Scotland) Bill to provide for a national scheme of

fostering allowances. Kinship support will be considered as part of that exercise.

### **Road Traffic Volume (Target)**

**3. Patrick Harvie (Glasgow) (Green):** To ask the Scottish Executive how congestion and vehicle emissions will be reduced if the target for stabilising the volume of road traffic is removed. (S2O-9850)

**The Minister for Transport and Telecommunications (Tavish Scott):** The recent publication of "Changing Our Ways: Scotland's Climate Change Programme" demonstrates the commitment of the Scottish ministers to tackling emissions and climate change and to developing further carbon savings. Evidence suggests that road traffic levels are still rising. We are considering the 2021 target, its underpinning environmental and economic aims and the best way to achieve them as part of the consultation on the development of the national transport strategy, which was launched on 20 April 2006.

**Patrick Harvie:** The shifting of the goalposts is a regular problem in this policy area. Does the minister recall the words of John Prescott when he came into office? He stated:

"I will have failed if in five years time there are not ... far fewer journeys by car."

Would not the Scottish Executive, by abandoning its existing target, similarly shift the goalposts? How can the Scottish public be confident that any new criteria of failure will not be abandoned or redefined in future?

**Tavish Scott:** I am not responsible for John Prescott. That is probably a good thing for us both.

A consultation is taking place on the national transport strategy, so it is unfair and incorrect of Mr Harvie to say that any target has been abandoned. The purpose of the national transport strategy consultation is to assess those matters. I am sure that Mr Harvie will want to contribute to the consultation. The issue is serious and I recognise the seriousness of the points that he raises. I am sure that he also recognises the work that we are doing on the target to have biofuels constitute 5 per cent of the fuels on sale on garage forecourts by 2010. If we can achieve that target—I hope that we can not only achieve it but do considerably better—it would be equivalent to saving a million tonnes of carbon emissions produced by road transport. We cannot ignore the realities of our transport system and the contribution that transport makes to emissions. That is why we must place those matters in the context of the overall climate change programme.

**Roseanna Cunningham (Perth) (SNP):** Recent written questions to the minister indicate that traffic

flows on long stretches of road in my constituency are counted by a single traffic counter. That would not seem to allow the minister to establish the frequency and extent of commuter traffic between significant settlements, for example along the Perth to Stirling stretch of the A9. If he cannot do that, how can he decide on future public transport requirements? It will, of course, be necessary to do so if we are to reduce emissions in future.

**Tavish Scott:** I am happy to investigate specific issues that members have in relation to the methodology that we have adopted on traffic counting, the evidence that is necessary to inform investment in our roads infrastructure and the comparators that we use when we consider public transport improvements.

**Alex Johnstone (North East Scotland) (Con):** Does the minister agree that one man's increased traffic volume is another man's economic development and that the best way for Scotland to tackle emissions and road traffic is to improve the road network to bring an end to bottlenecks and traffic jams so that we can get on with building the economy?

**Tavish Scott:** I am sure that Mr Johnstone accepts that we are improving the road network. It is because of this devolved Government and this coalition Government's work that we are investing solidly in local road improvements—in collaboration with local government—and in the trunk road network.

I am sure that Mr Johnstone would also want to be fair and reflect that transport has an environmental consequence. We need to consider carefully the consequences, not necessarily for Mr Johnstone or me, but for future generations. That is an important factor. The national transport strategy, which is being taken forward in a national consultation, must be put in the context of the climate change programme that I mentioned.

### **Scottish Enterprise**

**4. Jim Mather (Highlands and Islands) (SNP):** To ask the Scottish Executive what changes it has requested in the operational and financial management and performance and financial reporting of Scottish Enterprise in response to the recent overspend. (S2O-9821)

**The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Nicol Stephen):** The Scottish Executive receives regular resource budgeting reports from Scottish Enterprise as part of the current operational and financial management arrangements. The Executive has asked for those reports to be extended and to identify more clearly issues of concern. In preparing the reports, Scottish Enterprise will itself have better information

following implementation of the KPMG recommendations. For example, KPMG suggested a number of ways in which financial analysis could be improved. It also recommended that Scottish Enterprise maintain a firmer grasp of likely non-cash costs throughout the year by reporting as part of its monthly management accounts and by the production of quarterly balance sheets.

**Jim Mather:** I thank the minister for that answer. In the interests of openness, can Parliament now see a full, comparative, time-series report that shows the resources that were applied to every programme and recipient in 2004-05 and 2005-06, in order to ascertain what is continuing and what is being discontinued?

**Nicol Stephen:** The detail of its budget is largely a matter for Scottish Enterprise, although I will continue to take a close interest, as no doubt will all MSPs, in the impact of the budget and operational plan for 2006-07. The Scottish Enterprise board approved the budget last Friday. The operating plan will be submitted to me, as Minister for Enterprise and Lifelong Learning, and I understand that Scottish Enterprise has agreed to submit the operating plan to the Enterprise and Culture Committee, too, which seems to me to be appropriate. I am sure that all in the chamber will continue to be closely involved in the developments at Scottish Enterprise.

**Murdo Fraser (Mid Scotland and Fife) (Con):** I wonder whether the minister is now in a position to tell us—he could not tell us last week—from where in his budget the additional £45 million for Scottish Enterprise is coming. In other words, which other budgets will be cut?

**Nicol Stephen:** No budgets will be cut and it is important that that is emphasised and made clear. The additional cover that was provided was found from previous underspends in the Enterprise, Transport and Lifelong Learning Department and will be found this year from tight management of the department's operational budget. That will clearly involve reduced flexibility as the year goes on. I should emphasise, however, that the department has a budget of over £5 billion and it seems to me to be entirely achievable and manageable to deliver the additional investment that we are putting into Scottish Enterprise. I repeat that that investment is resource cover—non-cash cover—apart from the additional £5 million that Scottish Enterprise will raise from additional receipts.

**Karen Gillon (Clydesdale) (Lab):** Does the minister accept that in constituencies such as mine, which has a backlog of £40 million of non-rural roads expenditure, the ability to find the amount of money that has been found in the Scottish Executive's budget for Scottish Enterprise causes wonder about why that money was not

spent on non-rural roads, which spending is a commitment in the Executive's partnership agreement?

**Nicol Stephen:** Those are important judgments for ministers to make. Of course, I realise that there will always be competing priorities in Government. It was clear at one point, just a few weeks ago, what the scale of the cuts that were likely to be imposed by Scottish Enterprise would be if ministers did not take action. The cuts would have been across a range of projects at the local level, including training programmes, modern apprenticeships and the business gateway. There was an outcry about the extent of the cuts that would have been implemented at local level. I thought that it was appropriate to take action.

### Fear of Crime

**5. Mr Charlie Gordon (Glasgow Cathcart) (Lab):** To ask the Scottish Executive whether fear of crime is measured regularly in Scotland. (S2O-9878)

**The Minister for Justice (Cathy Jamieson):** Fear of crime is measured regularly, in both the Scottish crime and victimisation survey and the Scottish household survey.

**Mr Gordon:** I am grateful for that answer. Does the minister share my view that one of the best ways to reduce fear of crime and thus to improve people's quality of life is to have uniformed police officers on foot patrol? Will she encourage chief constables to make more use of that operational response to fear of crime and, indeed, to crime itself?

**Cathy Jamieson:** It is important that communities have confidence in the police services that are provided. There is no doubt that police visibility, backed up by community wardens, is important. I hope that initiatives such as the one that we announced this week for 1,000 additional metal detectors to tackle knife crime will enable the public to be reassured that the police are there and ready to act.

**The Presiding Officer (Mr George Reid):** Before questions to the First Minister, members will want to join me in welcoming to the chamber Pascal Couchepin, Switzerland's Minister for Home Affairs, who is in Edinburgh to open Switzerland's new consulate general. [Applause.]

## First Minister's Question Time

12:01

### Prime Minister (Meetings)

**1. Nicola Sturgeon (Glasgow) (SNP):** To ask the First Minister when he will next meet the Prime Minister and what issues they will discuss. (S2F-2296)

**The First Minister (Mr Jack McConnell):** I have no immediate plans to meet the Prime Minister.

**Nicola Sturgeon:** I remind the First Minister that Tony Blair said this week that without new nuclear power stations there will be a dramatic gap in our targets to reduce carbon emissions and we will become heavily dependent on foreign gas. However, the Sustainable Development Commission, which was set up to advise the Government, has said that in its expert opinion we can meet our carbon targets and our energy needs without new nuclear power.

What is the First Minister's view on the necessity for new nuclear power stations?

**The First Minister:** There are two necessities. One is the necessity to ensure that we have a solution to nuclear waste and that that solution is sustainable. Secondly, there is an absolute necessity to have an intelligent debate about this.

As I have said in a different kind of chamber on a number of occasions in recent weeks, on the one hand we have to deal with the nuclear waste issue, which those who advocate more nuclear power stations in Scotland need to address; on the other, given that more than a third of the electricity generated in Scotland comes from nuclear, those who say that there is no case at all for nuclear power in Scotland have to say how we should fill that gap.

We need to have an intelligent debate in Scotland—that is the absolute necessity.

**Nicola Sturgeon:** I know that the question, "What will replace existing nuclear capacity?" has to be answered, but I did not ask the First Minister to repose that question; I asked him what he thinks the answer is.

What side of the debate is the First Minister on? I do not agree with Tony Blair on the issue, but at least he has nailed his colours to the mast. Tony Blair said that new nuclear power is necessary and that not to take a decision on it "now"—not in the future, but now—would be a "serious dereliction of duty."

Does the First Minister agree with the Prime Minister—yes or no?

**The First Minister:** I am quite happy to explain which side of the debate I am on. I am on the side of electricity consumers and business in Scotland now and into the future. I believe that what they want us to do is not consider additional new nuclear power stations in Scotland without having resolved the issue of nuclear waste, because of the impact it has on future generations. That is absolutely vital as far as I am concerned.

However, on the other side of the coin, I think that it is important that we address the energy gap that would be created if we simply ended the role of nuclear in Scotland without having an answer to the replacements that might be required. Therefore, it is vital that we consider the facts and the evidence and ensure that the decisions that are made about the future of electricity generation in Scotland are based on the needs of consumers, the needs of Scottish business and the need for a decent environment in Scotland for generations to come.

**Nicola Sturgeon:** It seems that the First Minister is on both sides of the debate. Is not that the mebbes aye, mebbes no approach to leadership? Where I agree with Tony Blair is that to dodge the issue, hide behind a form of words, show no leadership whatever, as the First Minister is doing, is a serious dereliction of duty.

Is not it the case that we know where Tony Blair stands? As of this morning, we know where Gordon Brown stands. He will back nuclear, too. We know that here in this Parliament, the Scottish National Party, the Greens and the Liberals oppose new nuclear power stations, because there are better alternatives. Is not it reasonable for the Scottish people to ask and be told what side of the fence their First Minister is on?

When the Prime Minister says that nuclear is a necessary part of the mix and that we must make a decision on that now, not in the future, does the First Minister agree with him or not?

**The First Minister:** There is only a certain number of times that I can answer the same question with exactly the same answer, but I will do so again. It would be an absolute dereliction of duty if I ruled out options for the future for Scotland. I believe that it is important that, as part of this debate on the future energy policy of Scotland on electricity generation, we say that we need to address the fact that, if there were no nuclear power stations in Scotland, that gap would have to be addressed in some other way. The Scottish National Party, perhaps more than any other party in this chamber, fails to address that issue. That is because of its contradictory position on renewables, never mind its position on nuclear or other forms of energy.

However, it would also be a dereliction of duty on my part if I approved, or encouraged ministers to approve, new nuclear power stations in Scotland without a resolution to the nuclear waste issue. I believe strongly that nuclear waste has an impact not just on people today but on future generations. It is an issue that we in Scotland need to address because we have to be part of the solution, not just part of the problem. Unlike the nationalists, who abdicate this duty, we have to acknowledge that we in Scotland have a duty to deal with that issue in order to protect future generations and to ensure that energy policy and decisions on new power stations are made in the most sensible and reasonable way.

**Nicola Sturgeon:** In the Prime Minister's words, not mine, the dereliction of duty is to dodge the issue and dodging the issue is what the First Minister is doing. Why will the First Minister not show some real leadership? Why will he not follow the advice of the Sustainable Development Commission, which was set up to advise him, and rule out the distraction of a heated nuclear debate and, instead, concentrate on the alternative sources of energy that we need to replace dirty, expensive, unsafe nuclear power? Would not that be showing real political leadership?

**The First Minister:** I do not think that it is political leadership to rule out options. Further, I do not think that it is political leadership to advocate a solution—I assume that that is what Ms Sturgeon was doing when she mentioned renewables—and then consistently join SNP members across the country in opposing wind farms and other forms of renewable energy generation. The difference between policy and action on the part of the SNP becomes all too apparent.

We need a consistent energy policy. We need to get that from business organisations, consumers and environmental groups. I believe that to achieve a consistent energy policy, we have to address two issues. First, the nuclear waste issue must be dealt with before we consider new nuclear power stations. Secondly, if we are, at some point, not to consider having new nuclear power stations, we have to address the gap that that would create in Scottish electricity generation. The SNP addresses neither of those issues. It abdicates responsibility for them. In both cases, that is a real failure of leadership.

### **Cabinet (Meetings)**

**2. Miss Annabel Goldie (West of Scotland) (Con):** To ask the First Minister what issues will be discussed at the next meeting of the Scottish Executive's Cabinet. (S2F-2297)

**The First Minister (Mr Jack McConnell):** The next Cabinet meeting will discuss issues of importance to Scotland.

**Miss Goldie:** As the First Minister and his Liberal Democrat colleagues in the Scottish Executive are so keen on newspaper advertising, can he tell me how much of the £3.7 million of taxpayers' money that has been spent on advertising in the past 20 months was used to inform patients in Scotland that, under European Union regulations, they are entitled to seek treatment in other European countries, paid for by the national health service?

**The First Minister:** I do not know, but I suspect that very little of that money was spent in that way. There are far higher priorities for public information campaigns in Scotland. For example, campaigns on road safety and public health are an absolute necessity. Further, the events of the past two weeks have shown clearly that campaigns on sexual health and sexual education for young people and their parents, to ensure that young people take more responsibility for their lives, are also essential. Those should be the priorities for public information campaigns, not what Miss Goldie outlines.

**Miss Goldie:** I hope that the patients in Scotland who are suffering and in pain while they wait for treatment listened closely to the First Minister's answer. The entitlement about which the First Minister knows so little is exercised by applying for something called a form E112. Most people in Scotland have never heard of the facility. I have a constituent who was totally ignorant of the procedure and his general practitioner also seemed unaware of it. My constituent confirmed that it was never brought to his attention by his local hospital.

Presumably, the scheme is designed to be in the interests of patients who need treatment that is not available or cannot be provided quickly enough in this country. Why is the First Minister so shy about telling people in Scotland about their right?

**The First Minister:** Obviously, I am not sure off the top of my head exactly what communications there have been between the health service nationally and individual GPs about the procedures that they should follow to inform their patients of that particular option and form.

However, I can tell Annabel Goldie that in a speech to health service professionals in Dundee in—I think—February 2003, and consistently since then in speeches, articles, communications and debates in the chamber, we have made it absolutely clear that if health boards do not meet the targets that we set for individual treatments, and patients or their GPs want to choose other locations either in Scotland or elsewhere in the UK or Europe, they have the right to do so and we will ensure that that guarantee is met. That has been crystal clear since at least early 2003, if not significantly longer, and it remains our position

today, but I am happy to ensure that Annabel Goldie is informed about the individual communications and advice that is given to GPs to ensure that they are aware of the procedures that they have to follow.

**Miss Goldie:** I am certainly reassured by the First Minister's commitment to support the EU regulation, but I have to say that it must be one of the best-kept secrets in Scotland. It is an entitlement for all NHS patients in Scotland. For the benefit of those who, as we speak, are in pain and incapacitated because of undue delays in treatment, will the First Minister today stand up for patients' rights and broadcast more publicly the availability of the entitlement?

**The First Minister:** As I said, I am happy to look into what communications have taken place and what guidance is available to individual GPs and patients and to ensure that it is as clear as it can be. However, I stress that our absolute priority for the health service in Scotland is to ensure that people can have treatments in Scotland within the guaranteed waiting times that they have been given.

The guaranteed waiting times, which were met on 31 December last year for both out-patients and in-patients, are being reduced this year. We look forward to seeing the health statistics next week, which we hope will show further improvements. We will also ensure that we work towards the guaranteed waiting times that we have set for the end of 2007, because that is a far better option for people in Scotland than having to travel overseas.

**The Presiding Officer (Mr George Reid):** I will take two constituency questions.

**Margaret Smith (Edinburgh West) (LD):** Will the First Minister tell us how much the Scottish Executive's decision to relocate sportscotland jobs from Edinburgh will cost, which budget the money will come from, and whether funds will be taken from front-line sports services and bid preparations to pay for it? Will he also tell us whether the relocation satisfies the terms of the Scottish Sports Council's royal charter and confirm that, because of the charter, it was the management of sportscotland, rather than ministers, who had the ultimate power to make the decision?

**The First Minister:** The Minister for Tourism, Culture and Sport was to make an announcement about the matter today. I am not sure whether that is in the public domain yet, with all the details. I am happy for her to outline all those details. However, I can guarantee that the financing of any relocation will not lead to a diminution of the amount of money that is available for sports in Scotland. Our commitment to sports activity, facilities and

education in Scotland remains absolute. The relocation of sportscotland's headquarters is designed to ensure that there is an improvement in that work throughout Scotland, not a diminution.

**Mr Duncan McNeil (Greenock and Inverclyde) (Lab):** The First Minister will be aware of this week's press reports that highlighted the high rates of infant mortality in my constituency. He will also be aware that, in Scotland, each year, 300 babies are born addicted to heroin. Does the First Minister agree that that terrifying picture of modern Scotland is unacceptable? Will he assure the Parliament that he will consider every available option to turn the situation around?

**The First Minister:** First, I recognise the strong views that Duncan McNeil holds on the matter because of his strong commitment to improving the lives of adults and children in his constituency. I welcome his contribution to the debate, although obviously we are not committed to at least one proposal that he has made in the past seven days.

I strongly suggest that we need to take a reasonable but radical approach to the issue. Last Monday, Cathy Jamieson and I met a number of mothers who were or had been addicts. I met a five-year-old youngster who had been born with an addiction because of his mother's addiction. That youngster is lively, healthy and making progress, which is a good thing and is partly because his mother has been helped away from her addiction by good rehabilitation.

There are issues about good rehabilitation and supporting youngsters in their development, which might be delayed, but there is also an issue about ensuring that youngsters are not born into such situations in the first place. Therefore, we need an open and radical debate about how we deal with the issue and we should not close down options or attack people for making radical suggestions when their intentions are very well meaning indeed.

### Steel Commission

**3. Campbell Martin (West of Scotland) (Ind):** To ask the First Minister whether the Scottish Executive's Cabinet has discussed the recommendations of the Steel commission report, "Moving to Federalism—A New Settlement for Scotland", and what the outcome was of any such discussions. (S2F-2309)

**The First Minister (Mr Jack McConnell):** I think that when the report was initially published it might have been mentioned in an information report before Cabinet, but we have not discussed the matter at Cabinet.

**Campbell Martin:** Does the First Minister accept that the conclusions and recommendations of the Steel commission report indicate that even within the Executive parties there is a strong

feeling that the powers of the Scottish Parliament are incomplete? Does he accept that in the Parliament and throughout Scotland there is strong support for an increase in the powers of the Parliament, up to and including full sovereign powers?

I think that all members accept that the Executive and the Parliament are ambitious for Scotland. Does the First Minister think that we can achieve our ambitions without there being any enhancement of the current powers of the Parliament?

**The First Minister:** As I think I have said in the Parliament on a number of occasions, I welcome the Steel commission's contribution to the debate.

I want to focus on the particular points that Campbell Martin made. There is a debate to be had on the matter, which I welcome. Indeed, I would welcome more honesty from some parties about their position, because it would be healthy for us to have that discussion. However, it is absolutely wrong to portray the advocacy of an entirely independent Scottish state, which is very much the position of Campbell Martin and his former colleagues in the Scottish National Party, as the gradual securing of more powers for the Scottish Parliament. Let us have an honest debate on the matter, in which the SNP, Campbell Martin and others tell us what the impact of a separate state in Scotland would be on our currency, our army—*[Interruption.]* I hear complaining from the SNP benches, so I give an example. Over the past few years the SNP ran a campaign to save the British regiments, but this week Christine Grahame complained that the regiments are recruiting in Scottish schools. The SNP points this way and it points that way, on regiments, on fiscal powers, on interest rates, on the currency and on every other issue.

I recognise Campbell Martin's sincerity, honesty and absolute consistency on the issue and I admire him for those qualities, which I suspect are the main reason why he is no longer a member of the SNP. I wish that the SNP was as consistent and honest as Campbell Martin is—I look forward to having the debate when that happens.

**Campbell Martin:** That was almost praise—I do not know whether I liked it.

The First Minister knows that I no longer have any party-political affiliation. I genuinely ask such questions because we need to learn from seven years of devolution and think about where we are and where we go from here.

Does the First Minister agree that it will ultimately be for the people of Scotland to decide, through a Scottish general election, what level of enhancement to the powers of the Parliament there should be, and that if they vote for full

sovereign powers—or independence, as some of us like to call it—nothing should be put in the way of their democratically expressed will? Does he think that that decision would still have to be endorsed in a referendum?

The First Minister expressed a desire for honesty. Can we have an honest debate in the Executive's time in the chamber on where we should go in building the Parliament's powers?

**The First Minister:** I will happily consider the suggestion that there should be a debate in the chamber on an independent Scotland. I am sure that such a debate would be a pleasure. It would be interesting to try to eke out the SNP's ideas on independence.

Campbell Martin has made a valid point. I agree that the people of Scotland should ultimately decide what Scotland's constitutional position should be, but the matter has been resolved for the moment by the referendum in 1997, in which a massive majority voted in favour of the establishment of the Parliament and its current powers. I would welcome a debate on what the future might hold for Scotland and would be happy to participate in it, but say to colleagues that we must get on with the business of using the powers that we currently have and making the settlement work.

### Nurseries (Hygiene)

**4. Scott Barrie (Dunfermline West) (Lab):** To ask the First Minister what provisions are in place to ensure that child care nurseries meet statutory hygiene requirements. (S2F-2304)

**The First Minister (Mr Jack McConnell):** Under the Regulation of Care (Scotland) Act 2001, all nursery services must be registered with the Scottish Commission for the Regulation of Care. Ministers have made various regulations under the act and have set national care standards that registered services are expected to meet. The care commission regulates service providers against the act and the regulations, taking account of the standards. It has a range of powers under the act, including the power to make recommendations and/or requirements in respect of a provider, to place conditions on a registration, to use formal improvement notices and, ultimately, to close a service if doing so is warranted.

**Scott Barrie:** I am sure that all members will welcome the news that those who have been affected by the E coli outbreak in my constituency are continuing to improve.

In the light of the First Minister's answer and the answer that he gave me last week, does he agree to consider how recommendations or concerns that the care commission and Her Majesty's Inspectorate of Education have highlighted are

acted on? In particular, does he agree that time delays between any inspection that has taken place and the publication of the subsequent report should not be allowed to compromise areas of concern? Should the care commission and local authorities be more aware of any deficiencies that are identified and ensure that they are immediately acted on?

**The First Minister:** Obviously, I am conscious of Scott Barrie's constituency interest in the matter and his representations and questions to ministers in recent weeks. I am sure that all of us are thinking about the children who are involved and their families.

I want to make two points. First, we should support the care commission in ensuring that appropriate action is taken as a result of the incidents that have occurred and that lessons are learned from them for the individual establishments and the company that is involved.

Secondly, on those who are involved in drafting reports, the action plans that those reports create and the speed of the process, I am certain that the care commission, as well as ministers, will want to review matters as they develop and ensure that any lessons that are learned are acted on as quickly as possible.

### Underage Pregnancies

**5. Christine Grahame (South of Scotland) (SNP):** To ask the First Minister what plans the Scottish Executive has to improve parental education in light of recently published figures on the number of underage pregnancies. (S2F-2310)

**The First Minister (Mr Jack McConnell):** Parents and all carers play an important role in explaining responsible sexual behaviour to children. Parents are supported through sure start Scotland and other programmes, and schools provide a range of life skills courses to young people.

**Christine Grahame:** I thank the First Minister for that answer. I have obtained recent figures that reveal that six children in Scotland had conceived at the age of 12. Is the First Minister aware of that? I speak as one former school teacher and current politician to another. I think that we agree that teachers, educators and politicians cannot undertake change on their own. I think that the First Minister has also said that good parenting provides an important role model to children learning personal responsibility.

Will he therefore advise the chamber whether he agrees that teaching parenting skills should be a priority in social education and integral to sex education, so that Scottish children do not continue to have children? Will he also take the opportunity to make it clear to me that he has not

endorsed Duncan McNeil's proposal—I think that he called it a radical proposal—for the chemical sterilisation of methadone users? I find that proposal both crass and sexist.

**Mr Duncan McNeil (Greenock and Inverclyde) (Lab):** On a point of order, Presiding Officer. I ask Christine Grahame to withdraw that remark. I never said in any statement in the chamber, publicly or anywhere what she just described. I ask her to withdraw her remark and to apologise unreservedly.

**The Presiding Officer:** I will reflect on that and come back to it before we close, Mr McNeil.

**The First Minister:** I have three points to make in response to Christine Grahame. First, I have made clear my position on Duncan McNeil's contribution to the debate. The issues that he identifies are important, and the measured way in which he made his radical proposal means that it deserves debate and attention. We need to consider a variety of radical options that might help to reduce the problems that are caused in those circumstances.

I have two points to make about parenting. First, some high-quality parenting education is already going on in our schools. However, it is not enough. It is clear to me that youngsters in Scotland—where extended families no longer exist in communities as they once did and where many of the affected youngsters no longer have parents who are good role models in this modern age—need to be able to learn some of those skills in the classroom. That said, we must not blame schools for parental failings. There is an issue about parental responsibility for the youngsters and ensuring that parents take more responsibility for the behaviour, actions and attitudes of their children.

Secondly, there is a role for grandparents in the community, in the school and in the home. I have made that suggestion on two or three occasions with different connections. Scottish grandparents could be encouraged to play a more significant role in developing the expectations and attitudes of young people in Scotland and in determining the actions that those young people pursue.

I would like us to ensure, in all that we do on this, not only that we work with parents to improve their skills and their actions as role models and with children to ensure that they grow up with the skills to become better parents, but that we engage with grandparents, who I think have a significant role to play in helping families to develop in what is, at times, a very disjointed and dysfunctional society.

**Mrs Nanette Milne (North East Scotland) (Con):** In the light of the recent passing of the Scottish Schools (Parental Involvement) Bill, which

abolished the provision in section 9(2) of the School Boards (Scotland) Act 1988 that gave school boards the right to approve spending on teaching materials, what assurances can the First Minister give me that parents will be encouraged to take more responsibility for their children's sexual health education by allowing them appropriate influence over the materials relating to sex and relationships education that are used in teaching their children?

**The First Minister:** I thank Nanette Milne for that question, as it gives me a chance to clarify the position. Under the guidelines that we have set out, parents must be involved in—not just have the option—the development of sex education programmes in our schools. The changes to the school boards should make no difference whatever to that. In fact, it should be possible, because of the bill that was passed last week, to ensure that parents are more involved in those activities in schools, as the participation of parents should improve as a result of the bill.

I want to clear up two other myths in this debate. The first is the myth that there is no commitment in our sex education programme or our sexual health strategy to marriage as an important part of our society, although it is only one of many relationships. The second myth is that there is no encouragement of abstinence among young people so that they do not make choices that could be detrimental to the rest of their lives.

The Executive's sexual health strategy makes it absolutely clear that marriage remains a key part of our national life and that abstinence until a mature, loving relationship is established is an approach that we support. If we are going to move Scotland on, it would be helpful if we could agree that those two elements are in place and consider practical ways of getting that message across rather than try to deny it.

### European Convention on Human Rights

**6. Phil Gallie (South of Scotland) (Con):** To ask the First Minister whether he has discussed the European convention on human rights with the new Home Secretary. (S2F-2299)

**The First Minister (Mr Jack McConnell):** Yes, I have.

**Phil Gallie:** I am delighted but not surprised, given the fact that the First Minister is a neighbour of the new Home Secretary. Does the First Minister agree with Mr Reid that, as I warned in the early days of this Parliament, the ECHR has become a charter for the criminally inclined? Does the First Minister recognise the shambles that has been made of our bail laws, such that a vicious criminal who knifed someone can be released on eight bail orders? Does he recognise that

prisoners are compensated with hard-earned taxpayers' money because prison conditions do not come up to hotel standards?

When next he meets the Home Secretary, who is the member of Parliament for Airdrie and Shotts, will the First Minister insist that when he legislates to reduce the impact of the ECHR on English constituents, Mr Reid will consider amending the Scotland Act 1998 to take care of his Scottish constituents?

**The First Minister:** It is sometimes tempting to dismiss the turn of phrase, but those are serious issues and I want to address them seriously.

First, the Human Rights Act 1998 is United Kingdom legislation. It has an impact on the whole UK and we will therefore clearly be involved in discussions with the Home Office and the Department for Constitutional Affairs during the review of its operation as announced in recent days.

Secondly, the establishment of a series of rights in our law in relation to the ECHR took place a very long time ago and it was supported by Conservative Governments, so let us not deny that. The establishment of rights in our law in Scotland and across the UK is important for the 21<sup>st</sup> century, but it is also important that the provision of those rights does not create a culture that will lead to victims, witnesses or potential victims of crime having no rights, or perceiving that they have no rights. In the operation of the law, it is important to ensure that people are properly protected and that public safety is paramount.

I will give Phil Gallie an example. The way in which our courts were implementing the new laws was perceived to be having an impact on public safety, even if it was not doing so in reality, so we had to tighten up the law on bail. We are doing that. There will be changes that ensure that any judge who gives bail also gives their reasons for doing so. The changes will also put on the face of Scots law the conditions in which bail can be refused. There will also be changes to practice and procedures to ensure that information is more speedily exchanged so that those who are being considered for bail go in front of people who have full information available to them.

Those changes are important and they are being made in light of practical experience of the Human Rights Act 1998. I am sure that other changes will need to be considered in the years to come. My absolute priority will be to strike a balance between the rights of individuals—particularly the rights of law-abiding, decent individuals—and the rights of the victims and witnesses of crime, and to ensure that public safety and concern for the public are at the heart of our criminal justice system.

**The Presiding Officer:** I revert to the point of order raised by Duncan McNeil. Members will appreciate that it is difficult for me to come to a judgment when I do not have specific details or the extracts in front of me.

However, I remind all members that, under rule 7.3, they are required to behave and conduct themselves in a courteous and respectful manner, particularly when attributing direct quotations to other members. I ask Christine Grahame to reflect on whether her description of Duncan McNeil's remarks was, in her view, fair, accurate and consistent with rule 7.3.

12:34

*Meeting suspended until 14:15.*

14:15

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

#### Health and Community Care

##### Palliative Care

##### **1. Mr Alasdair Morrison (Western Isles) (Lab):**

To ask the Scottish Executive how it expects national health service boards to provide support for specialist palliative care across Scotland. (S2O-9894)

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** We expect NHS boards to have in place a palliative care strategy for their area and, in that context, to fund 50 per cent of the agreed annual running costs of voluntary sector hospices that provide palliative care.

**Mr Morrison:** Does Lewis Macdonald agree that it is unacceptable that the Western Isles NHS Board has failed to agree and put in place a service level agreement for medical cover at the Bethesda hospice in Stornoway? Does he agree that it is far from acceptable that many of the letters on the matter that the Bethesda management have sent to the NHS board since January have not even been acknowledged? Further, does he agree that we need a degree of tolerance and common sense to prevail in the regulation of facilities such as Bethesda, which is a four-bed hospice in the Western Isles? Will he support me in trying to put in place a system that will allow the continuation beyond the end of this month of specialist palliative care in the one and only hospice in the outer Hebrides, avoiding the closure of what is an excellent and highly regarded facility?

**Lewis Macdonald:** It is important to ensure the provision of palliative care to people as close to their communities as possible, although any hospice provision must meet the appropriate statutory requirements. In the circumstances that Alasdair Morrison described, I expect payments to continue under the previous year's service level agreement until a new agreement is in place. I certainly expect the management of Bethesda and the health board to engage in constructive dialogue to resolve the issues.

##### **Rob Gibson (Highlands and Islands) (SNP):**

We welcome the support for the Bethesda hospice. I understand that, once again, services are being put in doubt because of the Western Isles NHS Board's financial situation. We hope

that ministers will acknowledge that. A positive outcome could be achieved through a new arrangement under which care homes would upgrade their services to provide palliative care. Does the minister have that in mind as a future option for the Bethesda hospice?

**Lewis Macdonald:** As I said, the expectation is that NHS boards throughout Scotland will support voluntary sector hospices. We acknowledge that hospices provide a significant service that is particularly sensitive to patients and their families. We want that to continue, which I expect to happen in the case of the combined care home and hospice facility that Alasdair Morrison asked about and in other cases. However, the statutory requirements must be complied with, including the requirement for the Scottish Commission for the Regulation of Care to inspect homes biannually. We must also ensure that the standards of medical support and provision are appropriate for the circumstances.

**Des McNulty (Clydebank and Milngavie) (Lab):** I draw to the minister's attention the extent to which fundraising is required to maintain our hospices. The largest hospice in Scotland, St Margaret's, is in my constituency. Although it receives substantial support from Greater Glasgow and Clyde NHS Board, I would welcome proper negotiations around solidifying the level of support from boards and, ultimately, the Executive. I would like to discuss that with the minister.

**Lewis Macdonald:** I am happy to meet Des McNulty to discuss issues that he wants to raise in connection with the hospice that he mentioned, but it is important to understand the basis on which negotiations of the type that he mentions could take place. The hospice movement does not seek full funding from health boards, because it appreciates and values its independence. That independence is delivered and protected by the funding arrangement, under which we expect health boards throughout Scotland to provide funding in the order of 50 per cent.

### **Community Care (Older People)**

**2. John Swinburne (Central Scotland) (SSCUP):** To ask the Scottish Executive what timescale it has set to implement the recommendations on care in the community, set out in the Kerr report, to allow older people to remain in their own homes rather than in residential care. (S2O-9820)

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** When we published "Delivering for Health", our response to the Kerr report, in October 2005, we made it clear that we envisaged implementation over the next 10 years. We will publish proposals in the next few

weeks for a rehabilitation framework to support services for older people and those with long-term conditions. The chief medical officer will shortly begin to draw together existing work on identifying the frailest people in our communities, in order to provide co-ordinated care that will allow them to remain independent in their own homes for as long as possible. We expect work on the integrated care that they need to be completed and implemented by all health boards before the end of next year.

**John Swinburne:** Does the minister agree that there will require to be a considerable increase in the provision of home helps and meals-on-wheels, nursing and ancillary staff to give proper care to all those who can and should be treated in their own home? Other disciplines, such as physiotherapy and chiropody, should also be made available. The major benefit of that would be that people would be allowed to remain in familiar surroundings, instead of going into residential care, which all too often entails their homes being sold. In the final analysis—

**The Deputy Presiding Officer (Murray Tosh):** Mr Swinburne, you are not here to provide a final analysis. You have asked a question. Do you have a further question to ask?

**John Swinburne:** I am nearly finished.

**The Deputy Presiding Officer:** I do not want you to finish what you are saying. I want you to ask a question.

**John Swinburne:** Does the minister agree that, in the final analysis, where required, the availability of palliative care in the home would be the final piece in the complex jigsaw of care in the community?

**Lewis Macdonald:** John Swinburne raised number of points, and I support the principle underlying his question. We want people to stay in their own homes for as long as possible, and we recognise that the implication of that is that we will provide the services—either directly or, more commonly, through a partnership between health boards and local authorities—that will enable people to do so. The issue of palliative care at home is a difficult and complicated one; it is not always an appropriate form of care or the best way in which people should spend their final days, but, where it is appropriate, we would want to make it possible.

### **Mesothelioma**

**3. Des McNulty (Clydebank and Milngavie) (Lab):** To ask the Scottish Executive whether it is aware of the work being undertaken by Clydebank Asbestos Group in conjunction with West Dunbartonshire Council to address the health needs of mesothelioma patients. (S2O-9893)

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** Yes, not least because of the constructive meeting earlier this week involving those groups, Des McNulty and Hugh Henry, at which justice issues arising from that work were discussed.

**Des McNulty:** I hope that my proposal for a bill will get a lot of support.

The progressive partnership that has been established between Macmillan Cancer Support and West Dunbartonshire Council has assisted hundreds of cancer patients and carers in the past 12 months. Will the minister agree to hear a presentation by the partners on an initiative that the Convention of Scottish Local Authorities is keen to see rolled out throughout Scotland? I ask him for an assurance that Alimta, which is the only licensed treatment for mesothelioma patients and which has been shown not only to increase quality of life but to extend life, will continue to be available to Scottish patients.

**Lewis Macdonald:** The bill to which Des McNulty referred relates to issues that require to be resolved. That was acknowledged by Hugh Henry when he met Des McNulty earlier this week.

I would be interested in any lessons that we can learn from work that is being done in West Dunbartonshire on support for patients in the circumstances that Des McNulty described.

As far as Alimta is concerned, the consultation that is being held by the National Institute for Clinical Excellence is just that: a consultation. It is not NICE's final view. It is important to stress that patients who are already receiving Alimta will continue to do so, whatever the final conclusions of the NICE consultation.

#### **Emergency Hospital Treatment (Target)**

**4. Dr Jean Turner (Strathkelvin and Bearsden) (Ind):** To ask the Scottish Executive what the advantages are of the four-hour target established for casualty and accident and emergency departments, which means that staff must process patients from registration to discharge or admission within that timescale. (S2O-9840)

**The Minister for Health and Community Care (Mr Andy Kerr):** The four-hour target is about ensuring that patients get the treatment they need as quickly as possible—in other words, a high-quality, responsive service for patients using emergency services. The Health Department, through the centre for change and innovation, is supporting national health service boards to ensure that the target can be met by the due date of the end of 2007. The target applies not only to patients attending all accident and emergency departments but to patients attending community

casualty and minor injuries units and acute receiving and assessment units across Scotland. I believe that the target is welcomed by patients and will be achieved by NHS Scotland.

**Dr Turner:** Some patients, especially those who had 12-hour waits last month, would probably not see the advantages. ISD Scotland figures show that the lack of beds is the commonest cause for long waits in casualty departments. Stobhill hospital has an added problem, due to the loss of wards there in preparation for the new ambulatory care and diagnostic unit. It has not had extra winter beds or—

**The Deputy Presiding Officer:** Dr Turner, you must ask a question.

**Dr Turner:** I am about to ask a question.

**The Deputy Presiding Officer:** Yes, but this is not speech time; it is question time.

**Dr Turner:** I have my reasons. However, I will do it the way that you have asked me.

Does the minister not learn from the ISD figures? Will he consider cancelling the target in favour of monitoring? We must accept that there is a need for more beds.

**Mr Kerr:** I do not think that I will ever convince Jean Turner about the targets that the Executive sets, which drive performance in the health service. Already, nine out of 10 patients do not wait any more than four hours. The extreme timescales to which Jean Turner refers sit with individual cases in which inappropriate treatments should not be given and in which a patient cannot get out of the accident and emergency ward to go on to further treatment or discharge for good clinical reasons. That happens on many occasions, particularly with elderly patients, so it can happen that people wait too long. However, the work that I do with accident and emergency consultants and patient groups shows that the target has clinical support and is an effective means of driving up performance.

Acute beds are important to the health service, but so are the medical advances that we are making. For instance, more patients are getting day-case surgery. Gall bladder surgery used to mean a 10-day stay in hospital but now involves a three-day stay. Cataract surgery used to involve a five-day stay but now involves a day-case surgical procedure. We have changed the health service markedly. Beds are an important issue, but we must nonetheless acknowledge the changes that have taken place in the health service.

**Alasdair Morgan (South of Scotland) (SNP):** What reassurance can the minister give patients in rural areas on the clock that starts to tick at registration but which, for the patient, might have

started ticking some two hours earlier when they started their journey to the emergency centre?

**Mr Kerr:** It depends on the specific circumstances. The Scottish Ambulance Service has rigorous targets to meet, of which responding to patients is clearly part. However, I appreciate the additional time that is involved for people from rural communities. That is exactly why, throughout Scotland, innovative models of best practice are being developed for rapid response units, first responders and the provision of care outside the traditional environment. There are many ways of approaching the matter. The Kerr report and our response to it, "Delivering for Health", offer us a way of ensuring that our rural communities receive the first-class service that they deserve. We should work with that approach and ensure that it applies equally to accident and emergency waits.

**Karen Whitefield (Airdrie and Shotts) (Lab):** Does the minister agree that when accident and emergency services are reconfigured, consideration should be given to the impact that reconfiguration might have on waiting times and that any reconfiguration of accident and emergency services must improve the level of service, including waiting times, that constituents such as mine enjoy?

**Mr Kerr:** The targets and performance standards that we set are for all patients in Scotland, and any reconfiguration of any service in any part of Scotland must meet those requirements.

#### National Health Service Dental Treatment

**5. Iain Smith (North East Fife) (LD):** To ask the Scottish Executive what progress is being made in ensuring that all children and adults have access to NHS dental treatment. (S2O-9860)

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** We are making progress on increasing the number of dentists, building up a salaried service where required and providing incentives for high street dentists to continue to treat patients on the NHS. I am pleased to report that the number of practices treating all categories of patients in the NHS, and therefore qualifying for enhanced NHS funding, increased from 566 in December 2005 to 579 in March 2006.

**Iain Smith:** Although I welcome that progress, I am sure that the minister is aware that MSPs continually get letters from their constituents saying that they cannot get access to NHS dentists. I appreciate the efforts that Fife NHS Board in particular has made to provide a salaried service and dental access centres, but does the minister accept that those can provide only a limited service to patients? Will he and the NHS

boards consider ways in which they can expand the salaried service to provide full general dental treatment facilities to NHS patients who cannot register with a dentist?

**Lewis Macdonald:** I am delighted to report again that the number of salaried dental posts across Scotland has now risen to 196. That provision is enabling a significant level of treatment of the kind that Iain Smith described, such as emergency access. Clearly, we want to ensure that both adults and children are able to access NHS treatment in their own communities wherever possible. That is why our approach has involved not only building up the important salaried service but providing incentives for high street dentists to continue to treat NHS patients or, indeed, to resume treating patients on the NHS, as a number of such dentists are now clearly doing. That is the direction of travel.

At the same time, I agree with the implication behind Iain Smith's question that we need to strengthen the salaried service. I am pleased to say that we are doing that. On 1 April, we designated Fife to assist in the recruitment of salaried dentists and of new graduates to independent practices. We will continue to pay attention to those issues in the months ahead.

**Mrs Nanette Milne (North East Scotland) (Con):** What progress is being made against the Executive's target that, by 2010, 60 per cent of Scottish five-year-olds will have experienced no obvious tooth decay? Does the Executive believe that it will meet the target, given the current shortage of NHS dentists?

**Lewis Macdonald:** We are making good progress. Last year's figures for dental decay in children starting primary school were the best ever in Scottish dental history. That is clearly significant progress. We still have a good way to go, but we are confident that we are heading in the right direction to meet that target.

**Christine May (Central Fife) (Lab):** Is the minister in a position yet to respond to my recent letter on dental provision in Leslie in my constituency?

Further to his response to Iain Smith's question, is the minister any closer to securing a sensible agreement with the British Dental Association on bringing dentists who have opted out of general NHS provision back into the NHS?

**Lewis Macdonald:** I will certainly respond to Christine May's letter shortly.

On the issue of the dental profession's representative bodies, I was pleased to address the BDA's conference of Scottish local dental committees a few weeks ago, when I was able to respond to dentists who raised a wide range of

issues that I had been keen to raise with them. I encouraged the BDA to join us in our work on updating the statement on dental remuneration—the fee scale, in other words—for dentists in the NHS. Clearly, we would welcome the BDA's active participation in that work as that would enable us to make quick progress in that regard.

**Bruce Crawford (Mid Scotland and Fife) (SNP):** I hear what the minister is saying and I am grateful for all the effort that is being made, but problems still continue. Is he aware that Kinross-shire has recently lost a practice from the NHS? Obviously, the trend is continuing. We have a significant problem in Kinross-shire. Will he commit himself to entering into discussions with Tayside NHS Board, and perhaps the neighbouring Fife NHS Board, to see what can be done to resolve the situation, perhaps by bringing salaried dentists to that small hard-pressed community, which is finding it difficult to ensure the availability of dental services?

**Lewis Macdonald:** Although the number of practices that treat all categories of patient on the NHS has increased over the past quarter, I am aware that the figures include not only practices that are coming back to the NHS but some practices that have opted out. Clearly, we are seeking to discourage that trend. The additional funding that we have provided, which I believe amounts to something in the order of £25,000 per practice per year, will encourage dentists to continue to provide treatment to all categories of patient on the NHS. That is a significant incentive to dentists to commit to NHS patients. However, where commitment to the NHS on the part of high street dentists is lacking, we look to NHS boards to put in place other provision, including a salaried service, in localities such as those that Bruce Crawford has described.

#### **National Health Service Dental Services**

**6. Derek Brownlee (South of Scotland) (Con):** To ask the Scottish Executive which of the milestones, targets and impacts set out in "An Action Plan for Improving Oral Health and Modernising NHS Dental Services in Scotland" will have been achieved within the stated timescales. (S2O-9833)

**The Deputy Minister for Health and Community Care (Lewis Macdonald):** The vast majority of targets for the first year of the dental action plan have been met. For example, we have introduced fissure sealant fees for the treatment of children and a fee for the treatment of adults with special needs. We have extended the patient registration period from 15 months to three years. We have introduced free dental checks for all NHS patients. Last year, we increased the number of vocational training posts to 135. We have made

significant new payments to NHS-committed dentists for rent reimbursement and practice improvements. We have increased general dental practice allowance for NHS-committed dentists to 12 per cent of NHS earnings. In addition, we expect the number of dentists graduating from Scotland's dental schools this year to be nearly 30 per cent higher than the number who graduated five years ago. Later this year, we will introduce a new bursary for dental students, committing them to the NHS after graduation.

**Derek Brownlee:** Will the minister publish, target by target, an assessment of the progress that there has been? Can he clarify precisely how many NHS dentists have left the NHS and how many private dentists have gone into the NHS since the action plan was published? That would be useful information to have.

**Lewis Macdonald:** I recognise Derek Brownlee's point in requesting a publication. I set out as many targets as I thought that I reasonably could, within the Deputy Presiding Officer's tolerance. I would be happy to make public the full list of targets and our achievements against them over the past 12 months. We will undoubtedly do that on completion of the action plan period.

I mentioned the increase in the number of qualifying practices over the past quarter. We want that trend to continue and expect at the end of the action plan period to be able to demonstrate an increase in the ability of patients to access dental services through the NHS.

**Pauline McNeill (Glasgow Kelvin) (Lab):** Recent statistics show that Glasgow has the second highest incidence of tooth decay among children. Across Scotland, the incidence of cavities among three to five-year-olds is alarming. Does the minister see merit in focusing on that age group to tackle dental decay? Does he agree that the debate is not simply about the number of dentists, but about the fact that we must identify the key factors? The action plan identified sugar intake as one of the key causes of decay. Does he agree that there is a need to consider whether the intake of calcium and fluoride can help us to tackle dental decay among Scottish children?

**Lewis Macdonald:** I am pleased to report the significant commitment of practices and the NHS in the west of Scotland to addressing the significant issue of tooth decay in children in the area. We have focused on five-year-olds, whom Pauline McNeill mentioned. The fissure sealant fees that we have introduced are for the treatment of children who are acquiring their adult teeth, which is very significant. I accept Pauline McNeill's point that we should examine all the methods that are available to us, to ensure that the trend of improving oral health among children continues.

**Mr John Swinney (North Tayside) (SNP):** I would like the minister to add one more target to his action plan—that of ensuring that every single adult and child in Scotland is able to access a dentist in their own country.

**Lewis Macdonald:** I am delighted to hear John Swinney's commitment to having yet more targets on the NHS dental front. That is a positive sign. Of course, had he read the dental action plan, he would know that we have a commitment to increase registration for adults and children for NHS dental services.

## Environment and Rural Development

### Discarded Bottles

**1. Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** To ask the Scottish Executive what action it is taking to tackle any problems associated with discarded bottles. (S2O-9873)

**The Minister for Environment and Rural Development (Ross Finnie):** Local authorities are responsible for dealing with litter, including discarded bottles, in their areas. To help them in that task, we have tightened the law on litter with increased fixed-penalty fines and new powers for the police to issue fixed-penalty notices. We also continue to fund campaigns against littering.

**Cathie Craigie:** Will the minister join me in congratulating pupils in primary 6 and primary 7 of Woodlands primary school in my constituency, who have highlighted the serious problems that are caused to people and animals by discarded glass bottles? Will the Scottish Executive consider introducing legislation that forces all soft drinks and alcoholic drinks manufacturers that sell their product in glass bottles to have a refundable deposit scheme, such as the scheme that is run by AG Barr, which operates from Cumbernauld in my constituency?

**Ross Finnie:** I have no hesitation in joining the member in congratulating the Woodlands school on the work that it has done and, in particular, on drawing attention to the real danger that discarded bottles present generally and, in particular, to people in the countryside. The member asked about the Executive's plans for legislation to force companies to have returnable bottle schemes. We will have to give consideration to that matter. The other issue is individual responsibility for the way in which people deal with bottles.

A number of local authorities—of which Cathie Craigie's, North Lanarkshire Council, is one—run campaigns to try to make clear to the population the availability of recycling facilities, which some people are still not using, notwithstanding the fact that North Lanarkshire Council provides a kerbside glass collection scheme for 12,700 households. A

combination of educating people and their taking responsibility for what they do with any bottle that they purchase is clearly important.

### Climate Change Strategy

**2. Donald Gorrie (Central Scotland) (LD):** To ask the Scottish Executive what action its Environment and Rural Affairs Department has taken, as part of its strategy on climate change, to encourage other Executive departments to meet its targets for energy conservation and renewable energy by promoting energy conservation and the use of micro-renewable power schemes. (S2O-9862)

**The Minister for Environment and Rural Development (Ross Finnie):** As the member will be aware, we have set an ambitious overarching Scottish target for carbon savings that provides a framework for encouraging all departments to meet their commitments. We have also committed to mainstreaming climate change and carbon proofing throughout the Executive to ensure that momentum is maintained. In particular, the first Scottish energy efficiency strategy will be published later this year, setting out total carbon savings for all energy efficiency measures as a contribution to the overarching Scottish target. Linked to that, we will set out a range of measures to help cut energy-related emissions from buildings, including the use of micro-generation from local and renewable heat.

**Donald Gorrie:** Will Mr Finnie reassure us that his enthusiasm and that of his department will be transmitted effectively to other departments in which officials might attach a lower priority to energy conservation and renewable energy? Will he encourage them to lead by example? The other day, some of us were speaking at a primary school that had a windmill in the playground, which is really great. Every school could have that. Hospitals, jails and all sorts of places could practise energy saving—

**The Deputy Presiding Officer:** Will you return to the question, Mr Gorrie?

**Donald Gorrie:** Will the minister ensure that all departments lead by example in the way that I have described?

**Ross Finnie:** I assure Donald Gorrie that I very much take his point and that my department is in constant dialogue with other Executive departments. In the same way as the eco-schools project has done a great deal to encourage and ensure the use of renewable energy in our schools, the Minister for Health and Community Care is determined to ensure that the use of energy-saving measures and renewable energy in hospitals and other departments is to the fore.

**Alasdair Morgan (South of Scotland) (SNP):** Will the minister say how he intends to monitor the effectiveness of energy conservation measures, given evidence that after such measures are applied to domestic space heating, many people—understandably—use the same amount of energy to heat their houses to a higher temperature than hitherto?

**Ross Finnie:** Yes, indeed. We are looking at a range of ways to monitor and measure the effectiveness of energy conservation. In response to Donald Gorrie's question, I offer a very small example of what we are trying to do at the Scottish Executive's Victoria Quay building. We are currently monitoring the total amount of energy that is consumed in that establishment, which we can display daily. We are trying to keep track of what individual departments do in Victoria Quay to discover whether making more efficient use of energy reduces its consumption or whether through more efficient use, all we do is to produce a higher temperature, as Alasdair Morgan suggested. Such examples need to be followed throughout the Executive.

#### **Woodland (Urban Communities)**

**3. Irene Oldfather (Cunninghame South) (Lab):** To ask the Scottish Executive what action it is taking to ensure that urban communities have access to woodland. (S2O-9898)

**The Deputy Minister for Environment and Rural Development (Rhona Brankin):** The woods in and around towns initiative, led by the Forestry Commission Scotland, increases the contribution of woodland to quality of life and provides easy access for urban communities, so I am pleased that the initiative is proving to be so successful. Since its introduction in 2004, it has brought some 5,200 hectares into active management and created more than 600 hectares of urban woodland; in all, more than 20 square miles. We now have 180 partnership projects in urban areas over Scotland.

**Irene Oldfather:** Does the minister agree that the creation of woodland areas in urban communities is about more than just environmental improvement? Does she agree that woodland areas can make a contribution to the well-being and lifestyle of local communities as well as stimulate local economic activity?

Will she join me in congratulating North Ayrshire Council on being successful in its bid for £22,500 from the woods in and around towns challenge fund, which will be used to enable the people of Irvine and Kilwinning not only to access and enjoy woodland close to their homes but to exercise more and adopt healthier lifestyles?

**Rhona Brankin:** Absolutely. As well as creating more woodlands in urban areas and bringing more urban woodlands into active management, the WIAT initiative has helped to create and upgrade more than 55,000m of woodland paths, which helps to increase the number of school pupils who visit woodlands and significantly boosts the number of participants in the Forestry Commission's active woods campaign.

I am happy to echo the member's congratulations to the council and very much welcome the investment that has been made in her area. Under the Ayrshire and Arran woodlands locational premium, nine new woodlands have been established, 16 woodlands have been brought into active management and approximately 1,000m of waymarked routes have been created, maintained or approved. Such a hugely important development will maintain the health and well-being of people who live in urban areas.

#### **Scottish Environment Protection Agency**

**4. Bruce Crawford (Mid Scotland and Fife) (SNP):** To ask the Scottish Executive what discussions it has held recently with the Scottish Environment Protection Agency. (S2O-9902)

**The Deputy Minister for Environment and Rural Development (Rhona Brankin):** The Scottish Executive has on-going discussions with SEPA on a variety of topics in relation to the agency's role in protecting the environment.

**Bruce Crawford:** Will the minister confirm whether the Executive has discussed with SEPA the volume of radioactive waste that will be produced in Scotland by the end of the century? Is she aware that, according to Nirex, the amount of such waste is expected to increase from 14,000m<sup>3</sup> to an incredible 82,000m<sup>3</sup> by 2020 and to 166,000m<sup>3</sup> by 2099? Given that massive increase, does she not accept the patently obvious fact that the last thing that Scotland needs is an even greater increase in deadly waste from new nuclear power stations? Is it not time to say no to the new nuclear ambitions of Brown and Blair, or will Labour in Scotland simply do what it is told by them? Will—

**The Deputy Presiding Officer:** Come to the point, Mr Crawford.

**Bruce Crawford:** Will Labour members stand up for Scotland or will they dae what they're told by London?

**Rhona Brankin:** The member knows perfectly well that we are awaiting final advice from the Committee on Radioactive Waste Management on the management of radioactive waste. I reiterate that the issue of building new nuclear power

stations will not be considered until that issue has been resolved.

**Dave Petrie (Highlands and Islands) (Con):** What action are the Scottish Executive and SEPA taking to target private raw sewage outfalls that cause serious pollution in publicly sewered areas, including what has happened with the new £3.5 million contract that Scottish Water has carried out in Connel, Argyll?

**Rhona Brankin:** I do not have specific information on that matter with me, but I am more than happy to send it to the member.

### **Biodiversity (Urban Areas)**

**5. Scott Barrie (Dunfermline West) (Lab):** To ask the Scottish Executive what action it is taking to conserve biodiversity in urban areas. (S2O-9869)

**The Deputy Minister for Environment and Rural Development (Rhona Brankin):** Conserving biodiversity in urban areas is a priority in our biodiversity strategy and under the urban plan a wide range of local and national projects is being developed. The guidance on local nature conservation sites in Scotland, which was published in March 2006, is a key achievement. Local sites are places of special importance for biodiversity and public bodies can use that guidance in implementing their biodiversity duty.

Moreover, the biodiversity action grants scheme has funded projects that have benefited Scotland's urban environment by improving community gardens, establishing plant nurseries and developing biodiversity guidance for higher education campuses.

**Scott Barrie:** Does the minister agree that reliable data are vital in ensuring that biodiversity is protected and that, in that respect, the Fife environmental network's volunteer species surveyors play an essential role? How will the Executive broaden and encourage community participation in wildlife surveys?

**Rhona Brankin:** I congratulate the Fife environmental network, which is a group of local people, on its work in monitoring biodiversity in their local area. We need more volunteers to take part in such activity—indeed, at this point, I should also mention the work of local red squirrel groups throughout Scotland—to ensure that we maintain a focus on local species and habitats and develop local knowledge.

### **Greenhouse Gas Emissions**

**6. Mark Ballard (Lothians) (Green):** To ask the Scottish Executive what its estimate is of the total level of CO<sub>2</sub> and other greenhouse gas emissions in 2010 if both the Scottish and United Kingdom

climate change programmes deliver as expected. (S2O-9847)

**The Minister for Environment and Rural Development (Ross Finnie):** The Executive is preparing projections of Scottish carbon dioxide and other greenhouse gas emissions for 2010, taking into account the measures in the Scottish and UK climate change programmes. Those projections will be available later this year.

**Mark Ballard:** Will the minister say a little more about what those projections might look like? The most recent figure for carbon emissions is 14.8 million tonnes, and the Scottish Executive has set a reduction target of 2.7 million tonnes. Does that mean that Scotland will have carbon emissions of 12.1 million tonnes if the programmes deliver as expected? I am concerned that the Executive's calculations—

**The Deputy Presiding Officer:** You are elaborating on your question, which the minister may now answer.

**Mark Ballard:** May I finish what I was saying?

**The Deputy Presiding Officer:** If you have another question.

**Mark Ballard:** Just to make things clear, will the minister say what the Executive thinks Scotland's carbon emissions will be in 2010 if both Scottish and UK climate change programmes deliver as expected?

**The Deputy Presiding Officer:** I think that you have already asked that question. No doubt the minister can answer it.

**Ross Finnie:** I am getting confused about what the member's question is. I agree with the Presiding Officer: we have gone all the way back to the member's first question, to which the answer is simple. We are preparing projections of Scottish carbon dioxide and other greenhouse gas emissions. I will be delighted to give full answers to the member when those projections are available.

### **Scottish Community and Householder Renewables Initiative**

**7. Roseanna Cunningham (Perth) (SNP):** To ask the Scottish Executive what assessment its Environment and Rural Affairs Department has made of how significant the environmental impact of the Scottish community and householder renewables initiative has been. (S2O-9829)

**The Minister for Environment and Rural Development (Ross Finnie):** Carbon savings from the Scottish community and householder renewables initiative are currently estimated at 1,250 tonnes per year, which is a relatively small contribution to our recently announced Scottish

carbon savings target, but the initiative has been successful in stimulating demand for micro-renewables, among other things.

**Roseanna Cunningham:** Is the minister aware of the Energy Saving Trust's research for the Department of Trade and Industry that shows that domestic renewables could meet 113 per cent of total domestic electricity demand by 2050? If he is, does he agree that the recent uncertainty about grant availability for domestic renewables schemes has not been helpful? What pressure can he bring to bear to ensure that, in the interests of joined-up government, such uncertainty does not happen again?

**Ross Finnie:** The member will be aware that we recently announced additional funding of £3 million for the fund in question to try to create a degree of certainty. I accept that there was an unhelpful hiatus in respect of our scheme and the DTI's scheme, but now that we are clearly committed to a climate change programme, we intend there to be no future disruption in the provision of such schemes.

**Alex Fergusson (Galloway and Upper Nithsdale) (Con):** Does the minister agree that there is a clear distinction in the SCHRI between individuals who benefit from the scheme and community projects, such as the Glenkens Community and Arts Trust project in my constituency and the Dunscore community initiative? Such community initiatives often require countless hours of voluntary input, even before an application is made. Will the minister use his no doubt considerable influence with his ministerial colleague, Allan Wilson, to assure us that the SCHRI will continue to receive a level of funding that will ensure that the many community initiatives that have come about as a direct result of the SCHRI and which are currently being considered at all levels will not be rejected because of a lack of funding?

**Ross Finnie:** As I said in answer to Roseanna Cunningham, we recently announced a further £3 million increase in funding to the scheme. The Scottish scheme, which should be compared with other schemes in the United Kingdom, focuses exclusively on communities and households. We intend that that should continue to be the case and that there should be no disadvantage to communities, as the member hinted there might be.

### Community Halls (Rural Areas)

**8. Mr Andrew Welsh (Angus) (SNP):** To ask the Scottish Executive what representations it has received regarding the future viability and development of voluntary and community halls in rural areas and what part these halls will play in

delivering the objectives of the Scottish rural development plan. (S2O-9822)

**The Minister for Environment and Rural Development (Ross Finnie):** The Executive has recently received a number of communications regarding the future funding opportunities for the revitalising of community halls. The consultation on the Scottish rural development programme for 2007 to 2013 includes proposals to provide recreational and community infrastructure and an opportunity to ensure future funding arrangements to support viable facilities for the benefit of rural communities.

**Mr Welsh:** I hope that those words are followed up in practice. Is the minister aware that, in the Government's rural development plan for Scotland, the terms "voluntary", "charity", "benevolent", "charitable trust", "equine" and "equestrian" do not appear even once? The word "volunteer" appears only once, in connection with the single farm payment, and the word "horse" is used only in relation to horse chestnuts and gates. What kind of rural policy does not place our village halls at the centre of village life; does not ensure charitable status funding exemptions for those halls; and totally neglects the contribution of the equine industries?

**Ross Finnie:** I am grateful to the member for his extensive research into the content of the programme. I might ask him how many times certain other words occur in the document—I will perhaps have that conversation with him afterwards.

I do not accept the premise on which the member bases his argument. The Scottish rural development plan is absolutely focused on ensuring vibrant rural communities and we are committed to that, as we have made clear through the funding that we have given for village halls. It would be more constructive if both the member and I were to engage in discussion about how best to use the funding streams that are now available and that will be pooled. The LEADER project is now the fourth element of the rural development programme and will be important for community development in rural Scotland. I hope that we will work together to provide a proper answer for our rural development programme.

**The Deputy Presiding Officer:** We are well over time and need to move to the next item of business.

## Business Growth

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

The next item of business is a debate on motion S2M-4405, in the name of Alex Neil, on behalf of the Enterprise and Culture Committee, on the committee's fifth report in 2006: "Business Growth – the next 10 years".

14:57

**Alex Neil (Central Scotland) (SNP):** The committee agreed its report unanimously, apart from some slight dissension from our Green member, Shiona Baird. The report was signed up to by all five party representatives on the committee. I hope that that is a good omen for the national consensus that we call for in our report.

It is worth reminding ourselves why a high rate of growth is important. We heard this morning cries for more spending on education, health, transport and a range of other public services. If we were able to achieve a higher rate of economic growth, we would be able to achieve much higher rates of spending in our key public services as well as, overall, a much higher standard and quality of living for our people. Therefore, growth and higher rates of economic growth are important.

When we set out to undertake our investigation and write our report, we agreed on three basic starting points. First, all of us are signed up to and agree with the general thrust of the strategy that is laid out in "A Smart, Successful Scotland". Secondly, for the purposes of the report, we agreed to park our differences about the powers—in particular, the economic powers—of the Parliament and to focus on issues on which the Parliament and the Executive have existing powers to act. Thirdly, although we recognise that there is much that is positive about the Scottish economy—not least our universities, the emerging clusters in life sciences, advanced engineering, the construction industry, and some exciting developments in aerospace and other sectors—we wanted to focus on areas in which we are still lagging behind, in terms of growth and competitiveness, to discover what additional action needs to be taken to increase our growth rate.

It is worth noting the scale of the problem. During the past 25 years, the average growth rate in the Organisation for Economic Co-operation and Development countries has been 2.9 per cent. In the United Kingdom, it has been 2.3 per cent, and in Scotland, it has been 1.7 per cent. Our long-term overall growth rate over the past 25 years has been significantly lower than those of our major OECD competitors. Even in those years when the gap between our growth rate and the UK rate has narrowed, that has been as a result of the

UK rate falling rather than the Scottish rate increasing. There is a gap in growth between Scotland and the rest of the UK and our OECD competitors, and we must try to plug it.

A key recommendation in the committee's report concerns the need to double our levels of investment over the next 10 years. A great deal has been written about that since the publication of our report, some of which has been on our side of the argument while some has been against. However, it is important to consider the scale of the problem that we face in relation to investment. By investment, we mean the traditional jargonised definition of fixed capital formation.

Although the committee did not make a big issue of this in its report, we would all agree about the lack of reliable statistics in the Scottish economy. For example, if we look at the Scottish Executive's website for the latest available figures on the level of investment in Scotland, we can see that there is a £1.4 billion discrepancy between what the Executive says and what the Office for National Statistics says. The former says that the level of investment is £12.2 billion and the latter says that it is £13.6 billion. That disagreement on such a basic figure highlights the inadequacy of the statistical information from which we have to operate.

I will go by the latest statistics from the very reliable OECD, which show clearly that if Scotland is to be upside with her competitors over the next 10 years, we will have to double—more or less—our level of investment. Last year's OECD figures—the latest available—show that our level of business investment as a share of gross domestic product is 9.4 per cent. That compares with an average of 13.4 per cent for the OECD as a whole, which means that our current percentage of investment is only 70 per cent of the OECD average. It is also much lower than that of some of our major competitors, who achieve a much higher figure than the OECD average.

If we look at the forecast for growth in levels of investment for the next 10 years and take the latest figures from the OECD rather than the six-year-old figures from the Scottish Executive's website, we can see that the average percentage increase in investment is 3.1 per cent for the UK—Scotland is roughly the same—compared with an OECD average of 6 per cent.

If we start at 70 per cent of the OECD average percentage of investment and grow at only half the average rate, by the end of a 10-year period our percentage level of investment will be down to almost half of the average for the OECD countries. To those who say that our statistics have misrepresented the problem, I say, "Go back and do your homework, and base it on the latest

figures, not on outdated figures from six years ago."

The level of private business investment in Scotland needs to be doubled by the end of the 10-year period.

**Phil Gallie (South of Scotland) (Con):** I have been listening with great interest to the figures that Alex Neil quotes from six years ago. Will he go back a little further, to nine years ago, and tell us what the figures were then? I believe that they were much better than the figures that he has given us.

**Alex Neil:** I am looking to the future rather than the past. Phil Gallie used to represent Ayr; I went to Ayr academy, whose motto was "Respice prospice". Phil can do the respice and I will do the prospice.

As well as talking about the overall level of business investment, I want to highlight two particular areas—research and development. Research and development should be a very high priority for Scotland. Our spending on private sector research and development is the equivalent of 0.6 per cent of our GDP, which is one third of the OECD average. As the committee points out in its report, we need to invest about another £1 billion each year in private sector research and development to get up to the levels of investment in private sector research and development that are achieved by our competitors.

However, it is not only in the private sector that there is a shortfall in investment. Public sector investment figures, too, tell a story of underperformance. For example, and again according to the OECD, public sector investment as a percentage of GDP in the period 1998-2004 was 1.47 per cent across the United Kingdom. The figure for Scotland was roughly the same. That compares with an average of 3.8 per cent for the OECD. In other words, in the public sector we were achieving only 46 per cent of the average for the OECD—although Phil Gallie will be glad to know that, in the preceding period, the figure was higher.

There is underinvestment in the public sector. We will try to draw attention to the need in future to invest a higher percentage of public expenditure—whatever the total may be—than we have invested in the past. We will have to do that if we are to have the capital and the infrastructure that will allow us to compete. The Scottish Executive's infrastructure investment plan calls for an annual real-terms increase in infrastructure investment of over 5 per cent. On that point at least, we appear to be at one with the Executive.

Despite the criticisms, the analysis that was presented by the Enterprise and Culture Committee was perfectly robust. The OECD

figures prove that by the end of the next 10 years we will have to double private investment so that we can reach the level of our competitors. That is a prerequisite to reversing the trend of the past 25 years, and it is a prerequisite to closing the growth gap—not just between ourselves and the rest of the UK but, more important, between ourselves and the OECD as a whole. On the basis of that accurate analysis, and on the basis of its exciting recommendations, on behalf of the Enterprise and Culture Committee I recommend the report to the chamber.

I move,

That the Parliament notes the recommendations contained in the Enterprise and Culture Committee's 5th Report, 2006 (Session 2): *Business Growth - the next 10 years* (SP Paper 520).

15:09

**The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Nicol Stephen):** The Enterprise and Culture Committee's report is a welcome contribution. If we get the spirit right, I believe that this report can provide a solid platform for building the sort of mature consensus that we spoke about last week and for growing businesses and the Scottish economy.

The Executive has published its response and I want to put the committee's recommendations into the context of the six key themes that I have set out as Minister for Enterprise and Lifelong Learning. Recently—while the committee was working on its inquiry—there have been highly significant developments on two of those key themes. On business rates, as members know, the rate poundage was cut from 46.1p to 44.9p on 1 April this year. Parity with the rate poundage in England will be achieved in April 2007. We should remember that small businesses will benefit further still from that initiative, through which we have sought to boost the Scottish competitive advantage.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** The Scottish National Party welcomes the fact that business rates discrimination will eventually be removed, but does the Minister for Enterprise and Lifelong Learning accept that it would have been far better for business if higher rates for Scotland had not been introduced by Jack McConnell when he was Minister for Finance, with the support of the Liberal Democrats?

**Nicol Stephen:** My view is that the reduction in the rate poundage can give our businesses genuine competitive advantage, the consequences of which will be evident over the

coming years. I am determined that we maintain that advantage.

Regulation, red tape and procurement make up the second area on which significant progress has been made. We are determined to reduce the burden that is imposed on businesses by red tape and regulation. The McClelland report on public sector procurement will have practical benefits, especially for small and medium-sized businesses in Scotland, which will have better access to public sector contracts.

As Alex Neil has identified, infrastructure improvement and business investment—two more of my themes—are at the heart of the debate. Everyone knows that the Executive is now investing far more in major capital infrastructure projects. Hundreds of millions of pounds are being invested in new railways and trams and in road improvements. Increasingly, investment is being shifted towards public transport and tackling congestion. Broadband is now delivered to 100 per cent of Scotland's communities—that goal was achieved ahead of target. We are taking the sort of measures that Government should be taking for the economy and which business constantly urges us to take.

As Alex Neil mentioned, business investment is the issue that has generated the most heat in the debate on Scotland's economy over the past few months. Stacks of newspapers have been full of exchanges of views on the subject, both in the letters columns and in leader articles. Commentators, politicians, academics and economists have all claimed to be experts on the issue. There has been a lively debate on the measurement of the overall levels of investment in Scotland. I hope that we can concentrate on business investment, which is particularly important.

Two things are clear. A great deal is being done, especially by the public sector. Through the co-investment fund, 130 deals have been supported. Scottish Enterprise and the Executive have grant schemes that help the pipeline of research and development. New initiatives such as the intermediary technology institutes have strong cross-party support and the strengths of our universities internationally are evident. As the figures bear out, it is clear that public sector investment in research and development in Scotland is strong. It is on the private sector side that investment in research and development is weak. The level of such investment in Scotland is only about half the level in the rest of the United Kingdom.

Although there are disputes about the detail of the figures, the overall picture is clear. In today's edition of *The Scotsman*, Bill Jamieson has written a good article in which he mentions some of the

gaps in our knowledge of business investment. He makes his point well. However, MSPs are already aware that Scottish economic statistics are more comprehensive than the statistics for other parts of the UK. We should remember that 5,000 Scottish firms are surveyed for GDP statistics every quarter. It is important that we do not spend all our time measuring and not enough time doing.

I accept, however, the need for action by the Executive and the ONS. I can announce that officials will meet colleagues from the Office for National Statistics tomorrow to start the process of improving the availability of business investment data. It is clear that we need action.

In that regard, I want to see other areas of action. I mentioned doing and how we can make a difference. I believe that there is the need for a major initiative with the clearing banks in Scotland and the whole Scottish investment community, with its world-class financial clout, to change the attitude and culture towards private sector investment and research and development in Scotland.

My fifth theme of skills and training is vital, and I am confident that Scotland is doing well in that regard. I believe that we have the skills and education system that allow us to take advantage of better levels of investment. In the current spending review, the Executive made a major commitment to putting greater investment into our colleges and universities. The Executive is publishing its plans to address the skills and training needs of the 19,000 people in Scotland who are not in education, employment or training. The NEET group, as it is often termed, is the area in which we have to maximise the potential of young people in Scotland to contribute their talents and abilities to the future of Scotland's economy.

We have to build on the strengths of our world-class universities and colleges. As Christine May mentioned in the debate on Scottish Enterprise last week, the Financial Times *fDi* magazine awards recognised Scotland as the best place in the world for human resource strengths, particularly in financial services and life sciences. It is worth while reminding ourselves of that. Companies such as JP Morgan, Morgan Stanley, Stirling Medical, Dell and Amazon are choosing to locate in Scotland—all of them have a choice; they have chosen Scotland.

Last week I announced Invitrogen's plans for more investment in Scotland with the creation of its Scotland-based European headquarters. Wyeth is establishing a world-leading translational medicine centre in Scotland and, in life sciences, two Scottish universities were judged to be in the top five places in the world to work in life sciences.

My final theme is Scotland's excellence; it is about being the best. Last year, 20 per cent of life science initial public offerings across the whole of Europe were from Scottish companies. In renewable energy, the first commercial wave scheme in Europe was designed and built in Scotland. For innovation, we can champion the success of Wolfson Microelectronics, which was spun out from the University of Edinburgh. In the early stages of its development, Wolfson was awarded a small firms merit award for research and technology—or SMART award—that amounted to tens of thousands of pounds and it now has a market capitalisation of more than half a billion pounds.

Scotland is strong globally. That is why minister Zhou Ji, the Chinese Government's Minister of Education, came to Edinburgh to study our education system and visit the University of Edinburgh. Bill Gammell from Cairn Energy has shown the international strength of our energy sector. The Swiss Minister for Home Affairs was in the gallery earlier today because the strength of our financial services sector means that, with funding support from the Executive, we now have a direct route from one financial capital—Edinburgh—to another financial centre, Geneva.

If we are international in our outlook, build on our excellence and our strengths, and work together, we can achieve a lot. That is the challenge for us all, in the debate and from here forward.

15:18

**Jim Mather (Highlands and Islands) (SNP):** I welcome the opportunity to speak in the debate. I commend the committee for coming as close as devolution permits to Charlie McCreevy's vision of competitiveness, investment in infrastructure and skills, and getting more people into work. The report is positive and consensual.

I am pleased to see that the Executive's response largely welcomes the report. I am also pleased to see that the Executive is taking a less defensive approach to the important issue of investment. As the minister said, the issue is worthy of proper study; we need to fill the gaps in our knowledge. The issue is deserving of study in order for us to have the objective and current data that will allow us to compare apples with apples. I am very happy to hear that the meeting with the ONS will go ahead. We need the Executive to be open in its acceptance of any help from any source that can assist with its top priority of investment, which is also Scotland's top priority.

Beyond that, the report has delivered positives from elsewhere. Gavin Don made an eloquent call for a Scottish economic commission. His proposal

is very similar to the theme of a cross-party group that I am trying to start up. Bill Jamieson called today for an independent office for national statistics, as we have done. Professor Ronald MacDonald has called for more powers and pointed out the moral hazard of Scotland's present economic safety net, which leads to an inability to achieve meaningful growth. Ronald MacDonald's paper supplies proof that the low level of private sector research and development is a result of our lack of economic powers.

The key point is that I would prefer the Executive to deal with the current constitutional inadequacies and not just the statistical inadequacies. The Executive must realise the international consequences of Scotland being seen to be powerless and to have inadequate statistics.

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** I am not exactly sure what point the member is making about a correlation between the low level of private sector business investment in our future economic progress and economic powers for the Parliament. Will he expand on that?

**Jim Mather:** I trekked to Glasgow to take the minister through my economic case and to show him my slides, so he will understand that a lack of head offices correlates to a lack of research and development investment. I will e-mail the minister a fresh copy of the information, because the updates will take him forward to a new place.

We need objective data and empowered competitiveness if we are to inform and motivate domestic and overseas investment. The Executive would be well advised to advocate emulation of Westminster attributes—not only an independent office for national statistics, but the powers. Only in that way will we fill the gaps and move forward, and guarantee that Scotland moves on to a better basis.

I am happy that Scotland's statistical profile is being measured and will influence our future, thanks to the International Institute for Management Development of Switzerland. We have heralded the IMD's annual competitiveness yearbook for some time and the Executive and others have been forced to engage with that. I suspect that our attention has resulted in an improvement. Scotland has moved from 36<sup>th</sup> to 35<sup>th</sup> and now to 30<sup>th</sup> on overall performance—such improvements always happen when outcomes are focused on.

However, the IMD has also bolstered the need to pay attention to the recommendations of the business growth report, because the IMD has shown that it can demolish the Executive's pretence that the top priority of economic growth can still be delivered when the Executive lacks

economic powers. A subset of the IMD's report tells us that on economic performance, Scotland has fallen from 38<sup>th</sup> in 2004 to 40<sup>th</sup> in 2005 and 51<sup>st</sup> in 2006 out of 60 or so countries. That is a cause for concern. Scotland is a long way from fulfilment of the top priority.

The same report says that Scotland's position for business efficiency has improved from 36<sup>th</sup> in 2004 to 34<sup>th</sup> in 2005 and 26<sup>th</sup> in 2006. Business is doing its bit. Scottish business is hungry, becoming efficient, developing overseas and making connections.

**Richard Baker (North East Scotland) (Lab):** What impact does Jim Mather think that introducing a third-party right of appeal would have on business growth and economic growth?

**Jim Mather:** Richard Baker knows my view on that—it is well publicised. I am agin that right, but that does not mean that I am against communities having a basis for appeal in extreme situations, as I will advocate at a public meeting in Innellan on Monday night—Richard Baker should come along and see what is happening there.

The IMD report provides evidence that although business is becoming more efficient and employees are being competitive and making an effort, Scotland is still in a lamentable position. On the Government's top priority, Scotland has gone from 36<sup>th</sup> to 51<sup>st</sup> in the blink of an eye.

I therefore encourage members to accept and work on the business growth report. We should get ourselves into the position where we start to see that we cannot move forward without what is in the report. I am pleased that in the month since the report was produced, a move has been made towards engaging with sceptics and understanding.

We need to listen and learn—that is the only way in which we will converge. Jean-Philippe Cotis, the much-quoted chief economist of the Organisation for Economic Co-operation and Development, has said that a failure to converge is a failure to learn. The business growth report gives us much to learn, as does the IMD report. We must change Scotland's competitive footprint and we cannot do that without economic powers. The more the Executive denies that, the more it holds us back and impacts on us with a negative opportunity cost and the more it will be condemned by posterity.

15:25

**Murdo Fraser (Mid Scotland and Fife) (Con):** I wonder whether we could do a deal with Jim Mather: we will promise not to mention third-party rights of appeal if he promises to write a new speech.

I thank the Enterprise and Culture Committee clerks and the Scottish Parliament information centre researchers for all their hard work in helping us put the report together. I thank the many people who gave us written and oral evidence for what turned out to be a substantial and, I hope, influential, piece of work.

I put on record our special thanks to the committee adviser, Wolfgang Michalski, who was formerly the head economic adviser to the OECD in Paris, for all his guidance and input. Wolfgang Michalski's contribution was particularly valuable. He helped to distil all the information and different points of view that we received into key areas so that we could reach conclusions on them. Those committee members who made the trip to Hamburg will remember the splendid hospitality that we received, courtesy of Mrs Michalski, at their gracious home on the riverside. Throughout our trip to Germany, in both Hamburg and Bremen, we were treated extremely well, and we gained a very useful insight into city region policy.

One incident that sticks in my mind took place when we were being shown round the Airbus factory in Hamburg by one of the production managers there. Airbus is a major employer even by European terms, with a huge base in Hamburg employing tens of thousands of people. By coincidence, the Airbus A380, the world's largest passenger jet, which we saw in production, landed in London for the first time this morning. When we were discussing efficiency with the production manager in Hamburg, he told us that the Airbus efficiency target was 5 per cent—that means 5 per cent this year, 5 per cent next year and 5 per cent every year thereafter. Airbus goes on making planes to the same standard and quality, but it looks for that scale of reduction in overhead costs every year. Of course, we immediately offered to take the production manager to Scotland to meet Tom McCabe to teach him a thing or two about efficient government. If Airbus can make those efficiencies and still build planes of the same quality, why can the Scottish Executive not do the same with our money?

The background to our inquiry was the relatively poor performance of the Scottish economy in recent years compared with the performance of the wider United Kingdom economy and, in particular, the widely perceived lack of entrepreneurial culture in Scotland. I do not want to go over all the statistics, but we know that the rate of business start-ups is poorer here than it is in the UK as a whole. We have higher levels of business failure and a lower level of entrepreneurial activity. The Enterprise and Culture Committee was trying to identify some initiatives that the Executive could develop to deal with the problem.

As Alex Neil said, a key finding of the committee's report concerned the investment gap in Scotland compared with the situation in more successful economies. We have a shortfall in both public sector and private sector investment. That is particularly evident in the low level of business research and development spending. The committee made a plea, as has been well reported and mentioned in the debate already, for an additional £8.5 billion of private and public investment in the economy. That figure attracted a great deal of press interest and was widely criticised by apologists for the Executive, prominent among whom was the Executive's apostle on earth, Mr Alf Young of *The Herald*.

The difficulty for such critics is that the statistics that they use to try to debunk the £8.5 billion figure date from as far back as 2000, six years ago. We could have a long statistical battle over the figures—I think that we have already done so this afternoon—but that would rather cloud the central issue of the committee report, which is simply that we need more investment. I hope that we can all agree on that.

We spent a great deal of time in preparing the report and in our evidence sessions discussing the level and quality of public sector expenditure. Inevitably, the committee could not agree on what the overall size of the public sector in Scotland should be—we all had our different perspectives on that. However, we agreed that the right balance had to be struck between investment in the future and the obligation to spend on the current needs of society. We felt that investment in areas that would deliver long-term economic benefit had to increase. We identified physical infrastructure, specifically in transport and education, as being the area in which we need a proportional increase in spending if the long-term rate of business growth is to go up. By implication, we were making a criticism of the current spending balance.

I was interested to read the Executive's comments on that recommendation in its response to the report. The Executive referred to

"the perception that over the 30 years prior to devolution long-term investment had been neglected",

which rather made me smile because, if such a perception exists, it is largely because people in the Executive keep repeating it. The sad fact for the Executive is that, post-devolution, far from an increase in investment in infrastructure, levels of spending, for example on transport infrastructure, have been slashed. In fact, it was four or five years into devolution before levels of transport spending recovered to the levels that they had been under the Conservative Government. I could bore members with a long list of all the transport improvements and other infrastructure investments that were made under that

Conservative Government. I have the list here, in case any member wishes to challenge me, but I will refrain from reading it.

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** Will the member give way?

**Murdo Fraser:** If the member wants to hear the list, I will be delighted to read it.

**Mr Stone:** I refuse that kind offer. I am not sure that I accept what Murdo Fraser says about the slashed expenditure, but how does he marry his argument with what I and other members heard in Finland about the cuts that were made there to turn round the economy? Finland is now held up by Jim Mather and other members as a real success story.

**Murdo Fraser:** I was not on the trip to Finland, so I am not sure to which cuts the member is referring. Would he like to elaborate?

**Mr Stone:** The economy had to be completely restructured following the disengagement with the Soviet economy next door. As Christine May will remember, it was outlined to us that that was a painful experience and that a fundamental change was required. How does that fit with the member's philosophy? I am not saying that the Finnish way is right; I am interested in exploring the member's thinking.

**Murdo Fraser:** I am still not entirely sure that I understand Jamie Stone's point, although I understand that Finland's circumstances are entirely different from ours. Clearly, costs were involved in disengaging after the collapse of the Soviet Union. Perhaps the lesson is that we should not engage in political divorce from our neighbouring countries—I do not know.

**Mr Stone:** Two out of 10.

**Murdo Fraser:** If the member had asked the question more clearly, I might have understood the point that he was trying to make.

Another of the committee's recommendations on transport was that the Executive should agree an order of priority for proposed transport projects that refers to their economic benefit. When I asked the Minister for Transport and Telecommunications to do that, he gave a less than clear answer. It surely makes sense to ensure that we spend on the most important infrastructure projects that will deliver the most economic benefits. For example, we should know whether the M74 extension could deliver more economic benefit than the Borders railway or the Edinburgh or Glasgow airport rail links could deliver.

**Fergus Ewing:** Does it?

**Murdo Fraser:** That is a good question to which we do not know the answer, because nobody has

told us and the Executive has not done that work. It is good that Highlands and Islands Enterprise has a priority list of future transport projects, but it is a shame that the Scottish Executive or Scottish Enterprise has nothing similar for the rest of Scotland.

**Des McNulty (Clydebank and Milngavie) (Lab):** I agree that there should be a priority list. However, the figures on the benefits of transport projects are published clearly through the Scottish transport appraisal guidance assessments. Those figures show clearly that the M74 extension is the highest-value-added project in Scotland, which is why the Executive should give that project top priority, perhaps alongside the restoration of Waverley station.

**Murdo Fraser:** I do not disagree on that priority, because I am in favour of the M74 extension. However, the member makes my point for me, which is that we do not have a priority list but we should have one so that we know how projects rank.

I could say much more about social enterprises and procurement, but I must close soon. The committee's report suggests the creation of a national economic forum. Some people are critical of that idea, but the important point is that we need a national consensus about the importance of the economy. In Ireland, such a consensus was the precursor to turning round economic decline and building the Celtic tiger. I hope that we can go Ireland's way and start building a consensus. I hope that the committee's report, into which a lot of effort has gone, will help to build a new consensus that economic growth should be our top priority.

15:34

**Susan Deacon (Edinburgh East and Musselburgh) (Lab):** A range of themes ran through the debates and the many discussions that took place in and around the Enterprise and Culture Committee as we carried out the inquiry into business growth. The same themes run consistently through the report, but anyone listening to the debate could be forgiven for missing some of them. Those themes are about confidence; building on and celebrating success; fostering an enterprise culture; building creativity in our land; and looking at how we can come together to build a meaningful consensus to take forward our key, strategic economic objectives for Scotland. When it comes to taking forward those key objectives, the tone and substance of much of what we hear in the Parliament talks the talk but does not walk the walk.

Let us be honest about this: Scotland is doing well. All our work in the inquiry showed that, on the

world stage, we are doing well. There is never room for complacency, but we are doing well, not least through Labour's stewardship of the economy at a UK level. We have record levels of employment; more school leavers than ever before are staying in education; and 30,000 more businesses have been created since 1998. In recent weeks, we have had good news in manufacturing. We consistently have good news in areas such as financial services and biotech. Our universities are punching above their weight on the world stage. There is good news about Scotland's growth rates.

I do not want to see the debate get lost in a fog of numbers, statistics and technospeak. Those debates are legitimate and they will continue, but I want us to focus on what the debate should be about, which is people. It is about the entrepreneurs who set up and grow the businesses on which our nation's growth and future economic prosperity depend. It is about the people who depend on employment from that economic growth. It is about the people who have their social needs met through the growing success of the social enterprise sector. Those are the themes that ran through the committee's inquiry. No committee report, however well written and robust, and however good its evidence base, can ever capture that human dimension, but that was what we heard when we carried out that work. For me, it was those conversations, insights and human experiences that spoke far louder than any body of data ever will. I wish to highlight some of the messages that leaped out at me.

We can talk until the cows come home about structures, agencies and the pots of investment and R and D budgets that are required, but the reality is that economies around the world are competing for people. There are many things that can and should be done to attract and retain people. Some of those are tangible, such as housing opportunities, quality of life, skills, education and job opportunities, but there is something deeper as well. It is about the messages that we send out from our land about what kind of country Scotland is. If we are serious about retaining and attracting talented, creative, ambitious individuals who will contribute to Scotland's economic growth in future, we have to be prepared to send out a message that we in this Parliament and this country are creative, ambitious and positive.

**Jim Mather:** Will the member take an intervention?

**Susan Deacon:** No, thank you.

Do we always celebrate success or are we quick to pounce on failure and call for scalps? Do we—I mean the Parliament in its entirety—work to empower, to enable, to facilitate and to foster

enterprise and achievement, or do we rush to regulate, to measure and to make rules? Do we create a climate in which people can take risks? On the one hand, we are teaching our children enterprise. On the other, in aspects of our public policy we are wrapping them in cotton wool. If we want to breed a generation that is truly entrepreneurial and enterprising, we need to give our children the space to explore and to experiment, in business and in life.

What about our workforce? What are we doing to make the best and the most of our people? As the committee report identified, there is so much that we can do to think creatively about issues such as work-life balance, phased retirement and the choices that individuals want, so that they can have a good quality of life while remaining economically active. Given the demographic trends that we face, we have got to address those people issues.

I will also mention one of my favourite subjects: leadership development, which we also explored during our inquiry. We heard a lot about management development—I speak with some interest and experience in that field—but it is not acceptable that so many individuals and corporate entities in Scotland still look beyond these shores to find institutions and business partners to develop their leadership development programmes. We could and should do more at home.

I am surprised that we did not hear from Murdo Fraser about the role of the public sector, as we have heard him speak about it often in connection with business growth. We heard little evidence to support the caricature of Scotland as having a bloated public sector that saps skills and resources. The question is not what size our public sector is but whether it is efficient, whether it is effective and how it could be improved.

There certainly is room for improvement, which must include improvement in how we do business. I ask members to consider how we take decisions on major transport infrastructure projects. We add years, not value, to the decision-making process because of the way in which we consider proposals such as those for Edinburgh's tram system, the Glasgow and Edinburgh airport rail links, the Waverley railway line or the Larkhall to Milngavie rail link. We must hold up a mirror and determine what we can do to turn round that plodding and protracted process, which means that Scotland will not be able to move far enough and fast enough to compete on the world stage if we are not careful.

Whether one loves or loathes the strapline of Scotland being the best small country in the world, it is a statement of fact that we are small. However, that can be a virtue if we handle it

correctly, play to our strengths and realise that we cannot compete in every sector and every field. It also means that we must be careful not to overlayer our decision-making processes or to have a clutter of organisational furniture and boundaries through which business and those who are involved in taking decisions that affect business must swim every time that they want to move forward. We must create the climate and the infrastructure in Scotland that enable us to be strategic and to see and embrace the big picture.

Without question, the Executive is moving in the right direction, but it can and should move further and faster. It is incumbent on all members to embrace and champion change. If we are to talk the language of confidence and positivity, we too must behave positively and confidently. We can send out a signal to the country and the wider world, and that signal can make a difference to our future economic and social success.

15:42

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** On 19 October last year, the leading daily newspaper in the north of Scotland, *The Press and Journal*, telephoned me for a quotation on Highlands and Islands Enterprise's announcement of the proposed £1 billion investment in the Highlands by a company called Forsscot. The HIE press release said that that proposal would result in the creation of 6,000 jobs in the Highlands. That would, of course, be welcome news if the proposal is sound, but I chose to make no comment because I was not aware of the facts—members can call me old-fashioned if they like.

Since then, I have made it my business to acquaint myself with the facts by going round many of the successful companies that are engaged in the timber and timber products sector in the north of Scotland and by speaking to representative bodies such as the United Kingdom Forest Products Association. Those companies included BSW Timber, which is receiving assistance from HIE to create the largest sawmill in the UK in Fort William, and Norbord, which is based just outside Inverness and which has supplied panel products for decades. They also included John Gordon & Son in Nairn, which is a family business, like many others in the timber sector. Such companies are the backbone and bedrock of a successful and essential part of the rural economy. They also contribute to the success of the construction sector by supplying the products that allow us to seize the opportunities, which did not exist a generation ago, that the construction sector has provided in Inverness.

Since that phone call, I have given some study to the Forscot plan. Based on my discussions with those businesses that I mentioned and with others, my view is that the proposal is not a sensible plan but a flawed plan. Quite simply, Forscot has miscalculated the amount of timber that would be required to make the plan work. Forscot is looking for 4 million tonnes a year, but only 6 million tonnes a year are cut and there ain't an extra 4 million tonnes.

To invest public money in the proposal would, I believe, be foolish. When I met Mr Frette, who is one of Forscot's directors, he told me that, in theory at least, £150 million of public money might be available. No application has yet been made and, understandably, the enterprise company would not share with me what amounts it has discussed with Forscot.

However, the point is that we want to promote sensible development. Bill Jamieson was right to point out that the word "sustainable" is popular with politicians because it has no fixed meaning. I suggest that the investment that we support can be either sensible or risky. Enterprise companies have a difficult job to do, in that they must both manage risks and take risks. However, they must do so with the benefit of the tools of rational analysis and evidence-based judgment that Adam Smith bequeathed to the nation.

Therefore, my first recommendation is that, although Forscot, if it so wishes, should be allowed to spend £1,000 million—its lack of cash, unfortunately, is a slight difficulty—we should not invest £150 million, which could dual the A96 from Inverness to Nairn, in a proposal that, according to all the advice that I have received, is flawed.

**Mr Stone:** My intervention will come as no surprise to Fergus Ewing, given that the proposed project would be centred in my constituency. I am not unsympathetic to what he has said but, in considering the documents before him, does he have anything to say apropos the global nature of the market for the product that Forscot is talking about, given what is being produced in Scandinavia and other parts of the world, and the links with Invergordon?

**Fergus Ewing:** Yes, I believe that the Forscot plan emanated from the Jaako-Pöyry report, which has been peddled for some years without success. There may be a need for an integrated pulpmill, paper mill, sawmill and energy plant, but I suspect that any such plant is more likely to be successfully created in China or South America. My point is that Forscot can invest £1,000 million if it wants to do so, but it should not be given £150 million of public money that would be better deployed. That is my judgment.

My second point is that the timber sector has a parallel opportunity in biomass. For example, a company in Invergordon called Balcas Limited, which is a well-established company that is led by Ernest Kidney and has a good track record in the north and south of Ireland, is planning to create a biomass project that certainly appears worthy of support. Mr Kidney will make a presentation to the Parliament and I hope that we will hear more about that project soon.

My advice to the Minister for Enterprise and Lifelong Learning and his deputy is that the dash for biomass is too unconstrained. If too much of the available timber that is cut is used for biomass, we will see displacement, which would cause severe problems especially in the panel products industry. Given the grave concerns that exist, once the Forestry Commission report on the available cut in the public and private sectors is published, the ministers need to engage in thorough talks with the heads of companies such as BSW Timber, John Gordon & Son and James Jones & Sons. If we continue with the unconstrained dash for biomass, we could end up subsidising through renewables obligation certificates one sector at the expense of another viable sector—namely timber—which could be put at risk.

I want to see more renewable energy from biomass. It is not that we should have no biomass industry but that the Executive should engage in discussions with the people who run Scotland's timber businesses to ensure that we get it right. At the moment, we have seen the dash for gas replaced by the dash for biomass subsidised through ROCs. That is wrong.

I apologise for focusing on one specific area of the Scottish economy, but Alex Neil is much better at the generalities than I am so I will leave that to him. I assure the minister that, next May, the SNP-led Executive will seek to achieve the unrealised potential of our timber sector and timber products industry.

15:49

**Mr Charlie Gordon (Glasgow Cathcart) (Lab):** I whole-heartedly endorse Alex Neil's opening remarks about the primacy of economic growth as our top national objective. I do so not just because I want greater prosperity for all, but because I believe that greater prosperity is the most significant way of improving social inclusion in our country.

Many of our social problems today can be traced back to the callousness of Tory chancellors such as Norman Lamont, a man notorious not only for being unable to pronounce properly his own surname, but for regarding unemployment as a price well worth paying for low inflation. Soon after

he said that, he was a busted flush. The trouble was, so was the UK economy. Today, we have a man in 11 Downing Street who has brought low inflation and full employment. The overall UK growth under his stewardship has enabled the Scottish Executive's financial resources virtually to double over the seven years of devolution.

Alex Neil rightly stresses the significance of all-party endorsement for the top-line objectives that are analysed in the Enterprise and Culture Committee's report. There is a national consensus in Scotland around economic growth, low inflation and full employment. Rightly—and, if I may say so, remarkably—Alex Neil told us that the SNP parked the constitutional issue during the committee's research into current economic issues. That consensus and realism is vital to business confidence in our country. Let us not talk our country down, because that might cost us investment and jobs. However, in the very first sentence of his speech, Jim Mather bemoaned—for moaner he is—the constitutional situation. As Richard Baker indicated in his intervention on Jim Mather, the SNP's two-faced view on third-party rights of appeal in respect of town planning hardly validates its business-friendly credentials.

Do the contradictions of the SNP matter, other than to supply us with debating points?

**Fergus Ewing:** If they do not, why is the member talking about us?

**Mr Gordon:** They do matter, because the national consensus must not be sacrificed if business confidence and, therefore, growth are not to be endangered. I have seen that happen elsewhere. Many people in Montreal, Canada, attribute the loss of their city's national pre-eminence to Toronto and, indeed, Vancouver to a series of referenda and constitutional crises in Québec province.

Alex Salmond says that, because of the Moray by-election result, he will be in power next May, but Alex Salmond thought that the SNP would win the Cathcart by-election. In the unlikely event of the scenario that he predicts being realised, business in Scotland will be on tenterhooks. Will Scotland be another Québec? Indeed, will Alex, like Samson, bring the house down?

15:53

**Shiona Baird (North East Scotland) (Green):** I echo Murdo Fraser's thanks to the committee clerks, who do remarkably sterling work behind the scenes. I am particularly grateful to them for the help they gave me, because I came to the inquiry late. My colleague Chris Ballance was a member of the Enterprise and Culture Committee at the beginning of its work on business growth.

I am grateful to Chris for getting many points included in the report that might otherwise have fallen by the wayside. In particular, he was instrumental in ensuring that the committee examined the enormous contribution of social enterprises, a sector that has often been overlooked by the business mainstream. The inclusion of social enterprise in a report of this nature is something of a watershed moment. It sends a clear, unequivocal message that social enterprise is a viable, robust business model that we should aim to make part of the business mainstream in Scotland. The sector has frequently been frustrated by misguided assumptions that it is about charity or the old-school voluntary sector.

**Christine May (Central Fife) (Lab):** Does Shiona Baird accept that in supporting the co-operative development agency for Scotland, the Executive is the first Government to put some money behind social enterprise?

**Shiona Baird:** On that very point I commend the report and congratulate the Executive. The report recognises that the social enterprise sector has business goals and needs. Christine May and I agree that that is a major step forward.

Another watershed in the report is the explicit acknowledgement that business must be not only socially responsible but environmentally sustainable. For too long, business has taken the attitude that the environment does not affect it. That blinkered, head-in-the-sand approach will not do any longer. A healthy and sustainable environment is not an alternative to a healthy and successful economy; it is an absolute prerequisite. If the committee's report manages to get that message across, it will be one of the most significant pieces of work that it has ever done.

The committee did other important work when it investigated the nature of GDP. The Greens have spoken about that matter in the past, and I make no apology for doing so again. If we accept that there is more to sustainable business than simply turning a profit, GDP is no longer an adequate measure of progress. There are viable alternatives out there and it is time that we looked into using them.

There have been some major steps forward in the way that we view business. We can have sustainable business growth, but not at any cost. If we recognise that there are limits to economic expansion and then stay within them, we will do a massive favour to the businesses of the future. If we ignore and ride roughshod over those limits, future businesses will suffer for our short-sightedness.

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

**Shiona Baird:** I will run out of time if I do, so if the member does not mind I will keep going.

Although the report represents genuinely progressive and original thinking, I regret that in some areas it is stuck in the bad old days. Although the committee often makes all the right noises about sustainability, now and again it does something that makes one wonder whether it really has a grip on the concept. Its refusal to accept that environmentally sustainable transport options should be prioritised over damaging ones is just such an example. Does the committee believe that unsustainable transport infrastructure can play a part in a sustainable economy? I do not think that it can. It is either sustainable or it is not. If it is not sustainable it is not part of the solution, it is part of the problem, and we should not support it. I regret that other committee members have shied away from taking on board that point.

One other misgiving that I have about the report is that it assumes that the basis of Scotland's economic activity and growth will remain essentially unchanged in the foreseeable future. Projections that fail to take into account the impact of climate change and the challenges of oil depletion are most unlikely to bear much resemblance to reality. Climate change will affect business for better or worse, and oil depletion likewise. By not taking those factors into account, the report misses an opportunity for Scotland's business community to go into the future with its eyes wide open.

Those criticisms apart, the report is a major contribution to the thinking on Scotland's economic future—at least in the short term. A sustainable and secure economic future is there to be enjoyed by the people of Scotland. We can adapt to the challenges of the future, but we have to accept that if we want sustainability it must underpin everything we do—it can never be an add-on. If we take that message on board, the next 10 years will be good ones for Scotland.

15:59

**Des McNulty (Clydebank and Milngavie) (Lab):** I am going to disagree a wee bit with Shiona Baird, but not on points of Green politics, about which I normally disagree with her. I do not think that the report is particularly good. It does not develop the argument about how to take the economy forward. It is riddled with basic errors and misunderstandings about investment patterns. Alf Young was almost entirely right to monster some of the arguments that underpin the report's statement that Scotland's economy needs an additional £8.5 billion of investment. Indeed, in *The Scotsman* today, Bill Jamieson, who almost never agrees with Alf Young, appeared to do so when he pointed out that, on the basis of gross fixed capital formation, there is no evidence that Scotland lags behind. In fact, the pattern of

investment in Scotland is about 20.3 per cent of gross value added, which is higher than the figure for London and, indeed, the UK average. Some major issues need to be addressed.

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

**Des McNulty:** No, I want to carry through this argument.

The report argues for increased spending on investment over consumption—on roads, transport, water and sewerage and other aspects of physical infrastructure, as well as human capital, education, training and skills. I do not disagree with that; in fact, the Finance Committee has consistently argued as much. However, the report's central argument, which suggests that 80 per cent of Government expenditure is on consumption and 20 per cent is on investment, is based on data from "Government Expenditure and Revenue in Scotland"—surprisingly so, given that Alex Neil and Jim Mather are against the use of such data. In fact, it is based on 2002-03 GERS data, which include spending by UK departments on social protection, defence, agriculture and employment. Moreover, GERS does not differentiate between current and capital spending, and a closer look at the figures shows that the share of physical investment in the Scottish budget is closer to 30 per cent. Such basic interpretative errors disfigure the report and raise questions about its usefulness.

The report also fails to note the 7 per cent real-terms increase in capital spending that was proposed by the Finance Committee and implemented by the Executive in the 2004 spending review. That is twice the average growth in the budget. If the committee is arguing that consumption has taken preference over investment and that that trend will continue, its analysis is fundamentally flawed. By 2007-08, the capital departmental expenditure limit will hit £3 billion and total education spend will amount to £6 billion, or 29 per cent of the budget.

Of course, Alex Neil's party opposes certain elements of that spend, such as public-private partnership investment in schools. However, he cannot have it both ways. Arguments must be based on facts and figures. For example, substantial investment has been made in water infrastructure. I have argued with Jim Mather—indeed, everyone has argued with Jim Mather—about such investment, which he believes should be funded by borrowing. However, it would be a basic error to subsidise the future on the basis of current expenditure.

Let me be clear: we need a properly constituted analysis of the economy that is realistic about the substantial investment that the public sector is making. Indeed, as Bill Jamieson has pointed out,

what Scotland lacks is investment by businesses, and we need to ask them why that investment is not being made. After all, to a certain extent, business is as much—if not more—responsible for that activity than Government.

Finally, we must realise that, in telling Highlands and Islands Enterprise and particularly Scottish Enterprise what we want them to do, we need to make certain choices about the priorities that we decide to spend and not spend money on, and to be explicit about those decisions. I am not sure that the punt on the ITIs—which involve business leaders who are funded by politicians making decisions on industry areas in which to invest—is right. I would prefer there to be more focus on land and the physical infrastructure.

I agree with Jim Mather that transport investment must be faster. We must prioritise investment. Investments that will deliver the biggest economic returns—the M74, the M8 and Waverley station, for example—should have a higher priority and should be dealt with before the Borders rail link, for example, because they will deliver more for the Scottish economy, but politics is getting in the way. It will continue to get in the way until we are honest with one another; until we consider how we will invest, what choices we will make, why we make them and how we can justify them economically and systematically; and until we follow the logic of our investments.

For that reason, the consensus that has been pointed to is fundamentally empty. Our problem is that there is a false and empty consensus in the chamber that we can do everything with the cash that we have. If we want to move ahead, we must make systematic choices in the same way that a company would. If we are going to talk about Scotland plc, we must make choices—we will not be able to do some things, but we will be able to do other things. We cannot do everything, and we must explain why that is so. We must be systematic, make decisions and put cash in the right places with reference to criteria. We are not sufficiently systematic at the moment, and building an argument on misinformation and poor quantification will not advance us far.

16:06

**Phil Gallie (South of Scotland) (Con):** I commend the Enterprise and Culture Committee for producing its report. I recognise that members of the committee had diverse views, but I say to Des McNulty that we should not be negative about the report that they produced. In order to pull together such diverse views, committee members sometimes have to compromise on issues that they feel strongly about and there are party-political lines, and there is evidence in the report that there was compromise.

I back 100 per cent what Des McNulty said about transport priorities and the M74, but Shiona Baird—I say this not to discredit her—profoundly disagrees with the option that I favour, which goes against everything in which she believes. Des McNulty spoke about the democratic process and it is right that Shiona Baird's voice should be heard in a report that is produced through that process. She knows that I disagree with her on the issue in question.

Susan Deacon almost made a plea to members of all parties to back unanimously everything that the Executive is doing and to believe that everything that the Executive has done is right. She gave a rather glossy account of the current situation and she must recognise that in politics and within the democratic process—she mentioned that process—it is inevitable that all people will not have the same view.

**Susan Deacon:** The member should acknowledge that I have not asked anyone today or on any other occasion that I can remember to back everything that the Executive is doing. I am saying that if we are serious about wanting to build the consensus that a cross-party report seeks, we must work to build it, and everybody has a responsibility to do so. People should not simply pay lip service to building consensus.

**Phil Gallie:** I agree that there should be an overall consensus on objectives. Susan Deacon talked about Scotland being the best wee country in the world. To be honest, that phrase makes me and many others cringe. However, the report refers to a smart, successful Scotland whose aims are based on economic development, and most members would get behind such development in looking to the future. The difference is that, in a political world, there will be different objectives and the means of obtaining those objectives will differ right across the political spectrum. We must take account of the fact that all sides have to be heard when we seek the consensus that we all want.

When I read the report, a thought crossed my mind. I recognised that although, to some extent, the report was supportive of the Executive's objectives, in other ways it was critical of the current situation and the way in which the Executive is going about achieving those objectives. To ministers, I say that when a report such as this is produced, they should take on board the words of Rabbie Burns. He wrote:

*"O wad some Pow'r the giftie gie us  
To see oursels as others see us!"*

What we have in the report is not an acceptance of the Executive's words but the views of others who have analysed them in great detail over 18 months. They perhaps give prompts and advice on

how the Executive could change course and achieve things better in the future.

**Christine May:** Would Phil Gallie care to elaborate on one or two of the areas that he found particularly striking?

**Phil Gallie:** Certainly. There are a number of such areas. Today we heard the minister talk about the rates situation. He said that, in a couple of years, rates will be back to the uniform business rate as it was. The fact is that the move away from the uniform business rate that the Executive inherited has done untold damage to businesses. It has perhaps cost the lives of many businesses; it has certainly cost them many millions of pounds. I believe that that move was a fundamental mistake and I am delighted that the minister is going to take us back to where we were before. However, we cannot go back in time; we must recognise that we have to go forward. That is the kind of criticism that I think is more than justified in assessing the Executive's performance to date.

I could cite many other areas. Karen Gillon drew the minister's attention to the failure to repair Scotland's roads infrastructure in recent times. I look back to the roads programme that was inherited from the previous Conservative Government. The Executive and the Labour Government put a block on development of the roads infrastructure, and we lost five or six years of much-needed investment.

Charlie Gordon spoke about Norman Lamont. I go back to the 1980s and 1990s, when Norman Lamont was Chancellor of the Exchequer and had hard decisions to make. Certainly, Scotland's ancient industries had much to lose by the actions that he took. People lost their jobs and that was sad. However, thanks to the strong actions that were taken then, the private industries that have developed have provided the economic structure that has allowed Gordon Brown to achieve what he has achieved in recent times.

Sadly, I believe that the economy is not in as strong a state as it was when Tony Blair took over the Government in 1997. He went to Amsterdam and boasted that the UK economy was the strongest in Europe. I referred Alex Neil back to the OECD figures. Those figures show that at that time Scotland was third in the level-of-growth league in the UK; now, we are about eighth. That is not progress; that is moving backwards.

Let us put that behind us and take this report as a starting point for achieving consensus across the chamber. Let us hope that the minister will build on the report. If he does that, all the hard work of committee members will have meant something.

16:14

**Richard Baker (North East Scotland) (Lab):** With the greatest respect to Phil Gallie, only a Conservative could think that the economy was stronger in 1997 than it is now. He should ask the people who are in work today who were not in work then and they will tell him that the economy is stronger today.

To come back to the issue of a national consensus, there is no doubt that the committee's report has stimulated debate not just in the chamber but outside Parliament too. Although there might not be agreement on all the report's recommendations and conclusions, the debate is productive as it is focusing minds on the key issues for the encouragement of business growth in Scotland. If there is no national consensus on our every point, there is a great deal of agreement that our economic strategy should prioritise key areas such as encouraging investment in R and D, improving the labour market and targeting key markets in which Scotland can take a lead.

No one can accuse our committee of not having been ambitious with the report's scope. It discusses the broad spectrum of issues that affect business growth in Scotland and considers a long-term agenda. By engaging in that exercise, we set ourselves a tall order and we were bound to provoke debate. However, it is vital for the committee to engage in this sort of inquiry if we are to have the kind of economic strategy that Scotland needs.

Members have clearly taken different views of the economic context of the report, current trends and the Executive's strategy. I am not prepared to share in gloomy economic prophecies or a refusal to acknowledge the current strength of our economy, with our economic growth now matching that of the rest of the UK and forecasts for stronger growth ahead in challenging global economic conditions.

**Jim Mather:** Can the member tell me how to reconcile the euphoria that we have heard several times today from the Executive parties with the fact that one third of the people who are in work in Scotland are earning less than £6.50 per hour and the IMD is saying that we have gone from being 36<sup>th</sup> in economic performance to 50<sup>th</sup>?

**Richard Baker:** Respected institutions such as the Fraser of Allander institute are forecasting that our economic growth will become even stronger. The Labour Party was responsible for wages coming up in Scotland through UK initiatives such as the national minimum wage.

I am not saying that there is any reason for complacency on our economic strategy. The Executive's response to the committee's report shows the breadth of its activity in the key areas

that we identified. I note that the Scottish Trades Union Congress was disappointed in that response; that disappointment seems to be based on its desire for further consultation on economic policies with stakeholders. I hope that the Executive can respond to that.

There is much to be welcomed in the Executive's response. There is fundamental agreement that encouraging business growth is not just about more Government spending but about encouraging greater private investment to expand businesses. The committee identified that as crucial and the Executive response states that it is expected that investment in the Scottish seed fund and the venture fund will lever in £500 million of private sector funding over a 10-year lifespan. The ITIs will have a vital role in encouraging more research and development and linking that to successful business creation and growth. We can see the impact that that is having in areas such as the life sciences, with the ITI in Dundee and Wyeth's new investment in our universities.

It is right that the Executive should monitor the success of our efforts in the three areas in which the ITIs currently work before identifying other areas in which Scotland could engage in similar activity. While the Wyeth investment is great news, it is clear that we have much more to do to encourage further private sector investment in the areas in which Scotland already has an academic lead and to encourage commercialisation by building on that knowledge base.

Whatever else we debate in relation to business growth, it is clear that Scotland can flourish only as a knowledge economy. That is why investing in research and development and ensuring that we have a skilled labour market are crucial. While we welcome the fact that the work of the business gateway has been guaranteed despite Scottish Enterprise's current budget difficulties, similar action is required to guarantee protection for important local skills programmes. Scotland cannot compete with low-skill, low-wage economies, and with the rapidly developing economies, particularly in Asia, that are expanding their higher education base; we need to work harder to stay ahead of the game in skills and research—in which the report identifies Scotland as performing well—and in developing leadership skills. As Susan Deacon rightly said, we are talking about investing in people.

In that, as in many areas, the key message of the report is that much is working well in our economic strategy, but there is no room for complacency. We must never stop considering what obstacles to business growth can be removed and what more can be done to support businesses in Scotland and to encourage the entrepreneurial spirit that we need when people

start their own businesses or have the skills and innovation to turn small businesses into medium-sized businesses and grow them from there.

In gathering evidence for our report, the committee heard excellent examples of where that is happening in Scotland. More must be done to ensure that other Scottish businesses can learn from those experiences. Support must be there so that that can happen more often. The Executive has an economic strategy for Scotland; it is working, but it is always right to review and refresh it, as happened earlier in this parliamentary session. As a contribution to the debate on that process, the committee's report is to be commended to Parliament.

16:20

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** Like other members of the Enterprise and Culture Committee, I take the opportunity to thank the clerks and my committee colleagues for the enormous amount of work that they have done. Even in some of the darkest hours—and I think of Helsinki airport in a snowstorm—we kept our spirits up, as I am sure my colleagues will recall.

Alex Neil outlined the thrust of the committee's report and made some play of issues such as private sector research and development funding being 0.6 per cent of GDP and public sector funding being 1.4 per cent of GDP. He also talked about closing the growth gap. Although I do not always agree with the political thrust of what Alex says, his brief synopsis of the report was fair.

By way of a response to the report, Nicol Stephen made a number of important points. As a member of the Executive, he spoke of very real progress in certain areas. He mentioned the attack on red tape and regulations and the determination to help small businesses to gain access to public sector contracts. I come from a small business background myself—although I dare not say in which sector—and what the minister said was music to my ears.

People who represent constituencies such as mine have seen real investment in infrastructure, especially in transport. Every single member in the chamber will have detected the benefit of the roll-out of broadband to almost all of the smallest communities. That makes a real difference and puts the small guy—no matter where they are in the UK—on an equal footing with the big guy.

I was taken with what the minister said about underpinning the future of some of our young people and helping them to develop. After all, they are our future and we must all invest in them. I will return to that point in my closing remarks. The minister also talked about private sector

investment and working together. Again, I will return to those points.

Murdo Fraser made a thoughtful contribution. He slightly gave the game away, as I may have indicated in my sotto voce comments during his speech, but he at least alluded to investments—he spoke about the M74 and the Borders railway. We cannae get round it—facts are chieles that winna ding—the cash is going in. Susan Deacon also made a thoughtful contribution.

At this point I crave the indulgence of the chamber to consider in some detail Fergus Ewing's contribution. I would not say that I am unsympathetic to what Fergus Ewing said. He mentioned a couple of initiatives in my constituency—two companies that want to work with wood and are thinking about working in Invergordon. One is ahead of the other; Balcas is perhaps further forward. It has a proven track record in both the north of Ireland and the Republic of Ireland. The jury is out and questions will have to be asked and answered. I do not think that Mr Ewing would disagree with that.

From her perfectly principled point of view, Shiona Baird played a prominent role in the debate and in the workings of the committee. As others have said, we cannot get away from the fact that everyone has their own political view. Shiona has honoured hers. Committee members have agreed to note each other's differences but to try to work together.

I noted Des McNulty's comments. As a member of the committee, I am not used to the new, conciliatory, moderate, mark II Phil Gallie, but I nevertheless welcome it for what it is. He emphasised the issue of working together.

I beg Christine May's pardon, but I want to mention a point that she may mention too. In Finland and Sweden, we heard a great deal about the importance for business growth of Government working together with the business community, the education community and local government. I see Mr Neil nodding, and I think that all members of the committee would agree that we saw how important that could be. We could learn a great deal about working together.

I turn to two points that I want to make off my own bat. The first is about the young and the second is about the old. Mention has been made of social enterprise. In my constituency, young people in Lochinver have set up Assynt Youth Enterprise, which is a fledgling social enterprise. It is working on a business plan to set up a community arts centre, which will have facilities such as a recording studio. AYE has been supported by the Highlands and Islands Social Enterprise Zone, which is the local incubator company.

The young people in such organisations, which are springing up all over Scotland, are business pioneers. Importantly, those social enterprises are emerging in areas in which the private sector will not go first. My message to the Parliament is that where social enterprise goes first, the private sector will often follow. I see that Mr Mather agrees with me.

I come to my final point, which concerns one of the report's main recommendations. It states:

"The changing demography could be a good-news story for Scotland. The Scottish Executive and businesses should endeavour to maximise the positive contribution that more mature workers can make to the economy. This will involve thinking creatively about matters such as work-life balance, phased retirement and ensuring that learning and skills training are truly 'lifelong'".

The nature of work is changing: people do not stay in the same job for the duration of their working lives, nor do they aspire to. People aspire to better jobs, better earnings and playing a more fulfilling role at every stage of their working lives. It is the job of the Parliament and the Scottish Government to facilitate the meeting of that aspiration. In an increasingly globalised world, Scotland will have to add value to its industries by creating higher-level jobs and being on the cutting edge of new technologies. If we do not, we face the prospect of more jobs in traditional sectors being moved to lower-skilled industries in the cheaper havens of the east.

We have made good progress on the opportunities that exist for the young, but we must go further on those that exist for older people. We must work to deliver genuine lifelong learning. There is still more work to be done to make it easier for people of any age to add to their skills, change their career, develop a passion for learning and improve their quality of life. By adopting such an approach in a global economy, we will utilise all our skills, regardless of the age of the people who possess them. At a time when we are perhaps no longer able to compete on some manufacturing fronts, we can play to our strengths, one of which is the sheer brain power and experience that we have among some of the older members of our community.

I support the committee's report. I do not want to sound silly but, as someone who was involved in its preparation, I am proud of it. We have done well and I congratulate all the members of the committee, regardless of their political colour. The production of such reports is one of the things that the Parliament does best. I commend it to the Parliament and I hope that the minister will give consideration to my remarks on the young and the elderly.

16:28

**Derek Brownlee (South of Scotland) (Con):** I, too, commend the committee and everyone else who has been involved in the report's production. Jamie Stone is right to be proud of a document that leads Phil Gallie to call for consensus. That is a significant achievement and I look forward to members of all parties converging towards Phil Gallie's view of life in a whole host of areas: it will be an interesting process to watch.

There is nothing wrong with having consensus on the importance of achieving business growth in the Scottish economy—it is a healthy thing for us to be consensual about—but I am sympathetic to Des McNulty's points about the downsides of consensus. I am sceptical about consensus partly because if we do not have a battle of ideas, it is easy to get into sloppy thinking and to accept trite statements without testing them as much as we should. We sometimes downplay the importance of argument. Although consensus sometimes has its place, we should not overplay its importance. I notice that many members of the Executive parties want us to agree with them about how great the Executive is, but I will not indulge them on that.

In some respects, the report asks more questions than it answers, which is perhaps what such a report should do. The questions that it asks are not just for the Executive—although the Executive should answer some of them—but for all of us, whether we are in government, in opposition or outwith politics. It asks important questions about how much the Government can contribute to economic growth and to business growth.

I wonder whether the Executive knows—or ever could know—by how much the policies it has pursued have increased economic growth in Scotland while it has been in power. How many businesses have been created that would not have been created but for the policies that the Executive has adopted? How much more do businesses in Scotland invest than they would have invested if the Executive had not adopted those policies?

Whatever the Executive says about the importance of statistics, I wonder whether we will ever get empirical evidence, particularly in view of the complicating factor of the policy agenda being driven from Westminster.

It is important to place a lot of emphasis on transport. I was interested to see that, in its response to the report, the Executive said that it

“agrees that a focus on the transport priorities for a particular region is helpful”

and that it is

“also currently developing a National Transport Strategy”.

That is all very well and good—we seem to have a strategy on pretty much everything else. We have a volunteering strategy, a national physical activity strategy, a draft geographic information strategy, a walking strategy and a strategy for golf tourism.

As the Executive has spent billions of pounds on transport since it came to power and as it is proposing to spend billions more, it is pretty important that we should have a good national transport strategy. However, I believe that the transport strategy, along with so many other things, has been delayed until 2012.

The report has probably been most widely recognised for what it says on research and development. I do not wish to disagree with the committee about the importance that companies and the public sector should place on appropriate research and development, but I wonder whether Alex Neil and his colleagues got a wee bit carried away in their enthusiasm for praising the Executive. In its report, the committee

“welcomes the recent announcements by the Scottish Executive for further reductions in business rates for companies investing in R&D”,

but the reality is that nothing has happened yet. In its response, the Executive says that it

“would consider reducing business rates for research and development intensive companies”.

The Executive says that it will consider some of the reasonable points the committee makes about research and development, European Union state aid rules and how research and development is defined. It has promised us the usual consultation document. We should not forget that that was trumpeted by the First Minister in his speech to Parliament last September. We did not get the consultation document. We are entitled to ask whether it was tacked on at the last minute or dreamed up the day before. Why were all the issues that are apparently delaying the consultation paper, to say nothing of the measures, not considered before the First Minister made his announcement back in September?

When the minister winds up today, I hope that he will answer three simple questions. In putting them, I assume that the Executive has got all the issues right for our research and development companies. First, when will the consultation document be published? Secondly, how much will the Executive cut from business rates? Thirdly, when will the reduction be introduced? If we cannot get the answers to those pretty fundamental questions today, I suspect that the chamber will conclude that the number 1 priority of the Executive is not so much growing the Scottish economy as achieving newspaper headlines.

In its response to the report, the Executive downplays some of the committee's points about

the impact of the tax system on growing businesses. It is undoubted that the changes that have been introduced south of the border at UK level have made it more attractive to sell businesses, particularly if they have been taken to a particular level and have been owned for a number of years. I think someone has to own their business for two years before they can seek a reduction in their tax rate from the typical 40 per cent to 10 per cent.

The Executive says that there is no evidence that what it is doing is

“holding back the growth of Scottish businesses”

but it must surely be encouraging people to sell on a business that they could take further. I will leave it to the minister to explain precisely what the Executive will do in this regard.

In its report, the committee did not ask the Executive to ask the Department for Trade and Industry whether it thinks what I have just described is happening; it asked the Executive to make representations to the Treasury on the point. One of the reasons the Tory Government—which a great number of Labour members have maligned today and no doubt will malign further—introduced common rates of capital gains tax and income tax was to help business by removing distortions in the tax system.

Susan Deacon made some points about the chancellor’s record. We should be talking about his record since 1997 or 1999 not in the abstract, but in terms of what could have happened if he had pursued different policies. While Gordon Brown has introduced the highest tax burden the country has ever seen, the Executive has been jumping up and down to do its bit through having higher business rates.

I cannot remember the precise phrase he used, but the minister conceded that the reduction in business rates would help business. Will he also concede that the increase in business rates that the Executive introduced has harmed business? That would seem to be the logical conclusion of the argument. I could refer to numerous studies that show that the impact of higher taxes on business is a reduction in economic growth. If the Executive’s number 1 priority is to increase economic growth, it should consider reducing taxes and not maintain artificially high taxes.

16:35

**Michael Matheson (Central Scotland) (SNP):** I am a member of the Enterprise and Culture Committee and—like other committee members—I wish to put on record my thanks to the committee’s clerks for their hard work in pulling together the report and to the many individuals

and organisations that took the time to give the committee written and oral evidence, which was extremely useful. I share the view of other committee members that the support and assistance of Wolfgang Michalski, our adviser, were invaluable.

The debate has been interesting. People could almost be forgiven for thinking, at points, that we have been debating an SNP report on business growth in the next 10 years. I remind members that the report’s key recommendations were supported by all committee members except Shiona Baird, who had concerns. Members who have chosen to make attacks on issues that are highlighted in the committee’s report and to present them as an SNP conspiracy are misguided; I am sure that people such as Christine May and Susan Deacon would have been the first to twig if any conspiracy had taken place in the committee.

Alex Neil set out the importance of higher growth in the Scottish economy, primarily to achieve the greater investment that we need in order to allow investment in our key public services and to give the people of Scotland a better quality of life. He was correct to describe—as the report does time and again—progress that is being made on the Scottish economy and good things that are going on.

The report focuses primarily on what more can be done to improve the Scottish economy further. The statistics on business investment that the committee used have been the subject of much debate in the media and some debate this afternoon. Some challenge the statistics in the report as inaccurate and others argue that they are accurate and that other statistics reinforce the position that the committee reached. The minister referred to the ensuing debate in the media.

After the debate in the media and in the chamber, it is clear that we need to have independent and robust statistics on the state of the Scottish economy, to ensure that businesses that want to invest in Scotland understand clearly the state of the Scottish economy and that those who are politically responsible for putting in place strategies to support the Scottish economy have the right information to make the right decisions. As Jim Mather said, we need to consider having our own office for national statistics in Scotland. I look forward to hearing the outcome of the discussions that the minister’s team will have with the ONS in the weeks to come.

The minister highlighted several activities that are being undertaken to promote business investment in Scotland. As I said, the report refers time and again to such measures, including Scottish Enterprise’s business growth fund, R and D plus, and the Scottish venture fund, all of which

are of some benefit. However, the report seeks to consider the additional carrot—the additional incentive—that can be provided to ensure that we have more long-term private investment in our economy. That is why the committee highlighted the need to consider establishing a long-term private investment fund.

Although the Executive might not accept the need for £8.5 billion of additional investment over the next year, it is important that it has conceded the need for greater business investment in the years to come.

Susan Deacon made a very good point. She said that the debate that has been taking place outwith the Parliament and in the media has highlighted a danger that some of the valuable points that the report raises could be lost in the blizzard of statistics and the frenzy of figures. People will often get caught up in one statistic or another. She was correct to highlight the fact that there are those who will claim that the whole idea of a lack of, or limitations on, business investment in Scotland is based on the problem of having too big a public sector. I found from my visits to Finland and Sweden—two countries with a large public sector—that the key issue there is not the size of the public sector, but its efficiency. Efficiency can give leverage to greater private investment for business in those countries.

One of the key issues in the report is the quality of the investment that has been made in Scotland. I was struck by the partnership in Finland and Sweden between business, academia and the public sector, which was alluded to by Jamie Stone—a triple helix of sectors working together to secure advantages in particular areas. As the report highlights, Scotland is well placed to take advantage of such an approach, given our world-class universities. However, despite the fact that 17 per cent of UK-registered patents originate in Scotland, only 5 per cent of UK patents are developed in Scotland. It is a matter of getting a critical mass here in Scotland in key areas, working together to achieve a higher level of business investment.

I hope that members will look beyond some of the statistics that have been bandied around and recognise that there are some very good recommendations in the committee report, which can help improve the Scottish economy. I commend the report to Parliament.

16:42

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** It is my pleasure to wind up, on behalf of the Executive, this interesting and at times philosophical debate. I would like to continue the theme of consensus that

we have just heard from Michael Matheson and dwell on Murdo Fraser's Hamburg recollections—or perhaps not. More surprisingly, there was a plea from Phil Gallie—or was it Robert Burns—for consensus.

We have discussed the Enterprise and Culture Committee's proposals for a new national economic forum. We agree about the importance of establishing a national consensus on business growth issues. It is significant that there is considerable common ground in the debate on our key priority areas. We engage and work actively with others, including the STUC and business organisations, to grow that consensus. The recently introduced business in the Parliament conference is central to that process. I think that it has been a success, and we need to avoid making changes that might undermine its effectiveness. The introduction of a new national forum would have to be considered against that background. We will consult those involved in business in the Parliament and other business representative organisations about the national forum proposal before we reach a final view.

Scotland is doing well. It is prospering and it is increasingly distributing wealth more equitably. Susan Deacon and others, including Michael Matheson, were right to point that out. More generally, as the committee identified, partnership working is key to that success, particularly in developing our priority industries. Effective partnerships need to focus on developing the opportunities and addressing the challenges in a given sector, drawing together the knowledge and experience of government, industry, academia, trade unions and the investment community. A good example of that is the Scottish life science alliance, and the life sciences sector more generally.

Nicol Stephen referred to the importance of investment by Scottish business in our economic infrastructure. That is as important as any other issue that we have debated today. I am proud that the Scottish Government is addressing the pre-devolution underinvestment in our roads, hospitals, schools and housing. Our commitment to a 5 per cent real terms annual increase in net investment during the spending review period shows that we will reinvest the proceeds of our growing prosperity and economic success to improve public services and encourage further growth, which many members have mentioned.

The committee highlighted our poor research and development expenditure levels, as have Michael Matheson and Alex Neil. That is nothing new: it is an historic, long-term problem, but we are doing something about it. Since 1997, our expenditure total has increased by 40 per cent in real terms, compared with a 24 per cent increase

for the UK as a whole. All members will acknowledge that that is a major step forward.

It is true that we have a long way to go, but the gap with the OECD average is beginning to close, which suggests that our strategic approach is beginning to bear fruit. We are investing record amounts of cash in our business research and development grant schemes, as Des McNulty and Richard Baker emphasised. I point out that those data, as well as comparators beyond the UK, suggest a picture that is far removed from the doom and gloom of some of the nationalistspeak we have heard today.

Although wider international comparisons are complicated by the OECD's use of slightly different measures of GDP in the same year, the figures show that the United States invested 19.9 per cent of its GDP, Germany invested 21.5 per cent, and France invested 19.5 per cent. Our rough estimate is that, with a comparable measure of GDP, the Scottish figure would be about 18.1 per cent. Progress has been particularly striking in life sciences, on which we are beginning to deliver critical mass. The sector has doubled in size since 1999 and a number of our companies are on the verge of great things. In 2005, 20 per cent of life science initial public offerings in Europe were by Scottish companies. In that regard, the Parliament should congratulate Ardana, the ProStrakan Group, Stem Cell Sciences, IDMoS and Optos.

**Fergus Ewing:** We all agree with the need for more research and development investment in life sciences, but does the minister recall the lecture that Mr McKillop of AstraZeneca gave, in which he pointed out that, proportionately, the amount of research and development in life sciences in Europe is a small fraction of that in the United States? To be frank, we have fallen way behind.

**Allan Wilson:** I have accentuated our success in the life sciences sector. I compared our gross investment of circa 18.1 per cent of GDP with the figure of 19.1 per cent of GDP in the USA. If there is a difference, it is relatively modest.

We are doing much to support our high-potential firms. On Monday, I will present 42 SMART awards to some of our most exciting and innovative young technology companies, which are supported financially by the Executive at the crucial early stage. Many SMART winners—such as Wolfson Microelectronics, which Nicol Stephen mentioned—go on successfully to exploit their technology.

We are making sizable inroads into the risk capital market to meet our twin aims of supporting Scottish small and medium-sized enterprises and stimulating new players on the supply side of the market. Investors and companies acknowledge the success of the Scottish co-investment fund. In

the past three years, the fund has made 130 deals in 85 companies, investing a public-private sector total of £58.9 million. The public sector is crucial in leveraging in private sector investment. However, we will not stop there. Like the committee, we are keen to have increased levels of equity investment. We look to the Scottish venture fund to address the current market gap in follow-on funding of £2 million to £5 million.

The issues are long term and such investments involve an element of risk, but I am pleased that that is increasingly understood. If we took a 10-year view of the extent of that investment in business through the new Scottish seed fund, the Scottish co-investment fund and the planned Scottish venture fund, the public-private sector investment would be only slightly short of £1 billion. That is a significant strategic sum.

The Scottish Executive is happy to continue to work with the Enterprise and Culture Committee on the crucial issue of enhancing Scotland's business growth performance. We welcome the committee's report and proposals; we have accepted many of its recommendations and are already acting on some. While we have thought it right to reject some proposals, in all cases the committee's report has made an important contribution to the overall debate on Scotland's economic future. It will no doubt stimulate future debate.

16:50

**Christine May (Central Fife) (Lab):** This speech is perhaps the most eagerly anticipated of many that I have given recently. There have been many references to what I am about to say. I hope that, as usual, I will more than exceed members' expectations.

There have been excellent contributions on all sides: from those who agreed with the report and those who found elements of it to criticise. Many recent debates have been about growing business and the Parliament's impact on business and the economy, such as the debate on Scottish Enterprise and that on the Planning etc (Scotland) Bill. It will give me some pleasure to go back and read through those debates to see where members contributed to the consensus that many of us have talked about today.

The minister referred in his final remarks to having accepted many of the committee's recommendations and rejected some. We accept that he has rejected them for now, but we may press the case in future for those recommendations that we believe are good, because the report was about the development and growth of business and, by implication, the

Scottish economy and benefits to the Scottish people for the next 10 years.

**John Swinburne (Central Scotland) (SSCUP):** Would the member agree that there is a culture that to be an entrepreneur one has to be a whiz kid who has just left university? Does she agree that some of the finest entrepreneurs in Scotland are well past retirement date?

**Christine May:** I absolutely agree. Some entrepreneurs are whiz kids, but we need to encourage both kinds. The same goes for politicians. And of course, many entrepreneurs are women.

I thank the clerks, the Scottish Parliament information centre, committee staff, the official report, fellow committee members, those in other countries who hosted our visits, the many ministers we met, senior figures in the Finnish, Swedish and German economies and those who gave evidence, including those who were perhaps unfortunately excluded from the final report. The STUC gave us an extremely good written contribution. We have picked up on at least some of its recommendations in the report. I will come back to that.

One of the defining features of the Parliament is its committee system. One of the functions of the committees is to think the unthinkable and say the unsayable. I am pleased that our committee report has produced strong positive and negative reactions. Those members who were in the chamber yesterday to hear the Rev Alex Forsyth lead time for reflection will recall him saying, on the subject of decision making, that

“according to popular wisdom, to every complex problem there is a simple solution—which is wrong.”—[*Official Report*, 17 May 2006; c 25643.]

Unfortunately, much of the external commentary has tended to the simplistic and populist view of what the correct answer is.

Both ministers picked up on some of the committee's key recommendations. I very much welcome not just the exposition of what has been done already but those areas where the Executive is prepared to take up the committee's suggestions. When we visited other countries, it was interesting to hear representatives of business in Finland and Sweden—I believe that the same was the case in Germany—tell us that the most important thing is national consensus, not on how great the Government is, but on the best way forward. Such national consensus entailed a stability of approach that was the most important factor in those businesses' consideration of whether to invest, and whether to stay put or outsource to other countries. It was not levels of taxation, although they were an important factor, and it was not the size or efficiency of the public

sector, although that too was important. I commend to some members the evidence that we had that, every two years, the Swedish equivalent of the Confederation of British Industry conducts a national survey of the efficiency rankings of public sector bodies, particularly planning departments. It might be interesting to do that in Scotland.

Des McNulty is right that, for parliamentarians in agreeing priorities—and eventually for ministers in taking the decisions—the debate is about how we prioritise. If we prioritise, by implication, some things will fall lower down the scale of priority. We will have to decide whether to prioritise ITIs and investment funds, which lever in significant sums of private sector money—that is one of the key points that we made—or investment in the social economy. It is a balance; it is a question not of investing in one or the other, but of the degree to which we advantage one over the other.

Des McNulty raised another interesting point about the level and relevance of the statistical information that we have and the use to which we put it. I welcome moves to produce figures for Scotland. I hope that, when we get that information, we are able to use the figures to determine the effectiveness of our spending and the outputs that we get for it.

In its evidence, the STUC identified the success of the Irish, German, Swedish and Spanish collective bargaining mechanisms and supported the establishment of a national economic forum. We acknowledge the many bodies that the Executive has set up and supports and that help to determine national economic policy. However, we believe that a national economic forum should be established above all those bodies, not instead of them—perhaps it should replace them ultimately, but not initially. The forum should be a serious body, where ministers, the Enterprise and Culture Committee, the Parliament and key figures from finance, industry, academia and the trade unions can reflect on the statistics and outputs and help to refine the approach.

It is also important to remind the Parliament that, in making its comparisons, the committee examined equivalent small nations and regions and did not seek comparisons with the United States or other large economies. We were also frequently reminded that the small nations and regions were all competing for a similar slice of the economic market. Our report must be seen in that context.

I accept that the Executive is doing many good things. As I said last week, the economy is not a basket case. Susan Deacon and other members referred to the fact that the number of those in employment is up, productivity is up and GDP is up. It is worth repeating what I said last week, because the statistics are good: the nation's health

and our pupils' educational attainment are, by and large, improving. That is all contributing to the economy's health and is all a result of Executive spending decisions.

I return to the triple helix to which Michael Matheson referred—that is, encouraging the public sector, academia and business to co-operate on investment and economic decisions. It is the carrot and stick approach, of which there was considerable discussion in Helsinki, as I recall. The Finnish Government will not fund with public money anything that does not have an element of collaboration between big business, the local SMEs and academia. That is good for big business, academia and SMEs. For example, it means that Nokia has developed its own clusters—and we are encouraging Scottish Enterprise to invest in clusters. I commend that model to ministers; I will be interested to see how they refine the existing approach and improve Scotland's economic prospects.

I commend the report to the Parliament. I thank everybody who has spoken today and all those who participated in the inquiry.

## Decision Time

17:00

**The Presiding Officer (Mr George Reid):**

There are two questions to be put as a result of today's business.

The first question is, that motion S2M-4380, in the name of Donald Gorrie, on the Procedures Committee's second report in 2006, "Procedures relating to Crown appointments", be agreed to. Are we agreed?

**Members:** No.

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

**For**

Baillie, Jackie (Dumbarton) (Lab)  
 Baird, Shiona (North East Scotland) (Green)  
 Ballance, Chris (South of Scotland) (Green)  
 Ballard, Mark (Lothians) (Green)  
 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)  
 Brownlee, Derek (South of Scotland) (Con)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Byrne, Ms Rosemary (South of Scotland) (SSP)  
 Canavan, Dennis (Falkirk West) (Ind)  
 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)  
 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, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Goldie, Miss Annabel (West of Scotland) (Con)  
 Gordon, Mr Charlie (Glasgow Cathcart) (Lab)  
 Gorrie, Donald (Central Scotland) (LD)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 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)  
 Kerr, Mr Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Mr Kenneth (Eastwood) (Lab)  
 Macmillan, Maureen (Highlands and Islands) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 May, Christine (Central Fife) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 McMahon, Michael (Hamilton North and Bellshill) (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) (Ind)  
 Morrison, Mr Alasdair (Western Isles) (Lab)  
 Muldoon, Bristow (Livingston) (Lab)  
 Mulligan, Mrs Mary (Linlithgow) (Lab)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Murray, Dr Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Petrie, Dave (Highlands and Islands) (Con)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Radcliffe, Nora (Gordon) (LD)  
 Robson, Euan (Roxburgh and Berwickshire) (LD)  
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)  
 Scott, Eleanor (Highlands and Islands) (Green)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland) (LD)  
 Sheridan, Tommy (Glasgow) (SSP)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Swinburne, John (Central Scotland) (SSCUP)  
 Tosh, Murray (West of Scotland) (Con)  
 Wallace, Mr Jim (Orkney) (LD)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Wilson, Allan (Cunninghame North) (Lab)

#### AGAINST

McGrigor, Mr Jamie (Highlands and Islands) (Con)

#### ABSTENTIONS

Adam, Brian (Aberdeen North) (SNP)  
 Crawford, Bruce (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 MacAskill, Mr Kenny (Lothians) (SNP)  
 Martin, Campbell (West of Scotland) (Ind)  
 Mather, Jim (Highlands and Islands) (SNP)  
 Matheson, Michael (Central Scotland) (SNP)  
 Maxwell, Mr Stewart (West of Scotland) (SNP)  
 McFee, Mr Bruce (West of Scotland) (SNP)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Neil, Alex (Central Scotland) (SNP)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Sturgeon, Nicola (Glasgow) (SNP)  
 Swinney, Mr John (North Tayside) (SNP)  
 Watt, Ms Maureen (North East Scotland) (SNP)  
 White, Ms Sandra (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 79, Against 1, Abstentions 19.

#### *Motion agreed to.*

That the Parliament notes the Procedures Committee's 2nd Report 2006 (Session 2), *Procedures relating to Crown appointments* (SP Paper 515) and agrees that the changes to Standing Orders set out in Annexe A to the report be made with effect from 19 May 2006.

**The Presiding Officer:** The second question is, that motion S2M-4405, in the name of Alex Neil, on the Enterprise and Culture Committee's fifth report in 2006, "Business Growth—the next 10 years", be agreed to.

#### *Motion agreed to.*

That the Parliament notes the recommendations contained in the Enterprise and Culture Committee's 5th Report, 2006 (Session 2): *Business Growth - the next 10 years* (SP Paper 520).

**The Presiding Officer:** That concludes decision time.

## Reduced Ignition Potential Cigarettes

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

The final item of business is a members' business debate on motion S2M-4091, in the name of Stewart Maxwell, on reduced ignition potential cigarettes. The debate will be concluded without any question being put.

#### *Motion debated,*

That the Parliament acknowledges that deaths resulting from fires, of which there were 99 in 2004, are a major concern in Scotland; recognises that they are significantly higher in Scotland than the rest of the United Kingdom and that the majority of fire deaths in Scotland occur in the West of Scotland; notes with concern that smoking materials are one of the leading causes of fires in Scotland and that 50% of all smoking-related fire deaths occur in the West of Scotland; believes that the Scottish Parliament should commit to actively pursuing policies aimed at reducing the number of fire deaths in the West of Scotland and within Scotland as a whole; recognises the role that Reduced Ignition Potential (RIP) cigarettes, commonly referred to as fire-safe cigarettes, could play in reducing damage to property as well as the overall number of fires, fire injuries and fire deaths; supports the implementation of a new fire safety law that would require all cigarettes sold in Scotland to be RIP cigarettes; welcomes the decision of the Chief Fire Officers' Association in Scotland to support the call for the introduction of fire-safe cigarettes; congratulates Canada and New York for introducing such laws and recognises that the introduction of fire-safe cigarettes would have a significant and positive impact on the number of fire fatalities in Scotland, and believes that the Scottish government should bring forward legislation to introduce this fire safety measure as soon as possible in the hope that Scotland can truly say RIP to fires caused by cigarettes.

17:03

### **Mr Stewart Maxwell (West of Scotland) (SNP):**

In 2004, some 7,420 fires occurred in homes in Scotland. Those fires resulted in 1,858 non-fatal casualties and 76 fatalities. Of the 76 deaths, 30 were caused by cigarettes or other tobacco products. Smoking-related fires in the home are the most dangerous type of fire because they are far more likely to kill and injure people than other domestic fires. In 2004, smoking materials were the cause of 44 per cent of fatal fires in dwellings. The next highest cause was cooking appliances, which were responsible for 26 per cent of fatalities, followed by space heaters and candles, which accounted for 6 per cent each. The figures clearly show that, for fatal fires in the home, cigarettes are far and away the biggest single source of fires. We need to confront that fact and tackle the problem at source.

Fortunately, there is a way of doing just that. Reduced ignition potential cigarettes—more commonly known as self-extinguishing or fire-safe cigarettes—are designed to go out after a short

time if they are not actively smoked. Small bands of slightly thicker paper along the length of the cigarette prevent the cigarette from burning down completely. In other words, RIP cigarettes do not smoulder. That is vital for fire safety, as research from both the US and the United Kingdom shows that smouldering cigarettes are responsible for nine out of 10 smoking-related fire deaths. Research published in the UK shows that fire-safe cigarettes could cut the number of accidental house fires that are caused by smouldering cigarettes by as much as two thirds.

#### Fire research report 8 states:

"Fires started by smokers' materials tend to result in more property damage than other fires, on average four times higher than fires caused by other methods."

The savings to the Scottish economy of preventing such fires are self-evident.

The tobacco industry has dismissed such research. However, we no longer have to rely on laboratory experiments alone, because we now have a real example of what happens when fire-safe cigarettes are made compulsory. Canada and the US states of New York, Vermont and California have made fire-safe cigarettes mandatory. New York state is the first to have the new law in place, and the results speak for themselves. In the first year after the law came into effect, the number of people killed by cigarette-related fires fell by almost a third. People are alive today because of the introduction of fire-safe cigarettes in New York. In Scotland, that could mean 10 fewer deaths, 300 fewer non-fatal casualties and a reduction in the number of fires in the home by 1,000 or more. Those are extremely conservative estimates. Compulsory fire-safe cigarettes could result in a reduction of between a third and a half in smoking-related fires and fire deaths. Some research puts the figure as high as a reduction of between two thirds and three quarters.

Whatever the figure may be, the fact is that introducing fire-safe cigarettes would save lives, stop injuries and prevent fires. Unsurprisingly, a number of other US states are actively considering introducing fire-safe cigarette laws. Unfortunately, the tobacco industry has been using its influence, its money and a campaign of disinformation to block the introduction of those laws. In Maryland, the vote on the fire-safe cigarette bill was 124 in favour and 12 against. However, two senators filibustered the final session and blocked the introduction of the law. One of them was Maryland state senator George Della, who admits that he receives campaign funds from tobacco firms, although he claims that the tobacco firms do not own him. Perhaps they do not own him, but they rent him and his vote by the hour. Those tactics are not surprising, but they are disreputable.

In 1994, the RJ Reynolds Tobacco Company stated:

"We do not know how to make a cigarette that exhibits reduced ignition propensity that is consumer acceptable ... extensive consumer testing showed that they are not marketable".

That was a lie—there is no other word for it. Internal tobacco company documents prove that they have known for more than 20 years how to make such cigarettes. On the issue of market acceptability, documents from RJ Reynolds and Philip Morris show that, when they consumer-tested fire-safe cigarettes, those were equally acceptable to smokers. In blind tests, smokers could not tell the difference. They look and taste the same as normal cigarettes. Unfortunately, they are just as addictive and damaging to the health of smokers, but they cut dramatically the number of fires that are caused by cigarettes.

I hope that when he responds to the debate, the minister will not try to use the excuse that the issue is reserved, because I do not accept that argument. I accept that product design is a reserved matter, but fire safety is devolved. What I propose is clearly a fire safety measure. When I proposed a ban on smoking in enclosed public places, many people said that the matter was reserved, because health and safety is reserved. Instead, we introduced a public health law, because public health is devolved. That was a creative use of our powers. In the same way, we can use our powers over fire safety to make fire-safe cigarettes compulsory in Scotland. We can lead the way in Europe on the issue.

In conclusion, I point out that the measure is supported by many organisations, especially the Fire Brigades Union and the Chief Fire Officers Association Scotland. The FBU said:

"Stewart Maxwell's initiative will constitute a huge advance in Fire Safety and will serve to make a significant reduction in Scotland's atrocious fire deaths record."

On behalf of the Chief Fire Officers Association Scotland, Assistant Chief Officer McGillivray said:

"Fire-safe cigarettes would dramatically reduce fire deaths in Scotland and the Association calls on the Scottish Executive to introduce legislation to that effect."

Dr Jeff Wigand, of whom many members will have heard, is a former tobacco industry scientist turned whistleblower. He found out about this debate through the web and this afternoon he sent me an e-mail. In it he said:

"I applauded the Scottish Parliament for introducing its smoking regulations. Now I urge it to demonstrate the same duty of care by introducing legislation requiring reduced ignition potential cigarettes, which are already saving lives in the US."

Dr Wigand said that he would try to watch the debate on the web, and I hope that he gets the

chance to see it. Scotland has led the way on bans on smoking in enclosed places and on public health. We should do the same when it comes to reducing the number of fire deaths.

17:10

**Dr Jean Turner (Strathkelvin and Bearsden) (Ind):** I thank Stewart Maxwell for securing the debate tonight. I will speak from my experience as a general practitioner and as the daughter of parents who smoked.

As my father became frailer, the number of fires that he nearly started was beyond count. I used to be terrified to leave him alone in his flat in case he set fire to himself and other people, but one cannot always watch an elderly person.

I was delighted to hear that RIP cigarettes look and taste exactly the same as standard ones. Had I known they existed at the time, I would have tried to persuade my father to smoke them and might have been able to sleep in my bed at night. I do not know why we never had to call out the fire brigade. He very nearly set fire to his mattress and almost set fire to a chair in my house when I was not present. Although I found the evidence afterwards, he claimed that he did not do it.

Cigarette smoking is addictive. When my father was younger and fitter, he would become desperate for a cigarette while driving a car. He would roll down the window to let out the smoke, but the dottle, or fiery ash, would blow off and land between his legs. We had so many smoking-related experiences such as that that it was amazing I was not involved in a house fire and that he did not lose his life.

I have visited many establishments and houses. Surrounding the chairs in which frail and elderly people sit, one finds that the carpet or linoleum is patterned with cigarette burns. Their clothes are also damaged here and there by cigarette burns. I cannot believe that the statistics on the number of deaths caused by fires that are started by cigarettes are so low—it is a miracle.

I fully back Stewart Maxwell's motion because, as well as damaging health, smoking a cigarette can cause death by fire. Frail, elderly and ill people fall asleep in their chairs with a cigarette in their hand that falls and burns them or sets fire to the house and kills them. According to the statistics, many of those deaths—probably about 50 per cent of them—are associated with alcohol, because alcohol and cigarettes often go together.

I would back all the way any legislation that would make it compulsory to substitute RIP cigarettes for standard ones. Such a move would add to the ban on smoking in public places and would be wonderful.

17:13

**Mr Brian Monteith (Mid Scotland and Fife)**  
**(Ind):** Stewart Maxwell's motion is interesting and seems well intentioned. Although no one wishes to do anything that would increase the dangers of cigarette smoking causing fires, after hearing the tenor of Stewart Maxwell's speech, I urge the minister to be cautious before he embraces the proposal.

I looked at the same statistics in the report by Her Majesty's inspectorate of fire services for Scotland that Stewart Maxwell used to show that 49 per cent of fire-related fatalities were linked to smoking materials, such as lighters, matches and cigarettes. On closer inspection, however, one finds that not all those deaths were associated with cigarettes.

I do not smoke cigarettes; I am not keen on being in areas where there is a great deal of smoke; and I do not encourage people to smoke. However, I think that we have to be accurate and give a proportionate response to the problem of fires being started by people—particularly those who are alone—who fall asleep with a burning cigarette in their hand.

The Scottish figures do not have the detail, but other UK statistics on the incidence of fires caused by all smoking materials suggest that matches and lighters cause a greater proportion of deaths than cigarettes themselves. Although it might well be possible to reduce deaths in Scotland by as many as 10, which is to be welcomed, I feel that we must take a closer look at the matter to find out whether a change in the law would actually save only three lives. In that light, one might expect us to do something that would go with the grain of public behaviour.

Moreover, we should consider encouraging tobacco manufacturers to produce cigarettes that have a reduced ability to ignite. No cigarettes are fire-safe; they have to be lit and they burn. However, if we gave the tobacco industry certain tax incentives to market these safer cigarettes, they would appear immediately.

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

**Mr Monteith:** No—I must carry on.

I am not convinced that such cigarettes will be acceptable to the public. As I said, I do not smoke cigarettes; however, I have spoken to people in New York who have smoked reduced ignition potential cigarettes and who told me that they thought that they were not the same as normal cigarettes. If these cigarettes are to be introduced, they have to be acceptable to the public; otherwise people will simply sell normal cigarettes on the black market or bring them in from abroad.

Not least of the hurdles that will need to be overcome if this measure is to be effective is the fact that, because we have passed a law that bans smokers from congregating in pubs and restaurants—the places where they would be most likely to enjoy a cigarette—those people are now more likely smoke at home instead. Indeed, evidence from Ireland, which introduced a smoking ban before we did, suggests that the incidence of deaths from fires that are caused by people falling asleep holding lit cigarettes has increased. Given the similarity of Scottish and Irish culture in this matter, a likely unintended consequence of the ban is that more people will drink at home alone, fall asleep holding lit cigarettes and become victims of the resulting fires. I do not raise these concerns because I opposed the ban in the first place; that evidence was produced by the National Safety Council in Ireland.

We should by all means investigate ways of reducing the number of deaths from such incidents. However, we must bear in mind the fact that the laws that we pass might cause more deaths; it will be no use trying to shut the stable door after the horse has bolted. Instead, we need to think about what will go with the grain of public behaviour to ensure that whatever measure is introduced is accepted and becomes commonplace.

17:18

**Stewart Stevenson (Banff and Buchan)**  
**(SNP):** It gives me much pleasure to lock horns once again with Brian Monteith on the subject of smoking. I suspect that, as in the past, we will remain implacable opponents of each other's point of view.

Throughout their history, tobacco companies have had to be dragged kicking and screaming to serve the public good, and I am not all that surprised to find that nothing has changed in that regard. As for the suggestion that they should receive tax incentives for introducing reduced ignition potential cigarettes, I note that, in the most recent quarter, British American Tobacco's profits were £688 million—a £42 million increase on the corresponding quarter in the previous year. Companies that trade in public misery can be persuaded by the law, if not by public opinion, to serve the public good and to produce RIP cigarettes.

Actually, this is not a new invention. The first patent for a self-extinguishing cigarette was taken out in the United States in 1854, and a considerable number of similar patents have been taken out since then.

In 1984, the US Congress enacted a bill that sought to progress the technical, economic and commercial feasibility of such cigarettes. We have talked for long enough. In this legislature, as elsewhere, we must find out what opportunities exist to do something. The Canadians, who often have a lot of good sense, have taken the necessary steps. On 30 March 2004, they introduced legislation that was intended to make fire-safe cigarettes mandatory by the end of 2004.

I accept one thing that Brian Monteith said: the greatest risk is to people who are alone at home. A report by Her Majesty's chief inspector of fire services for Scotland showed that 90.2 per cent of fire injuries—not deaths—took place in dwellings and that 68.9 per cent of people who died in fires lived alone. That illustrates the value that there would be to smokers who cannot kick the pernicious habit of smoking being assisted by the material that they smoke extinguishing itself in a much shorter time than might otherwise be the case. Such assistance would be important because there would be no one else in the house to protect them from the folly of smoking and the difficulties that might arise from their falling asleep with a cigarette in their hand. Furthermore, the statistics show that that value would be skewed towards older people.

I do not often commend what comes from the Office of the Deputy Prime Minister, but it has at least carried out research from which it is clear that it is possible to reduce the length of a cigarette's burn quite substantially when the cigarette is unattended or not being sucked. The ODPM's investigation was conclusive: there would be significant benefits.

What can the Scottish Parliament do without passing primary legislation? There are several provisions in the Fire (Scotland) Act 2005 that the minister could act on in a short space of time. For example, I refer to section 55 of that act, which is on fire safety measures. Under section 55(3)(d), people must take cognisance of "technical progress", which might lead ministers to require by an order that is approved by the Parliament that prisoners can smoke only safe cigarettes, if such things can be said to exist.

Similarly, section 57 of the 2005 act, which is entitled "Risk assessments: power to make regulations", states:

"Scottish ministers may make regulations about the carrying out of assessments and reviews".

In particular, the regulations may make provision for or in connection with

"specifying matters which persons must take into account when carrying out assessments and reviews in relation to substances specified in the regulations".

There are things that the minister can do in that respect.

I congratulate my colleague Stewart Maxwell on returning to the fray in raising the issue of the concomitant dangers to human beings of using tobacco and commend his motion to the minister, from whom we are about to hear. I suspect that he will broadly agree with the motion, but I am particularly interested—as others will be—in any particular actions that he thinks we can pursue in the short term. I wish every speed to the introduction of reduced ignition potential cigarettes, pending our no longer smoking cigarettes of any kind.

17:24

**The Deputy Minister for Justice (Hugh Henry):** Stewart Maxwell has secured a useful debate on an important and significant issue. It is right to draw attention to the fact that the number of fire-related fatalities in Scotland is far too high. We must do all that we can to minimise risks. It is recognised that smoking is the most preventable cause of death and ill health in Scotland. It causes 13,000 deaths each year—that is, 250 a week or 35 a day, with around 1,000 deaths arguably associated with passive smoking.

**Mr Monteith:** I am not sure whether I heard the minister correctly. He seemed to be ascribing all the deaths to passive smoking. I am sure that he meant that they were attributable to direct smoking.

**Hugh Henry:** I referred to 1,000 deaths a year arguably being associated with passive smoking.

I acknowledge that there are huge cultural issues to be addressed. Jean Turner mentioned the dangers associated with drinking alcohol and smoking, and Stewart Maxwell described some of the problems. Smoking reduced ignition potential cigarettes could be one way of addressing the problem. If someone is going to fall asleep in their armchair with a cigarette in their hand, such a cigarette is less likely to start a fire. If that is the case, so much the better.

At the same time, we should keep the debate in context. Far more people die from smoking-related disease and we could do much more by discouraging people from smoking in the first place. That is why we introduced our smoke-free legislation, which is regarded as the most comprehensive legislation of its kind anywhere in the world. At one point, when Brian Monteith was talking about not being keen on being in areas where people are smoking, I thought that he was about to endorse that legislation. However, he quickly reverted to type and disabused me of that notion.

We cannot ignore the danger to some people from fires that are caused by smoking materials: I accept that. I also accept that for those who persist with the smoking habit—especially those who mix the habit with drinking alcohol—we may need to consider different ways of addressing that danger. That is why the Fire (Scotland) Act 2005, to which Stewart Stevenson referred, shifted the emphasis in our fire and rescue services from response to education. We need to educate people about their lifestyle choices, not only to improve their long-term health, but to make them more aware of the immediate risks that are associated with the way in which they choose to live.

Alcohol is clearly an issue. Up to 60 per cent of fire-related deaths can be attributed to a person smoking while intoxicated. Indeed, that is one of the reasons why we have spent nearly £250,000 on a series of adverts that highlight the fire risks associated with drunkenness. Those include chip pans being overfilled or left on, grill pans being left unattended and lit cigarettes being allowed to fall out of someone's hand or being put in a bin.

I accept that any move that would help to reduce the number of fire fatalities in Scotland deserves serious consideration. I have no doubt that, purely from a fire safety perspective, such a move might have an impact; however, there are other things that we need to be aware of. I am not using this as an excuse to do nothing, but Brian Monteith highlighted the problem of illegally sourced cigarettes and, although it is no reason not to take action, given the number that come into the country already—not counting the number that might come in in future—that is an issue that we would need to reflect on.

If we want an informed debate and to make an informed decision, we must consider all the relevant facts. Again, this is no reason for not acting, but we must also consider whether reduced ignition potential cigarettes require a deeper draw from the smoker. If they do, the concerns that have been expressed about people inhaling more deeply and that leading to a greater incidence of lung cancer and heart-related disease would have to be factored into the debate. We cannot blithely ignore that aspect.

**Mr Maxwell:** I accept that all factors must be taken into account and that we must be careful to ensure that the laws that we introduce do not interfere, but from all the US and UK research I have read, there is no evidence of reduced ignition potential cigarettes causing the smoker to take a deeper draw and increasing lung cancer or other fatal smoking-related diseases. Smoking an RIP cigarette is just the same as smoking any other cigarette.

**Hugh Henry:** That would have to be factored into any debate. I raised the point and although I am not sure that the arguments are as conclusive as that, I am not saying that I have a closed mind on the matter. However, if in trying to reduce the number of fatalities among people who fall asleep with a cigarette in their hand, we increase the potential for disease and death by other means, that must be considered.

**Mr Monteith:** I welcome the minister's balanced approach to the subject, although I recognise that we come from entirely different points of view. His point is well made. Although Stewart Maxwell might not be wrong to say that the process of smoking a cigarette is no different and no more of a draw is required—as a non-smoker, I cannot comment—if the cigarette continually goes out and the smoker has to relight it all the time, that relighting might well need a greater draw and so the minister's concern might be valid. That is the sort of issue that must be considered.

I understand that the matter is also being considered in Europe. Is the minister aware of what work is being done in Europe and whether legislation might come through a different route altogether?

**Hugh Henry:** Any move in such a direction needs to be carefully considered. We must reflect on all the relevant factors and, where possible, avoid the unintended consequences that might flow from any decision.

Stewart Maxwell, Jean Turner and others would agree that by far the best way for people to avoid ill health and death is for them not to smoke in the first place. That must remain our default position, but we recognise the seriousness of the debate, which is not simply about politics. Stewart Maxwell said that we could just go ahead with legislation, but I cannot avoid saying to him that, notwithstanding Stewart Stevenson's comments about taking cognisance of technical progress, product safety is not a matter for the Scottish Parliament. It is reserved to Westminster, along with product liability and labelling, to ensure a level playing field for business in the United Kingdom within the framework of European law and international trade agreements. On European law, I refer to the European directive 2001/37/EC on the manufacture, presentation and sale of tobacco products, which was adopted by the United Kingdom Government through the Tobacco Products (Manufacture, Presentation and Sale) (Safety) Regulations 2002.

Lives are at stake and that means that the issue deserves a serious, considered and proper debate which, I hope, will result in proportionate action that is in everyone's interests. That is one of the reasons why I am so delighted that action on the issue that I first raised as a back bencher six or

seven years ago came to fruition and that, at 6 o'clock on 26 March 2006, Scotland's public places became smoke-free zones.

*Meeting closed at 17:34.*

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