

MEETING OF THE PARLIAMENT

Wednesday 23 May 2007

Session 3

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2007.

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

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by RR
Donnelley.

CONTENTS

Wednesday 23 May 2007

Debates

Col.

BUSINESS MOTION	55
<i>Motion moved—[Bruce Crawford]—and agreed to.</i>	
POINT OF ORDER	57
GOVERNMENT PRIORITIES	58
<i>Statement—[First Minister].</i>	
The First Minister (Alex Salmond)	58
POST OFFICE	82
<i>Statement—[John Swinney].</i>	
Cabinet Secretary for Finance and Sustainable Growth (John Swinney)	82
PARLIAMENTARY BUREAU MOTION	98
<i>Motion moved—[Bruce Crawford].</i>	
DECISION TIME	99

Scottish Parliament

Wednesday 23 May 2007

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

Business Motion

The Presiding Officer (Alex Fergusson): The first item of business is consideration of business motion S3M-61, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 23 May 2007

2.30 pm Business Motion
followed by First Minister's Statement: the Government's Priorities
followed by Ministerial Statement: Future of the Post Office
followed by Parliamentary Bureau Motions
 4.30 pm Decision Time

Thursday 24 May 2007

9.15 am Parliamentary Bureau Motions
followed by Election of Members of the Parliamentary Corporation
followed by Motion of the First Minister: Law Officers
followed by Ministerial Statement: Ship-to-Ship Oil Transfer
 2.15 pm Executive Debate: the Approach to Government
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

Wednesday 30 May 2007

2.30 pm Time for Reflection
followed by Executive Debate: Wealthier and Fairer
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

Thursday 31 May 2007

9.15 am Parliamentary Bureau Motions
followed by Executive Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Ministerial Statement: UK Energy White Paper and Scotland

followed by Executive Debate: Transport
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time

Wednesday 6 June 2007

2.30 pm Time for Reflection
followed by Executive Business
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 7 June 2007

9.15 am Parliamentary Bureau Motions
followed by Executive Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Themed Question Time
followed by Executive Business
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business.—[Bruce Crawford.]

Motion agreed to.

Point of Order

14:31

Dr Richard Simpson (Mid Scotland and Fife) (Lab): On a point of order, Presiding Officer. It is four years since I have been in this chamber, and I am concerned that already it appears that ministers are trailing their statements in the press before they make them. When I was last here, the Presiding Officer made it clear that that should not occur. I would be grateful if you could indicate whether it was appropriate for the Executive's policy on bridge tolls to be clearly stated in the press this morning.

The Presiding Officer (Alex Fergusson): I welcome Dr Simpson back to the chamber and say that I hope that his name will be in the caption when he appears on television rather than mine, as used to happen all those years ago.

I thank Dr Simpson for prior notice of his point of order. I refer members to the good practice guidance on announcements by the Scottish Executive that the Presiding Officer issued in the first session. As has long been the case, under that guidance major policy announcements by the Executive should be made to the Parliament in the first instance and should not be made through the media. I take that principle seriously.

However, while I have no knowledge of what the First Minister is about to say, I have considered this morning's press coverage and I am satisfied that it appears to contain nothing that was not previously in the public domain in relation to this matter. I also understand that the Executive provided parties with the text of today's statement in advance. I am, therefore, satisfied that, on this occasion, no breach of the guidance has occurred.

Government Priorities

The Presiding Officer (Alex Fergusson): The next item of business is a statement by the First Minister on the Government's priorities.

The First Minister will take questions at the end of his statement, therefore there should be no interventions.

14:32

The First Minister (Alex Salmond): I also welcome Richard Simpson back to the chamber and congratulate him on his rapid adjustment to Opposition politics. It is rewarding to see.

After the drama of the elections—both the campaign in the country and the ministerial elections last week—it is time to get down to business. Scotland's new politics starts now. This speech, which is designed to outline to Parliament the strategic priorities for the Scottish Government, is necessarily different to any speech that has gone before. Let us, therefore, start as we mean to continue, with respect for the diversity of opinion throughout the chamber.

On behalf of the Government, I intend to lay out a range of policy initiatives. In doing so, I explicitly recognise that the parliamentary arithmetic requires those priorities to be a first draft and not necessarily a final position. Good ideas—well researched and well argued—will be welcomed and considered. However, if the challenge for this Government is to share power with the Parliament, the challenge for the Parliament in return is for every party and every member to remain open to persuasion. To that end, I know that the Parliamentary Bureau will wish to co-operate in relation to the five subject debates that are planned by the Government over the coming weeks in the chamber.

In today's statement I will focus on the economy and energy, but the subject debates will allow parties and members to contribute to and influence the full range of the Government's programme. This will not be a dogmatic or intransigent Government—out of choice, as well as necessity—but nor will we account to a dogmatic or intransigent Parliament, for just as the Government will require to win support from one or more parties to carry a position, so will the Opposition parties require to win support from the Government or from one or more of the other parties to carry a position.

That having been said, I do not favour the mushy ground of false consensus. I do not believe that the public interest is served by parties that are incapable of defining their driving principles or standing their ground. Politics is either about the

competition of ideas or it is about nothing at all. However, just as the public interest is served by that competition, so it is better served by thoughtful reflection rather than knee-jerk reaction.

The point is that before we debate the policies and priorities of this Administration, my first strategic priority is to see a change in the culture of politics in Scotland. Ironically, leading a minority Administration—certainly not one with a thumping majority—is perhaps an enormous advantage in leading that change towards consensus governance.

In the spirit of that new politics, let me start with something completely different and indicate a few of the ideas that were proposed by the other parties in the election campaign that we think have merit and which we are keen to investigate further—there will be others as time goes on.

During the campaign, the Liberal Democrats made a strong point about wanting new roles for young people in society. They pledged, for example, to give young people greater influence in decision making. I am delighted that, facilitated by the agreement on Aberdeen City Council, that has been made reality early, as an 18-year-old newly elected councillor is now the deputy provost of that great city.

The Conservatives focused on law and order, and flagged up the urgent need for police numbers to rise—they will rise. The only difference between the Government and the Conservative party on that policy was how far and how fast it could be managed. Moreover, we will examine the Conservative party's proposal to permit district courts to issue drug treatment and testing orders and we will examine fully the ways in which we can expand drug rehabilitation throughout Scotland, building on our own manifesto commitments.

The Labour election manifesto was not without positive initiatives. The proposals to raise the smoking age and clamp down on the key social issues of alcohol abuse and the sale of alcohol to those who are underage mirrored some of our own thinking. We look forward to working together in those areas and in others.

The Green party stood on a platform of independence for Scotland—I can guarantee my full support for that position. Even more urgently, in the election the Green party and, indeed, the Liberal Democrats stood, as we did, on a policy of no new nuclear power stations in Scotland.

I hope that even the briefest comparison of the party positions shows where we can work together. I know that those commitments will be taken in the spirit in which they are offered. They suggest a new style of government in Scotland.

Let me also say something about the Government's approach to law making. Despite waiting a very long time to govern, it is not our position that legislative change is always or often the best way to effect change. In some cases, such as the ban on smoking in public places, positive legislative intervention is in the clear public interest. We will not be slow to use the powers of the Parliament to legislate as and when change is needed, but we will not have a default position that assumes that any problem—however big or small—should be resolved through legislation. That route can undermine public confidence. The Parliament must beware of being seen as too intrusive and too interventionist. A Parliament's job is not only to legislate but to debate, to inquire, to hold to account and to understand.

It is time for Government to become more efficient and more creative in the way that decisions are made. Our job in the chamber is to lead and to persuade, not to impose unnecessary burdens on business communities and individuals.

Let me come to the main themes that will dominate the Government's agenda. It will come as no surprise to anyone in the chamber that the domestic agenda will be driven by our key manifesto pledges, which hardly need to be restated this afternoon. As has been understood by all sides, we will rely on the good will and judgment of the chamber as we proceed on an issue-by-issue basis. However, let us try today to focus on what can be achieved.

The overarching priority of the Government is faster and more sustainable economic growth in Scotland. Most Governments make that pledge and then fail to deliver. Scottish growth over the past 10 years has been, in the immortal assessment of the Secretary of State for Scotland, "disappointing". We intend to be different.

The health of the Scottish economy underpins all of our priorities in government. A vibrant, dynamic economy is the beating heart of a successful, confident nation. With the support of the chamber, I hope to introduce changes that are designed to reward energy and creativity, to encourage entrepreneurial spirit and to create an environment in which Scottish business can flourish. Economic success is the prerequisite of every other Government priority, whether that is a world-class education system, a properly funded and respected national health service or getting people into employment as a means of fostering a sense of responsibility and social cohesion.

We see barriers to business as barriers to national progress. Businessmen and businesswomen throughout Scotland have a huge role to play in this nation's future. Our job as a

Government is to make their job easier, not harder.

That commitment is not without qualification. The second part of the priority is just as important—not just to grow the Scottish economy but to allow all of our citizens to benefit from the wealth. Moreover, we all have a shared interest in making economic success environmentally sustainable. The future of the western economies in the coming decades will rest on their capacity to fuel economic growth while reducing our impact on the planet. Scotland is not just part of that process; in truth, we are well placed to be a leader in it.

Scotland sits at the heart of one of the wealthiest parts of the planet. In Ireland to our west, Iceland to our north and Norway to our east, we see an arc of prosperity, with those nations sitting at the top of the world's quality of life and wealth league tables. I do not claim that Scotland can be instantly transformed into an economic powerhouse, but I do say that, if we look objectively around us, we can learn many lessons about how to make Scotland more successful.

Economic regeneration may not be achieved in the lifetime of the Parliament. In truth, given the step change that is required it may take a generation before Scotland has tackled all of our economic problems. However, the job of the Government and the Parliament is to make our long-term economic underperformance not a matter of political point scoring but a legitimate area for mature debate.

The Government believes that it would be economically advantageous for Scotland to be an independent country. Other parties disagree. However, as we continue the debate, let us at least agree that this country—our country—has the capacity to become one of the most successful economies on the face of the planet. I start from the ambition and belief that we can rank among the top 15 most competitive nations in the world and at least match United Kingdom growth in the lifetime of this Parliament.

As a starting point, I shall appoint a council of economic advisers to provide independent advice that can help us to make the most of the opportunities in the global economy. The council will have internationally acclaimed participants who will analyse, question, criticise and suggest policy in the Scottish national interest. We have some phenomenal business success stories in Scotland and many individuals who are respected throughout the globe, but we must also be open to advice and perspectives from abroad.

Driving economic growth in the modern world is fundamentally more complex than it was even 20 years ago. We will harness the most impressive academic and business advice to consider the

long-term position of the Scottish economy, and we will seek the chamber's support for the recommendations, thus offering all parties the chance to be part of the process.

Just as Gordon Brown was right to support independence for the Bank of England, precisely to move the economic decision making away from political consideration, we need to apply a more objective focus to economic policy in Scotland. The remit and membership of the council will be outlined shortly in a statement to the Parliament, although the council's work is designed to impact on the medium and long-term vision for Scotland.

In the shorter term, we intend to get Scotland's economy moving by working to remove or reduce the burden of business rates on our small businesses in order to free them to grow and create more and better-paid jobs. I believe that at least one other party in the chamber—perhaps more than one—will whole-heartedly support us as we follow that approach. All over Scotland—from the north to the south and from the east to the west—small businesses sit at the heart of our local economies. With better support, they can flourish and help to drive our nation's future economic success.

Even more immediately, I confirm today the Government's commitment to remove tolls from the Tay and Forth bridges. I know that such a move is not universally supported by members, but I believe that it can and should carry majority support. We shall see.

I see no contradiction between the desire to see Scotland competing in a higher economic league and the absolute necessity of ensuring that our approach is sustainable. Our pursuit of economic growth will go hand in hand with our environmental ambitions. That is not just a principled policy commitment—in the face of massive climate challenges, it is a moral imperative. That is why the Parliament will be asked to support a climate change bill that sets ambitious targets to reduce greenhouse gas emissions in Scotland.

Scotland will aim to become a global leader in developing solutions to the challenge of climate change. It is crucial that we take and sustain the lead in the green energy revolution. This country has played a hugely influential role in developing green technology, but we must take that role to another level. I want Scotland to become the pre-eminent location for clean energy research and development in Europe. Becoming a world leader in the development of renewables, green technology will provide a happy marriage of economic advantage and meeting head-on the fundamental challenges of climate change. We have the natural resources, the know-how and the skills for Scotland to become the green energy capital of Europe.

In light of the publication today of the United Kingdom Government's energy white paper, it is appropriate that I should provide a fuller sense of the Scottish Government's position on energy. This morning, I listened to the Secretary of State for Trade and Industry bemoaning Scotland's energy position. He suggested that, without a continuing nuclear contribution, at some point soon the lights might go out in Scotland. Events are moving fast, and the Department of Trade and Industry may not be fully up to date with developments in Scotland, but members should at least deal with the reality. At some point in the next few weeks, we will reach what I will call green energy day in Scotland—the day on which the installed capacity of renewables generation in Scotland will overtake the installed capacity of nuclear power. I will provide the details that members want. The current installed capacity of our nuclear stations is 2,465MW. As of today, the renewables installed capacity, comprising hydro, wind, biomass and landfill gas installed capacity, is 2,452MW. In two years' time, that figure will be a minimum of 3,086MW. That is not pie in the sky or a plan for the future—it is the here and now.

I acknowledge the contribution that was made by the former Deputy First Minister, who, more than any other figure in the previous Administration, recognised Scotland's renewables potential. Scotland has a comparative or natural advantage in just about every existing and developing renewables technology—wind power, wave power, offshore wind, tidal, biomass and biofuel technologies. Those technologies will take their place with key energy conservation and microgeneration initiatives. Believe it or not, we even have a competitive advantage in solar power, not because Scotland is heating up but because, although it is still relatively cold in the summer, it has long hours of daylight.

Despite the Secretary of State for Trade and Industry's claims that only nuclear power can fulfil our energy needs, other huge alternative opportunities demand our attention. Last week at Longannet power station, I discussed with Señor Galán, the new chairman of Scottish Power, the potential of clean coal technologies both to increase generation efficiency and to cut Scotland's carbon emissions. Scottish Power has launched a feasibility study into the refiring not just of Longannet but of Cockerhills power station. Such an investment on its own would reduce Scotland's CO₂ emissions by a full 5 per cent and guarantee a long-term future for Scottish coal—I use the word "Scottish" advisedly. One of the many benefits of such an investment is that it would enable the use of Scottish-sourced coal. Another benefit is that the partner company in the feasibility study is Babcock, which has developed superheat technology in Renfrew. The story does

not end there. The plan is to enable the coal-fired power stations to use carbon-capture technology. If that technology succeeds, the investment will cut Scotland's CO₂ emissions by a full 20 per cent.

Of course, members may say that it is merely a feasibility study. Yes, it is, but it is a study that is being conducted by one of the great energy companies of Europe—Iberdrola/Scottish Power—and it has infinitely more chance of succeeding than any pie-in-the-sky plan to have new nuclear power stations in Scotland that, even if we had a Government that wanted them or a Parliament that would allow them, could not be up and running until 2020 at the earliest.

The chamber will understand that, with other carbon-capture proposals already before ministers, I am limited in what I can say about any specific project—even one in the north-east of Scotland that is backed by some of the largest companies on the planet. However, let me add that this Administration is excited and encouraged by the possibility of our having the world's first hydrogen refinery, with the step-change possibilities of an advance into the hydrogen economy. Although I am limited in what I can say, I know that all MSPs will recognise the importance of those possibilities, which are opening up for our country. This country—our country—is in a unique position to exploit all those technologies.

I want to see a Scotland that is nuclear free—a Scotland that uses its natural resources and know-how to deliver clean and secure energy supplies and that develops new clean-energy technologies that can be exported and used throughout the world. The task—our task—is not just to secure Scotland's electricity supplies, which we can do quickly and efficiently, but to enable the potential 20GW or 30GW from Scotland and Scottish waters to find a market in those parts of Europe that are energy poor rather than, like us, energy rich.

The last years have seen the green agenda move from the fringes of the argument to centre stage. Let us all congratulate the Green party, which has been at the cutting edge of that political achievement. Climate change is one of those rarities—an issue that does not just invite cross-party co-operation but demands it. It is one of the big challenges of this century. No Government or Parliament worthy of the name can afford to ignore the necessity of radical change. I have already committed the Government to a climate change bill but, as everyone in the chamber knows, legislation alone cannot deliver the step change in our everyday living. We will create a Scotland of improved community and household generation of green energy that is focused on investing in and supporting measures to deliver energy efficiency. Delivering a greener Scotland is now a

mainstream commitment for progressive politics in Scotland, and I welcome the opportunity to make that commitment a centrepiece of this Administration's policy.

In the weeks to come, my ministers will unveil more detailed proposals that we hope will inspire new thinking, whether in boosting economic growth, in transforming public health, in tackling crime or in further strengthening the reputation of Scottish education. We will also make statements to Parliament—starting this afternoon—on many of the immediate issues that are exercising the attention of the country.

In the time remaining, let me say that this Government will be the most outward looking that Scotland has ever had. The European Union offers an immense opportunity to influence the debate in the Scottish interest, whether it be on energy or farming, fishing or ferries. We make no apology for that. The international community has watched with enormous interest Scotland's emergence since 1999. Scotland has a rich European history and a deep well of good will abroad. This is not a time to be timid in an increasingly global world, but rather a time for Scotland to find its voice.

There are those who will see in every effort to expand the Scottish interest abroad an attempt to use the office of First Minister as a nationalist pulpit or even a nationalist shibboleth. They are utterly misguided. Those people should perhaps ask themselves whether it is in the Scottish national interest to say that the concerns of those whom we represent do not deserve to be heard on an international stage directly from the Parliament. European engagement is critical to Scottish internationalism.

It is a huge cultural challenge for Scotland to become more outward looking and more directly engaged in the world around us. It would be a profound failure of leadership not to assist that process by reaching out beyond our shores to build on the excellent initiatives of Henry McLeish in the United States and of Jack McConnell in Malawi. A Scottish Parliament or Government that simply cedes that international role to others diminishes the role and purpose of a national Parliament.

Finally, I will say something about Scotland's future constitutional status. Last week, I pledged to act wholly and exclusively in the Scottish national interest. I meant that and I stand by it. Accordingly, my focus will be on the priorities of making Scotland a wealthier, smarter, fairer, healthier, safer and greener place to live. The people's mandate is for the Government to work immediately within devolved government to deliver on core domestic policies. I and my cabinet secretaries understand that our job is to work with

every member of the Parliament to improve the quality of life of the people of Scotland and to do so with immediate effect. That can be done while also exploring the next stage in Scotland's constitutional journey. The people of Scotland elected a majority of members who stood on a platform of further constitutional evolution. Not all of them stood for independence as we and the Greens did, but they stood for change nonetheless. The Government will explore how best to reflect that reality and engage in a national conversation, not just with the Parliament but with the people of Scotland.

There will be immediate decisions on things that matter, and an early opportunity for all sides in the chamber to engage in the policy debate, which will then be reflected in our legislative programme. The Government will be prepared to listen and learn, and the Parliament will grow in esteem, as in importance, with a vision for the future that will transcend our experience. We should all look forward to what promises to be an exciting journey.

The Presiding Officer: The First Minister will now take questions on the issues raised by his statement. I intend to allow approximately 45 minutes for questions, after which we will move on to the next item of business. It would be extremely helpful if members who wish to ask questions pressed their request-to-speak buttons now.

Jack McConnell (Motherwell and Wishaw) (Lab): I thank the First Minister for the advance copy of his statement and for his continuing commitment to working together on policies in which we share a common interest. However, it would be useful to have some details about those policies if we are going to work together. Last week, we offered to be a constructive Opposition and to scrutinise the new Scottish Government, but it is hard to scrutinise so little.

We welcome the First Minister's plans for a climate change bill, the focus on renewable energy, the support for the plans of Scottish Power and Iberdrola—not the Government—for the development of their new technology, and the fact that the economy and economic growth remain the Government's top priority. However, we are disappointed that the First Minister's statement included only recycled announcements, contained no timescales or costings and, at the end, proposed nothing less than grandstanding on the international stage.

We will welcome the debates on rates and road tolls, although we will have questions on those matters.

However, if economic growth is the Government's top priority, we have to ask why the First Minister's statement makes no mention of

education and skills, apprenticeships, higher education, further education, those not in education, employment or training, early intervention with our youngsters and vocational education. Indeed, he made no mention of the life sciences industry, which it was confirmed this week contributes more than £1 billion to Scottish industry. Nor, for that matter, did he mention the tourism sector, which is threatened by the Government's reorganisation plans.

I have some questions for the First Minister. Two weeks ago, he promised a wind of change in Scottish politics but, at the moment, all that we have been given is a lot of hot air. We would like clarification on the following issues.

First, if there is to be a council of economic advisers, what will be the status of the international advisory board of Scottish Enterprise? Will the international advisory board still exist? If so, will it complement the work of the council of economic advisers?

Secondly, if the economy is the First Minister's top priority, will he abandon his plans for an increase in income tax, which the newly confirmed Minister for Enterprise, Energy and Tourism agreed would be

"naive in a knowledge economy"?

Thirdly, if the First Minister plans to abolish tolls on the Forth road bridge, what plans does he have in place to deal with the 20 per cent increase in congestion that the Forth Estuary Transport Authority predicted would occur?

Fourthly, if the economy is the top priority, will the First Minister confirm whether there are plans—secret or otherwise—to reorganise Scottish Enterprise and associated agencies?

Finally, just two months ago, the First Minister promised to hit the ground running with a plan for his first 100 days in the Scottish Parliament. His statement today includes nothing on transport, crime, health, poverty or housing. There is no legislative programme. In this first week of the new Scottish Executive, we have heard nothing new. Will the First Minister confirm whether those plans for the first 100 days are still the promises of the Scottish National Party? If so, when will he bring them before Parliament?

The First Minister: I will deal with Jack McConnell's questions one by one, but—to paraphrase one of the things that I said last week when I talked about the change that is happening in Scottish politics—I should say that, of necessity as well as of choice, we need a Government that is prepared to listen to the Parliament. If we had announced a legislative programme today when we have no ability to secure support across the chamber for various aspects of it, although such

an announcement might have been satisfying to the former First Minister, it would have no legislative effect or effect on the Scottish people. The reason for the five debates that I have outlined is to hear the Labour Party's ideas—and, indeed, other parties' ideas—which I know must and will develop from the election campaign, which they lost, into something more constructive for the Scottish people.

The council of economic advisers will be announced in a statement in the coming weeks that will provide full details, including personnel. From what I have said today—in a fairly lengthy passage—members will have realised that we have in mind something that will have a broader role than that of the international advisory board of Scottish Enterprise.

It is still the Government's objective to abolish the hated and oppressive council tax. As a former maths teacher, Mr McConnell will have done the calculations about the potential parliamentary majority for such a move. I believe that a majority for such a move could well exist, which is why we intend to continue with it. However, it will certainly be a time of delicate balance. We shall require the two parties at least that favour the abolition of the council tax to come to an agreement on our proposals. Otherwise, those who support the council tax and continue to support the oppression of the elderly people of Scotland in particular will carry the day. That will not be of any use to the Scottish people.

We intend to introduce proposals for the reform—indeed the slimming down—and direction of the Scottish Enterprise network. As the former First Minister will know from our manifesto, some aspects of those plans are quite close to the original plans of the Scottish Enterprise leadership before it had to change direction under political pressure from the previous Administration. Equally, there is a strong desire in the business community throughout Scotland to see substantial change in how the enterprise network delivers policy objectives.

It is true that we have made an early announcement about bridge tolls. The parliamentary session started with a Labour MSP complaining that the announcement was too early. Nonetheless, we believe that the proposal can carry the support of the chamber. One of the reasons why I believe that it will carry support is that I am confident that some Labour MSPs, not least those from the kingdom of Fife, can be persuaded to vote for such a sensible initiative if they carry forward what they said in the past.

Based on our studies, we do not envisage a major problem of additional congestion. Overwhelmingly, the representations that we have had—not just from businesses in Fife and

elsewhere—are that the bridge tolls are inequitable and unfair and that their abolition will give a substantial boost to the economy of Fife and elsewhere. Therefore, we intend to introduce proposals to abolish the tolls.

I know that as we proceed—although perhaps not in the set pieces in the chamber—we will find even in the Labour Party the realisation that we have to co-operate on policy initiatives to obtain the best benefit for the people of Scotland. As the policy programme is outlined, I know and believe in my heart that the Labour Party will adopt a constructive approach to the new politics of Scotland.

Annabel Goldie (West of Scotland) (Con): I, too, thank the First Minister for his statement and for the advance copy.

The next four years are about delivery not divorce. When Mr Salmond says in the first line of his statement that

“it is time to get down to business”,

I agree. I would like to ask him about the “smaller government” to which he affirmed his commitment last week. What is the reduction in the number of spin doctors, special advisers, civil servants and quangos?

Moving to business, the First Minister announced the proposed appointment of a council of economic advisers, but that begs the question about the role, remit and future of Scottish Enterprise. Is he prepared to adopt the root-and-branch reform that is proposed by the Scottish Conservatives?

The First Minister said that he intends to get Scotland’s economy moving by working to remove or reduce the burden of business rates on our small businesses. The only question for business is when—will he confirm that that will be achieved by next April?

I thank the First Minister for his recognition of the role that has been played by the Scottish Conservatives in the debate on drug abuse. As he knows, I have argued that Scotland needs the biggest assault on drugs and crime that the country has ever seen and I advocated a £1 billion investment in the lifetime of this Parliament, including an extra £100 million per year for drug rehabilitation. Will the First Minister match that commitment?

Turning to council tax, we know that the First Minister wants to introduce a local income tax, to which he referred earlier. Today is not the time to rerun the arguments against it, but even if he can get agreement to introduce a local income tax, its implementation is years away. Will he agree today to introduce immediately a pensioners’ discount to cut in half the council tax bill for every householder aged 65 and over?

Finally, with reference to the constitution, which the First Minister mentioned at the end of his statement, has he given up on a referendum? Does he agree that there is no need for a white paper?

The First Minister: The answers to Annabel Goldie’s last two questions are no, I have not given up on a referendum; and no, I do not agree that there is no need for a white paper. Indeed, I think that we have an excellent opportunity to take our case to the country and to canvass opinion on a wide scale.

Although “root-and-branch reform” is a phrase that could be used for the reform of Scottish Enterprise, my choice would be “sensible reform”. I believe that there is support for my proposal to look carefully at Scottish Enterprise’s local delivery mechanisms. Given the new circumstances of local government in Scotland—which, as arrangements for council administrations are completed, has a much more varied look, with more balanced representation across the country—we have to ask whether we need local enterprise companies as well as local authority economic development agencies and whether the public interest in Scotland would be better served by having one delivery mechanism with appropriate business input. That would be a useful step forward. It is not quite what Scottish Enterprise originally proposed, but such a delivery mechanism would be much simpler.

As for the council tax, I see some difficulties in the proposal that the Conservatives put forward in the election with regard to equity. Our ambition—as well as persuading the chamber, as we hope, to abolish the tax altogether—is to find a way of freezing council tax over the period. I am sure that that will come as a great relief to many hard-pressed council tax payers across Scotland.

One of the impressive parts of Annabel Goldie’s campaign in the recent Scottish elections was the priority that she gave to issues such as drug use and rehabilitation. I certainly commit to work with her in finding a way of increasing the budget for carrying out the important work of addressing a major and abiding social problem that afflicts our country.

Nicol Stephen (Aberdeen South) (LD): I, too, thank the First Minister for providing an advance copy of his statement.

Last week, I assured the First Minister that we would be constructive, and he will not be surprised to learn that we find much to welcome in his statement. In particular, I welcome his positive comments on the role of young people in Scotland; the priority that will continue to be given to Scotland’s economy; and the commitment to lower business rates. However, I continue to be

concerned about the SNP's environmental credentials and have already expressed opposition to the proposed cancellation of the Edinburgh airport rail link and the Edinburgh trams project.

That said, I want to concentrate on energy policy. I am sure that the First Minister and I agree on what our immediate response should be to the UK energy review which, in my view, was set up for the express purpose of paving the way for a hugely expensive new generation of nuclear power stations. Does he agree that the UK Government is being rather cavalier when it talks about energy stability while proposing to rely on uranium, which will be sourced from some of the most politically unstable countries in the world and will create nuclear waste that will pollute the planet for hundreds of thousands of years?

What about the future of renewable energy in Scotland? We know the scale of the potential. After all, the previous Executive achieved its 18 per cent renewables target three years ahead of time and it is now clear that our subsequent target of generating 40 per cent of electricity from renewables by 2020 will also be met. The Liberal Democrats now want that 2020 target to be increased to 60 per cent. What is the First Minister's target for renewable energy in Scotland? How much electricity does he want to generate from renewable sources and by what date does he want to achieve that target?

The economic potential is clear. The renewables industry can deliver thousands of new jobs and billions of pounds of new investment in Scotland. Indeed, with the opportunity to export our technology worldwide, it could be the oil and gas industry of the future. However, that will not happen if the new Executive puts a moratorium on such developments and creates an energy black hole.

We know that the First Minister is against nuclear power. However, his manifesto also contained words against wind power. He cannot have it both ways. This is a key test for his new Executive. We know that there are enough proposals and applications to allow wind power to replace the idea of building several new nuclear power stations, so why undermine industry confidence by imposing a moratorium? There is a gap between the First Minister's manifesto policy and his credibility on green energy that he needs to bridge. Did he intend to undermine confidence in the Scottish renewables industry with the block on wind power and the attitude of so many of his party's council groups around Scotland, or has he unintentionally threatened the stability that is required to deliver future investment? What is his answer to those questions and, most important, what will he do about the confidence of the Scottish renewables sector?

Today's UK news of a huge public spend on new nuclear power is a blow to the renewables sector. The fact that it has also received the news in Scotland that the new SNP Administration is at best lukewarm on new wind farm developments is a double whammy, and we must act.

Today is a defining day for Scotland's green energy future. The simple question is this: will the First Minister back or block Scotland's renewables industry? Fine words and compliments today will not be enough; what will count is real action by the First Minister.

The First Minister: In a former incarnation, I would have been tempted to say that it was extraordinary of the Liberal Democrats to accuse me of trying to have it both ways. However, in the atmosphere of new politics, I would not dream of making such a suggestion.

To continue in the spirit of new politics, I heard an interview with the Secretary of State for Trade and Industry yesterday, in which he attacked the Liberal Democrats in exactly the same way that Nicol Stephen's question attacked the SNP. He did so on the basis that if the Liberal Democrats opposed any wind farm development, by definition they were somehow opposed to all wind farm developments, but I do not think that that position holds.

The Secretary of State for Trade and Industry, who is an Edinburgh resident—he lives in Marchmont—is in favour of wind farms, but I suspect that if a proposal were made for a massive wind farm development on the Meadows in Edinburgh, he would be one of the first people to object to it. That would not mean that he was against wind power; it would just mean that he wanted wind power developments, which have enormous potential, to be properly located, as best fits the needs of the Scottish people.

There is enormous potential for further wind power development in Scotland, but we must also be mindful that natural beauty in our environment is a scarce resource. That means that not every wind farm development will be approved but, like Nicol Stephen, I expect to see a substantial increase in the contribution that wind power makes to the Scottish economy.

I turn to Mr Stephen's question on nuclear power. It has been suggested that nuclear power meets 40 per cent of Scotland's electricity requirements. The reason for that figure is that nuclear power is normally run as base-load—unless, as was the case at Hunterston B recently, the core is being inspected for hairline fractures. It follows from the running of nuclear power as base-load that a very high production figure will be obtained. However, if one examines the installed capacity of the existing power stations in Scotland,

the figure for nuclear power is not 40 per cent but 24 per cent. That is almost identical to the contribution that Scotland's renewables already make to our electricity requirements. We know from current plans that in two years' time the renewables industry will provide 27 per cent of the installed capacity, as compared with nuclear power's 24 per cent. I see Scotland's renewables industry having an expanding role.

The basic difference between our position and that of the Liberal Democrats is that they have set a target of renewables meeting 100 per cent of our energy needs. My target is that renewables and green energy will meet 100 per cent of our needs. I think that clean coal, carbon capture and hydrocarbons—which we should take a new look at—are areas in which Scotland is at a substantial advantage.

Where I agree with the former Deputy First Minister is in thinking that it is extraordinary that we should be forced into a debate about new nuclear power stations when we have a comparative economic advantage in wind power, wave power, biomass, biofuel, carbon capture and clean coal technology. The only technology in which we have no comparative advantage whatsoever, and which we would have to import from Canada or France, is nuclear power. The Secretary of State for Trade and Industry wants to force that on to the agenda, when most of us want to get on with making Scotland not just the renewables but the renewables and green energy powerhouse of Europe.

The Presiding Officer: Now that the party leaders have asked their questions, we will move to open questions. More members than can be called have pressed their buttons, so I ask members to keep their questions as brief as possible and perhaps the answers might reflect the nature of the questions.

Roseanna Cunningham (Perth) (SNP): It is with delight that I am in a position to welcome everything that the First Minister said today. Indeed, so will my constituents, particularly those who run small businesses, who will welcome the Government's early indication that it will deal with business rates. That policy will have a massively positive impact on the high streets of Scotland's towns and villages. Is the First Minister in a position to expand on what the timetable will be for the removal or reduction of business rates? In particular, can he indicate when those many small businesses may plan the reinvestment of the sums that they currently pay in rates?

The First Minister: I welcome Roseanna Cunningham's comments. We believe that, as the comprehensive spending review figures become available, we will be in a position to make the proposal to which Roseanna Cunningham refers in

this calendar year, which will be excellent news for the small business community of Scotland.

I share Roseanna Cunningham's belief that it is time to reclaim the high streets of Scotland's towns, villages and, indeed, cities from hoardings and boardings and give people the chance to establish new small businesses. Cutting overheads and business rates and abolishing business rates for many thousands of small businesses are very much part of that equation.

The Presiding Officer: I thank you both for setting a perfect example.

Jackie Baillie (Dumbarton) (Lab): I do not think that I can match Roseanna Cunningham's effusiveness, so—forgive me—I will not try.

The First Minister will be aware that on the very day that he announced his plans to keep health services local, NHS Greater Glasgow and Clyde announced proposals that would see the wholesale transfer and centralisation of services away from the Vale of Leven hospital to the Royal Alexandra hospital in Paisley. Given the geography of the west of Scotland, that would patently be absurd; more important, however, it is not in the interest of patient care.

In the spirit of the new politics, I welcome the Cabinet Secretary for Health and Wellbeing's intervention in instructing independent scrutiny of the proposals. I will work with her to try to find alternatives that will result in the retention of services locally. Will the First Minister clarify what weight will be given to patient need and public opinion in assessing proposals about the Vale of Leven hospital? Further, will he, also in the spirit of the new politics, today commit to saving the Vale?

The First Minister: I welcome the sign that the new politics is starting to spread across the chamber. Public opinion and patient views are very much part of the process. I welcome the welcome that Jackie Baillie gave to the new independent process and assessment of the proposals. I know that she realises that, although she obviously and quite properly campaigned for a different Administration, most of the communities in Scotland that are campaigning to save local health care will very much welcome the change of Government.

Rhoda Grant (Highlands and Islands) (Lab): Will the First Minister acknowledge that tourism has gone through a period of sustained growth, due in part to the reorganisation and rebranding of VisitScotland? Tourism is vital to the Highlands and Islands. Given that tourism is no longer represented in the Cabinet—indeed, the First Minister made no mention of it in his statement today—can he give assurances that he values its contribution to the Scottish economy and that he will not make changes to that successful brand just for the sake of it?

The First Minister: Tourism will be represented by the Minister for Enterprise, Energy and Tourism—that is his job. The importance of that is not just in the title, but in the ending of the extraordinary anomaly whereby one of Scotland's great industries—by certain measurements, it is the largest industry in Scotland—was divorced from the enterprise budget. That was an extraordinary situation and is one of the issues that we intend to rectify as we consider enterprise initiatives in Scotland.

Alex Neil (Central Scotland) (SNP): Like Roseanna Cunningham, I welcome every word that the First Minister has said. [*Applause.*] I am always open to support from all parties in such matters.

First, I draw the First Minister's attention to the dreadful inheritance or legacy that he faces of the increasing level of youth unemployment in Scotland and to the need, in making economic growth a high priority, to tackle much more ambitiously than the previous Administration did the grotesque situation in which 35,000 16 to 19-year-olds in Scotland are either without a job, not in education or not in training.

Secondly, again on the aim of promoting economic development, will the First Minister give early attention to considering the expansion of the Scotland House model, which is in place in Estonia and India, as an effective way in which to promote Scottish tourism, technology, investment and exports for the benefit of the Scottish people?

The First Minister: Alex Neil makes an important point. Economic growth is our priority. As I said, that growth must be sustainable and must touch all parts of the Scottish community, both geographically and in terms of social classes.

I welcome the Scotland House model, and not only because I opened Scotland House in Tallinn last year. I was impressed by the interest in the scheme among the Scottish business community and by the cost-effective way in which it is being done, so I look forward to seeing the model spread throughout Europe and to many other major marketplaces in which Scottish businesses are active.

Murdo Fraser (Mid Scotland and Fife) (Con): I warmly welcome the First Minister's commitment to abolish the tolls on the Forth and Tay bridges, which, of course, is a policy that featured in the Conservative manifesto and one that will have our support in the Parliament. Earlier in the week, I announced my intention to introduce a member's bill on the issue to encourage the Executive to act—I am pleased to have scored such an early success. When will the First Minister introduce the legislation and on what date will the tolls be abolished?

The First Minister: The member will accept that we must all learn to share throughout the Parliament the plaudits for success. There will be a debate next week on the subject that he raises. He will understand that legislative change is required to abolish the tolls. Rather than squabble over who gets the credit, let us acknowledge that the move will be welcomed widely throughout the Scottish community. Like me, Murdo Fraser will have done the parliamentary arithmetic and will be confident that, although on its own the support of the Government and the Conservative party will not quite be enough to secure the passage of legislation on the issue, we have every reason to suppose that we shall be helped by members of the parties that were not as enthusiastic as we were to see the abolition of the iniquitous tolls on the Forth and Tay bridges.

Richard Baker (North East Scotland) (Lab): The First Minister referred to Labour's achievements on renewable energy. Given that a Scottish consortium of universities has reached the shortlist to host the new £1 billion UK energy technology institute, does he agree that his Executive should back Aberdeen to be the hub for the new institute, which would confirm the city's status as the oil and gas and energy capital of Europe? Does he accept that his policy of pulling Scotland out of the UK would mean that Aberdeen would not have the opportunity to benefit from that exciting development?

The First Minister: I hope to see Aberdeen as a European centre for those technologies, and I will certainly back Aberdeen as a centre, wherever the initiative comes from.

I do not want to diminish anyone's contribution to the renewables revolution in Scotland, but in my statement I allocated the prime credit to the former Deputy First Minister, who did more than any other minister to put forward that agenda.

Margaret Smith (Edinburgh West) (LD): I agree with the First Minister that barriers to business are barriers to national progress. He is aware that the proposed tram and Edinburgh airport rail link projects affect my constituency. The projects are supported by a majority in the Parliament and in the City of Edinburgh Council, and they have the crucial support of the business community in Edinburgh. Can he clarify when announcements will be made about the projects' future, given that he gave some detail in his statement? How much public money has already been spent on the projects?

If the Scottish National Party scraps the projects, how does the First Minister intend to tackle Edinburgh's congestion problems, which are a real burden on the city's businesses, given that EARL is intended to take 1.7 million car journeys off our roads and that the construction of the tramways

would encourage up to 50 per cent of weekend car users to switch to tram?

The First Minister: We will bring those matters forward for early consideration by the Parliament. I do not share Margaret Smith's enthusiasm. We reckon that perhaps as much as £100 million has already been spent on the proposals. During the past few days we have been considering how so much money has been spent to so little effect, before any road has been dug up, any brick laid or any part of a railway line completed.

The Presiding Officer: I apologise for the lack of notice given in calling Patrick Harvie, who will be followed by Tricia Marwick.

Patrick Harvie (Glasgow) (Green): The First Minister said:

"The future of the western economies in the coming decades will rest on their capacity to fuel economic growth while reducing our impact on the planet."

He went on to describe our environmental aspirations as a "moral imperative". I agree with the latter observation.

Given that economists across the political spectrum acknowledge that the social and environmental impacts of a policy of pursuing everlasting economic growth on a planet of finite resources are often harmful, does the First Minister agree that his council of economic advisers should include expertise on the social and environmental impact of economic activity? Will he ask the council to make an early effort to expand the number of indicators that we measure to do with the health and well-being of our economy, given that the gross domestic product figure tells us only how much money is swilling around and nothing about the social and environmental impact of economic activity?

The First Minister: That is an extremely constructive suggestion—[*Interruption.*] I do not share the cynicism of certain members of the Parliament, who might or might not still be in denial—we will find out shortly.

Patrick Harvie and I are not in full agreement on the issue, but his suggestion is constructive and it is entirely appropriate that such expertise would be wished for in a council of economic advisers.

Tricia Marwick (Central Fife) (SNP): I express my joy that the discrimination against the people of Fife will end at long last. Is the First Minister aware that it is 43 years since a Labour Government imposed the tolls on the people of Fife? It has taken the formation of the first SNP Government for an announcement that the tolls will be abolished. Will he join me in thanking *The Courier*, which has campaigned against the tolls for a year?

Will the First Minister also say whether Mr Gordon Brown, the next Prime Minister, has yet

telephoned to congratulate him on his move to abolish the tolls? Mr Brown himself proposed such a measure in a private member's bill at Westminster 22 years ago, but he did not follow through when he was in Government.

The First Minister: Tricia Marwick makes a good point. This is an excellent example of a situation in which the co-operation between me and the current chancellor—perhaps the future Prime Minister—will be more fulsome than the co-operation that he enjoyed with the previous Administration. I can see us marching together on such issues.

Tricia Marwick's presence in the chamber as a constituency member, victories over the Labour Party in the kingdom of Fife by other parties and the general results there indicate that the Labour Party's previous stance on tolls, which I assume is still its policy, was perhaps not the wisest one to take in an election campaign in Fife.

Duncan McNeil (Greenock and Inverclyde) (Lab): As a reasonable person and in the new spirit of consensus, I congratulate the First Minister, at least on that part of his statement in which he recognised the need for new laws to prevent our children from buying tobacco products, building on the Labour Party's successful ban on smoking in public places. However, I am disappointed that there was little mention in the statement of the things that matter to poor people. I speak specifically about the importance of social housing. Will he assure council tenants in my constituency that the stock transfer and record investment for which they voted overwhelmingly in November will not be delayed or cancelled?

The First Minister: Unlike some parties in the chamber, we believe that the results of referendums—and the holding of referendums—should be acknowledged and supported. The prospects for social housing—and, indeed, for keeping local hospitals open—have dramatically improved in the past few weeks as a result of the change in Administration. Given that Duncan McNeil has belied his reputation as a parliamentary bruiser and has embraced the new politics in such a fulsome way, far be it from me to do anything other than welcome that conversion and congratulate him on it.

Kenneth Gibson (Cunninghame North) (SNP): As someone else who enthusiastically embraces the new politics—[*Laughter.*] It was ever thus. I congratulate the First Minister on his positive vision for Scotland. He spoke of the necessity for new, greener energy sources. Is not a real barrier to the development of new energy projects in Scotland the imposition of unfair transmission charges? Does he agree that that inflicts disproportionately high costs on Scotland, while

subsidies are provided to increase energy capacity in southern England? What discussions will he initiate to reverse that iniquitous state of affairs?

The First Minister: I welcome those questions from Kenny Gibson. I bear him no ill will for doing more than any other member to keep me off the front pages in the past few weeks. I too will embrace the new politics.

Kenny Gibson's point is fundamentally important. Jack McConnell's suggestion that the proposal for a new generation of clean coal in Scotland had come from a private company—Scottish Power/Iberdrola—is correct. However, one of the key points about which that company, Scottish and Southern Energy and—once the moratorium on charges is lifted in future—the renewables industry in Scotland are concerned is the £100 million of excess charges that have been imposed under the transmission regime of the Office of Gas and Electricity Markets. Last week, when I discussed the matter with Señor Galán, he pointed out that Ofgem's new transmission loss proposals would put another £25 million of excess charges on Scottish generators.

I undertake to discuss the matter with Scottish Power, Scottish and Southern Energy and our renewables industry and to bring together a common platform that will make an unanswerable case to take to the Secretary of State for Trade and Industry and Ofgem. I am sure that the attempt to remove that blatant discrimination against Scotland's energy industries will be supported by every party and every member in the Parliament.

Bill Aitken (Glasgow) (Con): I welcome the First Minister's commitment to consider ideas from all parties in the Parliament. I am sure that he shares the general concern that exists about the fact that Peter Tobin, who was recently convicted of the brutal murder of Angelika Kluk, was effectively at liberty for a year while on the sex offenders register. Does the First Minister agree that the case highlights flaws in existing legislation? Will he ask the Cabinet Secretary for Justice to arrange a meeting with me and other interested parties so that we can consider the most effective way of dealing with the issue and taking remedial action, including the publication of photographs of sex offenders who have gone to ground; the use of modern equipment that will assist in tracking them, such as the global positioning system; and the use of lie detection equipment to ascertain where they have been after they have been found?

The First Minister: I will respond constructively to that point. On behalf of the Cabinet Secretary for Justice and on my own behalf, I agree to the meeting. Bill Aitken will be aware of the traffic light proposal that we have made to address such

concerns. Jack McConnell introduced similar policy proposals, and I know that the Conservative party and others have similar concerns. I readily agree to the meeting. We will see whether we can reach consensus on a proposal that will address the legitimate and serious concerns that Bill Aitken has raised.

Des McNulty (Clydebank and Milngavie) (Lab): In the interests of transparency and openness, will the First Minister publish the calculations or models to which he referred in his statement regarding the impact on congestion of the removal of the tolls on the Forth bridge? What steps does he plan to take to deal with congestion problems? Did he share his calculations with his new friends, the Greens, in their recent discussions? To return to Margaret Smith's question, do we have to wait until next week for him to announce which public transport proposals for Edinburgh his party intends to abandon?

The First Minister: Next week, there will be a debate on our proposal to abolish tolls on the Tay and Forth bridges. By the sound of Des McNulty's question, I ascertain that we will not have his support in that debate but, given the information that we will present to the Parliament, we will have the support of many other members who want to adopt a far more constructive attitude.

Margo MacDonald (Lothians) (Ind): I congratulate the First Minister on almost conquering the poor-quality microphones in the chamber. The couple of questions that I have are meant to be helpful. Margaret Smith anticipated some of them, but I listened carefully to his answers. I take it that he did not just forget to mention the Forth crossing in his statement, but that his Government is revisiting the pre-election pledge to get rid of EARL and the trams for Edinburgh. That is what I take from his answer but, if I am wrong, perhaps he could enlighten me.

Will the First Minister arrange for parliamentary time to be given over to a debate on the re-emergence of an EU constitution under Chancellor Merkel's direction? He was right in saying that the Parliament has an international responsibility and a role to play in Europe. It therefore seems logical that, before the Prime Minister demits office, he should know our opinion on the EU constitution before he signs up to it without our having been given a chance to say what we think of it.

The First Minister: I doubt whether it would be reasonable to believe that there has been any change in our attitude towards EARL or the trams project in Edinburgh. We have deep misgivings about those projects and we will present our concerns to the Parliament to explain why we have those misgivings. Equally, I reassure the member that the new Forth crossing is very much

in our minds and priorities, and that we intend to bring our support for that initiative to the chamber.

I welcome the points that Margo MacDonald has made about the European debate and the fact that she has broadened questions to include what is happening elsewhere on the continent. Those matters are of fundamental importance to every MSP and community in Scotland. Given the influence that I have with the Prime Minister, I am not certain that a phone call to him would result in the initiative that she wishes. However, if he phones me during his remaining time in office, I will put Margo MacDonald's point to him.

The Deputy Presiding Officer (Trish Godman): I apologise to those members who were not called.

Post Office

The Deputy Presiding Officer (Trish Godman): The next item of business is a statement by John Swinney on the future of the Post Office. The minister will take questions at the end of his statement, so there should be no interventions.

15:46

Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I would like to make a statement about the United Kingdom Government's announcement on the future of the post office network, following the Department of Trade and Industry's public consultation on the issue. The consultation drew a massive response from the public—more than 2,500 responses were received. The fact that 467 responses—nearly 20 per cent of the total—came from Scotland alone bears witness to the huge significance of the issue to communities the length and breadth of our country.

On 17 May Alistair Darling, the Secretary of State for Trade and Industry, announced that the UK Government's original proposals had survived more or less intact. The UK Government will support the closure of up to 2,500 post offices across the UK and Post Office Ltd will have to abide by certain access criteria when drawing up local plans for local networks.

We have seen the reaction to the announcement. The Scottish Government knows—and individual stories in the immediate press coverage tell us—that post offices play a vital part in the life of our communities. They can provide a social glue in rural areas and much-needed social support in deprived areas. They have a crucial role to play in supporting small businesses, which rely on the proximity of post offices to enable them to serve markets throughout the country and beyond. There is little point in having access to high-speed broadband and internet provision if orders that are placed online cannot be fulfilled quickly and efficiently.

However, the provision of postal services is a reserved issue that lies within the province of the UK Government, under the current terms of the devolution settlement. That means that, although we feel the impact of the announcement keenly and understand only too well the issues on the ground in Scotland, the Scottish Government has limited scope for independent action within the terms of the Scotland Act 1998. The Post Office issue is one further illustration of the weaknesses of the current settlement.

I want to tell Parliament what the Scottish Government will do in that context to address this

important issue. The UK Government's proposals are designed to create a more sustainable postal network. I hope that that is the outcome of the DTI's strategy. We welcome the offer of financial help to sub-postmasters and sub-postmistresses who find themselves unable to run viable businesses and want to retire from their positions with dignity and security. Those individuals must be given the opportunity to decide with some privacy what they want to do in the future. I pay tribute to the individuals who run sub-post offices for the public service that they give, day in and day out, to the community, especially to the old and the infirm—members of our society who have difficulty accessing services and cash without supportive human intervention. Those who run sub-post offices deserve our thanks and support.

Everyone will agree that the present situation, with losses of £4 million per week, is very serious. I have some sympathy with the secretary of state for the predicament in which he finds himself, struggling to repair the damage that has been inflicted by the policies of the very Government that he represents. I shall resist the temptation to undertake a detailed post mortem of how far the withdrawal of UK Government and BBC business has contributed to the decline of the post office network, but I hope that that experience will provide a salutary reminder of the need for Government to take a long-term, holistic view of its strategic approach to public service delivery.

We need a greater realisation across the board that unbridled competition in markets is not always the best way of securing the universal service provision on which our public services and utilities were historically founded. Looking back to the years of the Thatcherite privatisations and reflecting on the experience of competitive pressures in previously protected markets, we must all recognise that service delivery has improved when monopolies have been broken up. However, if we are to deny previous monopoly providers the opportunity to cross-subsidise service provision in our remote islands or deprived urban areas, we run the risk of undermining some fundamental building blocks in the infrastructure of our communities. That is what we must guard against in relation to the future of the post office network.

Before dealing more specifically with the future shape of the post office network in Scotland, I want to alert Parliament to the fact that the Postal Services Commission—the postal services regulator that was established by the UK Government—is presently considering changes of potentially far-reaching significance in the postal market that could have a significant impact on our remoter rural and island areas. Royal Mail has applied to Postcomm to introduce geographically varied prices for some of the company's bulk mail

products. No decision has been made yet but, if allowed, zonal pricing would mean that businesses would pay a higher cost to send bulk mail to the Highlands and Islands. We all need to guard against sleepwalking into a position in which we bridge the so-called digital divide but leave isolated communities at a disadvantage when it comes to participating to the full in Scotland's economic and business life.

On the UK Government's proposals for the future post office network, the Post Office will now shape the network within defined access criteria. There will be between 50 and 60 area proposals for local public consultation in the UK and the best estimate is that between 12 and 15 of those will take place in Scotland. Those proposals will be developed in consultation with Postwatch, sub-postmasters and local authorities.

Local consultation will be absolutely critical. The Government will take the view that community planning partnerships have a pivotal role to play in shaping services in their areas. The design of the post office network in fragile areas seems to be a prime example of how community planning partnerships can play a part in building up the networking of services. I therefore urge all MSPs and local authorities to take an active part in helping to shape the network in their areas. It will be vital to move speedily, because UK ministers are allowing only six weeks for local consultation once individual area plans are published. I regret the fact that they were not prepared to take the sound advice that was offered to them from many quarters that real community participation demanded a doubling of that consultation period.

When members and their constituents see the local plan, it is essential that they scrutinise the application of the criteria. There is a framework of minimum criteria: nationally, 99 per cent of the UK population is to be within 3 miles of their nearest post office outlet and 90 per cent of the population is to be within 1 mile of their nearest post office outlet; 99 per cent of the total population in deprived urban areas across the UK is to be within 1 mile of their nearest post office outlet; 95 per cent of the total urban population across the UK is to be within 1 mile of their nearest post office outlet; and 95 per cent of the total rural population across the UK is to be within 3 miles of their nearest post office outlet. Further, in each postcode district, 95 per cent of the population is to be within 6 miles of their nearest post office outlet.

In applying the new criteria, the Post Office will have to apply common sense. Account has to be taken of geographical constraints such as rivers, mountains and valleys and of ferry crossings to and from islands. Most important, the Post Office will have to have regard to socioeconomic factors

such as the availability of public transport, alternative access to key post office services, local demographics and the impact on local economies when drawing up area plans. It is essential that, at the local level, those criteria are applied with common sense and that, therefore, members of this Parliament, local communities and local authorities pay close attention to the issue. The Scottish Government will take a close interest in this appraisal.

The important issue, of course, is what impact applying those criteria will have in individual communities and for individual sub-postmasters and sub-postmistresses. That position will become clear only over time. There are 1,651 post offices in Scotland, of which 1,093 are in rural areas and 558 are in urban areas; inevitably, a proportion of the closures will occur in those areas respectively. Closures at local level will be discussed through consultation on Post Office Ltd's plans. We must ensure locally that lessons have been learned from the urban reinvention programme, on which there was a lack of consultation. We must ensure that local consultation is meaningful.

The access criteria are being measured at a UK level. The Scottish Government believes that Scotland faces more closures than it would have done if the criteria had been measured at a Scottish level. I very much regret that the previous Administration's representations that the criteria be applied at a Scottish level rather than at a UK level were not taken on board by the UK Government. The point was that the criteria should be met for each of the four home nations to ensure equity of treatment. I repeat that MSPs and local authorities must play an active part in local consultation.

There is some good news in the Secretary of State for Trade and Industry's statement. The 37 Scottish postcode districts that were previously not protected by the new access criteria—out of 38 for the whole of the UK—have now been given that protection. Those areas are mainly in the Highlands; MSPs can find a map of the areas on the Executive's website, or my office will be happy to arrange for the list to be supplied. Inclusion in the restructuring provisions means that there will be a need for new postal outlets to be provided in those areas to meet the new access criteria.

I welcome the more beneficial access criteria for deprived and vulnerable communities, in which local post offices offer particular social benefits and often act as an anchor for other key businesses. On the face of it, the criteria kick in for the most deprived areas—the 15 per cent most deprived—and that is consistent with our existing approach to tackling deprivation in Scotland. However, the proposed 15 per cent coverage of deprived areas in Scotland appears to offer us

less beneficial terms than some other parts of the UK: 30 per cent coverage is provided for Wales and Northern Ireland. I am keen to ensure equity of treatment and have asked my officials to analyse the basis of the DTI's announcement in that respect and to make appropriate representations. I accept that different geographies are used to measure relative deprivation across the four nations, but if that work identifies inequalities in the UK context we will raise those urgently with the DTI to ensure the best possible terms for Scotland.

For the Scottish Government's part, we will work hard to get the best deal that we can for Scotland. To that end, I shall want to ensure that we engage closely with Post Office management to have a clear understanding of the rules of engagement. I have already spoken with the Royal Mail Group to discuss its approach to those matters and I will meet its representatives soon. I look forward to the opportunity of that meeting to ensure that the public interest is borne fully in mind and that there is real local involvement in the process. I welcome the constructive role that Postwatch, the consumer representative body, can play in ensuring that the forthcoming local consultation process is genuine and productive. We all share a common interest in its success.

We will continue to help sub-postmasters and sub-postmistresses to improve their business awareness through the business gateway. Other work can be done locally. The DTI says that it wants to encourage community ownership. Post Office Ltd is to work with interested parties to encourage expansion. MSPs can help too, by raising awareness.

I will have discussions, along with local authorities and other public service providers, on the opportunities that exist to co-locate post offices with other public sector bodies. I think that there are opportunities to ensure that a comprehensive range of post offices can be established as part of an integrated and cohesive network of access points to public services throughout the country. This is a key opportunity for community planning partnerships to be fully engaged in the process of service design.

In my constituency, Tayside Police uses a post office in Birnam as a first point of contact in the local community. A number of similar co-locations in Fife have borne positive results. In other areas, I have seen excellent public service access points that involve a range of public service providers. I want to signal my encouragement today to local authorities and other providers to become involved in using that innovative approach to extend the range of post office coverage throughout Scotland.

We want early discussion with the Royal Mail Group to be sure that it understands Scotland's

perspective before Post Office Ltd starts the exercise.

We recognise that people are living their lives in very different ways and that post offices, like all organisations that deliver public services, need to adapt to ensure that they continue to be relevant to the communities that they serve.

We already encourage all our public services to collaborate and co-locate to ensure efficiency and, as far as we can, protect local access. The Post Office service should do the same, and we are willing to explore ways in which our local agencies can work with it to retain the lifeline services for communities that the Post Office provides.

The Executive will do its best within its limited powers to secure a good outcome. We all want a sustainable postal network that meets Scottish needs and is fit to take us forward into the 21st century.

The Deputy Presiding Officer: The minister will now take questions on issues raised in his statement. I intend to allow 30 minutes for those questions, after which we will move to the next business. I will probably not be able to call all members, although if members stick to questions, perhaps I will.

I start with Wendy Alexander, to be followed by Derek Brownlee. I can give you two minutes, Wendy.

Ms Wendy Alexander (Paisley North) (Lab): I begin by sincerely welcoming John Swinney to his wide-ranging brief. Perhaps I should say simply that I sympathise.

I have three brief questions. In his statement, the minister urged MSPs to become actively involved in local consultation, but I am aware that the UK Government has already secured a commitment from the Post Office management that every member of Parliament should be given prior notification of any proposals affecting their constituencies. The minister's diary pressures notwithstanding, has he yet sought or secured a similar commitment from the Post Office management in Scotland that all MSPs should, as of right, be given notice of any proposals in their areas? If he has not had a chance to do so, will he?

Secondly, the First Minister, who has kindly stayed for this discussion, mentioned his determination that his Government should govern in the Scottish national interest. So it is perhaps mischievous for the minister to claim in his statement that

"the Scottish Government has limited scope for independent action within the terms of the Scotland Act 1998",

and that that is just

"one further illustration of the weaknesses of the current settlement."

Nowhere in his statement does the minister acknowledge the special exemption concerning postal services, provided in paragraph C11 in part II of schedule 5 to the act, authorising financial assistance by the Scottish Government to support the provision of other services within post offices. That power led the previous Government to provide more than £2 million from 2003 to 2005, dedicated to supporting post offices in deprived areas. Why does the minister's statement not even acknowledge the power in the Scotland Act 1998, far less commit his Government, as the coalition did, to using it in the Scottish national interest?

Let me come to my third and final question. The First Minister has already mentioned the need for a spirit of thoughtful reflection. Will the minister reflect on his own words, in a members' business debate, not the 22 years ago that we heard about from the member for Central Fife but less than six months ago? He urged the Government—which of course is now him—to link post offices to other public services. He now has the powers to do that, but in his first statement he has simply suggested that the blame goes up to Westminster or the responsibility down to community planning partnerships.

The Deputy Presiding Officer: You should be finishing now, Ms Alexander.

Ms Alexander: What will he and his department do, other than simply urge others to act on his behalf, as he suggested six months ago?

John Swinney: It is always great to receive a warm welcome from Wendy Alexander, certainly to my first ministerial office. I reflect on the fact that, last week, the previous First Minister was complaining about the extent of my responsibilities, saying that not even Wendy Alexander had been asked to undertake them when he was First Minister. I see that he has now given her the same responsibilities, so nothing much has changed in his attitude.

Wendy Alexander asked three questions. First, my understanding is that members of the Scottish Parliament are routinely consulted about post office closures. I have certainly been consulted about such closures in my constituency, and I will certainly ensure through my discussions with the Royal Mail that such consultation happens.

Secondly, of course we will use every power in the Scotland Act 1998 at our disposal, to the maximum of our abilities. Those powers will be very much in the forefront of our minds in our discussions with the Royal Mail and in our input into the process.

Finally, Wendy Alexander asked about a speech that I made a few months ago. I do not know where she was when I delivered the latter part of my statement, which was entirely about joining up public services to ensure that decisions that one arm of Government takes do not prejudice the actions of other arms of Government. As a Scottish Government minister, I now have the opportunity to start to join up services, which is why I said what I did in my statement. Perhaps if the United Kingdom Government had joined up its bit of government, we would not be in the mess that we are now in with post offices.

Derek Brownlee (South of Scotland) (Con): I, too, congratulate John Swinney on his appointment and thank him for giving prior notice of his statement.

He mentioned what the Executive would do in the current context, which did not sound like a great deal. In December, the Secretary of State for Trade and Industry said that he wanted to consider what role the Scottish Executive might play in influencing how postal services will best be delivered in the future. John Swinney is now a member of the Scottish Executive—in fact, in the light of his list of responsibilities, he practically is the Scottish Executive. What will he now say to the Secretary of State for Trade and Industry about what the Scottish Executive's role should be in relation to postal services? How many post offices in Scotland does he think can be saved?

John Swinney: Derek Brownlee's second question is difficult to answer. That is why I lay heavy emphasis on the need for all of us to be actively involved in the consultation process, in dialogue and in exerting pressure to ensure that we protect as many local post offices as we possibly can. The Scottish Executive will bring to the discussion the role that we can see in joining up the delivery of services and in trying to provide another way of ensuring that postal services can be provided in remote areas or areas of multiple deprivation. We can do various other things, which I listed in my statement—I refer to the business gateway, for example.

The Secretary of State for Trade and Industry has raised the issue of the future involvement of the Scottish Government as one of the devolved Administrations in the design of the post office network. The discussion of that issue is welcome and is an indication of the acceptance—even in the strangest of places—that devolution remains a process and not an event. Obviously, we will engage constructively in discussions with the DTI, as Mr Brownlee and the Parliament would expect.

Tavish Scott (Shetland) (LD): I thank the Cabinet Secretary for Finance and Sustainable Growth for his statement and in particular for his remarks about sub-postmasters and sub-

postmistresses throughout Scotland. The Liberal Democrats strongly agree with what he said; indeed, with one or two words deleted, his statement could have been made by practically any party in the chamber. As an islander, I also agree with what he said about zonal policy. We know all too well what zonal policy means in Parcel Force terms.

Does the cabinet secretary accept that the Secretary of State for Trade and Industry is proposing the closure of post offices throughout Scotland because of the UK Government's decision to remove services from our post office network? The closure of post offices is very much the making of the Labour Government.

Bryan and Ann Law run the post office on the island on which I live. Their shop is integral to their business. Does the cabinet secretary accept that they will lose all their business if the closures go ahead? That would be a loss not only to an island or a rural community, but to the fabric of society, which we want to enhance. Will he therefore look closely at whether Scottish Executive and local authority responsibilities and services can be brought closer together? Will he undertake to bring speedily to the Parliament an illustration of how such an initiative would work and how it would be progressed? Will he report to the Parliament on the matter? Will he say precisely how he will ensure that the fewest—if any—post offices will close?

John Swinney: I agree with Tavish Scott that the announcement made by the Secretary of State for Trade and Industry is a product of the lack of joined-up thinking in the United Kingdom Government. If the UK Government takes away vast elements of business from the post office network, it should be no great surprise that that network is more vulnerable. That is what we are dealing with now.

Tavish Scott's second question concerned how many post offices will be closed. We must ensure, by a process of dialogue and consultation, that we minimise that number. I give him the assurance that the Scottish Government will be fully involved in that process as far as possible.

I have placed on record a number of points emphasising the importance that I attach to joining up services at the local level. Members who have listened to my contributions on different subjects in the Parliament over the years will recognise the issue as one that I consider a significant priority. I will come back to Parliament on the subject. Indeed, Mr Scott may be fed up with my coming back to Parliament on the subject in the period ahead. Nonetheless, it is an issue that is dear to my heart, and I will bring further thoughts back to Parliament.

The member referred to Bryan and Ann Law, who run his local post office. That comment illustrates the fact that the post offices are not just standalone post offices, but are part of wider businesses. I have the same sense in my constituency, and I fear that other business ventures may be made more vulnerable by the loss of footfall through the post offices. That important element must be borne in mind in this process.

The Deputy Presiding Officer: There are a considerable number of back benchers whom I would like to call, so it would be helpful if questions and answers were to the point.

Christine Grahame (South of Scotland) (SNP): I take it that I am to set an example. I welcome the new cabinet secretary to his post and share the sentiments that Tavish Scott expressed about the vital service that is provided in sub-post offices throughout Scotland.

I refer the minister to my consultation of 14,000 borderers on the likely closure of sub-post offices across the Borders, 90 per cent of whom said that the post offices provided essential services. I want to pick up on the issue of other businesses. A Selkirk businessman responded:

"As a local small business owner, access to a local post office is vital."

A businessman in Heriot responded:

"Our business (turnover £1.4 million) would suffer without a post office locally."

The Deputy Presiding Officer: Question please, Ms Grahame.

Christine Grahame: I ask the cabinet secretary, in his meetings with the Royal Mail Group, to push for formal consultation with either local chambers of commerce or local businesses that are ancillary and that would be affected by any closures that took place.

John Swinney: I thank Christine Grahame for her welcome. She makes an important point about the need for accessible post offices to ensure that other business organisations are able to access the mail network. I will raise that point with the Royal Mail Group when I meet it to reinforce the comments that I have already made to it by telephone.

Peter Peacock (Highlands and Islands) (Lab): I welcome John Swinney to his new portfolio and wish him well with it.

One of the things to which Alistair Darling has committed, among the various proposals that he has made, is the creation of 500 new outreach services in rural areas. Will the cabinet secretary join me in welcoming Alistair Darling's commitment to those 500 new outreach services? Does he

agree that that holds the prospect of many new mobile services, such as the one that I visited recently in Caithness, which serves five distinct communities, or the prospect of new satellite services, such as the one that I visited in Muir of Ord, which serves Marybank and Auchterneed? Does he agree that, following the statement by the Secretary of State for Trade and Industry, there is considerable opportunity, through the outreach services, to restore services to communities in the Highlands and Islands that have lost them? Finally, will he agree to add to the funds that the secretary of state has made available for that purpose in order to expand those opportunities in Scotland?

John Swinney: I thank Peter Peacock for his kind remarks. I welcome any measures that will encourage greater access to the Post Office. As I said in my statement, we must accept that, as lives and patterns of living change, so some of the structures of public services change into the bargain. Mobile and satellite services have a significant role to play within that arrangement, so they are welcome. As I said in my statement, the change to the protection for certain postcode districts gives rise to an opportunity for the expansion of post offices, and that is particularly welcome.

I will reflect on the point about financial commitments when I am calculating the financial position of the Scottish Government, but Mr Peacock knows that I have a strong reputation for prudent financial management, and I will deploy that at all times in the Parliament.

Gavin Brown (Lothians) (Con): I thank the cabinet secretary for some good comments, but overall I detected a lack of fight, and no fire in his belly to stand up for Scottish post offices. His statement could have come from Alistair Darling himself.

The Conservative party has put forward some strong proposals in its post office action plan. I do not know if Mr Swinney has seen it, but it involves allowing post offices—

The Deputy Presiding Officer: Will the member please put forward a question rather than an action plan?

Gavin Brown: Yes, Presiding Officer. The plan will allow post offices to compete, allow local government to provide more services via council counters, and allow the Post Office to expand the Post Office card account and to fight in new areas. Will the cabinet secretary agree to look at our post office action plan and to fight a little bit harder for Scottish post offices?

John Swinney: I welcome Gavin Brown to the chamber and as a member of the Parliament.

In the spirit of consensus, and following the First Minister's earlier example of welcoming ideas from wherever they might come, I will look at the Conservatives' post office action plan. I assure the member that there is no lack of fight in me about the post office issue. I have made several constructive suggestions about how we can deploy Scotland's public services to maximum advantage to safeguard the post office network. That is what we can bring to the party to ensure that we have a viable and strong post office network that meets the needs of people in Scotland.

David Whitton (Strathkelvin and Bearsden) (Lab): I welcome Mr Swinney to the front bench. I should also declare an interest, as my wife is employed in a Crown post office and my sister owns and runs a sub-post office in Fife.

Mr Swinney mentioned sub-post offices but did not mention what is happening to the Crown offices. In Kirkintilloch in my constituency, the office is being closed and the work transferred to WH Smith. The 12 people who work in that office have more than 100 years of service between them. They have been offered a transfer elsewhere or voluntary redundancy. The package encourages them to waive their employment rights under the Transfer of Undertakings (Protection of Employment) Regulations. WH Smith has issued a leaflet saying that the shops will have highly trained staff. Where will it get them? Will the minister consider that?

When Mr Swinney discusses the issue with the Royal Mail Group—if he is going to discuss it—will he ask why it is not transferring staff to WH Smith under the TUPE regulations? Will he ask WH Smith why it is not asking for the staff to be transferred under TUPE regulations? He will probably find that the answer is that it does not want to pay the same level of hard-won pay and give the staff the rights that they have been given in the past.

John Swinney: I thank David Whitton for his remarks. I am acutely aware of the Crown post office issue. I am concerned about it, have already raised it with the Royal Mail Group, and will raise it again during discussions. I also note that there are at least two motions in the *Business Bulletin*—from Iain Smith and Christine Grahame—on Crown post offices. The issues Mr Whitton raises about the employment position are particularly serious. I will raise them with the Royal Mail Group and reply to him accordingly.

Hugh O'Donnell (Central Scotland) (LD): I thank the minister for bringing the issue to the chamber. It is obviously important but, as he said at the outset, it is primarily a battle that should take place at Westminster. I have two questions. First, has the minister spoken to Alistair Darling

about the proposals? Secondly, does he believe that the absence of the MP for Banff and Buchan from five Westminster debates on post offices in the past four years is conducive to supporting our post offices?

John Swinney: I have spoken to Jim Fitzpatrick, who is the minister responsible for this policy area. I spoke to him last week on issues connected with the announcement and, obviously, I expect that there will be further dialogue with officials and perhaps ministers in the DTI on some of the points that arise from today's exchange in Parliament and from any further statements.

On the work of my colleague who is now our First Minister, I think the fact that the member for Banff and Buchan at Westminster is now the member for Gordon in the Scottish Parliament speaks volumes for his ability to speak up for the people he represents.

Rob Gibson (Highlands and Islands) (SNP): In the context of the draft European strategy on postal services, which values the economic, cultural and social development needs of remote areas, does the minister agree that benchmarking our postal services against those that are available in other countries would be a help to the debate about what we can try to save?

Can the minister find ways in which to increase the business in sub-post offices in remote and rural areas, perhaps by increasing the amount of work from the Scottish Executive and its agencies?

John Swinney: When we are considering the future role of post offices, it is important that we try to take into account experience from elsewhere—which already informs some of my thinking about the integration of local public services and about the level of business that can be conducted.

I will certainly encourage, as far as is possible, the use of post offices as parts of integrated service provider organisations at local level. That will be the focus of discussions that I will take forward as a result of today's statement.

Elaine Murray (Dumfries) (Lab): I congratulate Mr Swinney on his ministerial appointment. Does he agree that 800 post offices across the UK having an average of only 16 customers a week is unsustainable? At a cost to the taxpayer of £17 a transaction, that is rather an expensive stamp. Instead of yielding to the temptation to use the issue to pick a fight with Westminster, will the new Executive support the UK Government's proposals to deliver postal services in rural areas in more flexible ways, such as the outreach and community postal services that Peter Peacock mentioned? In Clarencefield in my constituency, the post office is in the pub.

As the minister's reply to Peter Peacock's question about financing was rather elliptical, I will ask the question again. Is the Executive prepared to offer financial support for such developments?

John Swinney: I thank Elaine Murray for her comments. I will miss not sitting on the same side of the table as her at meetings of the Finance Committee. I have no idea whether she is to do further penance on the Finance Committee, but I dare say that I will appear in front of it in due course.

One problem with the volume of business that takes place in post offices is that so much business has been taken away from them. Actions have had consequences: if we take important work away from post offices, it is inevitable that the level of activity and footfall will fall. We are dealing with the consequences of other decisions taken by the UK Government.

I have absolutely no desire to pick a fight with anyone about anything, but I think that it is important that the Parliament reflects the concerns and attitudes of our constituents. Many people are concerned about the issue. In members' business debates on the issue, there has been a broad cross-section of concern within the Parliament about the loss of local post office services.

My answer to Peter Peacock's question on finance was that when particular proposals appear on how public services might be realigned so that post offices are used as local access points, we will look carefully at whether any financial support can be given. We must look at that carefully to guarantee that public money is spent to a particular purpose in the development of public services.

Roseanna Cunningham (Perth) (SNP): I welcome my very good friend and colleague to his new role in the Parliament.

In view of the adverse impact on social inclusion that is likely to be occasioned by any widespread closure of post offices, will the minister join me in condemning the politically motivated delay in the announcement by the secretary of state, which ensured that it was made after 3 May? I wonder why that was.

The minister has talked about the development of co-location, on which there has been much discussion this afternoon. Has he given, or will he give, active consideration to the Scottish Government services, as well as local government services, that could be delivered through the post office network?

John Swinney: I thank Roseanna Cunningham for her remarks. I am quite sure that there was a connection between the delay in the

announcement and the timing of the election. We can all draw conclusions from that.

Co-location is fundamental to some of the ideas that I want to introduce to how we deliver and deploy public services locally, and I will consider the matter carefully in the period ahead.

Mary Mulligan (Linlithgow) (Lab): I welcome John Swinney to his new portfolio.

I welcome the minister's comments about post offices sharing council facilities. I hope that West Lothian Council will consider that for Linlithgow. In some places in my constituency, such as Philpstoun, post offices have closed due to the retirement of post office staff and there being no one to take over. The minister mentioned that in his statement. Can he expand on what measures he would put in place to encourage people to take up that career option, to fill the vacancies and ensure that post offices are retained?

John Swinney: I thank Mary Mulligan for her remarks.

One of the key points is to ensure that there is a vibrant business community in town and village centres—the First Minister referred to that in some of his answers following his statement. We might all drive through our local town or village centres and see too many empty premises. If we are able to create a more buoyant business culture—which we will work hard to do—I hope that the formation of businesses will be a more realistic prospect for individuals. I return to the response that I gave to Mr Tavish Scott earlier. In my experience, post offices that form part of a wider business, perhaps one that has a community purpose, are very viable, and we should encourage, welcome and support them.

Ian McKee (Lothians) (SNP): I thank the minister for recognising the enormous social and economic importance of post offices, especially in rural areas, where many small businesses rely on them. I totally support the minister's idea for pushing co-location and other innovative ways of increasing the level of business in post offices so that they can survive. I ask the minister to regard with a certain suspicion the idea of meeting access criteria by using mobile post offices, which, in my experience, small communities regard with a great deal of suspicion rather than as a solution that will help meet the other goals towards which we are all striving.

John Swinney: We must consider innovative solutions to particular problems, and solutions must command public confidence. It is important to ensure that different concepts and different ways of working are properly tested and evaluated to guarantee that they command public confidence. That is an essential part of the

redesign of any service, and that includes the Post Office.

Karen Gillon (Clydesdale) (Lab): I join others in welcoming Mr Swinney to his new role. I look forward to working with him in the months ahead.

My first point concerns flexible opening hours. One of the key issues that many of us face is the inability to access services after 5 o'clock. Perhaps the minister can, in his discussions with the Post Office, consider how that can be addressed. There is a very good example in my constituency of that being done.

In relation to co-location, will the minister consider what financial support can be offered to community facilities by way of start-up grants to help meet the cost of a safe, for example, which I know has been prohibitive in some instances?

In the spirit of consensus that has broken out across the Parliament in this new session, may I be the first to ask the cabinet secretary to visit my constituency to see two very good examples of flexible opening and community use of postal services, in Coalburn and Carstairs Junction?

John Swinney: Although I came to Parliament today full of expectations, I did not have such high expectation of receiving such an offer. I thank Karen Gillon very kindly for her invitation. I believe that the form is to say that I will try to arrange a visit as soon as possible. As for the spirit of consensus that she mentioned, I am beginning to hear that our colleagues on her side of the chamber will give us some support on bridge tolls. I am encouraged to hear about the possibility of an outbreak of consensus, and hope that that is what happens.

I acknowledge that the flexibility of opening hours is a significant issue. In my statement, I said that it is important to ensure that services keep up with the changing patterns of people's lives. That applies across the board. I hope that such points will be reflected in any decision and I will address the issue in my discussions with the Royal Mail Group.

I have already responded to questions about financial support from Elaine Murray and Peter Peacock. I realise that, in transforming themselves to address some of these issues, businesses will face financial costs. We will consider whether assistance can be offered, but I should stress that a number of different vehicles and projects such as business gateway offer practical support.

The Presiding Officer (Alex Fergusson): That brings us to the end of questions on the future of the Post Office. I apologise to members whom we did not have time to call.

Parliamentary Bureau Motion

16:31

The Presiding Officer (Alex Fergusson): The next item of business is consideration of a Parliamentary Bureau motion. I ask Bruce Crawford to move motion S3M-62, on a suspension of standing orders.

Motion moved,

That the Parliament agrees that Rule 5.6.1(c) of Standing Orders be suspended for the purposes of Members' Business on Wednesday 23, Thursday 24, Wednesday 30 and Thursday 31 May 2007.—[Bruce Crawford.]

The Presiding Officer: The question on the motion will be put at decision time.

Decision Time

16:31

The Presiding Officer (Alex Fergusson):
There is one question to be put as a result of today's business. The question is, that motion S3M-62, in the name of Bruce Crawford, on a suspension of standing orders, be agreed to.

Motion agreed to,

That the Parliament agrees that Rule 5.6.1(c) of Standing Orders be suspended for the purposes of Members' Business on Wednesday 23, Thursday 24, Wednesday 30 and Thursday 31 May 2007.

The Presiding Officer: That concludes decision time.

Meeting closed at 16:32.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Wednesday 30 May 2007

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at Document Supply.

Published in Edinburgh by RR Donnelley and available from:

Blackwell's Bookshop

**53 South Bridge
Edinburgh EH1 1YS
0131 622 8222**

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Blackwell's Scottish Parliament Documentation
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

Scottish Parliament

RNID Typetalk calls welcome on
18001 0131 348 5000
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers