

MEETING OF THE PARLIAMENT

Wednesday 1 November 2006

Session 2

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Scottish Parliament

Wednesday 1 November 2006

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

Time for Reflection

The Deputy Presiding Officer (Trish Godman): Good afternoon. Our time for reflection leader this afternoon is Cardinal Keith O'Brien, Archbishop of St Andrews and Edinburgh.

Cardinal Keith O'Brien (Archbishop of St Andrews and Edinburgh): In the pressurised world of politics, it is difficult sometimes to find time to pause, to reflect and to remember that outwith these walls lies the society that we serve—a society in which, according to the previous census, 67 per cent of the population describe themselves as Christians.

Scottish society may no longer be as homogeneous as it once was—and our new diversity and multi-ethnic character is something to be celebrated—but a bedrock of belief still underpins our society. Those beliefs are Christian beliefs.

In recent decades, affiliation to and participation in the lives of our various Christian churches have fallen. Attendance rates were down by 18 per cent between 1980 and 1990 and by 19 per cent between 1990 and 2001. The fall in the number of people who actively worship is a matter of some sadness to me and to many of my fellow Christians. However, in an age when social mores have changed so radically, it is perhaps not surprising. Our 24/7 economy leaves people with many Sunday alternatives to church.

However, a reduction in active observance should not be confused with a rejection of Christian beliefs and values. It should also be noted that in the same period—from 1979 to 2003—turnout at general elections in Scotland fell by almost 40 per cent. At local government elections there has been a devastating loss of interest in the electoral process. Sadly, at the previous Scottish Parliament election less than half of our fellow citizens bothered to vote.

We should not conclude from those depressing statistics that Scots have stopped believing in democracy, any more than we would presume from the statistics that they have rejected Christianity. Although a new generation may not esteem the prize of universal suffrage in the same way as their parents or grandparents did, they know deep down that representative democracy is

a very good thing, which they would rush to defend if threatened.

Recently I have had cause to question the conventional wisdom that suggests that the Christian churches are increasingly marginal in society. In recent weeks, an interview that I gave to a respected Scottish philosopher, which was printed in a Catholic newspaper, led to a front-page story in a national Sunday newspaper. In turn, that led to several days of intense media coverage, surprising many at how much interest there was in the views of a Christian church leader and cementing my view that the Christian voice in Scotland carries further than many realise.

So too with the Christian faith that helped to forge our national identity, from the arrival of Ninian at Whithorn 1600 years ago and Columba and Mungo some 1400 years ago, to the bringing ashore of the relics of Andrew in medieval Fife. Now we have the symbolism of this great Scottish Parliament building. I suggest that Scotland is Christian to its very bones.

A new well-fed and comfortable generation who are able to live daily lives largely free of fear or threat may feel less inclined to rush to the polls or to the pews than their forebears did. As in so many other walks of life, they may feel content to be armchair participants, but the beliefs that allowed our polling stations and our places of worship to be built and valued in the first place are still with them. Long may that continue.

Business Motion

14:35

The Deputy Presiding Officer (Trish Godman): The next item of business is consideration of business motion S2M-5060, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, setting out a revised business programme for this afternoon.

Motion moved,

That the Parliament agrees the following revision to the programme of business for Wednesday 1 November 2006—

after,

followed by European and External Relations Committee Debate: 4th Report 2006, Inquiry into the Scottish Executive's plans for future structural funds programmes 2007-13

insert,

followed by Ministerial Statement – Severe weather in the north of Scotland.—
[*Ms Margaret Curran.*]

Motion agreed to.

Structural Funds Programmes 2007 to 2013

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on motion S2M-5013, in the name of Linda Fabiani, on behalf of the European and External Relations Committee, on an inquiry into the Scottish Executive's plans for future structural funds programmes from 2007 to 2013.

14:36

Linda Fabiani (Central Scotland) (SNP): The remit of the inquiry carried out by the European and External Relations Committee was to look into the Scottish Executive's plans for the delivery of structural funds in Scotland from 2007 to 2013. Many organisations were naturally concerned by the reduced level of funding that would come from the European Union via Westminster and how that funding would be administered. The committee responded to those concerns.

I speak on behalf of all committee members when I say that the inquiry was extremely interesting. The evidence received, both written and oral, was substantial and of a quality that reflected the knowledge and commitment of those who have worked with and administered such European funds in the most recent funding period. I thank all those who contributed, as well as the Scottish Executive for its speedy response to our report.

The committee agreed to structure the inquiry around eight questions that would inform members' deliberations and understanding of how stakeholders viewed the current operational structures and how those structures should be adapted to benefit the country best, in the knowledge that funding would vastly reduce. The committee welcomed the Executive's statement that no final decisions had been taken on the future delivery of structural funds in Scotland and therefore the committee's inquiry and report came at an opportune time to inform the Executive's decision taking.

Members who read the committee report will have noted the level of detail involved. There is not enough time today for me to do justice to the amount of work carried out by those who contributed to the inquiry. I can, however, relay to the chamber the conclusions and recommendations reached. Other committee members will provide in their speeches further detail on the specifics. I have no doubt that Irene Oldfather will pick up on all the things that I miss in this opening speech.

With regard to the current structure of structural funds programme delivery and the potential advantages and disadvantages of changing it, the committee concluded that although the programme management executive structure that managed the structural funds programmes from 2000 to 2006 did a good job in establishing a bottom-up, partnership approach that has been lauded throughout Europe, the reduced funding levels require and dictate change. Even though structural funds make up a small percentage of the total regional development moneys in Scotland, it is vital that the money available is spent wisely to achieve the best results.

The Executive told the committee that the current cost of the programme management executive to the public purse was approximately £4.5 million a year and that costs could fall to between £750,000 to £1.5 million if the system were restructured and streamlined. The committee believes that that is a significant and welcome saving in administration costs that should free up more money for projects.

The committee is mindful of the potential pitfalls of changing to a new structure and is concerned about the added burden that any transition would place on resources. It could have a particular impact on smaller organisations, and adequate support must be provided by the Executive to minimise that burden.

The Executive's proposal to move to a Highlands and Islands programme and a lowland and upland Scotland programme must not result in a loss of local accountability, and any new structure should harness current expertise effectively.

In the past day or so, there have been media reports about the potential loss of jobs and projects because of the late commencement of the 2007 to 2013 programmes, and I am sure that other members will elaborate on that. The committee was certainly mindful of the issue and thoroughly questioned the Executive on the potential funding gap and the requirement for transitional funding. At first, the minister was optimistic that the new programmes would begin on time, on 1 January 2007. In fact, he rather annoyed me by suggesting that the committee's glass was always half empty while the Executive's glass was always half full. In light of what we now know, I suggest that the minister gets a bigger glass.

The committee believes that there is a danger that the transition from the 2000 to 2006 programmes to the 2007 to 2013 programmes could lead to a lot of instability, which could have serious economic impacts on current and future projects. Steps must be taken to address all those

concerns and, where necessary, to provide transitional support.

The committee recommends that the Scottish Executive urgently put in place appropriate transitional planning that meets the European Commission's requirements and the needs of those who plan and deliver projects in Scotland. I gather from hints in its response to the committee's report and from media reports that emerged last night and today that the Executive will now proceed towards introducing transitional arrangements. I look forward to hearing more about that matter from the minister.

The committee also recommends that every possible effort be made to enable new programmes to begin on time. Obviously, since the report was published, we have learned that that will not happen, so I must stress the second part of the committee's recommendation, that

"there are no financial or staff costs to projects as a result".

There was much discussion by the committee and in external forums on how structural fund delivery should be linked to Scottish Executive priorities. Although the committee agrees that a close link is important for the sake of complementarity and to avoid the duplication of resources, it was clear that such a link to domestic priorities should not mean that structural funds are used in place of a committed Scottish Executive budget to fund established projects outwith the structural funds programmes. Structural funds should always provide added value and be additional to committed domestic spend. As Fife Council said:

"The Scottish Executive does need to co-ordinate activity across its departments and ensure that Structural funds are providing additionality and not simply replacing domestic spending".

The committee therefore recommends that the Executive uphold the principle of additionality at all times when planning and approving programmes.

With regard to the main priority areas for the new programmes, the committee understands that the European Commission has set specific targets that require a large percentage of funds to be spent on projects that support the Lisbon strategy, particularly under the competitiveness objective. However, the allocation of funds should, where possible, address issues such as social exclusion, the economically inactive and infrastructure as well as economic growth and development. The committee recommends that the Scottish Executive make an assessment of the impact of any reduction in competitiveness objective funds for infrastructure and tourism projects and indicate whether it intends to reprioritise other budgets as a result. Of course, clearly identified economic and social outputs should be established to measure

projects' effectiveness. Those outputs should be measured against desired outcomes; after all, as we know, outputs and outcomes are very different things and should not be confused.

The committee acknowledges that because of European Commission stipulations there is limited opportunity for infrastructure projects. However, it understands that, although the Department of Trade and Industry has agreed a 50:50 split between European regional development fund and European social fund moneys, it is up to the Scottish Executive to determine the convergence objective split between ERDF and ESF funds. The committee supports a weighting in favour of ERDF. It also understands that there is more flexibility on this matter in the Highlands and Islands.

Although the broad priorities should focus on economic, social and environmental sustainability, there are, as we all know, accessibility and connectivity issues that must be addressed, along with improving infrastructure where possible. In the committee's view, those issues contribute fundamentally to the Lisbon strategy goals in the longer term.

The committee recommends that there should be two programmes in Scotland to deliver structural funds from 2007 to 2013—one for the Highlands and Islands and one for lowland and upland Scotland—and both should have separate ERDF and ESF programmes within them. The committee also recommends that the programmes that cover lowland and upland Scotland should include geographical targeting where necessary and appropriate, and I understand that tender documentation based on that model has now been put out by the Executive.

Maureen Macmillan (Highlands and Islands) (Lab): I am sorry that I have not had time to read the committee's report fully, but did the committee ask the minister about where the Highlands and Islands programme would be delivered from? Will that be done from the Highlands and Islands, or will the Executive's original intention of having it delivered centrally be pursued?

Linda Fabiani: I will say a wee bit more about that. We were concerned about the potential lack of local accountability, but it is essentially up to the Executive to decide how the programme is administered. We relayed our concerns, as did others who gave evidence, and I hope that the minister will address those concerns when he responds.

With the move to the two programme areas—a Highlands and Islands area and a lowland and upland Scotland area—the Scottish Executive must ensure that there is local accountability, that partnerships and expertise are not lost and that a

degree of geographical targeting is retained. It is essential that the money is not spread too thinly. Urban and rural areas must have their own needs addressed as necessary.

I must address a particularly contentious issue on which the committee took evidence: co-financing rather than challenge funding. The committee felt strongly that there was not enough information on the possible co-financing models. The Hall Aitken report, which studied the situation in England, highlighted some issues that must be addressed. We were pleased that the Executive seemed to have taken on board our recommendation that we should go for co-financing and single-stream funding but should also leave an element of potential challenge funding.

I shall leave community planning partnerships and the future of the delivery of the funds in particular areas to other members, as I am now running out of time. However, I would like to mention our recommendation that the Executive should continue to consider other forms of European Union funding to complement structural funds. Dennis Canavan will talk about that, as will Irene Oldfather.

I finish by thanking the clerks, past and present, for the work that they put into the committee's report, and the Scottish Parliament information centre staff who fed us with loads of information.

I move,

That the Parliament notes the conclusions and recommendations contained in the European and External Relations Committee's 4th Report, 2006 (Session 2): *Report on an Inquiry into the Scottish Executive's plans for future structural funds programmes 2007-13* (SP Paper 611).

14:48

The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson): I must state at the outset that the Executive welcomes this debate on the future of structural funds programming. The timing could not be better, as public consultation on the future programmes started last week. Today's debate effectively launches that consultation formally and will help to shape the final version of the programming documents that we will submit to the Commission. The debate is therefore timely and apposite.

I welcome the report by the European and External Relations Committee, which was published in June. I did not disagree with anything that Linda Fabiani had to say in support of that report today, except perhaps the reference to her glass being half empty rather than half full. I hope that, during the course of the debate, I can fill her glass.

Our planning for future structural funds programmes is taking place, as all members know, against a background of major change in structural funds—possibly the biggest change that we have seen in our 25-year history of receiving those funds.

First, Scotland—like the United Kingdom as a whole—is facing significant reductions in funding. The enlargement of the European Union has put huge pressures on the EU budget and has resulted in a protracted and difficult set of budget negotiations. Indeed, those protracted negotiations came to a conclusion only with the personal and high-profile intervention of the British Prime Minister. As a result, for 2007 to 2013 the Highlands and Islands will receive £105 million—€158 million at the current exchange rate—as a statistical effect region under the convergence objective. That is a cut of 50 per cent on what the region receives at present.

For the rest of Scotland—lowland and upland Scotland, as the area is described for these purposes—the cut is more severe. It will receive £384 million—€573 million—under the new competitiveness objective. That is a drop of around 60 per cent from the figure for the 2006 programme. We have never before faced such a decline in structural funds.

Chris Ballance (South of Scotland) (Green):

Does the minister accept that the cut will hit rural areas in the south of Scotland disproportionately? Rural areas in the south of Scotland have exactly the same transport and location issues as the Highlands of Scotland, but the Executive is doing nothing to address the concerns of small market towns and rural areas in the south of Scotland.

Allan Wilson: I do not accept any of that, and I will come on to explain the specific measures that will ensure that the rural economy is protected. In particular, I will explain the measures that will ensure that the south of Scotland receives a fair and equitable share of the reduced level of funding. However, I do not accept any of what Mr Ballance has said, in any shape, measure or form.

As Linda Fabiani said, the structural funds will have to be very focused on the EU's goal of economic and employment growth—the Lisbon agenda. In practice, that will put important restrictions on traditional areas of structural funds support. The infrastructure that has been referred to will no longer be eligible for support, and that will place intense pressure on programmes to be more focused in their spending.

That is not an unusual feature of structural funds development; there has never been a round of structural funds for which we have not had to change our delivery systems or programme areas. As has been said, Scotland has a positive

reputation for structural funds that is lauded across Europe. Central to that reputation is our ability and willingness to adapt to the changing situation.

With that in mind, we have developed our proposals using three key principles. First, as I have said, future structural funds will need to have a clear strategic focus on Scottish priorities for developing the economy, tackling poverty and sustaining our environment. The priorities set out in the future programmes have been designed to reflect closely our domestic priorities. Secondly, we need to retain partnership. Partnership is one of the key strengths of structural funds in Scotland and it will be built into the delivery of future programmes. We believe that commitment to partnership in the structural funds can be extended by giving local partnerships a greater role in delivering parts of the programmes, especially in relation to social inclusion and regeneration activities. That answers in part the question of how local development will take place.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Of clear interest to me, John Farquhar Munro and others are the recent incidents of flooding and intemperate weather in the Highlands. The minister talks about sustaining our environment, but will those unfortunate events be taken into account as the Executive considers the targeting of structural funds?

Allan Wilson: That will depend on the project, its relationship to the Lisbon agenda and whether it focuses on infrastructure improvement as opposed to, for example, issues to do with workforce development, poverty or social deprivation. When issues to do with environmental sustainability cross over into flood prevention measures, there will obviously be opportunities for the development of local projects.

The Deputy Presiding Officer: You have one minute left.

Allan Wilson: In that case, I will cut quickly to the chase.

We are proposing a mixture of change and continuity. As with any change in a system, there is a risk of disruption, as Linda Fabiani suggested. We are very aware of the impact that disruption could have on partners and the services that they deliver. Particularly affected could be the vulnerable beneficiaries of structural funds, about which there has been recent press comment.

For that reason, we are making a commitment to gap-funding arrangements to address the late start to the programmes. The late development of the national strategic reference framework was outwith our control. In the interim, negotiations took place between the devolved Administrations and the Westminster Government. In response to a request by the committee, we will make

available £12 million—the full annual allocation for vulnerable projects in future programmes—for a round that will start in January. We do that at some financial risk to the Executive, as there is no guarantee that the Commission will agree to all the projects that we decide to fund before the programmes have received formal approval. Our intention is to minimise any delay to the start of the programmes, as far as we can.

Managing the transition is a challenge for us and for everyone involved. A different and bigger challenge, which all our partners face, is that of managing the decline in funding. There are hard choices to be made if we are to use the structural funds to leave a legacy for Scotland. We believe that the proposals that we put out to consultation represent the best balance between continuity and change, and I am sure that the transitional funding that I have announced today will help to smooth the process.

The Deputy Presiding Officer: Managing this debate is difficult.

14:56

Mr John Swinney (North Tayside) (SNP): I am not surprised that the Presiding Officer has selected to speak a member who is known for his good behaviour and who can therefore set an example.

All of us agree that European structural funds have had a significant impact on a range of projects. Hardly a constituency in the country has not been affected by infrastructure improvements and the development of tourism or environment projects that have significantly enhanced the quality of life in our communities. Today's debate must deal with the impact that the change in structural funds will have on many communities.

A constant refrain has emerged in parliamentary debates and in the inquiry that the Finance Committee recently concluded on deprivation. It concerns the importance of delivering a degree of continuity and sustainability to a range of projects. When I consider the proposed transitional arrangements on structural funds, I am struck by the fact that it does not appear that the Government has learned any lessons from the concerns that have been expressed by a number of parliamentary committees—including, most recently, the Finance Committee—about the need to put in place sustainable mechanisms to support those projects in a time of change.

I wish to put it on the record that the Scottish National Party has no grumble with the enlargement of the EU or with the consequences of enlargement. We support enlargement and recognise that it will have financial consequences for the support of projects in this country. The

challenge for Scotland and the Scottish Executive is to ensure that that process is managed effectively, sustainably and in a fashion that means that the projects that we believe contribute to the advancement of the common good in Scotland are able to survive and prosper and are not challenged by any uncertainty about future funding arrangements that may exist.

That brings me to my central point, which is that enlargement came as no surprise to anyone. The significant enlargement of the EU that took place in 2004 had been in the making for years and was well trailed. As the minister was correct to say, the present round of changes in structural funding is the most dramatic that we have faced, by a long way.

In this morning's edition of *The Herald*, the minister is quoted as saying:

"I am acutely aware of the challenges that the voluntary sector will experience with the decline in EU funding."

If the response of the minister and the Government to the situation is summed up by the fact that the minister is

"acutely aware of the challenges",

I would hate to think what circumstances we would be in if the minister were in blissful ignorance of those challenges. The issue has been allowed to drift. We have received some pretty serious siren warnings from our important voluntary sector organisations, which are alarmed at the financial uncertainty that they face. I accept that there will be financial uncertainty for some people and that hard choices will need to be made. However, what is intolerable is the uncertainty that has been created by the Government's lackadaisical approach and by the lethargy with which ministers have responded to the issue.

Christine May (Central Fife) (Lab): Does Mr Swinney accept that the delay in Europe setting a budget and agreeing terms is the cause of some of the uncertainty? Does he further accept that, in many respects, the Executive had little choice but to wait until decisions were taken at European level?

Mr Swinney: That was not an advert for taking responsibility for our own decision-making process; it was an argument for blaming somebody else for our problems. That is not the politics in which the Parliament should be engaged. We should be taking responsibility for the decisions that we take, for which our communities hold us to account.

Of course issues arise from Europe. However, although the European and External Relations Committee recommended in June that,

"as a matter of urgency, the Scottish Executive put appropriate transitional planning in place",

it is only now, months later, with difficulties brewing for some of our important voluntary organisations, that the Executive is at last offering some form of solution. The Executive says that that will kick in by January and that the situation may be resolved by Easter.

The Deputy Presiding Officer: One minute.

Mr Swinney: The Government should be delivering on its commitments and doing so on time, but all that we are seeing is lethargy and delays. I have no confidence that the Executive is delivering with the urgency that people are looking for from the Government of the country.

The report represents a serious wake-up call to the Executive. There are a number of projects that provide important assistance to individuals across our country, transforming people's economic opportunities and life chances. The Government is jeopardising that by the lethargic way in which it is taking forward that work.

Allan Wilson *rose*—

The Deputy Presiding Officer: I am sorry, minister, but Mr Swinney is finishing.

Mr Swinney: I would love to give way to the minister but, sadly, I am in my last minute and I am determined to keep to time.

In tackling the issue, the Government has to raise its game. If it does not, there will be serious consequences for many of our communities. The Government has mishandled the opportunity to tackle the problem.

15:02

Bill Aitken (Glasgow) (Con): First, I apologise to Ms Fabiani and the minister for the fact that Mr Phil Gallie, our European spokesperson, is elsewhere on parliamentary business. Mr Gallie would have thoroughly enjoyed participating in this afternoon's debate, just as members would have enjoyed his contribution.

The recent cuts in funding that the European Union has made, which were aimed at helping new member states, have left Britain and Scotland with gross funding cuts. As the minister indicated, Scotland's receipt of funding is to be cut by between 40 and 60 per cent of the 2000 to 2006 levels, leaving Scotland with only £490 million. Although the cuts are not the responsibility of the Executive, they are dire to say the least. Bearing in mind the intervention of the UK Prime Minister, the Executive may feel that it has achieved a result. Unfortunately, instead of addressing the situation, the Executive has proposed changes that will serve only to exacerbate the effect of the proposed cuts.

Although the European Commission has a main objective of supporting poorer areas that are struggling economically, that objective cannot be seen in the reforms that the Executive is bringing forward. The reforms will leave areas such as the Highlands and Islands, which are among the poorest regions in the UK, without a lot of hope. The Executive is seeking to compound the misery of the funding cuts by interfering in the system of delivery. The current delivery system of five programme management executives works well. The Executive's reforms, under which two PMEs will be created from the five existing ones, are not helpful.

Allan Wilson: The minister refers—

Mr Swinney: That is unlikely.

Allan Wilson: It is very unlikely.

I believe that the member is referring to transitional convergence funding for the Highlands and Islands. However, the sum is set by Brussels and the Executive does not interfere in that. Perhaps we should bring back Mr Phil Gallie. He would probably have known that.

Bill Aitken: Yes, but the minister cannot say that the extent of the change is helpful, especially given the cuts to local input. I accept that transitional convergence funding is separate but, under the system that the minister will introduce, it is inevitable that over time there will be a reduction in local input. That is unfortunate.

What could have been done to improve matters? First, the Executive's lethargic approach has caused severe difficulties. As John Swinney rightly said, it was known for years that European enlargement was inevitable. We could have learned from the Irish experience. The Irish exploited the grants system mercilessly—and quite properly—over the years. They knew that the money would eventually run out and that the arrival of the accession states would create a problem.

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

Bill Aitken: No, I must make progress. This is a short debate.

Why did the Executive not get on the job much earlier and make an effort to address the situation that was clearly going to happen?

The minister said that £12 million would be made available, which is welcome, but it is arguable that such a contribution is being made far too late and that it is not enough to carry through projects until a final decision is made. People are already being laid off in Fife, as we saw on the television news last night, because there is likely to be no continuity for projects.

Mr Swinney: Does Mr Aitken accept that there are two elements to the problem? First, there is uncertainty about whether the projects that the minister supports through gap funding arrangements will be supported by the EU in due course. Secondly, the Government is not prepared to make hard choices about other projects but will pass the buck to local authorities and leave them to pick up the tab.

Bill Aitken: That is entirely the case—

Allan Wilson: Will the member give way?

Bill Aitken: I will let the member in when I have finished my point.

If the Government had got on to the matter earlier, we would not face that problem.

Allan Wilson: If what Mr Swinney said is “entirely the case”, why are between £11 million and £12 million of ESF funds for the voluntary sector currently unspent?

The Deputy Presiding Officer: Mr Aitken, you are in your last minute.

Bill Aitken: There must be delivery difficulties, but we saw on television yesterday that people are being laid off because funding is not forthcoming and the situation remains unresolved. I refer the minister to the BBC news, which identified the difficulty in Christine May’s constituency—I look forward to hearing what she says about the matter.

The Executive’s lethargy has been inexcusable. The system that it introduces will not work in the short term and the minister should carefully reconsider his approach.

15:08

Mr Jim Wallace (Orkney) (LD): As Linda Fabiani said, this is a timely debate on the European and External Relations Committee’s report on the future of structural funds.

I stress a preliminary but vital point, which John Swinney also made. The reason for the significant drop in the amount of structural funds that will come to Scotland—reductions of 50 per cent in funds for the Highlands and Islands and almost 60 per cent in funds for lowland and upland Scotland—is enlargement. I think that all parties in the Parliament supported enlargement, which was well trailed. It was known that enlargement would have consequences for funding if we accepted the principle that European funds should be distributed equitably and fairly. The committee commented in paragraph 59 of its report:

“The Committee recognises that it is a fact that some organisations across Scotland will receive a reduced amount or lose out completely on Structural Funds in 2007-13.”

It is important that we also acknowledge the opportunities that are presented by enlargement, although they are not the subject of this debate. Our industries and businesses should seize those opportunities and we look forward to the opportunities that are presented by the accession to the EU of Romania and Bulgaria.

Bill Aitken mentioned the Highlands and Islands, but he perhaps misunderstood the situation. The minister corrected him by explaining that the amount of funds going to the region was set in Europe, which is why we have known for some time what the amount will be. I think that it was only in the past week that we found out the amount that will be available for lowland and upland Scotland, because that involved a negotiation with the United Kingdom Government.

The money decreases through a phasing-out and convergence programme. I remember when the Highlands and Islands were first awarded objective 1 status—I think that it was back in the late 1980s. The chairman of the Highlands and Islands Development Board said then that the objective of objective 1 status was to get out of objective 1 status. Members from all parties would support that, but that is not to say that if there are resources going, we should not negotiate and try to get the best deal that is available.

Mr Swinney: Projects will lose out on European structural funds, perhaps because the region has got out of objective 1 status due to economic progress, but does Jim Wallace accept that it might be worth while to continue some of those projects? Does he also accept that the Government needs to do more to identify which of them we can adequately support, rather than passing the buck to local authorities and other funding providers?

Mr Wallace: I will come to those projects. However, it is fair to say that the fact that there was going to be a difficulty has not been without notice—it did not suddenly materialise in the past two or three months—so there have been opportunities to address it. It is not only local government or the Executive that could have addressed it, as there are other sources of funding. If additionality—which is a purpose of European funding—means what it says, the point of the structural funds was not to substitute money that the Executive should have been putting in—I hope that that is not what we have been doing all along.

Maureen Macmillan asked where the bodies that will run the programmes, which I think we must now call interim administration bodies, will be based. Obviously, I would prefer the one for the Highlands and Islands to be in Kirkwall, but I will settle for Inverness or anywhere in the Highlands and Islands. I will happily give way to the minister

if he will confirm that the Highlands and Islands programmes will be delivered from within the region.

Allan Wilson: I can happily confirm that. I do not know where the suggestion came from that the programmes were to be delivered centrally, as that was never our intention.

Mr Wallace: There has been some uncertainty, so that reassurance is welcome.

It is important that, in the Highlands and Islands, we consider sustainable businesses, infrastructure, the opportunity for investment in, for example, innovation for the renewable energy industry and the research and development that can be associated with the UHI Millennium Institute. Those are important things that can be supported through the programmes. For our vulnerable communities, not least those in some of the remoter islands, sustainable transport links are vital.

It is also important that targets for lowland and upland Scotland meet some of the Lisbon agenda. Chris Ballance, who has left the chamber, mentioned the south of Scotland. It is my understanding that, if the Scottish Borders and Dumfries and Galloway had not been linked with the conurbations of Edinburgh and Glasgow respectively, the gross domestic product per head in the south of Scotland would not be dissimilar to that in the Highlands and Islands and the region would have qualified in the past for objective 1 funding. I notice that the Executive's consultation document makes specific reference to the south of Scotland, so perhaps the minister will elaborate on that if there is an opportunity for him to do so.

What we have heard about the consequences of the changes for the voluntary sector is recognition of the valuable work that that sector does. Some concerns have been expressed about delivery. Paragraph 58 of the committee's report—I will not read it out—quotes the Hall Aitken report, which says that the quality of the projects is important for future delivery arrangements and that delivery can be better if the focus is much more local, rather than being imposed from above. I commend those points to the minister.

I ask the minister to indicate when the proposals for shadow funding will be placed on the Executive's website to indicate what the procedures will be. In one document, it said that that would happen by the end of October. I will forgive him if it is 24 hours late, but perhaps not if it is a week late.

I also ask the minister to accept that there is a range of other initiatives, such as the seventh framework programme, the joint European resources for micro to medium enterprises and joint European support for sustainable investment

in city areas—or JEREMIE and JESSICA—initiatives, the European fisheries fund and the European agricultural fund for rural development. We should not lose sight of those and the important contribution that they can make in our future use of European funding streams.

15:14

Mr Charlie Gordon (Glasgow Cathcart) (Lab): The European and External Relations Committee's report grapples with a complex and multifaceted issue. One short speech cannot do justice to every facet, but I am hopeful that the debate as a whole will highlight the various concerns that require responses from the minister—we have heard some already.

I will emphasise certain principles and practicalities. Scotland has been the beneficiary of structural funds since 1975. Only utter cynics would deny the economic and social regeneration benefits that they have helped to achieve. With the accession of 10 new, poorer member states to the European Union, it is difficult to argue against Scotland's future share of the structural funds cake becoming smaller, not just because of the 31 years of benefits from having a larger share but because of the principle of redistribution, to which some of us still adhere.

There is a paradox implicit in our arguing for our constituencies to be eligible for structural funding and, for that matter, community regeneration funding, despite the fact that such eligibility is, in part, an indicator of poverty. Let us not forget that the ultimate objective is to have a Scotland so successful that it no longer needs such funding. Jim Wallace was quite right to remind us of that. That said, we must be alert to any danger of successful programmes and projects being cut off before their work is completed, not so much because the cake is now smaller but because the new, smaller share of the cake is distributed in a more restrictive way. That is not to argue for a crude divide-small-and-serve-all approach. In paragraph 86, the report recognises that

"it is unfortunately a fact that some organisations will not receive the same level of funding compared to previous rounds of Structural Funds programmes."

That is probably an optimistic way of putting it. The fact is that some projects might not survive. It would be even more unfortunate if strategic, thematic programmes under the competitiveness objective in areas such as tourism development, in which excellent progress was highlighted in a debate in the chamber last week, were to lose out under the new funding criteria. I seek an assurance from the Executive that it will fill any consequent gap.

One way of partially addressing the downside of reduced funding is to make savings on management bureaucracy so as to free up resources for front-line services. The committee was right to highlight the potential saving of £3 million to £3.75 million a year that moving from five to two programme management executives could bring. As that is an issue of process, however, and given the Scottish overfascination with process, that proposal has inevitably generated much adverse comment. The committee report acknowledges the geographical focus and accountability that the five programme management executives were perceived to have. It depends on which comparator we use. My personal comparator is the former Strathclyde Regional Council, which was second to none in delivering such programmes. However, it is not just nostalgia that makes me hope that local government remains at the heart of the new funding programmes, if not of the new management arrangements. In the Highlands and Islands, the Glasgow city region and the Clyde valley, local government has been leading our most effective delivery.

I do not share the prevailing Holyrood culture of ambivalence towards local government, but in a related regard I am not alone. Let us not give unfettered power under the new arrangements to Scottish Enterprise or Communities Scotland, which are perceived by many people as unreliable and secretive respectively. I do not believe that every project that is currently being funded can survive, nor do I believe that the new management arrangements can be fine-tuned to please everyone. However, I believe that, with flexible and responsive gap funding arrangements, which we heard about from the minister, and a commitment by him to reflect the valid concerns that have been expressed in the debate and elsewhere in the context of the Executive's response to the consultation, we can get away from arguments over processes and get back to driving programmes and projects that help to deliver a more competitive, more inclusive and more sustainable Scotland. The sooner we do that, the better.

15:19

Ms Maureen Watt (North East Scotland) (SNP): I, too, welcome the debate, in which I wanted to take part because I know how much the proposed changes are exercising the minds of councillors. I will highlight the problems that are faced by Aberdeenshire Council and my colleague Brian Adam will concentrate on Aberdeen City Council.

First, I will address some remarks to the report. The reduction in EU funds to the UK, which is due

to EU enlargement, is recognised by all, but how the Scottish Executive deals with the transition will be crucial. The reduction in programme management executives from five to two must not result in centralisation and top-down management. We must not spend much-needed time and money on dismantling five bureaucracies to create new ones. We must use dispersed teams and identify the most effective leaders in structural funds teams to ensure that their skills continue to be used.

The ethos of subsidiarity must not be lost. There is a feeling in the country that the Labour-Liberal Democrat Executive has been sucking up powers from local councils. Although that situation will be reversed by the people on the SNP benches after next May, it is a problem that is exercising the minds of people out there.

I ask that the Scottish Executive be up front with councils and voluntary organisations on how they will be affected, so that they can plan for change. It is vital that the Executive engages with all the recipients of EU funds to discuss what changes they will have to make and plan for. Aberdeenshire Council regrets that although it has been able to meet officials from the EU and the Department of Trade and Industry, the Deputy Minister for Enterprise and Lifelong Learning has so far refused its requests to meet him. I hope that that will change.

Given that rural development and environmental sustainability are no longer priorities for Scottish Enterprise, which is now focused on city regions to obtain growth, structural funds could provide much needed additionality in rural areas. Aberdeenshire Council in particular is concerned to ensure that although Aberdeenshire does not meet the convergence criteria, it will still meet the competitiveness and co-operation criteria.

I know that many members from other parts of Scotland believe that the north-east is all wealthy, but it is not. The spatial targeting criteria hide pockets of deprivation and Aberdeenshire now has two data zones in the worst 5 per cent and six zones in the worst 20 per cent. That is largely due to the decline in the fishing quota for the Scottish fleet and the subsequent scrapping of boats, which has had a disastrous effect on the economy of Fraserburgh and Peterhead in particular. The recent report on small towns also highlights the problems that much of the rural north-east faces.

Aberdeenshire Council is concerned about the distribution of funds to urban and rural projects. It hopes that money will be targeted to obtain the maximum impact. I am not asking for special pleading, nor is Aberdeenshire Council. Indeed, the council should be congratulated on shifting the emphasis to take account of the Lisbon and Gothenburg agendas.

All that we in the north-east are asking for is a level playing field on which to compete for funding. That is why measuring outcomes is so important, as Linda Fabiani said. I do not think that there is ever enough scrutiny of the effectiveness of funds used. If there were, I know that we canny north-easters would not be found lacking. We know how to get more bang for our buck, or euro.

15:23

Dennis Canavan (Falkirk West) (Ind): When we joined the European Economic Community in 1973, there were nine members. Now, the European Union has 25 members and, in a few weeks' time, it will have 27. I strongly support enlargement and believe that we should welcome new members to the European family of nations. However, if we believe in the socialist principle that most help should go to those who are most in need, an inevitable consequence of enlargement is that we shall receive a smaller share of structural funds because, in general, we are relatively rich compared with the new members of the EU.

The European and External Relations Committee report states that it is clear that a greatly reduced amount of structural funds will be available to Scotland in the period 2007 to 2013. However, the committee also recommends that the Scottish Executive should closely examine other European Union funding options and opportunities that are available to Scotland, such as the seventh framework programme, the globalisation adjustment fund and the European Union solidarity fund.

The committee also reiterates the conclusions and recommendations of the report on possible co-operation between Scotland and Ireland relating to accessing cross-border territorial co-operation funds. I was the reporter for that inquiry, which the Executive welcomed. Last month, we had a good debate on the inquiry report and members throughout the chamber expressed strong support for it. During that debate, the Deputy Minister for Enterprise and Lifelong Learning, Allan Wilson, referred to a sum of €200 million that had been allocated for a programme of tripartite co-operation between Scotland, Northern Ireland and the Republic of Ireland. However, I have since been reliably informed that the sum of €200 million had already been allocated for the programme of bilateral co-operation between Northern Ireland and the Republic of Ireland before the decision was taken to include parts of Scotland in the programme.

It does not seem fair to expand the area that is covered by a programme without expanding its budget. I therefore appeal to the minister to do everything possible to increase the budget, even if

that means he must go back to the United Kingdom Government to negotiate a larger share of the UK budget for territorial co-operation. I know from my discussions and correspondence with Peter Hain, the Secretary of State for Northern Ireland, that he supports Scotland's inclusion in the programme. Scotland has an important role to play in the east-west strand of the Good Friday agreement and the St Andrews agreement and, therefore, in the peace process.

Those who took part in the recent delegation from this Parliament to the Republic of Ireland will vouch for the fact that there is huge enthusiasm for co-operation between Scotland and Ireland. I also know, from my visits to Northern Ireland and the response to my report, that there is huge enthusiasm for the idea in Northern Ireland among people of different religious and political traditions.

We have a great opportunity to encourage co-operation by ensuring that it is adequately funded, therefore I seek an assurance on funding from the minister. Funding will ensure that the long-standing links between Scotland and Ireland can be strengthened and extended and that the people of Scotland and Ireland can co-operate with each other, learn valuable lessons from each other and work together to build a better future.

15:28

Christine May (Central Fife) (Lab): I remind members of my entry in the register of members' interests, which says that I am an unremunerated board member of Community Enterprise in Strathclyde, which is one of the organisations that is mentioned in the Scottish Council for Voluntary Organisations briefing.

I welcome the report and today's debate. Those who have known me for some time will know that I have a fair track record in relation to European structural funds issues. Indeed, it was once alleged that I could bore for Scotland on the subject, but members will be glad to know that they will be spared that today.

Fife has been a major recipient of European structural funds and the economy and people of Fife have benefited considerably. I remember that, when we were doing the work that set in place the current round of funding, transitional arrangements were put in place for those areas that would have otherwise experienced a greater than necessary reduction in their funding. Again, Fife was a beneficiary in that regard. The benefits have accrued to industry in Rosyth, Methil and Glenrothes. Through objective 3 European social fund funding—the board of a group relating to which I once chaired—benefits have also accrued to human resources developments and equalities,

on which significant work has been done in parts of Fife.

The benefit of the objective 2 programme has been £14 million of investment that has generated a further £60 million of leverage. Under objective 3, £35 million of investment has been made, which has generated £45 million of match funding. At my request, the Enterprise and Culture Committee has agreed to commission a piece of research—in which I know that Maureen Watt will be interested—examining the cumulative impact of the funding from Europe and the funds that have been levered in in creating sustainable economic growth. I hope that Maureen Watt will examine that.

In the coalfield areas that I represent—members will know that I chair the all-member group on coalfields—we have significant issues of a low employment rate, a low level of qualifications and poor health. The new funds—although reduced—must be targeted at the areas that are proportionately less successful than those in which, I am pleased to say, health, employment prospects and educational attainment have improved under Labour and the Labour-Liberal Executive. The reduced money needs to be better targeted. We said that during the previous round of funding, and it is crucial to the current round.

I am sure that everybody agrees that when sums of money are reduced, it is sensible to reduce bureaucracy. As other members have said, we cannot continue to have five programme management executives. We must examine additional funding from other strands and consider how to focus better.

When the minister spoke about the criteria to determine how we manage and distribute the current funds, he talked about a clear strategic focus and the need to retain partnerships and to give local partnerships devolved responsibility for implementation. He also spoke about managing the transition and the reduction. I will ask questions about both those aspects that officers from my local authority have raised with me. The minister might not be able to answer today, but I hope that he will agree to discuss them further with me.

The partnerships that are in place involve many local authority officers, some local authority members, representatives of further and higher education colleges and representatives of the voluntary sector. Not only are they part of programme management committees and programme monitoring committees, they are part of our community planning partnerships, which are intended to be key players. I am concerned that perhaps not as much dialogue as might have occurred has taken place with the key partners

whom we will want to be closely involved in developing the current proposals.

I am pleased to hear Bill Aitken acknowledge my close relationship with Fife. However, I represent Central Fife, and the report that he talked about seeing last night referred to West Fife Enterprise, which is based in my colleague Helen Eadie's constituency.

The issues for the voluntary sector are more complex than just the issue of structural funds. Many voluntary groups are involved in several strands of Government policy and initiatives. They have built up their businesses and their expertise in managing various elements of Jobcentre Plus, training for work, get ready for work and other strands of Government support for areas of deprivation. Changes to such programmes and the fact that some Scottish Enterprise training programmes this year have expanded less than expected—

Mr Swinney: That is another word for cuts.

Christine May: Programmes have indeed been cut or have not gone beyond what was anticipated, which has created concerns, so I ask the minister to discuss with me the dialogue that will take place with key partners, including the voluntary sector, on the delivery of the new systems to minimise structural fund disruption to local programmes. I welcome the transitional arrangements that the minister announced, which will help.

15:34

Donald Gorrie (Central Scotland) (LD): I read the report with interest—it is not always the case that I read a report or that it is interesting. Some good speeches have dealt with the geographical aspects. Members are knowledgeable about the problems that exist in particular areas of Scotland and have expressed themselves well, but I will concentrate on the voluntary sector rather than a geographical issue.

There are good and bad things about all organisations. One of the bad things about the Scottish Executive is its treatment of the voluntary sector. Civil servants, the Executive and Governments in general do not really understand the voluntary sector, which plays an important part in the system. Sometimes, local government does not understand it either. However, taking account of the voluntary sector's concerns is important. I have met a number of groups to discuss that matter. Indeed, a short paper has been circulated by groups to which I have spoken. All of us are used to people crying wolf, but I am not doing so. There is a risk that important parts of the voluntary sector that provide training—especially to harder-

to-reach groups and to others whom European funds help—will be seriously dislocated.

I ask the minister to ensure that, when the Executive is developing its programmes, the voluntary sector is properly consulted and involved in the process. We should regard people in the voluntary sector as real partners. They should receive adequate and fair access to European funds. All the funds should not be directed via quangos, some of the practices of which are, as Charlie Gordon said, slightly dubious—that is what I took from what he said.

We must learn from the past, carefully examine what is happening, study the previous funding transition, find out what has and has not worked, and consider the existing funds and projects. If projects are working well, they should be kept going. We must have a monitoring system in the future to ensure that the smaller sums of money that are available are properly targeted. Scotland has developed a good partnership and peer assessment system, which I understand the Europeans regard with great favour, but we seem to be dumping it. Doing so is not a good idea.

Consultation is one issue: continuity is another.

Christine May: Does Donald Gorrie accept that, by keeping five programme management executives, we run the risk of spending up to €5 million that we might not need to spend if management arrangements are redone?

Donald Gorrie: The management system should be as economical and efficient as possible. However, we can devise a bottom-up system as opposed to a co-financing system. That is a cliché, but it is an important cliché. That said, I do not have a problem with reducing the main homes for the money from five to two.

I mentioned continuity. Successful organisations must be kept going until the new system is sorted out because, as members have said, sorting it out will take time.

There is a risk that more funding will go to groups that target easier-to-reach people. If people are given credit for the number of people whom they get back into work and training, it will obviously be tempting for them to go to easier-to-reach groups. However, there are good voluntary organisations that do tremendously good work in preparing people for work. Pre-vocational training is vital. If we lose some organisations, we will lose the huge corpus of experience, knowledge and skills that people have built up.

We must invest in people. A fault of Governments of all shapes and sizes and of people in government at all levels is that they think that it is easier to invest in things than in people. The public can then be shown things that have

been made, such as machines that people can be photographed beside. It is much harder for Governments to show what they have done with people, but it is people who do things. We must ensure that the voluntary sector is sustained and that it can deliver people with the skills that we want. People will then lead satisfactory lives.

We need to have bottom-up local decision making, with the voluntary sector having direct and fair access to the funds, which I think means having some element of bidding. We have to ensure that local communities can assess where most value will be added and that we support the voluntary sector in doing that.

I urge the minister to work alongside the voluntary sector and assess the legitimacy of its concerns. We can make things better. In the end, if less European money is available for vital social funds, we have to find money from within our own budget. Otherwise, some of our poorest communities will suffer grievously.

15:40

Alex Johnstone (North East Scotland) (Con):

Like other members, I welcome the report. Not being a member of the European and External Relations Committee, I will treat the report as a work of reference as we work our way through the problem.

It is not unusual for me to disagree with Dennis Canavan, and people will not be surprised to hear that I disagree vehemently with something that he said today. He said that it is a sound socialist principle that help should go to those who are most in need. I do not dispute the fact that help should go to those who are most in need; I dispute the idea that it is an exclusively socialist principle. It has been a traditional Scottish principle and certainly a sound Christian principle—one that many of us have pursued in our lifetimes and one that has been pursued over generations.

For that reason, it is difficult to argue that, considering the priorities faced in Europe today, the money that has traditionally been allocated to development programmes in Scotland should not now find its way into eastern Europe. We are all going to have to learn to live with that. That does not mean that it is any easier to deal with. I would not like to face the problems that the minister might face in justifying his decisions.

The priorities and problems have been highlighted by a number of members. Chris Ballance got a bit of a rough ride from some members of Executive parties earlier in the debate when he raised the issues of the south of Scotland. Sadly, the truth is that if we are to reprioritise—which will be necessary as priorities are assessed—some will lose more than others. I

was going to say that there will be winners and losers but, as we know, there are no winners in regional terms.

For that reason, it befalls the Executive to consider its administrative procedures carefully. If the funds are cut—as we know they will be—it will be necessary to ensure that administrative costs are cut by at least the same percentages. It is disgraceful that when organisations' budgets have been cut in the past, their administration costs have gone up instead of down. We cannot afford for that to happen. The money that is available must go into projects that justify the expenditure. We must get more bang for the buck.

That still leaves huge gaps. We have heard today about the situation that Aberdeenshire faces and how little recognition there is of the poverty that exists there. I live in the administrative area of Aberdeenshire—I will never call it just Aberdeenshire, because I still live in Kincardineshire—and it is obvious that there are radical differences. In the south of the area, we are much wealthier than those in the north. Those who are close to the city of Aberdeen have good links and can boast a much stronger economy than those who do not have such links. Stewart Stevenson is not with us today, but he does an excellent job in highlighting the economic problems of north Aberdeenshire. Aberdeenshire faces a grave problem in the current round.

In spite of my sympathy, I must cast doubts on the Executive's ability to deal with the problem that it faces. It can point to the fact that the European Union has done it no favours, and many of the difficulties that it faces, particularly in the late announcement of the available funds, are not actually its fault. However, as we speak, another crisis is brewing in relation to the distribution of European funds. The Executive can perhaps be said to have more blood on its hands from the way in which Ross Finnie has chosen to distribute rural development funds. That problem is almost entirely of the Executive's making. Controversial decisions on how funds will be top-sliced and redistributed have proved difficult to get accepted by the European Union. As a consequence, many of Scotland's poorest farmers will find themselves short-changed. The interim measures for rural development funds that I believe have been announced today—some of which sound similar to the interim measures for structural funds that the minister has announced today—will be of no help to those who expected large amounts of money, because they will simply not materialise.

I close with a warning for the minister. The difficult situation that he has been left to administer may not be his fault, but the Executive must learn from the mistakes that it made in its proposals to distribute rural development funds. As the

administrative process for structural funds is changed, the Executive must ensure that it does not end up suffering from problems that are essentially of its own making. As I said at the outset, I do not regret the fact that I am not required to make the decisions that the minister faces, but I urge him to act quickly, decisively and clearly to ensure that the moneys are not delayed for a moment longer than is necessary.

15:46

Des McNulty (Clydebank and Milngavie)

(Lab): I draw members' attention to my entry in the register of members' interests: I am an unpaid board member of the Wise Group, which is probably the United Kingdom's leading organisation in helping people to overcome barriers to employment and to secure jobs.

The Wise Group and similar organisations, such as One Plus, take a responsible approach to running their businesses. Wherever possible, they have systematically tried to reduce their dependency on the European funding programme that is running out. Indeed, the minister with whom I first discussed the issue was Peter Peacock, who has not dealt with structural funds for a considerable time. Organisations such as the Wise Group accept and embrace the need for funding to be distributed in line with quality of provision and outcomes. Over the past few years in particular, they have become increasingly adept at working in an environment in which they need to deliver in order to retain their funding. As it happens, Wise Group projects have, I think, been at the top of the rankings system in the west of Scotland for the past several years and the quality of what they provide is not in doubt.

However, it is fair to say that even the Wise Group has certain limitations on its adaptability in dealing with the circumstances that it now faces under the transition process. The information on what funding will be available in 2007, and in particular on the criteria and mechanisms through which the funding will be distributed, has not been satisfactory from anyone's point of view. It has made forward planning difficult for organisations such as the Wise Group. As the minister suggested, transition measures will need to be introduced to deal with the significant gap that will exist between the end of the current programme and the start of the next one. Those transition measures are welcome but, nonetheless, we risk losing capacity within the sector as a result of the need to put those transition measures in place.

The Executive's proposal for a tandem arrangement involving commissioning coupled with challenge funding is not the most obviously streamlined approach to disbursing funds. One problem is that it is not 100 per cent clear at this

stage how much money will go down the commissioning route, how much will go down the challenge funding route and how the mechanisms will work. There is a need to clarify those issues.

Another issue is the need to consider alternative funding sources. The Finance Committee's "Cross-cutting Expenditure Review of Deprivation", to which John Swinney referred, pushes hard the idea of a single regeneration fund, which I recommend to the minister. By having clear criteria for the required outputs, such a fund would create a level playing field among the different kinds of organisations, because it would identify the tasks to be performed and the criteria against which people would be judged.

We need to examine deprivation funding alongside the change to structural funds, to ensure that we are not losing key capacity that is needed to deliver essential programmes. We are not dealing with a potential loss of capacity in isolation. A series of Westminster, Scottish Executive and voluntary sector programmes focus on employment. We want significant high-quality provision to be in place. There is a danger that workforce plus, the city strategy and other mechanisms that we are putting in place will not be sufficiently joined up unless the system is well managed. That issue needs to be addressed.

Another issue is the way in which the community planning commissioning system will work. When dealing with employment, which is my main concern today, it does not make sense to focus attention on small geographical areas—data zones, in the parlance of the Scottish Executive mechanism for distributing funding. Instead, it is necessary to focus on much larger travel-to-work areas and to provide structured funding and support to people in those areas who meet the criteria. If we focus on data zones, we will end up with very local bases of funding that do not deliver the best outcomes for employment support.

There needs to be a clear focus on the distribution mechanism—the way in which commissioning will work alongside challenge funding. We must ensure that challenge funding arrangements are closely linked to the outputs and outcomes that are expected, especially in the crucial area of employment. If that is done, the encouraging message that the Scottish Executive has tried to send about its desire to build the capacity of the voluntary sector as a key delivery agent for many areas of devolved policy will be followed through. If we fail to get the arrangements right, the policy will be hot air and will be seen as such by people who are active in the sector.

I echo Alex Johnstone's point that managing a decline in funding is not a simple task for anyone. We must ensure that the arrangements that we put in place are streamlined and clear, that people

know that they are rational and make sense, that they deliver the expected outcomes, and that we focus on the key issue, which is employment. I would like the minister to do a number of things. My colleagues and I are willing to speak to him about how we can move forward, because further thought and clarification are required.

15:53

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): There are a number of duties to be performed in the classic closing speech, the first of which is to comment on what others have said. After I have done that, I will make some points of my own, with special reference to my part of the world.

I congratulate Linda Fabiani, members of the European and External Relations Committee and the clerks, who worked extremely hard to produce a very good report. Although I have never been a member of the committee, I read the report with interest. It strikes a number of chords with what I and other members believe.

It has been a good-quality debate that shows that the ghost of Euroscepticism has been laid to rest. Almost everything that has been said has been said in the context of Europe working together. All parties have accepted that enlargement, on which I will touch later, is a reality. That represents a sea change and a taking of the nation's temperature as it really is. Europe can bring benefits to us all.

In her opening speech, Linda Fabiani was right to talk about the backdrop of the reduction in EU funding and the appropriateness of putting in place regional planning. She mentioned the two programmes that have been agreed: one for the Highlands and Islands and one for other parts of Scotland.

In his reply, Allan Wilson spoke about the reduction in money. Although I will speak more about my intervention in a minute or two, I deliberately asked how rapidly changing events in different parts of Scotland sit with longer-term funding. That will be touched on later in the ministerial statement on flooding in the north of Scotland, which affects not only my constituency but many others.

John Swinney and other members were correct to say that EU enlargement was no surprise and that we knew that it was going to happen. Jim Wallace in particular echoed John Swinney's remarks and made a point that we should all remember, which is that the amount of funding that goes to the Highlands and Islands is set in Europe. It was useful when Jim Wallace invited the minister's intervention because we are now certain that the administration of the programmes

will be not in Kirkwall or Wick, as some of us might have liked, but probably in Inverness or somewhere else in the Highlands. That is what I call a useful exchange as part of a well-tempered debate.

Charlie Gordon said that Scotland has benefited from such funding for 31 years, since 1975.

Alex Johnstone: Does the member acknowledge the great work that was done by the previous Conservative Government, which negotiated our entry into the European Union?

Mr Stone: The funny thing is that I was tempted to intervene during Bill Aitken's speech to say that we have a slight difficulty in the Highlands—since 1994, Europe has wanted money back from us on account of the lack of accuracy from what I think was a Conservative Government.

Alex Johnstone: That was creative accounting.

Mr Stone: The member may choose whichever words he likes.

Maureen Watt spoke with some feeling about her part of the world, Aberdeenshire. I associate myself with Dennis Canavan's remarks. As is his wont, he took a broader view that honours the chamber. As many members know, my wife's family come from Northern Ireland. One of the reasons why the EU was formed was that generations ago we were killing each other—I lost two great-uncles in the first world war. If we can reach out via the good Friday and St Andrews agreements to the nine counties of Ulster, then well and good. Dennis Canavan was bang on with that one. We should be proud of our involvement. The day on which the Parliament can look slightly beyond—

Bruce Crawford: Jamie Stone might be aware that as part of the on-going peace process in Northern Ireland, a view is growing there that corporation tax should be set at a uniform rate throughout the emerald isle. That is the strong view of Sir George Quigley, the chairman of Bombardier Aerospace. Does the member support that view and would he support the same policy for Scotland?

Mr Stone: I do not see what that has to do with structural funds, to tell the honest truth. Being married to an Irish colleen, I am aware of the subtlety and wiles of the Irish; I detect an Irish input to that question and I know a trap when I see one.

Donald Gorrie took a singular and interesting view of the debate, which we might discuss later. He has always upheld honourably the voluntary sector in all his contributions.

I echo others when I say that flexibility would be useful when we have to deal with untoward

instances such as the flooding in the Highlands or the landslips in John Swinney's constituency. It would be good to direct structural funding that way.

I must put on the record yet again the old point about the Highlands. It is now generally accepted that one of the factors in the Highlands and Islands losing objective 1 funding was the inclusion in the bid of the honey pot that is the rich centre of Inverness. That was a mistake and said nothing about poorer and more remote parts of the Highlands. My plea to ministers is one that I have made for many years, right back to when I was a councillor. In Wales they are clever about how they draw the boundaries. There might be no objective 1 funding in the future because of enlargement, but let us be cleverer in how we draw our boundaries, in how we apply for funding and in targeting it where it is most needed.

Once again, I congratulate Linda Fabiani and her colleagues on an excellent report.

15:59

Derek Brownlee (South of Scotland) (Con): It is always a pleasure to fill in for Mr Gallie when he is on other important parliamentary business. Indeed, that might explain why Mr Stone felt that there was less Euroscepticism than he has been used to—although it might well be that we are all Eurosceptics now.

Allan Wilson: Speak for yourself.

Derek Brownlee: Well, perhaps.

Today's debate has been useful. For example, John Swinney's speech on the reach of European funding and his comment that very few places in this country have not been touched by previous spending were very apt. Indeed, that is why there is such concern in Scotland about the potential implications of what will happen with the next funding stream. That is particularly the case in my own area of South of Scotland, which I will come back to.

Whenever we discuss European issues, a fog tends to descend on us and perhaps it is the European and External Relations Committee's role to be a beacon and shine a clear light on these matters. For example, after reading the Scottish Executive's consultation document on the lowland Scotland programme, I am not surprised that people are scared to talk about Europe. The document runs to 174 pages; sets out 74 approved categories of expenditure that are eligible under the Lisbon criteria; and lists 50 acronyms.

I was interested to see in the document that

"JEREMIE will provide a mechanism for setting up revolving loan instruments for providing development capital to enterprises".

I thought, "Good for him," although I have to say that I imagined that he might be busy with other matters. I then discovered that JEREMIE was one of the funding streams not mentioned in the list of 50 acronyms to which I referred. That just shows how anyone who tries to make sense of European matters can end up confused.

Of course, people are most concerned about the impact of the cuts to funding. I cannot argue with members' comments about the impact of enlargement on the amount of European funding that is available to us. However, most, if not all, of us welcome enlargement and feel that a broader, if not deeper, Union is an attractive prospect.

As many members have pointed out, we need to manage and minimise the negative impacts of the cuts and, if we can, up-play the potential benefits of the funding that is left. As Des McNulty and Alex Johnstone said, we know that ministers face difficult decisions. However, that does not take away our responsibility for scrutinising decisions and keeping a close watch on what ministers do with the remaining funding.

Last October, during a debate on European funding in the south of Scotland, the minister made the important point that only 3 per cent of economic development spend comes from structural funds, which might well reassure people who are concerned about the impact of cuts. I also entirely concurred with the emphasis that he placed on the need for value for money. When he started talking about hard choices, I thought that I was listening to Tony Blair, such was the spiel of new Labourese coming out of his mouth. Presumably, those hard choices and the need for value for money relate not only to the 3 per cent that he mentioned but to the other 97 per cent of economic development spend. I see the minister nodding, so I take it that he agrees with me.

In that case, given that we are seeking to deliver value for money and to maximise the impact of spend, I am at a loss to explain why the minister's colleagues are so reluctant to let us see the Howat committee's very detailed work on the matter. Surely that would help in attempting to ameliorate the implications of European decisions and would allow us to maximise value for money. Perhaps he will reflect on that point and allow us to see the report before tomorrow morning's debate.

I thought that Chris Ballance was rather unfairly criticised for some of his comments on the South of Scotland, where there is real concern about the funding cuts. One of the Liberal MPs—in fact, the only Liberal MP—for the Borders has accused the Government of failing the area. That is a view that Mr Stone and his colleagues might seek to endorse, but they seem to think that the Executive has influenced the Government sufficiently in speaking up for the South of Scotland, or indeed

for any other part of Scotland. As members will know, the south of Scotland alliance was vigorous in its affirmation that the single programme for lowland Scotland was not helpful in ensuring local decision making.

I heard what the minister said about the reduction in bureaucracy, and we must reduce bureaucracy as much as we can to ensure that we can free up resources for positive spending priorities, but it is rather late in the day to come to that. Why, suddenly, are we left with a reduction in bureaucracy when the Executive's own efficient government programme seems rather to have run into the sand?

I conclude by asking the minister to take us forward from mere warm words and to give us some clue about what actions the Executive will take, and according to what timescale, so that we can have comfort that our constituents will not be as severely affected by the cuts as might otherwise be the case.

16:06

Bruce Crawford (Mid Scotland and Fife) (SNP): The convener of the European and External Relations Committee, Linda Fabiani, laid out the position of the committee, the process undertaken, the conclusions reached and the recommendations made to the Scottish Executive. The committee produced a good report, which got to the nub of the issues.

We have had an interesting debate and have heard some interesting views. In his opening remarks, Allan Wilson was able to reflect on how much funds had reduced since the previous programme, from an allocation of around £1 billion in the period 2000 to 2006, to a programme for 2007 to 2013 that has fallen by about 60 per cent to around £400 million. Unfortunately, it is difficult for us to determine whether Scotland actually gets its fair share of those EU funds, because negotiations take place at UK level. I do not think that that is right, but I know that we should expect our fair share.

As John Swinney, Jim Wallace, Dennis Canavan and other members have said, the chamber is unanimous in being prepared to support the accession of new states, particularly from eastern Europe, and if we all support that, we must accept that the economies of those countries require greater support. That said, and although structural funding is welcome, it is a pity that, in the 21st century, Scotland should still require any structural funding at all because our economy is not developed as well as it could be. It is unfortunate, but a reality, that the cuts in structural funds will be felt in certain sectors of the Scottish economy because we rely on those funds and the

underperformance of the Scottish economy over a number of decades means that those funds are still required. The sums required might not be a great deal—in the order of 3 per cent, as Derek Brownlee said—but they are nevertheless important for certain sectors.

By the time we get to the end of the next programme, in 2013, I hope that we will have faced up to the challenges and opportunities that globalisation provides. By then, we should aim to have less need of structural funds, so that we can free up funding to help other areas of the European Union. By 2013, we should have an economy whose export base is considerably expanded, where investments in research, development and innovation are providing significant dividends, and where high-value-added employment is the norm and our people are highly skilled and continue to upskill to get ahead of the game in the modern labour market.

I was particularly taken by paragraph 64 of the committee's report, which states:

"The Committee recommends that the Scottish Executive should closely examine other EU funding options and opportunities available to Scotland, such as the Seventh Framework Programme 2007-13, Globalisation Adjustment Fund and European Solidarity Fund".

I have looked at the Scottish Executive's response to that recommendation, and I wish that I had the feeling that there was a bit more dynamism and energy in how it is written, because those funds could be crucial to Scotland in the future. Perhaps in his closing speech the minister will give us the feeling that the Executive takes the issues seriously.

Other members have mentioned the voluntary sector and the funding gap. The minister conceded that it was not simply a question of a funding gap but one of programmes coming to an end. However, the situation for the voluntary sector is much more complicated than that. Not only must the sector deal with the reduction in European structural funds, but it must face the complexities caused by lottery funding coming and going. It is probably more difficult than ever for voluntary organisations to sustain their future.

Members have received a briefing document from the voluntary sector, which explains the scale of the problem. I can recall the end of the urban aid programme. At the time, I was the leader of Perth and Kinross Council, and I think that Christine May was the leader of Fife Council. As the programme came to an end, all the voluntary bodies started to queue up at the door of local authorities and others to try to obtain mainstream funding to allow very worthwhile projects to continue. Local authorities did what they could to help. Now, someone referred to learning from history. I would have thought that we would have

learned from the ending of the urban aid programme and would know how to manage the present situation. The management has not been nearly as effective as it could have been.

Another problem will appear in 2013 because of co-financing. By that time, partners all over the public sector will be supporting the voluntary sector, and you can bet your bottom dollar that the voluntary sector will be knocking on the doors of co-funders just as they are knocking on doors now. The chickens are coming home to roost, because not enough was done to study the scale of the problems that would face the voluntary sector.

I hope, as John Swinney does, that the European and External Relations Committee's report has woken up the Scottish Executive. We welcome the new money, but perhaps it is a bit too late.

16:12

Allan Wilson: I will try to cover all the points that members have raised. If I cannot do so, I undertake to write to the members in question on all their points.

The input from members of the European and External Relations Committee and the Enterprise and Culture Committee was different from the input from John Swinney and Bill Aitken, who undoubtedly saw a political bandwagon passing and decided to jump on it rather than address this very welcome European and External Relations Committee debate and my response to it.

Bruce Crawford spoke about Scotland's share. That issue has preoccupied us for the past three or four months, which is one reason why we could not have responded any more quickly than we did. The accusation that we have been lethargic or lackadaisical holds no water whatever. Scotland receives around 11 per cent of the competitiveness fund. Per capita, we receive €122 while England receives €91 and Wales receives €114. I believe that we secured a fair and equitable share from the negotiations. Critically, we considered respective need.

There has been a misconception in the chamber today, although I can understand why. The misconception is that the reduction in funding arises purely and simply because of EU enlargement. It does in part, but not entirely. Because of improvements in our employment levels, and because of workforce development and skills training, our prospective share of structural funds has decreased. Derek Brownlee was right to draw attention to the fact that structural funds account for around 3 per cent of our total economic spend. That figure will reduce. That is an important point, but we are talking about

match funding and only up to 45 per cent of the funding for any individual project comes from structural funds.

Derek Brownlee: I take the points that the minister makes, but for the benefit of those of us who have not been quite so involved in the detail of the debate, will he clarify by how much the negotiations that the Executive has engaged in have increased the share of the funds that Scotland has obtained? Has more been obtained than would have been the case if the Executive had done nothing at all?

Allan Wilson: The debate is about how the funds are allocated across the regions and nations of Britain. There are different ways in which the funds can be distributed. We might get more or less, depending on what criterion is adopted. For example, if a density of population criterion were to be adopted, Scotland would get more per capita, but would that be a representative descriptor of need? I would argue that it would not. Given our desire to concentrate on employment and skills training, we would like European structural funds to be used to improve our relative competitive position in those areas. We wanted innovation and enterprise to be criteria for allocating funds and the fact that we have secured that will benefit Scotland, because innovation and enterprise are key drivers of regional growth.

Mr Swinney: The minister's substantive point is that not all the changes arise from enlargement alone. Does not he accept that that reinforces the argument that the Government has been caught napping, in that it has failed to manage the transition that we knew was going to happen and which has been intensified as a result of economic change?

Allan Wilson: Nothing could be further from the truth. As my colleague Jim Wallace mentioned, we have been engaged in consultation and negotiations with our partner organisations, including local authorities, further education colleges and, dare I say it, the voluntary sector for 18 months. I could not have announced what I have announced today one week earlier, because the negotiations on the national strategic reference framework have only just concluded. It is simplistic and simply untrue to argue that we could have acted earlier or more directly.

The briefing to which Mr Swinney referred was based on two serious misconceptions. The majority of existing projects will continue to spend their current funding as they approach the end of the year. The European structural funds will not suddenly be turned off, as Mr Swinney or those behind the briefing would have us believe. In fact, some £84 million of the ESF money that has been awarded to projects has still to be spent. That is in addition to the figure of circa £11 million that

remains unclaimed in the relevant pot of ESF entitlement.

It is extremely important that the transitional funding that I have announced today goes to those projects on which the most vulnerable clients rely. Those projects may be run by the voluntary sector but, crucially, they may be run by local authorities, further education colleges or other partners. It is important not that the funding that is available to sustain projects goes to a particular sector, but that it goes to the most vulnerable projects with the most vulnerable clientele. Given that there is only one cake to be distributed, if one sector is cut a bigger slice, by definition less of the cake will be left for the other partners that deliver equally important projects.

I am big enough and strong enough to take Mr Swinney's criticism, but if he wants me to give more of the cake to the voluntary sector, he must say from whom cake is to be taken away. Is it to be taken away from local authorities or further education colleges? We have proposed a transitional fund that everyone will be able to bid for to help them through the transitional period. We have taken account of the fact that European structural funds are on the decrease and we want to maintain the additionality that they provide to economic growth, innovation and the Lisbon agenda more generally.

16:19

Irene Oldfather (Cunninghame South) (Lab): I am pleased to wind up the debate on behalf of the committee. The debate has been a good one.

If I am to be absolutely honest, when we first made a bid for this committee slot, we did not expect to be given the majority of time in an afternoon debating slot. I think that the convener will agree on that. However, members rose to the challenge and found no shortage of things to say. It will be difficult to sum up on all the speeches.

First, I turn to the importance of the Scottish Parliament and the European and External Relations Committee in the European Union structural funds scrutiny process. The committee has been vigilant on the matter since its inception; indeed, it has produced no fewer than six reports on the subject. Structural funds have been debated five or six times in the chamber—roughly on an annual basis. In addition, the committee has included in its work programme an on-going commitment to keep a watching brief on the issue. That allows the committee, and the Parliament, to act as a conduit and a voice for stakeholders. Today's debate has demonstrated that.

As a number of members pointed out, structural funds are important to Scotland both historically and traditionally. That has been, and will continue

to be, the case. Funding of £1 billion was mentioned for the period 2000 to 2006. As the minister explained, the figure will reduce over the next period. As members pointed out, given the proviso that the money is managed appropriately, the revised amount is still significant. In our report, we said that structural funds must be seen in tandem with other opportunities. I will return to that point later in my speech.

Members including Christine May and Jim Wallace gave examples of projects and areas of rurality and deprivation in which funds have been used to advance social inclusion and to contribute to sustainable economic development. Those members made a plea that, in the next programming period, we should get the targeting and clarity that will be vital to making the same impact, or the best that we can manage with the reduced funds that are being made available.

Obviously, concerns were raised this afternoon. They were also raised in our evidence taking, including concerns on transitional provisions and the administration and organisation of the funds. Almost all members spoke about transitional funding and made particular mention of the position of the voluntary sector, from which the committee took oral evidence.

I welcome the commitment that the minister made today to £12 million of transitional funding. I note what he said about the convener being pleased about the announcement. However, as members who know anything about structural funds will recognise, transitional funding is not without significant risks. Given that we are not in the euro zone, any slight fluctuation in exchange rates can greatly affect allocations. The committee feels that that could become such a significant risk to the Executive that we may not be able to secure such a promise from the minister again. We cannot simply gloss over the issue; we must acknowledge both its significance and the fact that it is not without risk. The committee can take some credit for raising the matter in our discussions with the minister and in our report.

Donald Gorrie, Christine May and Charlie Gordon spoke about the importance of grounding projects in our communities. The convener and I met Commissioner Hübner when she visited the Parliament. She spoke of the success of the Scottish model and the high regard in which it is held across Europe. Many members have reflected on and emphasised that point in the debate.

There seems to be scope, within the models that we are considering, to take that approach forward. I refer in particular to the community planning model. However, it is important to get the model right. Des McNulty spoke about the need for an overarching strategy in relation to the importance

of employment and jobs. The Executive is considering pilot schemes. Although I have some reservations on the subject, the proposal will also bring opportunities. The use of pilots could ensure that we put in place the right model for the right type of programme.

Charlie Gordon reflected on what the committee said about the importance of involving Scottish Enterprise and, at the same time, retaining accountability in local communities. We must look for ways in which to ensure that that bottom-up approach is taken. It was encouraging to hear the minister emphasise the importance of local partnerships.

The committee welcomes the savings that will be made as a result of the reduction in the number of PMEs. We have been told—and Linda Fabiani said—that significant savings of £3.5 million will be made. We also welcome the possibility that there will be a bottom-up approach.

Dennis Canavan made an important point when he reflected on the role of structural funds as a policy instrument to assist in the reduction of inequality and the achievement of social cohesion throughout the EU. If we are in favour of enlargement, we must accept that given Scotland's relative position our take must be reduced. John Swinney acknowledged that point. As many members said, the challenge is to ensure that we make the best use of the moneys that are available and ensure that funds are focused and targeted.

John Swinney, the minister and others said that as we face the challenge of the reduction in structural funds we must be creative in considering the opportunities that are presented. Derek Brownlee asked about that, which was good, although I am not sure that he offered any answers.

Enlargement brings an opportunity to expand our consumer markets. The European Commission undertook research, which showed that between 30 and 40 per cent of all EU funding that is spent in the poorer member states finds its way back to the richer member states, through purchases of equipment or human capital and expertise. People in Scotland should particularly reflect on that point. Improvements in the quality of life of people in the new member states can bring direct benefits for us all if we approach the matter in the right way.

This point has not been made in the debate, but as we look ahead to the next session of the Scottish Parliament it is worth reflecting on our bilateral and interregional partnerships and considering whether we have put in place criteria for forming links and partnerships that will enable us to build on the opportunities that I described, by

providing expertise that allows us to link up with the moneys that go to the new member states. It is clear that Poland will be a key player in the enlarged EU and will access a significant proportion of funds.

I have time briefly to comment on other European Community programmes, which members mentioned. Smaller Community programmes can deliver disproportionate benefit, so we must not underestimate the complementarity that the committee described in its report. Members offered a number of suggestions in that regard. Dennis Canavan talked about his work as reporter to the European and External Relations Committee's inquiry into possible co-operation between Scotland and Ireland, which offers opportunities. Bruce Crawford mentioned the globalisation adjustment fund. I am very much in favour of the fund, which should be taken seriously, because it will offer opportunities to tap into money to help workers who are made redundant.

Christine May: Is the member aware of the research that the Enterprise and Culture Committee is undertaking? Our findings on complementarity across leveraged funds will be reflected in our report on the work.

Irene Oldfather: I look forward to reading about the results of the research. From discussions in the Parliament and in the European and External Relations Committee, I know that we should be doing as much as we can to lever in additional moneys and ensure that there is complementarity.

In its remarks on the proposal to set up the globalisation adjustment fund, the Commission said that the fund should not apply in areas in which structural funds are applied. The Committee of the Regions takes a different view and it is important that the Enterprise and Culture Committee adds its weight to the discussions, to ensure that there is complementarity.

I am running out of time and I must conclude. Like the convener of the European and External Relations Committee, I thank the clerks—past and present—and SPICe for the work that they put into the report's production. I also thank the players in the voluntary, private and public sectors who gave evidence to the committee to influence our report. I am sure that other members of the committee agree that the debate is not the end of a process, but part of a work in progress.

I thank members for their speeches and I support the motion.

Severe Weather

The Presiding Officer (Mr George Reid): The next item of business is a statement by Rhona Brankin, on severe weather in the north of Scotland. The minister will take questions at the end of her statement, so there should be no interventions.

16:30

The Deputy Minister for Environment and Rural Development (Rhona Brankin): The extreme weather conditions of Thursday 26 October resulted in damage and destruction throughout the north of the country, including in Orkney and Shetland. We also heard on Saturday of the tragic loss of the Fife fishing boat *Meridian*, which had been missing since Thursday. I am sure that the families of the four crew members are foremost in our thoughts at this most difficult time.

In the north, the worst of the weather was centred on the east coast from Dingwall to Thurso and on Orkney. I visited Dingwall and the surrounding area on Sunday to meet councillors and officials of the Highland Council and some residents who had been directly affected, so that I could see for myself the extent of the damage that had been caused by the severe weather. The weather there was exceptional, with persistent periods of heavy rain from late on Wednesday evening.

The Met Office recorded rainfall over the north of Scotland that day ranging from 30mm to 80mm. I will put the figures in perspective: the average rainfall for the whole of October in the north of Scotland is about 180mm. The recorded rainfall was in line with the Met Office's warnings of severe weather for the north of Scotland, and the Scottish Environment Protection Agency tells me that several rivers in Caithness, Sutherland and the Black Isle had the highest flows in more than 30 years of records. Although the heavy rain eased during Thursday evening, it was followed later by strong winds, which exacerbated the conditions.

The sustained rainfall and winds had wide-ranging consequences over a large geographical area and on a wide range of services—it was clearly a major incident. Local authorities, the police, fire and rescue services, the utilities and transport companies worked well together to safeguard the public and to restore essential services in the affected areas. The Scottish Executive was in regular contact with responders throughout the events and remains so while recovery work continues. I thank everyone who was involved in responding to the events for the prompt and effective action that was taken. I am

sure that it went a considerable way to avoiding further adverse consequences of the storm.

Fortunately, the high winds and heavy rains had abated by the weekend, although surface water remained on a number of routes and persisted for a few days. The impacts on flooded property, on the transport network and on electricity and water supplies were still being dealt with when I visited the area. No trunk roads are currently closed in the north-west as a result of last week's severe weather conditions, but a number of remedial operations are under way throughout the north-west. Incidents have moved to the recovery phase, and the clean-up operation continues.

The road into Scrabster harbour was closed for a period on Thursday last week due to a landslip. It reopened on Thursday evening, but is currently restricted to one lane as a precautionary measure and to allow constant monitoring of the slope. Geotechnical experts are carrying out further assessments with a view to proposing a permanent solution at the earliest possible date. The intention is to keep the road open, albeit that it will be with some disruption. Many local roads were also affected by landslips and flooding and there was major disruption to traffic. I saw on the small access road to Dingwall cemetery a landslip that was still not stable on Sunday afternoon and was being monitored by the council.

However, some disruptions remain to rail travel to and from Inverness. The main line between Inverness and Wick remains blocked north of Golspie so a temporary bus service is running to enable passengers to complete their journeys to and from Caithness. The line from Inverness to Kyle of Lochalsh also remains closed and arrangements are in place to transfer passengers by bus until repairs are complete. It is not expected that the lines on those routes will be fully repaired before the end of the week.

It appears that only a small number of properties were flooded, but they were severely affected, with floodwater of up to 4ft deep in some cases. Despite the record flows on the major rivers, they do not appear to have caused properties to be flooded. Such flooding incidents appear to have been from smaller watercourses, such as the River Sgithreach at Evanton, from minor burns, from overwhelmed road drainage or from overland flow, by which I mean rainwater flowing down steep hillsides or along the road network and flooding properties on its route. As yet, there is no clear picture of the number of properties that have been affected, but residents who have sought help from the Highland Council and Orkney Islands Council have been found temporary accommodation. Of course, others will have been helped by their friends, relatives and insurance companies.

During the severe weather, a part of the 18in-diameter trunk main that serves more than 20,000 people in Dingwall and the Black Isle was swept away in a landslide. Water supplies were quickly rerouted through alternative pipes, which meant that only about 1,000 properties experienced an interruption—which lasted just minutes—and only two customers were left without water, their supply pipes having been washed away by another landslide. They were reconnected within hours by Scottish Water staff, who worked very hard in atrocious conditions to reconnect customers. Access to the site of the broken trunk main remains difficult because of flooding and muddy ground in the area. At one point, Scottish Water staff had to be rescued after becoming trapped by falling trees. Major construction work starts today to rebuild part of the hillside and to install a replacement trunk main. That work will take a number of weeks.

The water treatment works at Kirbister on Orkney flooded to a depth of 6ft during the severe weather. Scottish Water staff worked round the clock to dry out and repair the damaged electrics at the plant, and asked customers to conserve water while repairs were undertaken. They were able to announce yesterday that the works are back in normal operation and are producing clean drinking water. More severe weather has been predicted so, as a precaution, Scottish Water staff and Orkney Islands Council workers are sandbagging an area around the works to prevent a repeat of the flooding.

Another effect of the extreme weather was power cuts. At the worst point, approximately 4,800 residents in the northern region, many of them in the Dornoch area, were without electricity. Scottish and Southern Electricity, using extra staff, reconnected all supplies by Saturday and has confirmed today that there are no more problems.

Fortunately, although many schools had to close for a day or two because flooded roads made access to them difficult or because of power failures, only one primary school was directly affected by the weather. It was brought back into use with minimum delay after the effects of flooding were cleared up.

The Highland Council tells me that its main concern is the damage to its roads infrastructure—mainly to bridges, road drainage and surfacing and through landslips that have been caused by the flow of water. It will be a few weeks before the council will be in a position to assess the cost of repairing the damage, and I have asked it to keep ministers, including the Minister for Transport, informed. There are no imminent plans to activate the Bellwin scheme for the recent severe weather in the north of Scotland, but the position will be

reconsidered in the light of the councils' costs in dealing with the incident.

Unfortunately, climate change means that, in future years, such severe weather incidents are likely to occur more often, which is why we are committed to reducing the flood risk that is posed to vulnerable communities. To that end, we have increased the funds that are available to local authorities—to £33 million this year and £42 million next year—for construction of flood prevention schemes that meet our criteria. That is coupled with an increase in the rate of support to 80 per cent of the eligible costs.

Flood prevention schemes will not address all the flood-prone areas of the country. We are keen to ensure that the public are aware of the flood risks in their areas. To that end, the Executive has funded SEPA by £2 million to produce indicative river and coastal flood risk maps, which I am pleased to let members know were, coincidentally, published on SEPA's website this morning. That latest measure further reinforces the steps that we are taking to strengthen flood risk management arrangements. It complements SEPA's floodline service, which is proving to be an invaluable source of information on the flood risks that are presented by heavy rainfall events.

Even if global emissions of greenhouse gases were to cease now, climate change for the next 30 to 40 years has already been determined by past and present emissions. The Executive is putting in place a framework to help to reduce Scotland's vulnerability to the effects of climate change.

The local councils are best placed to assess the local need for flood prevention schemes in the light of the events of last week. It is for the councils to assess their priorities and to decide which schemes to implement in the longer term. Should they suggest new schemes, we will carefully consider them for grant support in the light of the resources that are available at the time. In the meantime, Scottish ministers will continue to engage with councils in dealing with the immediate aftermath and the implications of the recent event.

The Presiding Officer: The minister will now take questions on the issues that were raised in her statement. I will allow until 16:59 for that process.

John Farquhar Munro (Ross, Skye and Inverness West) (LD): I welcome the minister's comments and I hope that others will support her in offering their sympathies, as I do, to the people who were affected by the severe flooding in the Highlands last week.

We have to accept that in the medium term changes in weather patterns—we hear in particular about global warming—will mean increased incidences of severe weather that will

lead to flooding in many areas. I am sure that the minister shares my concern that if action is not taken, some homeowners in flood risk areas will find it increasingly difficult to get insurance for their properties and possessions.

Given the circumstances in the Highlands, will the minister consider increasing the amount of money that is available to the Highland Council and other local authorities to carry out studies into increased flood risks and to ensure that the necessary capital works are undertaken to control and contain flooding?

Rhona Brankin: John Farquhar Munro is correct that the potential implications of climate change, which we have seen recently, are significant for all of us in Scotland. He asked about funding. In responding to changes in weather patterns and increased storm events, we must be able to keep emerging trends under review. John Farquhar Munro will be aware of the funding that has been made available to councils: some £89 million is available between 2005 and 2008 for councils that come forward with schemes. He will also be aware that, over time, the Highland Council and Orkney Islands Council will be examining what has taken place in their areas and assessing whether they need to seek further capital funding and what the implications are. Of course, we will continue to keep in close touch with the councils.

Rob Gibson (Highlands and Islands) (SNP): I thank the minister for the advance copy of her statement.

The Scottish National Party offers its fulsome praise for the tireless work of the emergency services and its sympathy to the householders and businesses that were so badly affected by the sudden and severe floods and gales and, in particular, to the families of the Meridian's crew.

Will there be a root-and-branch review of the Scottish Government's preparations, and will cash backing and expert advice be made available to address the disruption to communications, homes and businesses that results from severe weather events? Given that it takes months to make assessments, will the Government consider funds other than those that were earmarked under the flood prevention schemes that the minister mentioned? Given that the event cuts across the work of many Government departments, will the First Minister ensure that outstanding remedial work as a result of this and previous severe weather events does not drag on but is sorted out quickly?

Rhona Brankin: Of course. We have in place contingency planning systems both at local government and Scottish Executive level.

Members of the Scottish Executive continue to be in regular touch with the councils involved.

As I said, a range of options are available. At this stage, there is no indication from the Highland Council or Orkney Islands Council that they intend to activate the Bellwin scheme, but we remain in contact with them and they might decide to do that if the cost of dealing with the immediate emergency exceeds the trigger.

On the money that is available for flood prevention schemes, we need to ensure that we can reflect on that once the Highland Council and Orkney Islands Council have been able to assess the costs and whether some of the necessary measures can be incorporated in a major defence scheme. The councils can then make bids for funding. If other implications emerge, we will continue to talk to the councils; indeed, if there are implications for funding and a need to review the kind of funding that we have in place, we will look at that.

Maureen Macmillan (Highlands and Islands) (Lab): I thank the deputy minister for taking the time at the weekend to visit Dingwall and Maryburgh. It was much appreciated by Highland councillors and by the people who suffered the awful effects of the flooding. I add my sympathy for those who were affected and for the families of the fishermen who were lost.

Will the deputy minister consider how we can plan for and prevent situations such as those that she saw in Maryburgh? People there are asking who is responsible for management of the burn that burst its banks. Is it Scottish Natural Heritage, which manages the loch that the burn flows from, or is it the estate that it flows through? Furthermore, with regard to the back gardens that it flows past and which it devastated, there was confusion about who the riparian owners are.

How can we develop a strategy for dealing with small watercourses that can, in spate, devastate communities and which have cumulatively devastated the coastline from the Cromarty firth to Thurso? We should remember that some of those householders have already coped with two floods this year and can look forward to similar weather patterns causing more floods in the future. As John Farquhar Munro said, that will have an impact on the availability of insurance to those families.

Rhona Brankin: It was certainly made clear to me when I met householders who had been flooded—not for the first time—that action needs to be taken. Of course, I am sure that the Highland Council will as a matter of urgency review the specific incident relating to Maryburgh and the Ussie burn and that it will come forward with plans as part of a broader flood defence scheme or

consider implementing other measures to deal with that particular problem.

Maureen Macmillan is right to say that many of the problems were to do with relatively small watercourses. As she will be aware, the Highland Council is considering four major flood prevention schemes—two relating to Inverness, one relating to Caol and Fort William and one relating to Wick. Indeed, one of the schemes affecting Inverness is with the Executive at the moment.

In the light of the recent events, the Highland Council will have either to put in place plans for new major capital works or to consider the implications for its contingency funds. Of course, as we do not yet know the implications, we will continue to keep in close touch with the council as the situation becomes clearer.

Alex Johnstone (North East Scotland) (Con): I associate my party with the minister's kind and generous words of sympathy for the families of the crew of the Meridian, which was lost last week.

The minister has made it clear that the Executive is well aware of the growing problem that can be caused by storms such as those that we are discussing. Does the Executive consider that it is necessary to reassess the timescale for proposed sea defence and flood prevention improvements, and will it be necessary to consider funding measures? Will the reduction in European structural funds, which we have discussed at some length this afternoon, impact on delivery of sea defence and flood prevention measures?

Rhona Brankin: We are conscious that it takes a number of years to bring capital flood prevention works to fruition. The process that is involved is complex and many schemes are being considered. The flooding issues advisory committee is considering the timescales and the process for bringing such schemes to fruition and whether we need to amend existing legislation.

I have to hand no information on the structural funds issue, but I will be happy to furnish the member with such information. The money that the Executive has made available has increased hugely in recent years since the establishment of the Scottish Parliament, as I said. At the moment, £89 million is available for the three years between 2005 and 2008.

The member may be interested to note that we are considering whether to include sustainable flood management measures in land management contracts and in rural stewardship schemes.

Richard Lochhead (Moray) (SNP): I warmly welcome the minister's statement and the comments that she made at the beginning of her statement, which we echo. Does she agree that having to find even 20 per cent of the cost of flood

prevention schemes in areas that are afflicted by flooding problems is an unfair burden, given that such money does not have to be found in areas that have no flooding problems? Often, cash has to be diverted from other council budgets, which is an unfair burden on council tax payers and on other budgets, such as education budgets. Could the pace at which flood prevention schemes are produced be influenced by the fact that local authorities must find that 20 per cent contribution, which can in many cases amount to millions of pounds? That is another serious matter that must be addressed if we want such schemes to be produced sooner rather than later.

Rhona Brankin: The member will be aware that the Scottish Executive has raised its contribution from 50 per cent to 80 per cent in recent years. I repeat that we have hugely increased the amount of money that is available for flood prevention schemes. I know that the member's constituency has considerable flooding problems and that Moray Council has produced schemes and is working hard on other schemes.

Suffice it to say that schemes are being produced and have been put in place. If significant issues emerge, we will continue to liaise with councils. Essentially, we all want the same thing: we need to protect people from serious flooding events. The funding that we have put in place should mean that by 2008 more than 4,000 people will be protected from the 1 per cent risk of a serious flooding event.

Mr Jim Wallace (Orkney) (LD): I thank the minister for her statement and I join members who have expressed sympathy to the people who have been affected by the floods, and members who have paid tribute to the work of the emergency services.

I will pick up on the minister's point about Kirbister water treatment works in Orkney. On Friday morning, the scale of the damage and the consequences seemed dire, so to get the works functioning by yesterday was no small feat.

I have discussed with the minister a bridge on the island of Hoy that experienced severe structural damage. How might that bridge be secured?

Reference has been made to exceptionally severe weather. Even the best drainage scheme would have been challenged to cope with the extent of the rainfall in my constituency last Thursday. If we are to have a repeat of such events, should we add to the agenda several other matters that relate to climate change and severe weather? I understand that the drainage system and pipe sizes are geared to what might be the most extreme event in 30 years, but if the whole climate is changing, we should engage with the

industry to obtain the necessary statistics that would allow us to consider whether we need to examine the fundamentals of drainage schemes.

Rhona Brankin: A problem exists with the bridge to the island of Hoy, which was damaged by the extreme weather. As the member knows, the bridge is closed to vehicular traffic, but I understand that a Bailey bridge has been sourced and is to be installed on Monday 6 November. That will act as a temporary measure that will allow vehicles to travel to and from the island.

Mr Wallace made an important point about what we can do to adapt to the reality of climate change, which is becoming clear. An adaptation strategy is in place. Bodies such as local authorities and Scottish Water are being asked to consider how they can plan for the future, and Scottish Water has been asked about the size of its pipes and the capacity and ability of its infrastructure to deal with the increasing likelihood of storms.

Eleanor Scott (Highlands and Islands) (Green): I, too, thank the minister for providing an advance copy of her statement, and I associate myself and my party with her expressions of sympathy to everyone who has been affected by the severe weather.

It has been said that some people who were affected by the flooding had been affected by such weather previously. However, some areas had not previously been affected by flooding—houses in my village, for example. Relatively speaking, the weather conditions in those areas appeared out of the blue.

What system exists for analysing each flooding incident? For example, concerns have been expressed in the Dingwall area about drains, to which Jim Wallace referred. In other areas, there are clearly issues to do with burns and surface water, so is there a system for pooling the knowledge that has been gained from all the events that have occurred so that people will avoid building in such a way as to exacerbate the effects of flooding, and avoid covering with tarmac areas that are needed to drain water away? How can we learn from what has happened so that other people will not be similarly affected by severe weather? As the minister said, such weather will become more frequent.

Rhona Brankin: The member raised several important points.

It is clear that the Highland Council and Orkney Islands Council will take several weeks—possibly months—to come up with a full plan. In trying to get things back to normal, our contingency planning people will continue to work with them to find out what can be done to avoid things

happening in the future that have happened in the past.

SEPA is a key agency. It has been developing awareness-raising initiatives and has put in place a 24-hour floodline. In addition, we are considering a strategy for adaptation, as I have said.

We must do various things: we must ensure that support is provided to councils so that they can learn the lessons that can be learned and the Executive also needs to know what lessons can be learned and about possible future actions by SEPA.

Mr Alasdair Morrison (Western Isles) (Lab): Again, I want to put on record my thanks for the Executive's appropriate response to the awful storms of January 2005 and to reflect the gratitude of my constituents for that response. The Minister for Justice and the First Minister saw for themselves the consequences of those storms. It was right that funding was forthcoming to help to secure causeways, to reconstruct a harbour in Eriskay and to build escape routes for low-lying villages in South Uist. Funding was also provided for a new primary school on Benbecula.

However, as the minister knows, there is one outstanding issue—the shingle bank on South Uist. There will be serious consequences for South Uist if it is compromised. Can the minister update me on the progress of the application for funding to augment what the local authority is already doing?

Rhona Brankin: I am grateful for the member's comments.

The Executive stepped in with assistance following the appalling events in South Uist. I do not have with me the information that the member is seeking, but I will be more than happy to provide him later with an update on the South Uist shingle bank.

The Presiding Officer: Two other members want to ask questions. I would be grateful to the minister if she gave fairly short responses so that both questions will be answered.

Jim Mather (Highlands and Islands) (SNP): The minister mentioned SEPA's indicative flood risk maps. Are there any plans to use those maps with Scottish Water and other stakeholders in order to implement further flood prevention measures and thereby to reduce the risks that are posed by flooding, and to help to organise future responses?

Rhona Brankin: As I said, the flood risk maps were published this morning. SEPA and other agencies will look at those maps and provide important information to local authorities and householders—although they will not work at

household level—about areas that are prone to flooding. That is important.

Dave Petrie (Highlands and Islands) (Con): I thank the minister for providing an early copy of her statement and I express our sympathies to everyone who has been affected by the severe weather.

Does the minister agree that regular maintenance of carriageway drainage—including offlets, ditches and culverts—is of paramount importance if we want to mitigate flooding risks? One has only to witness the general neglect of such roadside activities—which is clearly illustrated by standing water and the regular obstruction of crucial road signage by overgrown vegetation—to realise that vital routine maintenance of our highways is not being given the priority that it deserves.

Rhona Brankin: It will be a matter of time before the councils can draw conclusions about the exact causes of the incidents in the Highlands and in Orkney and Shetland. I agree that regular maintenance is important. Local authorities have had increased funding in recent years to ensure that it can happen.

Business Motions

17:00

The Presiding Officer (Mr George Reid): The next item of business is consideration of business motion S2M-5061, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, on Thursday's meeting of Parliament.

Motion moved,

That the Parliament agrees that—

(a) for the purposes of allowing the meeting of the Parliament on Thursday 2 November 2006 to continue beyond 5.30 pm, the word "Wednesday" in Rules 2.2.4 and 2.2.5(c) be suspended and that the word "Thursday" be substituted for it in each place, and that Rule 2.2.5(a) be suspended;

(b) under Rule 2.2.4 thus varied, the meeting of the Parliament on Thursday 2 November 2006 may continue to 7.00 pm; and

(c) Decision Time on Thursday 2 November 2006 shall begin at 6.00 pm.—[*Ms Margaret Curran.*]

Motion agreed to.

The Presiding Officer: The next item of business is consideration of motion S2M-5062, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 8 November 2006

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Executive Debate: Not in Education, Employment or Training (NEET)

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 9 November 2006

9.15 am Parliamentary Bureau Motions

followed by Scottish Socialist Party Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time—
Education and Young People,
Tourism, Culture and Sport;
Finance and Public Services and
Communities;

2.55 pm Parliamentary Bureau Motions

followed by Executive Debate: Violence Against Women

followed by

Education Committee Motion –
Report on Draft National Plan for
Gaelic

followed by

Local Government and Transport
Committee Motion – Provision of Rail
Passengers Services (Scotland) Bill

followed by

Parliamentary Bureau Motions

5.00 pm

Decision Time

followed by

Members' Business

Wednesday 15 November 2006

2.30 pm

Time for Reflection

followed by

Parliamentary Bureau Motions

followed by

Stage 3 Proceedings: Planning etc.
(Scotland) Bill

followed by

Business Motion

followed by

Parliamentary Bureau Motions

5.00 pm

Decision Time

followed by

Members' Business

Thursday 16 November 2006

9.15 am

Parliamentary Bureau Motions

followed by

Continuation of Stage 3
Proceedings: Planning etc.
(Scotland) Bill

11.40 am

General Question Time

12 noon

First Minister's Question Time

2.15 pm

Themed Question Time—
Environment and Rural
Development;
Health and Community Care

2.55 pm

Parliamentary Bureau Motions

followed by

Conclusion of Stage 3 Proceedings:
Planning etc. (Scotland) Bill

followed by

Parliamentary Bureau Motions

5.00 pm

Decision Time

followed by

Members' Business.—[*Ms Margaret
Curran.*]

Motion agreed to.

Parliamentary Bureau Motions

17:01

The Presiding Officer (Mr George Reid): The next item of business is consideration of five Parliamentary Bureau motions. I ask Margaret Curran to move motion S2M-5051, on approval of a Scottish statutory instrument, motions S2M-5052, S2M-5053 and S2M-5054, on committees, and motion S2M-5059, on designation of a lead committee.

Motions moved,

That the Parliament agrees that the draft Social Work Inspections (Scotland) Regulations 2006 be approved.

That the Parliament agrees that Mr Stewart Maxwell be appointed to replace Michael Matheson on the Enterprise and Culture Committee.

That the Parliament agrees that Michael Matheson be appointed to replace Mr Stewart Maxwell on the Justice 2 Committee.

That the Parliament agrees that Dave Petrie be appointed as the Scottish Conservative and Unionist Party substitute on the Health Committee.

That the Parliament agrees that the Justice 1 Committee be designated as the lead committee in consideration of the Rights of Relatives to Damages (Mesothelioma) (Scotland) Bill at Stage 1.—[*Ms Margaret Curran.*]

The Presiding Officer: The questions on the motions will be put at decision time.

Decision Time

17:02

The Presiding Officer (Mr George Reid): There are four questions to be put as a result of today's business. The first question is, that motion S2M-5013, in the name of Linda Fabiani, on the European and External Relations Committee's fourth report in 2006, be agreed to.

Motion agreed to.

That the Parliament notes the conclusions and recommendations contained in the European and External Relations Committee's 4th Report, 2006 (Session 2): *Report on an Inquiry into the Scottish Executive's plans for future structural funds programmes 2007-13* (SP Paper 611).

The Presiding Officer: The second question is, that motion S2M-5051, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to.

That the Parliament agrees that the draft Social Work Inspections (Scotland) Regulations 2006 be approved.

The Presiding Officer: I propose to put a single question on motions S2M-5052, S2M-5053 and S2M-5054, on committees.

The third question is, that motions S2M-5052, S2M-5053 and S2M-5054, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, on committees, be agreed to.

Motions agreed to.

That the Parliament agrees that Mr Stewart Maxwell be appointed to replace Michael Matheson on the Enterprise and Culture Committee.

That the Parliament agrees that Michael Matheson be appointed to replace Mr Stewart Maxwell on the Justice 2 Committee.

That the Parliament agrees that Dave Petrie be appointed as the Scottish Conservative and Unionist Party substitute on the Health Committee.

The Presiding Officer: The fourth and final question is, that motion S2M-5059, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, on designation of a lead committee, be agreed to.

Motion agreed to.

That the Parliament agrees that the Justice 1 Committee be designated as the lead committee in consideration of the Rights of Relatives to Damages (Mesothelioma) (Scotland) Bill at Stage 1.

Wind Farms (Public Inquiries)

The Deputy Presiding Officer (Murray Tosh):

The final item of business is a members' business debate on motion S2M-4648, in the name of Roseanna Cunningham, on public inquiries into wind farm proposals in the Ochil hills. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes the large number of planning applications to construct wind farms in the Ochil Hills, with six consecutive public inquiries scheduled between October 2006 and March 2007; considers that all appropriate expert evidence must be made available to such public inquiries; notes the Deputy Minister for Environment and Rural Development's parliamentary answer on 8 June 2006 confirming that both Scottish Natural Heritage (SNH) and the Scottish Environment Protection Agency (SEPA) have adequate resources to make representations to public local inquiries, and considers that SNH, SEPA and Historic Scotland should provide witnesses to all pertinent public inquiries so that the burden of providing evidence to such inquiries does not fall disproportionately on communities.

17:04

Roseanna Cunningham (Perth) (SNP): I thank all those members who have chosen to attend this evening's debate and, in particular, those members from other parties who have given the motion the cross-party support that it requires to be debated in the chamber.

I could have contented myself with a motion that raised simply a constituency issue but, although its focus is on developments within or bordering on my constituency, the motion raises issues that are relevant in areas throughout Scotland that, like Perthshire, have proved to be particular favourites with prospective wind farm developers.

In the interests of precision and clarity, I should point out that, since the motion was drafted, two of the six inquiries that it mentions as being due to go ahead—for wind farms at Green Knowes and Knowehead—have been cancelled. The Knowehead wind farm will not go ahead because the initial application was rejected by the council and, when the developers appealed to the Scottish ministers, the appeal was rejected. In the case of Green Knowes, two applications were made. When the first application was refused, the developers appealed to ministers and the appeal was allowed by the reporter. Therefore, the second application for the same site was withdrawn.

Those of us who represent areas in which many wind farm applications have been made know well that strong views have been expressed within our communities in opposition to—and, perhaps less frequently, in support of—just about every proposed development. However, the motion is

not about the pros and cons of wind power or wind farms or the whys and wherefores of any individual application, although I and others will no doubt refer to particular proposals by way of example.

The root of the problem lies in the Scottish Executive's failure at the outset to provide a coherent strategy and appropriate national guidelines for the development of wind farms. The need for such guidelines has been highlighted by me and others in this chamber and elsewhere. Strategic guidelines would have been of huge assistance to developers in selecting potential sites, to local authorities in assessing applications and to local communities. I know that the Executive has now accepted that, as it turns out, such a strategy would be useful.

In a previous members' business debate in November 2003, the then Deputy Minister for Enterprise and Lifelong Learning, Lewis Macdonald, stated:

"I want to answer the key point that the national planning policy framework is not adequate to its purpose."

He claimed that the framework allows the Executive to meet its aspirations and

"to maintain the high quality of the Scottish environment. NPPG 6 requires the planning system to make positive provision for energy policy

'while at the same time: meeting the international and national statutory obligations to protect designated areas, species and habitats ... from inappropriate forms of development; and minimising the effects on local communities.'

Cumulative impacts on developments must also be taken into account.

In our view, those guiding principles strike the right balance."—[*Official Report*, 6 November 2003; c 3123.]

The experience of communities within my constituency proves otherwise. The balance has been tipped far too far away from communities in favour of well-resourced developers.

Without coherent and cohesive national guidelines on the development of wind farms, developers seem to have been putting in applications for almost every hilltop in certain areas. That has left those communities with the sense that they are the Yukon of the wind-based gold rush. I have no doubt that such communities would have felt a lot less under siege if national guidelines had been in place and if the number of unacceptable applications had been weeded out at an earlier stage.

At a time when climate change urgently needs to be addressed, the Executive has succeeded in making wind power, which is a clean, green alternative to carbon-based generation, extremely unpopular in large swathes of Scotland. The motion for tonight's debate is about recognising

the difficulties that local communities face when they suddenly find themselves immersed in technical detail and bureaucratic procedure. We need to ensure that there is fairness within the system and a full and considered appreciation of all the relevant issues.

Scottish Natural Heritage and the Scottish Environment Protection Agency took the decision that, although they objected to each of the developments in the Ochils, they would make written submissions for each of the site-specific sessions and participate only in the final conjoined session. Frankly, that is unacceptable. The views of those bodies carry weight and authority. Each application needs to be considered on its individual merits as well as—indeed, more than—on its place within a slew of other applications. If SEPA and/or SNH have concerns about a particular application, they should be prepared—and even, I suggest, compelled—to turn up to make the case. The communities of the Ochils will do so; they will be financially and organisationally stretched, but they will do their best. You can bet your life that the developers will have expert witnesses present, with all the resources that they need. As one constituent put it to me:

“What price having publicly funded organisations such as Scottish Natural Heritage and Scottish Environment Protection Agency when they cannot offer ordinary citizens appropriate assistance in objecting to the large business interests which wish to promote developments seen by many as not only being against national and local interests but of no real benefit to Scotland.”

SNH and SEPA are the people's expert witnesses and we need them to be present and correct, not posted missing in action.

I refer the minister and the chamber to national planning policy guideline 6, on renewable energy developments. I have already referred to the document when citing Lewis Macdonald and will expand a little on that quotation. Under the heading “Guiding Principle”, the document states:

“The Scottish Ministers wish to see the planning system play its full part by making positive provision for such developments”

by

“meeting the international and national statutory obligations to protect designated areas, species and habitats of natural heritage interest and the historic environment from inappropriate forms of development”

and

“minimising the effects on local communities.”

NPPG 14, on natural heritage, states that SNH is obliged

“to seek to ensure that anything done in relation to the natural heritage, whether by SNH or anyone else, is undertaken in a sustainable manner.”

The statements that I have quoted suggest to me that by not appearing at public inquiries, SEPA and SNH are not fulfilling the role that they are supposed to perform. It is up to the minister to sort that out.

In a parliamentary answer on 8 June, Rhona Brankin told us that in her view both organisations have adequate resources to make representations to public local inquiries. If that is true, she, the minister and the rest of the Executive must now insist and ensure that SNH, SEPA and Historic Scotland provide witnesses to all pertinent public inquiries.

In addition to the six applications referred to in the motion, there is a possible new application for Tillyrie, near Milnathort. [*Interruption.*] I have been told that it is pronounced “Till-rye”. There is another for Burnfoot hill in the Clackmannanshire Council area, which is likely to go to an inquiry in the new year. The inquiry for the Beauly to Denny power line is also coming up. There is a feeling that the Ochils are under siege, and councils and objectors cannot keep up with the sustained pressure.

Bruce Crawford (Mid Scotland and Fife) (SNP): Does the member agree that it is a step forward that SNH has agreed to attend all public inquiry meetings relating to the Beauly to Denny power line? Perhaps it should extend that approach to other inquiries, especially those on wind farms.

Roseanna Cunningham: That is a good sign. I hope that from now on SNH will extend the same approach to wind farm inquiries.

The situation with wind farm applications in the Ochils should act as a warning to those of us with constituency interests in the proposed upgrade of the Beauly to Denny power line. SNH, SEPA and Historic Scotland must attend each inquiry meeting. Relying on written submissions simply will not do. Local communities should not be left with the feeling that they are on their own, reliant on whatever expertise happens to be available within their own number and facing the corporate might that can be arrayed against them. There are no limits on the number of applications that can be submitted by different developers, but the same small band of planners and community organisations has to respond to them. That is a democratic deficit, and the imbalance is worsened when official bodies, which should lend their knowledge and expertise, choose to duck out.

Communities across Scotland deserve to know that the Executive will stand up for them. Tonight I want to hear from the minister exactly what the Executive intends to do to redress the democratic deficit and to ensure that there is a level playing field.

17:14

Murdo Fraser (Mid Scotland and Fife) (Con): I commend Roseanna Cunningham for her motion and congratulate her on securing this evening's debate. As someone who has given evidence at four public inquiries in relation to four wind farm proposals in Perth and Kinross—at one of which, at least, I crossed swords with Mr Ruskell—I welcome Roseanna Cunningham's interest in the subject.

I agree with virtually everything that Roseanna Cunningham said in her speech. Her motion mentions an oral parliamentary answer that Rhona Brankin, the Deputy Minister for Environment and Rural Development, gave on 8 June in response to a question from me. I must say that I was subject to some criticism from Roseanna Cunningham's colleague Alasdair Morgan in a supplementary question that followed my question. If the Scottish National Party now supports my call, that is welcome, but perhaps Roseanna Cunningham needs to have a word with some of her colleagues.

I raised the matter in the chamber after meeting local action groups in Stirling, Perthshire and Clackmannanshire about the expense of providing representation and evidence at public inquiries. In her answer, the Deputy Minister for Environment and Rural Development admitted that the Scottish Executive was satisfied that SNH and SEPA had the resources to provide evidence. Therefore, it is simply the case that those agencies are choosing not to make representations.

The Minister for Communities needs to be aware that there is real frustration in the communities in the Ochils and Perthshire that are involved in public inquiries because they oppose planning applications for large onshore wind farms. They face a hugely unequal struggle. They have to find, sometimes, tens of thousands of pounds from their own pockets to employ legal representation and expert witnesses so that they have a level playing field with the wealthy developers.

Recently, I gave evidence at the inquiry into the proposed Drumderg wind farm. That scheme is promoted by Scottish and Southern Energy, which is a substantial multinational company—albeit one that is headquartered in Perth, I am pleased to say. The company has hugely deep pockets and it can afford to employ the top legal teams and top expert witnesses. Despite the fundraising that has been done by the community group that is fighting the proposal, it simply cannot match the developer's resources.

We can understand people's frustration. Such things are happening while statutory consultees such as SEPA, SNH and Historic Scotland, which object to the planning applications in writing, will

not be represented. They are getting a free ride from the local communities in the Ochils and Perthshire. SNH has a budget of £64 million per year and SEPA has a budget of £36 million per year, so it is not as if the money is not there. They should be doing their jobs properly.

I hope that the Scottish Executive will agree that those public agencies have a duty to protect and preserve our environment and historic monuments. The Executive must understand that the issue of whether public agencies provide evidence at public inquiries is important to the communities that are affected by planning applications, including those in the Ochils, where, as Roseanna Cunningham said, four such planning inquiries will take place between now and March 2007.

It is unfair that the agencies, which are statutory consultees, are not playing a full role in the public inquiry process by backing up their written evidence. Instead, the burden of paying for representation at public inquiries is falling on the community groups that oppose the planning applications. That is unfair and undemocratic. The Scottish Executive should ensure that the statutory consultees are in a position to back up at the public inquiry the evidence that they give in writing. At present, it seems that no one is prepared to help the communities. Action is required to make the system fairer. We must lift the burden that is placed on the community groups.

I hope that the minister and the Executive will take seriously the concerns that are aired tonight and pass them on to the quangos that report to them.

17:18

Mr Andrew Arbuckle (Mid Scotland and Fife) (LD): I thank Roseanna Cunningham for bringing this debate to the Parliament tonight. She is correct to say that the issue stretches beyond her own constituency, although I point out that, even at the second attempt, she mispronounced Tillyrie—it should be "Tilla-rye"—which is my mother's native country.

Anyone who looks into the current proposals for a public inquiry into wind farm developments in Perthshire might charitably think that the inquiry will be thorough, with its estimated two weeks for each of the four sites that are under appeal, followed by up to five weeks for a conjoined inquiry. Others, particularly those in the communities that live with the threat of the developments, might think of the coming months of public inquiry as an extreme form of attrition, in which developers with considerable financial muscle and expertise will pit themselves against

local residents whose main resource is passion and resistance to their locality being despoiled.

As a local authority councillor, I know how those neighbouring a major development can be sucked into situations that cost them time and money. Anyone affected by any of the four wind farm developments that are the subject of the inquiry will, after taking half a year to prepare material on the initial application for the local authority, have to spend at least a couple of months sitting through the proceedings.

That might be fine for those on the team working towards the construction of a wind turbine cluster that will make their employer many thousands of pounds. The situation is much more difficult for people with limited resources and experience of the convoluted planning system. The current planning system is loaded in favour of developers and the Planning etc (Scotland) Bill must redress the balance.

Mike Barnacle, a councillor for the area in which some of the developments are proposed, described the flood of wind farm applications for the Ochils as akin to the Klondike gold rush—however, this time, the target is not gold, but wind. In stating that it did not want wholesale wind farm developments in the Ochil hills, Perth and Kinross Council was taking a responsible view and reflecting local democracy.

Roseanna Cunningham was right to highlight the concentration of applications in the Ochil hills. After all, their central Scotland location means that the energy that is created can be moved easily to areas that have large populations or industrial complexes.

The Scottish Executive's approach might have triggered this rash of proposals, but I do not blame it for setting an ambitious renewable energy target. Indeed, the target is laudable, now that newspapers and politicians are waking up to the need for more renewable energy. Instead, I blame the situation on the fact that wind turbine applicants are not required to discuss their proposals with the local community. By that, I do not mean that they should simply put up a one-day display in a village hall. I believe that we need to formulate what might be described as a partnership application in which not all the benefits fall to the developer. In such a partnership, if a community does not want a development under any circumstances, that is that.

One example of how things should be can be found on the island of Gigha. Following the erection of three wind turbines, the islanders will receive considerable amounts of cash for the next 20-odd years from the power company involved. As proof that such deals work, I believe that more

turbines are under negotiation, which will bring more cash into the community.

There is no such deal in the proposed developments in the Ochils, all of which provide only desecration of neighbourhoods and no trade-off benefits. The experience is a lesson to us all that local communities can be swamped with major developments. It is up to elected representatives not only to reflect their communities' views but to ensure that those communities are not disadvantaged by any new developments. That can happen if they ensure that legislation—both in how it is written and in how it is enacted—is fair to all.

17:23

Mr Mark Ruskell (Mid Scotland and Fife) (Green): I thank Roseanna Cunningham for securing a debate on a topic that has filled not only my mailbag but—I am sure—the mailbags of all Mid Scotland and Fife MSPs.

This morning, I looked out of my kitchen window at the construction of the Braes of Doune wind farm—which is progressing well—and saw for the first time the turbines turning together in the autumn sun. Call me a sentimental Green, but I thought that that was a great sign not just of hope but of progress. It shows that we are beginning to take some steps to tackle climate change. Of course, I am not going to suggest that wind farms will help us to tackle the whole problem of climate change or that they can produce most of our electricity supplies but, in a grim week in which Sir Nicholas Stern published his report on the economic impact of climate change and reports emerged about what is happening in the third world, it is important that we make such progress in Scotland.

That said, we must bring some wisdom to the question of where and how wind farms are sited. Of course, there will always be good and bad applications, and we should not be afraid to back good applications—even if, like the Griffin wind farm development that I spoke in favour of at the public inquiry, they are controversial—or to speak against wind farm developments such as the one at Abercairney at the entrance to the Sma' glen.

The issue is ultimately about the landscape capacity of Scotland and about how many wind farms the country can take. Different areas will have different types of landscape. That is why we need national guidance, but we cannot rely on national guidance alone and we need local strategies to be put into place. Local strategies are as crucial as, if not more crucial than, the national guidance. In my view, that is where the problems in the Ochils stem from.

There are two problems. First, Perth and Kinross Council came up with a strategy for where local wind farms should go. The strategy was democratically debated in local communities and local councillors had input into it. The problem was that the strategy came too late, as it came after the majority of the applications for the Ochils were submitted speculatively by developers. Secondly, having established a local strategy, most of the councillors decided that they were no longer interested in it and that they would just say no to every wind farm that came up for discussion. Councillor Barnacle was one of those who were keen simply to say no to everything.

Murdo Fraser: Will Mr Ruskell give way?

Mr Ruskell: I am afraid that I do not have time to allow an intervention.

Some of those councillors then turned round and condemned the Executive for making a decision about the Greenknowes project, when they themselves had not given the Executive any guidance or steer from their own local strategy about which wind farms in the Ochils were acceptable. They simply said no to every single one.

We are where we are. It might have been better for the Executive to put the Greenknowes application to a public inquiry, to allow it to compete with the other applications, but Greenknowes is being built and the key question that the public inquiry now has to focus on is about the remaining landscape capacity in the Ochils for wind power and whether there is room for another wind farm in the Ochils if it is sited sensitively and away from Greenknowes. In answering that difficult question, the public inquiry must take evidence from landscape experts. SNH's role will be crucial in that, because it wrote the original national guidance. In many ways, as Roseanna Cunningham has pointed out, the Ochils are a special case. There is a quite unprecedented number of applications for wind farms in the Ochils, so it is an absolute priority for SNH to engage with that new ground and with the competition between wind farm proposals, to help to answer the question about the landscape capacity in the area and whether there is room for another wind farm in addition to Greenknowes.

Girning at wind farms does not get us anywhere. It does not help objectors, developers or the local or global environment. We need a balanced approach that is based on the capacity of landscapes. The real lesson of the Ochils that the public inquiry will have to deal with is that we need to get effective local strategies working to guide development.

17:28

Christine Grahame (South of Scotland) (SNP): Mindful of the remit, I will make brief reference at some point to the Scottish Borders. I emphasise, lest I find myself being rebuked, that I will do so to illustrate the principle of the argument.

It is important to stress that this is not an anti-wind farm issue. For many people, it is an issue of location within a landscape and of the capacity of that landscape to take the developments, which often, as has happened in Perth and elsewhere, end up being ribbon developments, with one small set of turbines leading to another set and then another, all joined up until the project turns out to be a major development. As other members have said, there is undoubtedly an imbalance of power between the communities and the developers.

The imbalance is not only to do with funding; it is to do with expertise and time. I said that I would make a brief reference to the Scottish Borders, where there have been 22 applications for wind farms since 1996. Of those, three have been refused, four have been approved and three are live, but some of them started off a long time ago. One application that is not yet determined was submitted in December 2004. What is the capacity for communities to keep themselves going—in energy, manpower and resources—to follow through the progress of an application for such a development?

Murdo Fraser: On the question of the conflict between developers and local communities, does Christine Grahame not think it rather bizarre that the so-called Green party is lining up with the multinational developers against the interests of local communities and their democratically elected representatives?

Christine Grahame: The member should ask the Green party to comment on that point; he was rather unfair not to put it to the party's representative here.

Sometimes communities have a kind of victory, as they did in the Borders at Fallago rig, where there were to be 62 turbines. However, the developers there have come back with a revised application. Communities can be worn down by developers.

I want to link this debate to the new legislation on planning. The usual suspects have been here before, arguing for national guidelines and a much-needed strategy. However, in the Planning etc (Scotland) Bill and the national planning framework—which will cover major developments such as nuclear power stations, nuclear waste installations and major roads—where do wind farms fit? Will they be treated as part of a local development plan, as they are just now, or will they be treated as national developments—

because they link to one another across the network—and so become part of the national planning framework? We need an answer.

As the minister and I know, not everyone is following the progress of the Planning etc (Scotland) Bill blow by blow, as some of us are made to, confined as we are in committee rooms with it. The processes of examining national developments in the national planning framework are completely different from the processes in local development plans. Many people in Perthshire and the Borders do not just see one wind farm; they see lots of them all strung together like a string of beads. Developments end up being substantial. I would be happy if the minister would clarify those issues when he sums up.

I thank you for your forbearance, Presiding Officer.

The Deputy Presiding Officer: Valiantly done. I now call Stewart Stevenson, who will no doubt orient the Ochils to the north-east of Scotland.

17:31

Stewart Stevenson (Banff and Buchan) (SNP): I start by drawing members' attention to my voluntary entry in the register of members' interests declaring shares in a wind farm co-operative in my constituency. I am the only member who has made such a declaration—others may hold shares, but they do not require to make a declaration.

My remarks will focus on the part of the motion that refers to ensuring that

“the burden of providing evidence to such inquiries does not fall disproportionately on communities.”

That issue extends beyond the Ochils. The best public inquiry is, of course, the one that does not take place at all because the proposal has been developed so as to bring the community along with it each step of the way.

Andrew Arbuckle mentioned the wind farm in Gigha. That example is a little bit special in that the community owns the site as well as being the instigator of the wind farm. It will be an excellent model for what can happen in many areas, but I am not sure that it can apply in the Ochils.

In my constituency, the proposal was for the development on a brownfield site—a derelict airfield quite closely adjacent to a community—of a seven-turbine, 14MW wind farm. The whole approach of the developer seems to have been quite different from that adopted in Perthshire and the Ochils in particular. Perthshire might learn something from the approach.

Before any public declaration of interest in the development was made, engagement took place

with all the elected representatives of the area at all levels—councillors, MSPs and the MP. That engagement enabled the developer to lay out its stall as to how it might work with the community, and it allowed the developer to receive some advice as to how it might proceed—although it was its responsibility to work out the details. That approach led to there being not a single adverse letter in the local press and not a single objection from the local community.

Mr Ruskell: I accept Mr Stevenson's point that it is better to do front-end development work and not to go instantly to a public inquiry. However, does he agree that it is inappropriate for MSPs such as Murdo Fraser to try to drive every single wind farm application, good or bad, to a public inquiry? Such an approach burns out local communities, wastes taxpayers' money and stifles economic development.

Stewart Stevenson: I am sure that Mr Fraser takes the member's point.

I will point to some of the attributes of a successful development, which could apply to the proposed developments in the Ochils in Perthshire. The local community can benefit substantially financially, even though it does not own the site. For example, a site in Ayrshire delivers £45,000 per annum to its owner. A similar amount goes to the community in my constituency, to whose members shares were made available. Preference was given to local people. Of the 5 per cent of the capital investment that was made available as shares, 95 per cent of the take-up was by people such as me, who can see the turbines. There are some people who do not like the development post hoc, but they are few in number.

I will close by giving an example of a good practical idea that helped to defuse some early comments about the proposal in my constituency. Six months before it submitted a planning application, the developer put up on the site a pole that was the same height as the proposed turbines. That meant that people from miles around could get an idea of where the development could be seen from. It was an excellent idea.

I close by repeating my opening remark: the best public inquiry is the one that does not happen. I suspect that SNH and SEPA might just agree, but does the minister?

17:36

The Minister for Communities (Malcolm Chisholm): I congratulate Roseanna Cunningham on securing the debate.

The Executive places great importance on empowering communities to take part in the consideration of important proposals, whether they relate to wind farms or to other developments that would have an effect on communities. That is why our planning modernisation proposals include a number of measures to that effect, to which I will refer later. I will also refer to Scottish planning policy 6, which I believe addresses Roseanna Cunningham's concerns about guidelines.

Between October 2006 and March 2007, reporters from the inquiry reporters unit have been and will be engaged in public local inquiries on a number of wind farm proposals throughout Scotland. Some of those are planning appeals, which follow a refusal of planning permission by the relevant planning authority. Others relate to applications made under the Electricity Act 1989 for developments that would involve more than 50MW of generating capacity and to which the planning authority has objected. It is not always understood that decisions about such applications are made by enterprise ministers.

What I will say applies to all significant public local inquiries, not just those that relate to wind farms. That said, I acknowledge that wind farm proposals are occupying a great deal of some communities' time.

Under the current system, public local inquiries are conducted under the inquiry procedure rules that were laid down in 1997. As a general rule, it is the responsibility of the people who appear at public inquiries to provide, in advance, evidence to support their point of view and about which they may be questioned. That said, it is obvious that some communities and members of the public cannot be expected to bring to bear in a public inquiry the same level of technical expertise as certain statutory bodies can. However, the weight that reporters give to evidence relates to the quality of the arguments rather than to how they are presented or who makes them.

When planning authorities and ministers consider planning or other applications, SEPA, SNH and Historic Scotland have specific roles to play in providing them with expert advice. The fact that those bodies are consulted on an application whenever relevant means that it is likely that when an inquiry is called they have already expressed views for or against the proposal. Alternatively, they may have indicated that their concerns would be resolved, provided that certain conditions were attached to any permission. Their reasons for reaching a particular view are set out in their reply to consultation on the application, which is available to interested persons and the community when they prepare their case for the inquiry.

A community body or a local person who is looking for information to help them to decide

whether to appear at an inquiry, or to support the views that they wish to express, can read the consultation replies that those bodies have already made. If necessary, they can rely on those views, which are contained in documents that form part of the inquiry. In some cases, SEPA, SNH or Historic Scotland will decide to provide written evidence to a public local inquiry but not to appear in person. That decision will be taken on the basis of whether they consider it necessary to make oral submissions to the inquiry to explain their stance in a particular case.

When a public local inquiry into a major proposal is being set up, the reporter usually holds a pre-inquiry meeting to discuss the procedural arrangements. That is the stage at which decisions are best made about what evidence should be given, by whom and in what form.

In some cases, reporters have requested that SNH, SEPA or Historic Scotland should make an appearance at the inquiry. Reporters make those requests in the light of the circumstances and the representations that have been made to them. Those requests are not, however, made lightly. First, reporters consider whether the contribution will genuinely be needed to assist in the proceedings, since the purpose of an inquiry is, in all cases, to enable the reporter to have all the information that he or she needs to make a decision or recommendation. Whenever a reporter has requested their appearance, SNH, SEPA or Historic Scotland has complied with that request. I remind members that Scottish Natural Heritage will appear at the conjoined inquiry in the Ochils.

In making such decisions, reporters act independently. It would not, therefore, be appropriate for ministers to interfere with their judgment. When necessary, the inquiry reporters unit will engage with the parties to an inquiry with a view to ensuring that their evidence is presented most effectively and in the most appropriate manner.

Of course, as I said at the outset, we place great importance on empowering communities and ensuring that their views are fully taken into account in the consideration of proposals that affect them. Our proposals for modernisation, which are contained in the Planning etc (Scotland) Bill, will place the community at the heart of the planning system. They will ensure that, in the case of major applications such as those relating to wind farms, meaningful pre-application consultation will take place with the community.

Roseanna Cunningham: I am listening to what the minister says. Will he consider expanding his comments to indicate what resources will be made available to communities to support them in all this?

Malcolm Chisholm: We have a whole programme around planning involvement, part of which is the way to support communities to be meaningfully involved in planning. Obviously, there is Planning Aid for Scotland. We are looking to develop the arrangements that we have at present for the new planning world in which we expect communities to be far more involved than they were in the past.

I referred to applications for wind farms being considered as major applications and, as such, why they will attract pre-application consultation. That answers Christine Grahame's point. As major applications, they will not be dealt with under the procedures that pertain to the national planning framework. Pre-application consultation will encourage the careful consideration of proposals and the reflection of local views as much as that is possible at the start of the process. Greater scrutiny of such applications will also be required before applications are determined.

We aim to ensure that, for major proposals such as the wind farms that we are debating, all the necessary information, including the type of environmental information that is referred to in the motion, is submitted by the developer at the outset and made available to the community. In addition, appeals will become a review of the planning authority's decision. It will no longer be necessary for the community to go searching for the kind of support on environmental matters that the motion implies is the case at present.

Moreover, the nature of the process for each appeal will be determined by Scottish ministers so that more informal processes such as hearings, or even a reliance on written submissions, can be used whenever the subject matter warrants it. That will make the process not only more efficient, but less intimidating for those who wish to have their views taken into account.

We are in the process of reviewing our national planning policy guidance on renewable energy. We have had a healthy response to the consultation on draft Scottish planning policy 6. The proposal is for the development of areas of search for large-scale wind farms. That should be incorporated into an up-to-date development plan framework that will provide communities and developers alike with greater certainty around where major proposals are likely to be considered acceptable. The key to SPP6 is the plan-led system, which is intended to address the issue of landscape capacity.

Mr Ruskell: On the issue of cumulative impact and landscape capacity, does the minister see the need, as I do, where multiple applications are being brought forward for wind farm developments, for those applications to be allowed to compete with each other directly within the

planning system rather than all of them going to public inquiry?

Malcolm Chisholm: I am not sure that I understood the question. May I give way again, to allow the member to clarify his point?

The Deputy Presiding Officer: Yes.

Mr Ruskell: Thank you for giving me that opportunity. I was talking about situations in which multiple applications are made. In the current planning system, applications are considered one after the other and cannot be considered against each other. If such competition was allowed at an early stage in the system, weaker applications would be weeded out and stronger applications would be approved.

Malcolm Chisholm: That is an interesting suggestion, which I will consider. If the matter does not come up in the debate on the Planning etc (Scotland) Bill in two weeks' time, I will write to the member to set out my view on his suggestion.

We share the concerns that are at the heart of the debate. Although we will not interfere in the conduct of particular public local inquiries, it is important that communities that participate in inquiries can properly support their arguments and know where they should turn to for the information that they need. If that information is held by SEPA, SNH or Historic Scotland, existing processes should ensure that it is made available to the community. Our aim is to ensure that in future the flow of information improves further and that communities and individuals can participate fully and comfortably, not just in the appeal process but in a more inclusive and efficient planning system.

Meeting closed at 17:46.

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