

MEETING OF THE PARLIAMENT

Thursday 24 May 2007

Session 3

£5.00

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Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by RR
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SCOTTISH MINISTERS AND LAW OFFICERS

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MINISTER FOR PARLIAMENTARY BUSINESS—Bruce Crawford MSP

Health and Wellbeing

DEPUTY FIRST MINISTER AND CABINET SECRETARY—Nicola Sturgeon MSP

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MINISTER FOR TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE—Stewart Stevenson MSP

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PRESIDING OFFICERS

PRESIDING OFFICER—Alex Fergusson MSP

DEPUTY PRESIDING OFFICERS—Alasdair Morgan MSP, Trish Godman MSP

SCOTTISH PARLIAMENTARY CORPORATE BODY

PRESIDING OFFICER—Alex Fergusson MSP

MEMBERS—Alex Johnstone MSP, Tricia Marwick MSP, Tom McCabe MSP, Mike Pringle MSP

PARLIAMENTARY BUREAU

PRESIDING OFFICER—Alex Fergusson MSP

MEMBERS—Robert Brown MSP, Bruce Crawford MSP, Cathy Jamieson MSP, David McLetchie MSP

24 May 2007

Scottish Parliament

Thursday 24 May 2007

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

Scottish Parliamentary Corporate Body

The Presiding Officer (Alex Fergusson):

Good morning. The first item of business is the selection of four members for appointment to the Scottish Parliamentary Corporate Body.

Copies of guidance explaining the voting procedure to be followed have been placed on each member's desk.

I have received four valid nominations for appointment to the Scottish Parliamentary Corporate Body. I ask all candidates, as their names are announced, to make themselves known to the chamber. In alphabetical order, the nominees are: Alex Johnstone, Tom McCabe, Tricia Marwick, and Mike Pringle.

As the number of candidates is equal to the number of vacant positions on the SPCB, I invite members to agree that there be a single vote to elect all the candidates. If any member objects to a single question being put, please say so now.

There being no objection, the question is, that the following members be selected for appointment to the Scottish Parliamentary Corporate Body: Alex Johnstone, Tom McCabe, Tricia Marwick, and Mike Pringle.

Members voted.

For

Adam, Brian (Aberdeen North) (SNP)
 Ahmad, Bashir (Glasgow) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Allan, Alasdair (Western Isles) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brown, Robert (Glasgow) (LD)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Margaret (Glasgow Baillieston) (Lab)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)

Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Henry, Hugh (Paisley South) (Lab)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McArthur, Liam (Orkney) (LD)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Mulligan, Mary (Linlithgow) (Lab)
 Murray, Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Sturgeon, Nicola (Glasgow Govan) (SNP)

Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Tymkewycz, Stefan (Lothians) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The result of the vote is:
 For 103, Against 0, Abstentions 0.

As a majority of members has voted in favour, Alex Johnstone, Tom McCabe, Tricia Marwick and Mike Pringle are duly selected for appointment to the Scottish Parliamentary Corporate Body. I congratulate the members on their appointment. [Applause.]

Law Officers

The Presiding Officer (Alex Fergusson): The next item of business is consideration of motion S3M-67, in the name of the First Minister, on the appointment of law officers.

09:18

The First Minister (Alex Salmond): This morning I wish to complete the ministerial team. I advise the Parliament that I have asked the Rt Hon Elish Angiolini QC to continue in office as Lord Advocate, and I will move a motion seeking the Parliament's agreement to the appointment of Mr Frank Mulholland QC as Solicitor General for Scotland.

The ancient offices of Lord Advocate and Solicitor General are woven into this nation's history, dating back to the time of the old Scots Parliament, before the act of union. The position of Lord Advocate goes as far back as the 15th century. Over the centuries, the offices of Lord Advocate and Solicitor General have become pillars of our nation's proud and independent system of public prosecution and of the provision of sound advice to Government. Elish Angiolini and Frank Mulholland will continue that proud tradition, and I am pleased to recommend them to Parliament.

I turn first to the Lord Advocate. Many, including my predecessor as First Minister, have paid tribute to Elish's considerable achievements and abilities. I share their assessment, and my decision to ask Elish to continue in this position is a clear signal of the inclusive approach that we will take in government. That approach is based on ideas and ability, not on any other factor.

Elish has served with distinction throughout her career and has consistently broken new ground. She was the first woman regional procurator fiscal and the first regional fiscal and first woman to be appointed as Scotland's Solicitor General. She was also the first woman to be appointed Lord Advocate. Now she will make history again as the first Lord Advocate in modern times to be asked to stay in post after a change of Government. Let me repeat that: this is the first time in the democratic era that the Lord Advocate has served Administrations of a different political hue.

All, however, will not be quite the same as before. Traditionally, the Lord Advocate, assisted by the Solicitor General, has had two main functions: first, to head the systems of prosecution and investigation of deaths in Scotland; and, secondly, to provide legal advice to ministers. The efficient and effective prosecution of crime is one of the most important responsibilities of any Government, and I expect the law officers to

continue to treat that as their fundamental responsibility.

The second function is also of the highest importance. The Scottish Government is a constitutional Government, and like our predecessors we will not knowingly act outside the law. For that purpose, it is essential for the Cabinet to have ready access to sound legal advice, including on difficult matters, from the law officers themselves. All that will continue.

However, the involvement of the law officers in the political operations of Government is, in my view, unnecessary and inappropriate, so I have decided that the Lord Advocate will not be a member of the Cabinet and will not normally attend meetings. That will emphasise the apolitical and professional role that the Lord Advocate and I have agreed is appropriate in the provision of legal advice to Government.

Naturally, if there is some particular matter relating to the prosecution function or some civil matter that should be discussed jointly by Cabinet, the Lord Advocate will attend. In addition, she has the right to address Cabinet, as she has the right to address this chamber. However, the separation from the political operation of Government will ensure that the law officers can focus on improving our prosecution service and providing the expert and impartial legal advice that Cabinet requires. In the wake of the Shirley McKie case and other difficult circumstances, I believe that that will help to rebuild the trust and confidence of the people of Scotland in our justice system.

My formal nomination today is for Scotland's new Solicitor General. I wish to express the gratitude of the whole chamber to John Beckett QC for the contribution that he has made as Solicitor General. He has played a significant role in our justice system, leading a number of high-profile trials and appeals.

His replacement will be Frank Mulholland QC. Mr Mulholland has had a distinguished career in the Crown Office and Procurator Fiscal Service, spanning more than 20 years. He has real and robust experience of prosecution, including many high-profile cases. A senior advocate depute, he prosecuted the Transco case, a major trial after the death of a family as a result of a gas explosion. The case resulted in a fine of £15 million, the largest fine ever imposed in the United Kingdom in a health and safety case. He has also prosecuted many murder cases over the years.

Mr Mulholland has been area procurator fiscal for Lothian and Borders since January last year, leading advocacy training for the prosecution service and supervising the investigation of major cases, including the World's End murders. He has also continued to prosecute in the High Court as

an advocate depute. He will make a fine Solicitor General.

The nominations reflect my determination to build a Scotland that is stronger and safer. We have a justice system that is one of the world's most respected and that secures the confidence of the Scottish public. As Lord Advocate and Solicitor General, Elish Angiolini and Frank Mulholland will provide the leadership, integrity and talent needed to modernise and reform Scotland's justice system. I have confidence in their abilities, and I know that they will serve this nation with distinction.

Under the Scotland Act 1998, the Lord Advocate continues in office without the requirement of any formal procedure. I accordingly propose that the Parliament agrees that it will be recommended to Her Majesty that Mr Frank Mulholland QC be appointed as the new Solicitor General for Scotland.

I move,

That the Parliament notes that Elish Angiolini QC holds the office of the Lord Advocate on the recommendation of the Parliament agreed to on 5 October 2006 (S2M-4924) and agrees that it be recommended to Her Majesty that Frank Mulholland QC be appointed as Solicitor General for Scotland.

09:24

Jack McConnell (Motherwell and Wishaw) (Lab): For the record, my group will support the motion in the name of the First Minister and support both the continuation of Elish Angiolini as Lord Advocate and the appointment of Frank Mulholland QC as the new Solicitor General. When I decided at the beginning of my term as First Minister to move the law officers in Scotland to a position more independent of party politics, this is exactly the circumstance that I hoped to see develop.

I am delighted that the First Minister has agreed that Elish Angiolini's appointment as Lord Advocate will continue. That is entirely appropriate, not just because Elish Angiolini was the first woman to be appointed to that post but, more important, because she has been so independent of party politics. She was a prosecutor and her background as a solicitor made her appointment, which was a mark of her talents, even more historic. It is right that she enjoys the confidence of all members of the Parliament and I am pleased that she will be able to continue with the reforms in which she has been closely involved in recent years as Lord Advocate and during her period of office as Solicitor General for Scotland, when Colin Boyd was Lord Advocate.

I am disappointed that the First Minister has not taken the same approach to John Beckett QC,

whose appointment as Solicitor General for Scotland last autumn was made on exactly the same basis as the appointment of the Lord Advocate. John Beckett had been a highly effective prosecutor and he took a risk when he accepted the appointment in the knowledge that elections would take place in six months' time, after which his position might be in doubt. He and I had little contact in the six months after his appointment, when I was First Minister, because the two law officers were busy with their duties, but I understand that he performed to a high level. I am sure that many people, who acknowledge the effective prosecutions that he saw through, wanted him to have a chance to carry through the reforms with which he was closely involved. I thank him for taking the risk and serving the country and I wish him all the best for the future. *[Applause.]*

Having said that, I am delighted to support the recommendation for the appointment of Frank Mulholland QC, who has had a respected career and is well regarded in and outwith the legal profession. I am sure that he will be an effective and independent Solicitor General for Scotland. It is appropriate that the change that has taken place has led to the appointment of someone who can hold the office in the regard that it should have among all members of the Parliament, by being independent of party politics. I wish Frank Mulholland all the best and we will support his appointment.

My predecessor as First Minister made the significant decision to take the Lord Advocate out of a voting position in the Scottish Cabinet. I thought that he was right to do so. I continued the practice and I support the First Minister's intention to continue the practice. I will not comment on whether the Lord Advocate should attend Cabinet, which is entirely a matter for the First Minister.

We whole-heartedly support the motion on the continuation in office of one law officer and the recommendation for appointment of the other. We wish the law officers every success. They will be given every support from the Labour benches.

09:28

Bill Aitken (Glasgow) (Con): We, too, welcome the continuation of Elish Angiolini's appointment and the recommendation that Frank Mulholland be appointed as Solicitor General for Scotland.

The decision to have a much clearer separation of the Lord Advocate's roles as prosecutor and Government adviser is wise. When the appointments were made some six months ago, as Mr McConnell said, we were concerned about how the two roles seemed to have become a little confused over the years. The approach that is

proposed today will allow the appropriate and professional separation of the roles, which we welcome.

We have no difficulty in welcoming the continuation of Elish Angiolini's appointment. She is an experienced prosecutor, she was a successful Solicitor General for Scotland, and she is a successful Lord Advocate. She is popular, but, more important, she is universally respected in and outwith the legal profession. We are particularly pleased that she is to remain in office and we look forward to working with her.

Frank Mulholland is also an experienced prosecutor, as the First Minister said. He was one of the first prosecutors to avail themselves of opportunities to seek the qualification of solicitor advocate, which were provided by the most recent Conservative Government—he exploited those opportunities to the maximum extent. It was the unanimous view of the members who considered the matter during the first session of the Parliament that able solicitors advocate in the Crown Office and Procurator Fiscal Service should be able to maximise their qualifications and not only secure rights of audience in the supreme courts but prosecute successfully in high-profile cases, and Frank Mulholland has ensured that that has happened. We welcome his appointment and look forward to working with him.

The appointments are wise. The caveats about the Lord Advocate's role and connection with the Cabinet are valuable. We applaud the approach that has been taken, which will result in a constructive attitude to such matters in the times ahead.

09:31

Robert Brown (Glasgow) (LD): When the new Government was formed, the Liberal Democrats said that we would be adventurous and constructive in opposition, which means that we will praise good decisions and criticise bad ones.

The decision on the law officers is, without question, a good one. In fairness to the First Minister's predecessors, I should say that the approach that has been taken follows the train of developments since the Scottish Parliament was set up, as Jack McConnell said. It was right to take the approach further, so on behalf of the Liberal Democrat group I welcome the fresh approach and the continuity that are reflected in today's announcements.

I know Elish Angiolini. Our paths have crossed in one or two ways, not least in the Scottish Government in recent years. I do not know Frank Mulholland, but I hear good reports of him and I think that both appointments are good. Elish Angiolini's interests range across a wide hinterland

beyond her obvious interest in the prosecution system, which gives her a depth of approach that adds to the freshness and the abilities that she has brought to the positions of Solicitor General for Scotland and Lord Advocate. I wish her and Frank Mulholland great success.

The First Minister gave us a little historical background to the two appointments. There were times when the Lord Advocate practically ruled Scotland, so I hope that the First Minister is not pushing a rival down the pecking order to avoid a challenge to his somewhat shaky position.

Emphasis has been placed on the prosecutorial roles of the Lord Advocate and the Solicitor General for Scotland, but a word is needed on the question of legal advice to the Cabinet. In the interesting constitutional times into which we are moving, the need for adequate, independent and solid advice to the Scottish Government is particularly important. Issues to do with our relationship with the United Kingdom Government and beyond will clearly arise, on which the advice given to the Scottish Executive will need a solid foundation. We live in interesting times and the decision that has been announced is important and historic. On behalf of the Liberal Democrats, I welcome the decision whole-heartedly and wish the law officers extremely good fortune in the years to come.

09:34

Karen Gillon (Clydesdale) (Lab): I speak briefly in support of the motion. As the first woman to speak in the debate, I very much welcome the continuing appointment of Elish Angiolini, who has done a fantastic job as Lord Advocate and as Solicitor General for Scotland.

I particularly support the recommendation to appoint Frank Mulholland, for whom I have the highest regard, as Solicitor General for Scotland. As members know, he was the prosecutor in the Transco trial that followed the incident in which four of my constituents died. Throughout his conduct of the trial and his dealings with the victims' family, he was thorough, professional and compassionate. He will bring most welcome skills to the job and I know that the family supports his appointment.

09:35

The First Minister: I thank Jack McConnell, Bill Aitken, Robert Brown and Karen Gillon for their positive and constructive remarks.

I say to Bill Aitken and Robert Brown that I am well aware of the historical powers and authority of Lord Advocates. For a time, my office at 36 St Andrew Square was in what had been Henry Dundas's drawing room. That building, which is

set back from the square, used to be the head office of the Royal Bank of Scotland. As some members will know, the design of Edinburgh's new town shows that, for symmetry, there should have been a church at that end of George Street. However, the then Lord Advocate, Henry Dundas, wanted the site for his town house, so the church was moved to beside where the George hotel is. In the light of that historical experience, I will be looking very closely at the workings of the Edinburgh property market, Elish. That story leaves no doubt about the authority of Lord Advocates.

Two points have been alluded to. I welcome the general support across the chamber for the separation of powers and the clear division between the political and the judicial and between politics and the prosecution service. It is a welcome development that there is so much consensus in the Parliament on the importance of that move. I freely acknowledge the role that Henry McLeish and Jack McConnell have played in making progress in that direction, and I see what I have outlined today as a continuation of that process.

My thinking on the matter has been informed by the experience south of the border. As those members who have followed closely the position of the Attorney General on a number of issues, but particularly in relation to the war in Iraq, will be aware, there is no doubt that, south of the border, there is at least the suspicion that the law officers' independence has been compromised by the political process.

Johann Lamont (Glasgow Pollok) (Lab): Where is the evidence?

The First Minister: The evidence is there for all to see. If the matter ever came to court in a prosecution, the result would not be in doubt.

It is important for the Parliament that the consensus is to ensure not just that the law officers are independent of politics, but that they are seen to be independent of politics. That will lead to the whole community of Scotland having greater confidence not just in our legal system and our law officers, but in the Parliament, which we should all welcome.

The Presiding Officer: The question is, that motion S3M-67, in the name of the First Minister, on the appointment of law officers, be agreed to.

Motion agreed to.

That the Parliament notes that Elish Angiolini QC holds the office of the Lord Advocate on the recommendation of the Parliament agreed to on 5 October 2006 (S2M-4924) and agrees that it be recommended to Her Majesty that Frank Mulholland QC be appointed as Solicitor General for Scotland.

The Presiding Officer: I add my personal congratulations to Elish Angiolini and Frank Mulholland on their appointments and wish them every success.

Before we move to the next item of business, I advise members that an error has been made in section A of the *Business Bulletin*, which should specify, in line with the agreed business motion, that the Executive debate on the approach to government will commence at 2.15. Section A is being reprinted. Business this morning will be suspended on conclusion of the ministerial statement and questions on ship-to-ship oil transfer.

Ship-to-Ship Oil Transfer

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is a statement by Richard Lochhead on ship-to-ship oil transfer. The minister will take questions at the end of his statement, so there should be no interventions.

09:39

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): I welcome the Presiding Officer to the chair.

I am delighted to have the opportunity to deliver my first statement to Parliament since my appointment as Cabinet Secretary for Rural Affairs and the Environment. It is fitting that my first statement is on the complex and important issue of ship-to-ship oil transfers in the Forth, which demonstrates the very high priority that the Government attaches to our environment and to this issue in particular.

It is only right that I start by paying tribute to my predecessors—or, in this case, my predecessor, as, unlike my colleagues in the new Cabinet, I am following in the footsteps of only one predecessor, Ross Finnie, who held the post of Minister for Environment and Rural Development for eight years during the Parliament's first two sessions. He deserves credit for his role in furthering the causes of Scotland's environment over the past eight years and I look forward to working with him and with colleagues from all parties in the times ahead. I also wish to note the contribution that Sarah Boyack made by initiating a review of the legislation on ship-to-ship oil transfers in the Forth.

I turn to the importance of the Firth of Forth. The areas of eastern central Scotland share a remarkable coastline, which includes the beauty of the Bass Rock, the iconic bridges that can be seen from North Queensferry and the fishing villages of the east neuk of Fife. It is a spectacular area that is steeped in history and which must be safeguarded for the future.

Such is the quality of the environment that the Firth of Forth has three Natura sites, which are areas that are designated under European legislation as requiring special protection. They are the Isle of May special area of conservation, which was designated for the protection of grey seals under the European Council habitats directive; the Firth of Forth special protection area, which was designated under the birds directive for its rich assemblage of wintering seabirds and other protected species; and the Forth islands special protection area, which was also designated under the birds directive for its range of breeding seabirds.

The status of those areas reflects the importance of their habitats and species. They are sites of international importance. However, although the Firth of Forth is a treasured environment, it is also a working environment. Fishermen, ferry operators, oil industry workers, tourism operators, defence contractors and even the local energy workers all rely on the coastal environment for their livelihoods, and that is as it should be. Over time, a balance has been struck on the proper use of the marine environment.

I turn to the proposal for ship-to-ship oil transfer. The proposal by Melbourne Marine Services, which is now SPT Marine Services, to initiate ship-to-ship transfers of oil opens a new chapter in the story of the Firth of Forth. I will set out how I intend to approach the subject, before outlining some of the detailed legislative issues that the Government is considering.

This is a major proposal about which major concerns have been expressed by communities on both sides of the Forth. Local authorities such as Fife Council, East Lothian Council and the City of Edinburgh Council have taken a serious interest in it. During the Parliament's second session, the Public Petitions Committee and the Environment and Rural Development Committee listened to public concerns on the issue. Members of all parties have expressed grave concerns about some aspects of the proposal.

When such concerns exist, it is vital that there is a robust and accountable process to ensure that the range of views can be expressed and the proper analysis undertaken. That is what the people of Scotland look to the Parliament to provide. I will approach the issue by making a firm commitment to ensure that decisions are made through mechanisms that have support both in the Parliament and in the country at large.

I will now outline our concerns. As a starting point, it would appear to me that there is a strong case for ruling out new ship-to-ship oil transfers in areas that are in close proximity to areas that have been designated as environmentally sensitive, such as the Firth of Forth. Moreover, there is certainly a strong case for ensuring that decisions on whether a proposal would damage environmentally sensitive areas are taken by an organisation that is democratically accountable for those decisions and which is subject to independent and impartial scrutiny. Those views do not appear to be controversial and I am sure that they would carry widespread support in the Parliament and throughout the nation. Unfortunately, the current legislative framework does not appear to be fit for purpose and may not be able to deliver the desired objectives.

Therefore, today I announce our firm intention to ensure, through legislation, that Scottish ministers

will have the opportunity to consider the merits of proposals such as the one that we are discussing and to ensure that any proposal is compliant with the relevant environmental legislation. My officials are urgently developing the options, which include the proposal for legislative change that the Scottish Green Party made last week. It has provided us with one option that has the potential to meet the objectives that I have set.

This morning, I spoke to Charles Hammond, who is the group chief executive of Forth Ports, to explain to him the terms of this statement and to initiate further discussion with him. We have arranged a meeting in the near future to give him an opportunity to outline the proposals and for me to explain our legislative options to his organisation.

I will be as clear to members as I was with Charles Hammond. I have asked Forth Ports not to take any precipitate action before we have had the opportunity to consider the issue in detail and as a matter of urgency. I strongly encourage Forth Ports to recognise the concerns of the Scottish Parliament, the public and the wide range of interests and commentators who have expressed concern about the proposals. Their concerns must be heeded.

I will ensure that the Parliament can consider the legislative options that are available to it, but I recognise that the issue is also relevant to the United Kingdom Government, so I am seeking an urgent meeting with it to discuss its options for addressing public concerns on the issue within its areas of responsibility. Under merchant shipping legislation, it appears to be open to the UK Government to block ship-to-ship transfers anywhere around the UK, including in the Firth of Forth. I intend to make representations to the UK Government on whether those powers should now be exercised to stop the proposal in the Forth and on how they should thereafter be devolved to this Parliament to allow members to take any action that is deemed necessary to protect our precious marine environment.

At this stage, I would describe the discussions as exploratory talks and not yet firm proposals. However, I believe that we can work in partnership with the UK to provide a package of complementary measures to resolve the issue. I am sure that UK ministers will want to reflect the public interest that has been clearly expressed in Scotland but, irrespective of the response from Westminster, I am determined to consider all the options that are available to the Scottish Parliament.

At present, the decision-making process is a complex mix of devolved and reserved responsibilities, with some steps having already been completed. For instance, the Maritime and

Coastguard Agency has already endorsed the Forth Ports oil spill contingency plan. However, as a paramount consideration, any decision-making process needs to address the concerns that are expressed by affected communities.

Communities want to know whether it is possible for the proposal to be safe, reliable and secure and to offer economic benefits while safeguarding our precious environment or whether it carries unacceptable environmental risks. Many members of the public and members across the Parliament consider that even a scintilla of environmental risk is unacceptable.

Those are valid and, indeed, vital questions. Scotland's Parliament should decide but, at present, it does not. To the public's amazement, we are to all intents and purposes excluded from the decision-making process. At present, the responsibility lies with Forth Ports. It is the statutory harbour authority and is responsible for the regulation of any oil transfer operation in its area. It will develop the assessment of environmental impact and make the judgment on whether the proposal might damage the integrity of the environment. In effect, it is both judge and jury of its own assessment. That cannot be right.

I welcome the assurance that Forth Ports has given that it will seek to comply with its responsibilities as the competent authority in relation to the habitats directive. In doing so, it is carrying out the required appropriate assessment to ascertain whether there is likely to be a significant impact on a Natura site.

My understanding is that the work to prepare the required appropriate assessment, which will determine any implications for the Natura sites in the Forth, is nearing completion. Forth Ports has said that it will make the final document available on its website for comment. That is welcome. The company has also given assurances that it will demonstrate that it has followed the requirements of the habitats directive and that no decisions have yet been taken.

All that is welcome, as is the comprehensive and constructive way in which Forth Ports has developed the document with expert input from the Scottish Government's adviser, Scottish Natural Heritage. I understand that SNH has made a number of comments and highlighted further work that is necessary.

I turn now to the options for legislation, because it is clear that the locus for the Scottish ministers to intervene is limited. Even for legislation that they have a duty to implement—for example, the habitats directive—there is no mechanism for them to take a view in the round on the proposal and no scope for them to consider whether the proposal strikes the correct balance between

economic benefit and social and environmental risk. It is clear that existing legislation is insufficient for a proposal that has attracted such a degree of public interest and concern throughout the country.

The Scottish Government is committed to ensuring that Scottish legislation gives full effect to the provisions of the EC birds and habitats directives. The current position, which relies essentially on the competent authority—in this case, Forth Ports—making decisions on ship-to-ship oil transfers, gives us in the Government and, no doubt, members across the chamber grave cause for concern.

That is not because we oppose ship-to-ship oil transfer in all circumstances—quite the contrary. It is a legal activity and the Government appreciates that there may be good reasons why it should take place in certain circumstances and in some places. Our cause for concern stems from the fact that, in the case of ship-to-ship oil transfers—particularly in environmentally sensitive areas—the controls that would normally lie with the Scottish ministers under part IV of the Conservation (Natural Habitats, &c) Regulations 1994 are not available, as such transfers are not one of the purposes listed.

We believe that the issue is too important to be left in the hands of Forth Ports alone. My concern is to ensure that elected ministers have an appropriate locus in relation to decisions of such public importance, particularly when Scotland's precious environment is at stake. That will be my department's guiding principle.

The previous Administration recognised the system's weaknesses and initiated its own review of the legislation to consider what improvements could be made. That work, which still continues and which I have asked to be accelerated, includes determining whether legislation that is applicable to ports and harbours is compliant with the environmental obligations; considering the boundaries between reserved and devolved powers in relation to environmental obligations; and determining any necessary improvements to compliance that need to be addressed through changes to legislation or guidance.

That was a good step forward, but we need to go further. We believe that ministers must be satisfied that the current proposal presents no danger to Scotland's environment. That is why we welcome the Scottish Green Party's proposals for legislative change and are giving them close consideration. However, no option is being ruled in—or, indeed, ruled out—at this stage.

There are other possibilities in addition to the Green party's proposal, which would require Forth Ports to obtain a certificate of compliance from

ministers. We will give consideration to amending regulation 6 of the habitats regulations, which defines who is to be regarded as a competent authority for the purposes of compliance with the directive. We will also consider possible amendment of part IV of the regulations. As I mentioned, it sets out rules about appropriate assessment of plans and projects but only in relation to a specific list of purposes, which do not include ship-to-ship oil transfer. We will also consider extending ministers' powers in relation to the overriding public interest test. Finally, we will consider nature conservation order powers as well. At present, they apply only to land and not to parts of the sea or internal waters. We will review those powers to determine whether they should be widened.

I emphasise that there is no one solution. In considering the options, I will be the first to recognise that none will be perfect. There will be strengths and weaknesses to each of the options and there will be limits to the current responsibilities of the Scottish ministers under the Scotland Act 1998. I also believe that the way forward will involve a mix of short and long-term changes and, as I said, no option is being ruled in or out at this point.

I hope that all interests in the Parliament will recognise the importance of the issue of ship-to-ship transfers in the Forth and work constructively with the Government to introduce legislation quickly and effectively.

I believe that the Parliament—and, indeed, Scotland—desires to be able to prevent ship-to-ship oil transfers and proposals that could pose a threat to our precious marine and coastal environments in the Firth of Forth or elsewhere. That is what I intend to achieve.

It has been a privilege to make my first statement to the Parliament. I invite members to embrace our proposals and work together to implement the changes quickly once decisions are taken.

The Deputy Presiding Officer: The minister will now take questions on the issues that have been raised in his statement. I intend to allow around 30 minutes for questions, after which we will move on to the next item of business.

Rhona Brankin (Midlothian) (Lab): First, I congratulate Richard Lochhead on his appointment as Cabinet Secretary for Rural Affairs and the Environment and I thank him for an advance copy of his statement.

It seemed from the Scottish National Party's manifesto that there was no place for the environment with rural affairs. Indeed, there was no reference to environment in the agriculture section and, interestingly, there was no reference

to the marine environment in the fisheries section. However, we should be pleased that, belatedly, it seems there is concern about the marine environment—or, indeed, is there?

I think that we would all agree that the Firth of Forth is of international importance for conservation, with its wonderful seabirds and its vital ecosystems. It is also an important area of economic activity. The Labour Party believes that ship-to-ship oil transfer in the Firth of Forth is a step too far and that the environmental risks potentially outweigh the economic benefits. That is why when we were in government we gave a commitment to change the habitats regulations.

What we have today in the minister's statement is a wishy-washy approach that basically says that this is all very difficult. There is nothing new in the statement, which is in stark contrast to the briefing that was given last week about changing the habitats regulations. The communities bordering the Firth of Forth know that this is not the time for prevarication and saying that this is all too difficult—it is time to act. Therefore, I ask the minister just when he will take action and how soon the Parliament will have an opportunity to scrutinise the proposals.

Of course, the minister did not mention this, but amending the habitats regulations is only a sticking-plaster approach because ship-to-ship oil transfer is also subject to UK shipping regulations. Indeed, Labour agrees with Scottish Environment LINK that the current management of the coasts and seas around Scotland is fragmented, outdated and unable to take account of local communities.

Will the minister commit today to introduce a marine bill? If so, will he say when it will be introduced? That is what we fundamentally need if we are to make a difference to the sustainable management of our coasts and seas. Will he also commit to draw up a Scottish set of marine ecosystem objectives, with full stakeholder involvement? Will he take forward work on marine spatial planning? Will he implement the recommendations of the advisory group on marine and coastal strategy, which reported earlier this year?

What we have heard today is nothing new. We worked constructively on the issue with stakeholders for years and, indeed, with the UK Government. What we have heard today is a cop-out, with no new commitment. It is simply not good enough.

Richard Lochhead: I thank Rhona Brankin for her initial good wishes. However, I must pick up on her comment about prevarication because the issue of ship-to-ship oil transfer has been bubbling away and causing major public concern since December 2004. I was sworn in as a minister two

days ago and today I have appeared before Parliament promising firm action. When the Labour Party was in power, it had two and a half years in which to act.

I will pick up on a couple of important points that Rhona Brankin made in her questions, starting with her point about the marine and coastal strategy group. The SNP is keen to take forward the group's recommendations, particularly the recommendation that the Parliament should have conservation powers from 12 to 200 miles out to sea. I am delighted to have Labour Party support for that measure.

Rhona Brankin was perhaps distracted during the election campaign in her reading of all the SNP's policy documents, because the SNP is committed to introducing a marine bill for Scotland. More announcements will be made on that subject in due course.

The SNP led the debate in the previous session on the need to change marine legislation and clear up the dog's breakfast that is the current management of Scotland's marine waters, with more than 85 acts of Parliament applying between Europe, Westminster and Scotland. We are conscious of that argument and I guarantee that, unlike the previous Administration, we will take action to address the problem.

John Scott (Ayr) (Con): I, too, congratulate the cabinet secretary on his appointment and I wish him every success in that role for the future. I thank him for the advance copy of his statement.

The Conservative position on ship-to-ship oil transfer is that we largely support what the minister is trying to achieve in protecting the Firth of Forth, as would be expected. We note the concerns about the dual role of Forth Ports and we believe that, as the minister hinted, a conflict of interest exists. As a past member of the Public Petitions Committee, I have noted such concerns and others at first hand.

Can the minister assure Parliament today that the various options that he outlined—there are many—will be within the legal competence of the Scottish Parliament? How long will it be before he comes to a decision? Further, will the proposed new powers also apply to other ship-to-ship oil transfers in, for example, Scapa Flow, Nigg Bay and Sullom Voe in Shetland? Can he assure us that such operations will not be adversely affected by any proposed legislative change?

On Rhona Brankin's point, can the minister tell us when he will introduce marine legislation on these matters?

Richard Lochhead: I thank John Scott for his constructive questions and approach to this important issue. I share his concerns about the

perception of the role of Forth Ports in the issue, which is of course the source of much of the concern that has been expressed by the communities around the Firth of Forth and by many members across the chamber.

On the options for legislative change, a key purpose of today's statement is to invite members from across the chamber to speak to and negotiate with the Government. We are open to ideas and suggestions from other parties. We already have a good suggestion from the Green party.

We must be careful to ensure that any legislative changes that we propose in this Parliament are within the remit of the Scotland Act 1998. That is one reason why the issue is so complex. There is a grey area—for example, in harbours legislation—about what is reserved to Westminster and what is devolved to this Parliament. That is a tricky issue to get round, but we are determined to do that as soon as possible.

On John Scott's question about timing, I will meet my officials this afternoon to discuss a timetable for taking forward the issue. However, we would like to take it forward in tandem with all parties and, indeed, with the new environment and rural development committee, once it is up and running. We want to take a consensual approach to this important issue, which has widespread and cross-party support throughout the country. We welcome the Conservative party's support for that approach.

Iain Smith (North East Fife) (LD): I welcome the Presiding Officer to his first meeting in that role. I also welcome the minister to his new position and I thank him for the advance copy of his statement. I certainly echo the minister's endorsement of the excellent record of his predecessor, Ross Finnie.

I welcome the importance that the minister is giving to the vital issue of ship-to-ship oil transfer in the Firth of Forth. He recognises that there is all-party concern about the issue and that there is significant community opposition, not least in the east neuk of Fife in my constituency. There is great concern there about the potential impact of an oil spill on the excellent beaches along the Fife coast.

I am pleased that the minister recognises the work that was done by the previous Executive on the issue, including the important legislative review. I am sure that there is cross-party support in the chamber for the view that Forth Ports should not be both the commercial operator and the statutory regulator in this issue. However, there must be proper clarity on just what legislative competence the Scottish Parliament has in this area. I would be grateful if the minister could

advise us on what information he has received on whether it is possible for the Scottish Parliament to remove the statutory powers of the ports authority, which are given by UK reserved legislation.

Just nine days ago, Robin Harper was quoted in the press as welcoming the SNP's agreement to consider his proposal and saying that he

"understood such regulations could be brought in within days of a new administration being formed."

Alex Salmond endorsed that and told us that it was

"an example of a different style of government."

However, today we are talking only about the Greens' option not being ruled in or ruled out at this stage and about there being other possibilities and no one solution.

There is a great deal of talk about the new politics but, in the old days of the old politics, ministers used to make statements in the chamber when they had something to say and when they were going to do something. Does the new politics that the SNP is introducing mean that ministers will continue to make headline-grabbing announcements that cannot be delivered? Can they not first give full and proper consideration to proposals before making statements and pronouncements that give false hope to communities?

Richard Lochhead: Again, I thank the member for his initial good wishes.

I can only reiterate the point that I made to Rhona Brankin. Whereas the issue had been bubbling away for two and a half years, within days of coming into government we have made a commitment to legislate in the very near future and to negotiate with the UK Government. We must bear it in mind that, if the Parliament wishes to adopt a policy of immediately preventing ship-to-ship oil transfers in areas of environmental sensitivity, the issue currently lies with the UK Government. The UK Government could take such a decision today if it so wished. We have agreed to bring forward legislation within the Scotland Act 1998 as soon as possible to address the issue. We have done what no previous Administration has done, by laying out some of the options that are possible at the moment.

We must all ensure that, within days of coming into government, we do not achieve any unintended consequences, so let us get it right. Let us discuss across the parties the best way to do that. Some parties have been constructive and have made proposals; I invite Iain Smith to do the same.

Tricia Marwick (Central Fife) (SNP): I welcome the cabinet secretary's statement and his

recognition that the current legislative framework is, quite frankly, a boorach. In particular, I welcome the fact that, within two days, we have had a statement on the abolition of tolls in Fife and a statement on ship-to-ship oil transfers. This Administration has done more in two days than the previous one did in eight years.

Does the minister agree that it is simply not credible that a private company that stands to profit from the proposed ship-to-ship transfers is also the competent authority for examining the environmental impact of the proposals? Does he agree that that democratic deficit must be closed quickly?

As the minister is aware, I will visit the European Commission next week. Will he and his officials meet me in advance of that visit to discuss what support I can give him in examining how, in the short term, Europe might be able to help us to deal with the problem of the proposed ship-to-ship oil transfers in the Firth of Forth?

Richard Lochhead: I thank Tricia Marwick for her question. As the constituency member for Central Fife, she and her constituents clearly have a close interest in the matter.

The fact that Forth Ports is a private company that can, as I said in my statement, in effect act as judge and jury on the issue is a cause for serious concern. That goes back to the fact that there is an anomaly, because at the privatisation of the port authorities they were left with that power. There is a democratic deficit, which is why we were determined to give an early commitment to the Parliament that we would close that deficit and ensure that elected ministers have the power to influence such issues, which are important for our environment.

I will be delighted to meet Tricia Marwick along with my officials. We can discuss that later today and make the appropriate arrangements.

Marilyn Livingstone (Kirkcaldy) (Lab): I welcome the cabinet secretary to his new post and wish him well, but I am disappointed with his statement. I had high hopes following last week's press coverage, but we have heard nothing new and it seems that there is to be no change.

Is there a possibility of retrospectively applying legislation so that Forth Ports cannot approve any scheme before the Parliament approves any statutory instrument? In a letter, the previous Deputy Minister for Environment and Rural Development, Sarah Boyack, committed to providing an answer on that important issue. Have the civil servants to date provided one?

Secondly, and importantly, as my colleague Rhona Brankin mentioned, if we make a commitment to introduce a marine bill quickly, it

will show a strong commitment to joined-up thinking and transparency of decision making, and indicate our commitment to working with the UK Government. I remind the minister that there is strong support for a marine bill among the Greens, the Lib Dems and the Labour Party, but I did not see mention of such a measure in the SNP's programme for government. What are the timescales for that?

Richard Lochhead: I thank the member for her questions.

First, I am disappointed that the member is disappointed, given that a few days into government we have delivered a ministerial statement, which the previous Administration did not do. We have also given a commitment to take firm action as early as possible. The previous Administration gave a commitment only to a legislative review, but today we have given an update on that review plus more commitments.

On retrospectively applying legislation to Forth Ports, as I said in my statement, I have made it clear to the port authority that the Parliament expects it not to take any precipitate action over the next few months and that it should reflect the will of the Parliament.

Robin Harper (Lothians) (Green): I have three points to put to the minister, whom I congratulate on his appointment. Minister, I am over here—I have changed places from where I used to sit.

First, maritime disasters have happened in Scottish waters. After the Braer disaster, the Donaldson report made more than 100 recommendations, which were universally welcomed. One recommendation was that Scapa Flow should be one of only three sites in the United Kingdom for ship-to-ship transfers. It would be welcome if the Executive took the position that it supported all the conclusions of the Donaldson report, including the recommendation on Scapa.

Secondly, I congratulate the minister on taking up the issue with the UK Government again, but I would like to know whether, given that that has been tried on at least a couple of occasions already, he is optimistic that he will get anything out of it.

Thirdly, and most important, I welcome the detail in the minister's statement—it would have been nice to have had a reference to a marine bill, but today's discussion is about whether the Scottish Executive and Scottish Parliament can be given the powers to seek certificates of compliance for actions that are likely to harm our marine environment. However, I want to ask the minister whether he intends to go for the quickest route. Will he be able to make up his mind quickly in deciding that, given the urgency of the situation, the Green party's already prepared statutory

instrument represents the fastest route for giving the Executive the necessary powers using a parliamentary approach?

Richard Lochhead: I thank Robin Harper for his many questions. I will try to answer as many of them as possible without using up all of my remaining 12 minutes.

First, accidents do happen. Having witnessed accidents in Denmark in recent years, we want to take a belt-and-braces approach to ensure that accidents do not happen in Scotland.

On Scapa Flow and other areas of Scotland where ship-to-ship oil transfers already take place, as I explained in my statement, there are many places in Scotland where it is perfectly acceptable for such transfers—which are a necessary function—to take place. Our concern is that environmentally sensitive Scottish waters need extra protection. That is the purpose of today's statement.

On the Donaldson report, many of its recommendations are either reserved or devolved. This Parliament clearly has a role in taking forward those that are devolved, and we should take forward any remaining measures that should be taken forward. I am keen to look into that.

On whether I am optimistic about negotiating with the UK Government, I am always optimistic about that. I am looking forward to one of the first tests of my negotiating skills.

Finally, I have already discussed the marine bill in my response to Rhona Brankin. All that I can say is, yes, Robin Harper is correct that we need emergency legislation. A marine bill will take some time—months or years perhaps—to work up, and it will be a complex piece of legislation. Anyone who was involved in the Environment and Rural Development Committee's inquiry into marine legislation a few months ago will know just how complex the issue is. We need emergency legislation, which we are committed to bringing forward. However, we will take into account the Green party's constructive and attractive proposal.

Ted Brocklebank (Mid Scotland and Fife) (Con): I congratulate Richard Lochhead on his seamless transition from being a fellow member of the awkward squad on the Environment and Rural Development Committee to being a fully fledged cabinet secretary. As a Fifer, I welcome his good intention to ensure that the wonderful beaches around the Forth estuary in my part of Fife are kept clear of oil pollution.

As Richard Lochhead is well aware, much of the business that is transacted in the Firth of Forth, at Hound Point and Braefoot Bay, is oil business. I have two questions. Yesterday, the First Minister, Alex Salmond, said that the Scottish National

Party will place no barriers in the way of business. If the green lobby decides that the exceptional bird life and environment of Orkney and Shetland might be at risk, will the minister consider banning ship-to-ship oil transfers at Sullom Voe and Scapa Flow, where they have been carried out totally safely for 40 years? Secondly, given the limited powers that are available to the Parliament and the fact that a review of the legislative procedure is already under way, was there any real point behind the minister's statement?

Richard Lochhead: I know that, as a Fifer, the member is interested in the subject that we are discussing and that he recognises how serious the problem is. I hope that in the months ahead he will move away from being a member of the awkward squad, which I was in, so that we will both have joined the new consensus squad.

We must ensure that any legislation that we propose, even in an emergency context, will not have unintended consequences. That is why the matter is so complex. We want to ensure that the Green party's proposal, for example, would achieve our objectives and would not lead to unintended bureaucratic consequences that could involve ministers in all kinds of decisions that we do not want to hold up. That is an important point. We do not want to frustrate genuine and welcome business activity in the Firth of Forth or in any other Scottish waters. Our legislation will, of course, specifically address ship-to-ship oil transfers, and not other water issues. That is also an important point, which must be taken into account when we put together the draft legislation.

Finally, I emphasise that environmental non-governmental organisations in Scotland play an important role in the environmental debate, but they do not propose laws or decide policies—ministers do that.

Margaret Smith (Edinburgh West) (LD): I welcome Richard Lochhead to his new role and welcome his statement. I also welcome the fact that the Scottish National Party is taking forward the legislative review and the search for a solution that was begun by the previous Administration. My memory is that Sarah Boyack said to the Environment and Rural Development Committee that, following the review, she would bring forward legislative change within our powers, if possible. We are moving in a general direction in which we can work together to find a solution to the problem.

As a local MSP, I agree that there is a strong case for ruling out ship-to-ship oil transfers in the River Forth. The minister's statement showed many things, but it proved what many of us already know—that there is no easy answer to the problem.

How might ministers' powers be extended in relation to the overriding public interest test? Given that alternatives are available at Scapa Flow and Sullom Voe, the people whom I represent in Edinburgh West fail to understand what overriding public interest justifies taking risks with the environment of the River Forth. They and others around the River Forth are looking for a clear timetable of action from the minister, which we have not received. However, I understand the complexities and difficulties that are involved and consequently will not take cheap shots at him. We should work together to achieve a solution to the problem, and I hope that he will be happy to continue with the approach that the previous minister took, which involved meeting all interested local MSPs and discussing the matter on an on-going basis to try to find a solution. I would be happy to participate in those on-going discussions.

Richard Lochhead: I thank the member for her constructive comments. The City of Edinburgh Council previously expressed serious concerns about the proposal. I am sure that the member is in regular contact with the new council and that it will express its concerns, too.

I addressed the overriding public interest argument in my statement. That is one option that ministers are considering. On the timetable, I reiterate that the problem is a priority for the new Government. I made that clear in my statement. We have made a number of commitments. I will not reiterate what I said in my statement, but our approach contrasts sharply with that of the previous Administration. That said, I want to take a leaf out of that Administration's book and keep a dialogue going with all interested MSPs. Indeed, I will be delighted to meet all interested MSPs in the coming days so that we can work together constructively to progress the matter.

Christopher Harvie (Mid Scotland and Fife) (SNP): The Forth is a waterway, a nature reserve, a port and potentially—but not actually—an internal Scottish transport link. What measures does the minister favour, beyond statutory regulation, to comprehensively develop the Forth, in the same way that the Americans developed the Tennessee valley as a pioneer area of regional reconstruction in the 1930s? We should remember that their ideas came from Scotland's Patrick Geddes.

There is a lot of interest in the Forth as a transport link—not as a barrier, but as a connection—because of the prospect of a fast ferry or catamaran running from Kirkcaldy to Portobello initially and possibly to Granton. In discussions with the operator's consultant, it was found that more than 20 authorities had to be separately consulted before any action could be

taken. They had their own timetables and their own legislative Hintergrund. Have not we reached the stage at which a comprehensive solution to the regulation, exploitation and further development of such an enormously important natural resource on our doorsteps should be approached? Should not the problem be seen in the context of the region's development over the next 30 or 40 years?

Richard Lochhead: I am delighted that Professor Chris Harvie, who is one of our new members, has contributed to the debate, as he has huge expertise, which all ministers will be able to tap into in the months and years ahead. I hope that they do so.

I have a lot of sympathy with many things that Professor Harvie said, but not all the points that he made fall within my remit. I am sure that ministers with responsibility for enterprise and transport will be keen to tap into his expertise.

The marine bill has been mentioned a number of times. It will clearly offer opportunities to tidy up the legislation that applies to Scotland's seas and inland waters. I advise Professor Harvie to contact the other ministers to lend his expertise to their good work.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): On behalf of my constituents who are concerned about stopping ship-to-ship oil transfers in the Firth of Forth, I welcome Richard Lochhead to his new post. Despite his lack of detail, I also welcome his intention to carry forward the commitment that Sarah Boyack made before the election to amend the habitats regulations.

How soon will any new measures be in place? Has the minister received any undertaking from Forth Ports to hold off until any new regulations are in force? If not, is there a possibility of any proposed legislation applying retrospectively? Marilyn Livingstone asked that question, but the minister sidestepped it. Finally, will he demand that Forth Ports fully consults on its proposals when the appropriate assessment on the implications for the Natura sites is available?

Richard Lochhead: I thank Malcolm Chisholm for his contribution. I look forward to working with him and members of other parties in the days ahead to find a solution that has cross-party support. I reiterate that I had a constructive—albeit brief—conversation with the chief executive of Forth Ports this morning, prior to the statement, simply to inform him that the statement was taking place. I have undertaken to send him a copy of the statement. My impression is that Forth Ports is willing to take a constructive approach and is listening carefully to the views that are expressed in the Parliament. I also have the impression that it is willing to undertake a full consultation once the appropriate assessment and other steps in the

process have been completed. I am keen for that to happen, and I will raise it when I speak to Forth Ports at the meeting that should happen within the next few days.

Liam McArthur (LD) (Orkney): I add my congratulations to Richard Lochhead on his appointment. I know from personal experience what a wide-ranging and challenging brief he now holds, and I wish him all the best in it.

The minister talked about not being opposed in principle to ship-to-ship oil transfer, which I welcome. He referred to it as a necessary practice. He will be aware of the successful and incident-free operations in Scapa Flow in Orkney over many years, which is the result of sound environmental management based on local control and local accountability. Will he support his ministerial colleagues in building on that success and working with Orkney Islands Council and others to attract additional business to Scapa Flow?

Richard Lochhead: I welcome Liam McArthur to the chamber. I look forward to tapping into his expertise, which has been learned behind the scenes over the past few years. On Scapa Flow, I reiterate my earlier comments: the specific issue that we are discussing today very much derives from the fact that a private company holds the decision-making power, as opposed to a publicly accountable body, which is the case in Scapa Flow. The member made an important distinction on that point.

On Orkney's economic future, I would be delighted to lend any support I can to furthering the economic interests of the Orkney Islands. I hope that I will soon have the opportunity to visit the islands.

Iain Gray (East Lothian) (Lab): I thank the cabinet secretary for his statement. My constituents will welcome the seriousness with which he has taken up the issue and will be pleased that he is pursuing the search for legislative solutions that was begun by Sarah Boyack. However, I am in no doubt that they will be concerned that he has not provided a timetable for action. Will he at least commit to indicating to the Parliament prior to the summer recess which of the shorter-term measures that are within his power—rather than the longer-term measures that require negotiation with Westminster—he intends to pursue and how quickly?

Richard Lochhead: I recognise fully why Iain Gray's constituents will welcome the Government's statement, because it highlights how seriously we are treating the issue.

On the timetable, I can only reiterate that today's statement demonstrates that this issue is a priority for the Government. Within days of being elected

we have made a commitment to legislate. We will present our proposals as soon as possible, once we have had more time to review the various options and have spoken to the other parties involved. I hope that before the summer recess we will be able to take forward the various options that I have outlined today.

Ian McKee (Lothians) (SNP): I congratulate the minister on his cautious and even-handed approach to a contentious problem. However, is his even-handedness justified in the specific circumstances? This project involves a small but incredibly serious threat to wildlife in a sensitive area of international importance. What are the benefits of ship-to-ship oil transfers in the Forth to the Scottish economy, other than a few million pounds of income to one plc? Is any benefit worth the risk involved?

Richard Lochhead: I welcome Dr Ian McKee to the chamber and thank him for his question. Having just moved from Opposition to Government, I have learned quickly that ministers have to be a lot more even-handed than Opposition members on the back benches, or indeed members of the governing parties who are not ministers. We have a duty to be even-handed in our approach to the issue, and we have to be seen to be fair.

On the economic benefit, many arguments have been ventilated in the public domain over the economic benefit or otherwise of the proposal. I reiterate that the Government's policy is that there should not be ship-to-ship oil transfers in environmentally sensitive areas.

Claire Baker (Mid Scotland and Fife) (Lab): Will the cabinet secretary give assurances that in investigating solutions that are deliverable he will work constructively with authorities in England, Wales and Northern Ireland to amend the habitats regulations, including extending part IV of the regulations to cover maritime activities?

Richard Lochhead: I welcome Claire Baker, another new member of the Parliament, to the chamber and assure her that ministers will work constructively with the other devolved Administrations and the UK Government on those matters. It is in all our interests to do so. This Government will play a leading role in that to ensure that the rest of the UK and the UK Government recognise the urgency of addressing such situations, which have been neglected for far too long.

David McLetchie (Edinburgh Pentlands) (Con): I was interested in the minister's comment in his statement that he thought that, under merchant shipping legislation, it was

"open to the UK Government to block ship-to-ship transfers anywhere around the UK, including in the Firth of Forth."

He indicated that he would be making representations to the UK Government that those powers should be exercised in relation to the present proposal. Did the previous Scottish Executive make any such representations? Is it not the case that, if the minister's analysis of the legal position under the merchant shipping legislation is correct, the answer to this particular problem is for the Labour Government at Westminster to exercise its responsibilities in relation to the protection of the marine environment of the Forth? That would save us all a great deal of time and trouble, and scrambling around the legal undergrowth of the European Union directive, the habitats regulations and the Scotland Act 1998. [*Applause.*]

Richard Lochhead: I nearly joined in the applause, but realised I had better not, to maintain the dignity of being the minister in this debate.

Unfortunately, many of the answers to Scotland's problems lie in London—that is the reality that the member has outlined. The specific issue of ship-to-ship oil transfer is within the remit of the shipping legislation at Westminster. As I understand it, Westminster has the ability to decide the exact definition of any regulations it wishes to make, the kind of ship-to-ship oil transfers that could be banned and the circumstances in which that could happen. Our view is that the practice could be banned in cases where there are environmental sensitivities in waters. The UK Government has the power.

On the actions of the previous ministers, correspondence between those ministers and the UK Government on the matter is in the public domain. I shall leave the previous ministers to account for themselves.

10:33

Meeting suspended until 14:15.

14:15

On resuming—

Approach to Government

The Presiding Officer (Alex Fergusson): Good afternoon. The first item of business is a debate on the approach to government.

14:15

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Yesterday, the First Minister outlined the Government's priorities for creating a more successful Scotland. He shared his hopes for working more constructively together so that we can achieve more and deliver greater achievements for the people of Scotland.

Today, I want to discuss how our approach to government will help build a more successful Scotland, with a smaller, more focused and efficient Government—a Government that is accountable, open, and closer to our people; and a Government that is clearly focused on achieving its strategic priorities. We will be a Government that works to build consensus through discussion, persuasion and parliamentary debates such as this one.

I will set out our Government's strategic objectives. I will also highlight some key areas in which we can build on existing achievements and work together to accelerate progress. I will also look at the financial climate in which we will operate and outline how we will ensure good financial management and a tight focus on efficiency and priorities.

Yesterday, the First Minister made it clear that the purpose of his new Administration is to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable growth. That will be the drive of this Government. Taking decisions, advancing policies and pursuing new ideas are all part of our purpose of increasing sustainable growth—

The Presiding Officer: I am sorry, Mr Swinney, but I must ask you to stop. There are too many conversations taking place around the chamber. I do not appreciate it if I cannot hear the speaker and I would appreciate it if those conversations would cease.

John Swinney: We want our purpose to be understood across Scottish society—by business, public bodies, the third sector and local communities—and we wish to work in co-operation across Scotland with other organisations to deliver that purpose.

We have five strategic objectives that underpin our purpose. They will structure our decision making and give the clear focus to our Government that is essential to deliver for the people of Scotland.

Our objective of a wealthier and fairer Scotland will be achieved by enabling businesses and people to increase their wealth and more people to share fairly in that wealth. Our objective of a healthier Scotland will be pursued by helping people to sustain and improve their health, especially in disadvantaged communities, and by ensuring better, local and faster access to health care. Our objective of a safer and stronger Scotland will be delivered by helping communities to flourish, becoming stronger, safer places to live, through offering improved opportunity for a better quality of life. Our objective of a smarter Scotland will be achieved by expanding opportunity for Scots for success, from nurture through to lifelong learning, ensuring higher and more widely shared achievements. Our objective of a greener Scotland will see improvements in Scotland's natural and built environment and the sustainable use and enjoyment of it by all.

In the course of the next few parliamentary weeks, cabinet secretaries will lead debates in Parliament on how we intend to develop, in consultation and discussion with Parliament, the achievement of those objectives. Make no mistake, however: our purpose and our objectives will be the driving theme of this Government.

This new, smaller Government will take the strategic decisions that are right for Scotland. We will leave the detailed management of services to delivery bodies, we will leave local decisions to local decision makers, and we will leave the delivery of local services to workers at the front line. That is how it should be.

Margo MacDonald (Lothians) (Ind): Local decision making by local people presumably includes local councils. Does that mean we are getting the trams in Edinburgh?

John Swinney: It means that the Government takes strategic decisions about the health and prosperity of Scotland and that we co-operate with local authorities in taking forward those priorities in the most effective way that we can.

We believe that national Government should concentrate on governing and on providing leadership, direction and focus on the strategic priorities that will change people's lives. We have taken early steps to achieve a smaller, focused Government, by reducing the number of Government departments and Scottish ministers. The five cabinet secretaries have a clear remit to concentrate on delivering the strategic priorities.

We will be an open Government. We will be willing to debate and discuss, to listen and persuade, and to reach consensus on the information and views available. As an open Government, we will be visible and accountable to the people who elected us. We will work to build their trust.

Des McNulty (Clydebank and Milngavie) (Lab): Will the Executive respond to the invitation that I issued yesterday to publish details of the estimated increase in congestion that is associated with the removal of the tolls on the Forth bridge?

John Swinney: We will put into the public domain whatever information about our policy commitments is required in the public domain.

In the spirit of openness, I am pleased to tell members that we will publish the budget review report, which is known to most members as the Howat report, as we promised when we were in opposition.

Last week, Tavish Scott called me

“a fair and decent man.”—[*Official Report*, 17 May 2007; c 41.]

In a spirit of fairness and decency, I made the report available to the Opposition a couple of hours before the start of the debate—although Mr Scott has had many months to consume the report’s details in secret.

Tavish Scott (Shetland) (LD): In the spirit of fairness and decency, will Mr Swinney tell members whether he will accept the Howat report in full?

John Swinney: Mr Scott’s question pre-empts the comments that I am about to make.

As members know, the Howat review involved a team of independent professionals from the public and private sectors, who examined how well the Government’s budgets were helping to achieve strategic outcomes. The team submitted the report to the previous Administration a year ago. As we said when we were in opposition, it is right that Scotland’s people and Parliament should have an opportunity to scrutinise the findings of the independent review. After all, the Government spends taxpayers’ money. Taxpayers have the right to know that the money has been spent wisely and prudently.

The budget review was commissioned in the context of the previous Administration’s priorities and I applaud my predecessor Tom McCabe’s decision to commission it. The report’s findings are not the findings of this Administration. We will need to consider every recommendation carefully before we decide whether to accept or reject it.

However, we reject one recommendation at this stage, which I will mention.

The report identified potential savings and efficiencies across government, including the Scottish Executive and other public bodies. It examined how well programmes achieved strategic priorities and highlighted many areas for improvement that are in line with this Administration’s priorities. Such recommendations chime with what we have been saying for some time.

The information and evidence in the independent budget review will help to inform wide-ranging, open debate and the consideration of our options for this year’s strategic spending review. We will be operating in a much tighter financial climate than was the case in the first eight years of the Parliament, and we must generate the maximum value from the public purse. The report will inform how we build and maintain good financial management and it will contribute to a debate with a range of public bodies on how we deliver greater value and greater effectiveness from the public purse.

We will not take forward the recommendation to turn Scottish Water into a mutual company. I understand that the proposal represents the position of the Conservatives and the Liberal Democrats, but we are not persuaded by the arguments. Scottish Water will retain its current status. That is our clear policy position.

I will not comment today on the report’s other recommendations, but I will touch on a few major questions that it poses, such as the need to address a more strategic government focus, the crowded landscape of public services, and the duty to spend wisely and embrace the culture of best value across government.

The budget review says that the complex and dynamic array of priorities of the previous Administration has compromised the Executive’s ability to set out clear outcomes and meaningful targets. Our new, smaller Government does not intend to set out a long shopping list. We do not intend to pursue micromanagement. Our approach is to maintain a clear focus on our five strategic priorities and to build consensus in the Parliament and among stakeholders on how we achieve them.

The review report highlights that Scotland has a crowded public sector landscape, which is causing duplication and a lack of focus. In recent years, an organisational spaghetti of partnerships and networks has grown up alongside a hugely complex system of performance monitoring and funding. We had been pointing that out long before we had sight of the report, so I am pleased that

the independent budget reviewers pointed it out too.

We will now take action. A critical element of our approach to simpler, smaller government is to declutter the landscape. I will discuss how that will be done with the people who are involved in public services and will reassess the relationship between the Executive and agencies and public bodies. I make it clear that our programme is not about criticising public sector workers who do a valuable and valued job; rather, it is about the structures and processes of government and the public sector. I want to create a broad consensus in the Parliament and across public services that the government of Scotland has become too complicated and that we need to sort it out.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I congratulate the minister on his new position. In his statement, the First Minister said that any review of government procedures would not be predicated on any job losses. Can the minister give a commitment that there will be no public sector job losses under the Scottish National Party Administration?

John Swinney: There will be no compulsory redundancies under the initiatives that we progress. There must be acceptance that it is likely that there will be changes in what people do in their jobs, but we guarantee that there will be no compulsory job losses under our programme.

I am determined that this Government will grasp the challenge, and I will report back to the Parliament with detailed proposals on how we can simplify the landscape. Those proposals will advance the agenda of slimming down government that was expressed in our manifesto. We will incorporate into that process the recommendations of the Howat report, views that were expressed during the transforming public services dialogue and the continuing Crerar review of scrutiny of public services.

Over the next four years, we aim to deliver a clearer, simpler and more effective public sector structure. In parallel with our ambition for smaller, more focused government, we will work to make the most of every public pound. The Howat report shows scope for improving the way in which we invest in public services and public goods. The fact that we are heading for a tighter fiscal climate during the next strategic spending review makes it even more important that we maintain good financial discipline. As I said to Jeremy Purvis, the First Minister has already said—and I reassure people again on the issue—that our objective is about being smarter with public money. We want to see more people delivering services on the front line and fewer people getting caught up in the tangle of bureaucracy and processes. That is the purpose of our programme.

Before I leave the subject of public finances, I make it clear to the Parliament that it is our expectation that the increase in financial resources at our disposal that will arise from the comprehensive spending review will be lower than has been experienced since devolution. In addition, we will receive the details of the amount available later in the budget process than has ever been the case. In the light of that amended timetable, I will embark on discussions with the finance committee, once it is established, on how the Budget (Scotland) Bill proceeds through the Parliament.

Peter Peacock (Highlands and Islands) (Lab): In the light of the fact that the minister's party does not command a majority in the Parliament and in the light of the efforts that its representatives have said that they have been making on consensus and discussion with the Parliament, is he prepared to amend the budget process to allow much more debate of the budget by the finance committee and to enable amendments to it to be made earlier in—and, indeed, throughout—the process?

John Swinney: I seem to recall that Mr Peacock was pretty happy with the budget process when he was a minister in the Scottish Executive, so, with the greatest respect, if it was good enough for him when he was in government, it is good enough for me when I am in government.

The Government needs to create the framework that will free local agencies and front-line workers to innovate and to focus on delivering for the people of Scotland. We will build on the successes of the best-value regime, which promotes the qualities required for continuous improvement in performance. Local government has embraced the culture of best value and, as a result, is achieving better services for local communities. That needs to continue.

We agree with the Howat report that the Scottish Government, too, must embrace the best-value culture, so that the Government and all its agencies can demonstrate that they are well managed and focused on strategic priorities. We must ensure that here in central Government we make absolutely sure that public money is spent wisely and to best effect. Best value can help us to do that. The acid test for our public services is the difference that they make to the lives of people in Scotland. The performance of public bodies should be measured according to how they deliver an improvement in people's lives.

Coupled with our aim of simplifying the structures of the public sector is the on-going work to squeeze out duplication and waste. The previous Administration set a target of achieving £1.5 billion in annual efficiency savings by 2007-08. I make it clear from the outset that this

Administration is fully committed to achieving that target. There is much still to do to deliver that, but I expect to see no let-up in efforts across public services to achieve that aim. I encourage everyone to play their part in delivering that goal.

We will establish our efficiency programme for 2008-11 during the spending review. I confirm that we will expect public services to deliver at least 1.5 per cent per annum in efficiency gains across that period.

I will refer to one other important aspect of how the Government intends to relate to bodies outside of the Scottish Government. Partnership working will remain important to this Administration, but it needs to be simpler. We need to move from talking together to doing together. Community planning is central to that. In June, I will meet a group of public service leaders who are involved in community planning partnerships across Scotland. I will discuss with them how we can ensure that people and communities are better engaged in decisions about the public services that affect them.

Johann Lamont (Glasgow Pollok) (Lab): Will the minister give way?

The Presiding Officer: No. I am sorry, but the minister is winding up.

John Swinney: I would be delighted to give way, but I must draw my remarks to a close.

We will discuss how public bodies can work together more effectively, and community planning partnerships are central to how we deliver that at local level.

The Government will take forward other initiatives on procurement and on observing the way in which the pathfinder approach has taken its course in different areas of Scotland in recent years. I have shared with Parliament my vision for a more responsive and efficient Government and for a more streamlined and effective public service. Our ambition is for a small, strategic Government that is clearly focused on putting the people of Scotland first. We will take that forward in discussions in the weeks, months and years that lie ahead.

14:31

Ms Wendy Alexander (Paisley North) (Lab): Some members may recall that I refrained yesterday from commenting on the scope of Mr Swinney's portfolio. However, as today's debate is on the approach to government and this is our only chance to discuss a decision that is not subject to the discussion and persuasion that Mr Swinney has just promised but which, in fact, has already been taken, I might dwell for a moment on this leviathan department, which at least deserves

a mention from the Labour benches, if not from the Government ones.

Last night, I was reading a bedtime story to my children. It happened to be "The Very Hungry Caterpillar", which some members will know:

"On Saturday he ate through one piece of chocolate cake, one ice-cream cone, one pickle, one slice of Swiss cheese, one slice of salami, one lollipop, one piece of cherry pie, one sausage, one cupcake, and one slice of watermelon."

I was, of course, put in mind of John Swinney's portfolio. On Wednesday, he ate through one statement on post offices, one on bridge tolls, one debate on the approach to government, one debate on welfare and fairness, one debate on transport, one statement on energy policy and one set of questions and

"That night he had a stomach ache"

—or at least a headache, because that is the parliamentary business for this week and next week that falls within Mr Swinney's portfolio. One of the delicious ironies of the speech that we have just heard, which was sincerely devoted to the cause of slimmer government, is that its delivery has been entrusted to a department that is so super sized that it has already devoured most of the statements announced for the chamber and three of the four debates scheduled so far. I suggest tactfully to Mr Swinney that he consider putting his own sprawling department on a diet of parliamentary time, if only to allow one of his Cabinet colleagues to get a look in.

On a more serious note, I welcome unreservedly the publication of the Howat report. I am sure that the Parliament and its committees will study its content in advance of the forthcoming spending review. In the light of its key recommendations for fewer targets and more rigorous financial procedures, I look forward to Mr Swinney quickly adopting the unanimous recommendations of the Finance Committee on those matters—the committee was, of course, recently and ably chaired by Mr Swinney and myself as convener and deputy convener.

I ask the minister to reaffirm in his summation that, in the same spirit of transparency, his Government will continue to publish all the publications by the chief economist of Scotland, including "Government Expenditure and Revenue in Scotland".

As Mr Swinney has amply demonstrated this afternoon, his portfolio is the engine room of this Government. More than any other, it will be the one in which the rhetoric and the reality will collide. There is no doubt that Scotland is looking for new politics and much of the responsibility for that will lie in Mr Swinney's ministerial brief.

His Government is, indeed, undoubtedly new in so far as it is in office for the first time. In that respect, we on these benches are old because we have governed before. However, I believe that the litmus test for the new politics will be much more than having a set of new politicians in charge; it will be in having a genuinely new approach to government—in short, having politicians who are consensual, ambitious and in touch.

The First Minister was, indeed, consensual this morning in reappointing Elish Angiolini. We on these benches were consensual yesterday when we changed our minds on the abolition of the tolls on the Forth and Tay road bridges.

I lay down a marker: I hope that, in the two debates that Mr Swinney's department will steward next week on enterprise and transport, he will be equally consensual in reconsidering his Government's plans in effect to break up Scottish Enterprise and to tear up this capital city's embryonic public transport system.

Let us hope that last week's departmental restructuring—a case of decide first and debate later—was an early aberration and that next week's debates on enterprise and transport will be a genuine opportunity for Parliament to debate first and decide later.

Roseanna Cunningham (Perth) (SNP): How many times over the past eight years did the Governments that Wendy Alexander was occasionally part of consult any Opposition party about the structure of their Cabinet responsibilities?

Ms Alexander: I think that I should stick with the fate of new politics, to which I am addressing myself.

As I said, the first test of new politics is consensus. However, the second one that I mentioned is the scope of our ambitions—our willingness to do even better. Again, I welcome whole-heartedly Mr Swinney's commitment to slimmer government. We heard much in his speech about structures, but rather less about services and little about numbers. In fact, I think that we heard two numbers. One of those referred to efficiency savings of £2.7 billion, which is of course the triple counting that Mr Swinney deprecated when he sat on these benches. However, he later noted that the real target is 1.5 per cent a year. According to no less a source than the Scottish National Party's manifesto of as recently as last month, that figure

"matches savings achieved by the current Executive ... over the previous 3 year spending period."

More tellingly, the height of Mr Swinney's ambitions is a target that, as his party's manifesto again acknowledges, is less than half that set for

the rest of the United Kingdom. That is even though we in Scotland start from a larger public sector base than does the rest of the UK.

I hear the heckling that that was our target—how far from the truth that is. The previous Government had not yet taken a decision on the appropriate spending target for the next spending review.

Although we had warm words from Mr Swinney, we will, to use the Government's own slimming analogy, start fatter than the rest of the UK, continue to slim more slowly than the rest of the UK and have a higher target weight at the end of the day when it comes to getting best value for Scottish taxpayers. If that is the best that Mr Swinney can do, he will have our support in those endeavours—but ambitious it is not.

John Swinney: If the 1.5 per cent efficiency target is insufficient to command confidence on the Labour benches, will Wendy Alexander set out, in the interest of consensus, what level of efficiency savings would command confidence from Labour?

Ms Alexander: I made it clear that we had not laid out what we would do in the next spending review. However, it is not ambitious to suggest a target that is half that of the UK's and only to match what was done for the past three years.

The third, and perhaps most important, litmus test of new politics is whether, as a result of our endeavours, the voters think that we the politicians are moving closer to or further away from their concerns. The search for politicians who were in touch with people's concerns was doubtless one reason why, 10 years ago, the voters turned to another new politics—I am, of course, thinking of new Labour—in their search for new politicians. The fate of new Labour is an interesting issue, which I suspect is a matter for another day, but it shows that the idea of new politics is about people beyond this chamber looking for us to be on their side and in touch with what matters to them.

In this, our first proper debate, I invite colleagues throughout the chamber to ponder what the voters will make of this week's priorities: internal reorganisations; ship-to-ship transfers; power generation and electricity transmission systems; a sporting scrap; the suggestion that Scotland's voice in the UK Cabinet should be stripped out entirely.

Alex Neil (Central Scotland) (SNP): Wendy Alexander will need to do better if she wants to succeed Jack McConnell within the next year.

Does the member agree that one thing that people want is more efficient Government decision making, so that we do not lose multimillion-pound new technology projects such as carbon capture because of the total incompetence in London?

Ms Alexander: I do not think that anyone on the Labour benches intends to degenerate into the blame culture.

I simply note that we have had total radio silence on schools and on rethinks on local hospitals, and—this should be close to Alex Neil's heart—the death of the department that delivered the highest-ever levels of employment in Scotland. Therefore, I wonder whether the public will see the politicians on their side.

In the spirit of new politics, let me conclude by affirming that, when the SNP acts to make Scotland a place where people can live their dreams, it will have our support. However, when partisanship comes before progress, we will oppose the SNP. New politics is not just about new faces; it is about consensus, ambition and staying in touch. Those are the litmus tests for us all. "New politics" cannot simply be the mantra of a minority Administration that does not live it as its *modus operandi*.

I began with the story of the hungry caterpillar. Mr Swinney has an overly super-sized department consuming all the debates and time in the chamber. I only hope, for Scotland's sake, that it may yet blossom into a rather beautiful butterfly. We will watch with interest, hope and no little expectation.

14:43

Derek Brownlee (South of Scotland) (Con): If that was an example of the new politics, there will be many demands that we go back to the old. I noticed that, for all Wendy Alexander's demands that we have consensus, there is not much consensus between her position on tolls and the Howat report and the position on which she fought the election only three weeks ago.

However, I will deal with the current Government rather than the previous one. I am grateful to the cabinet secretary for giving us the opportunity to outline our approach to a new Government and how we will deal with issues. Before turning to specifics, I will first advance two general principles under which the new Government should operate. First, value for money should be at the very heart of what the Government does in a way that, as most of us would acknowledge, was simply not the case under the previous Administration. Secondly, there must be openness, because greater scrutiny leads to better decisions and greater public confidence in what the Government is doing. In fact, the two principles are linked, because greater openness will of itself be an additional pressure on the Government to achieve greater value for money. That is one reason why I am grateful that the cabinet secretary has done what his predecessor failed to do in ordering the publication

of the Howat report. It is a pity that the public did not have an opportunity to see that report before the election, but the fact that they and the Parliament will now have the opportunity to scrutinise it is certainly progress.

Given all his responsibilities, it is debatable whether the cabinet secretary in his first few days in office has fully digested all the implications of the Howat report and what it means, or could mean, for how the Government operates. Whether or not he has had the opportunity to do so, the Parliament has not had such an opportunity, and there will be no such opportunity today. Therefore, before the summer recess, the Executive should initiate a debate in Executive time on the report and what it means. Important issues are involved, and we must ensure that, in the spirit of consensus, we can all properly scrutinise what the report means for the Government.

I will briefly touch on some specifics in the report. Members might remember that, before the election, the Government parties routinely attacked the Conservatives' and the nationalists' spending plans. When he was defending his failure to publish the Howat report, the former First Minister said that the Conservatives' and nationalists'

"spending plans would not stand a day of scrutiny, never mind a year".—[*Official Report*, 28 September 2006; c 28020.]

April was an intense month of scrutiny, during which the Conservatives' plans held up rather better than those of the Labour Party. Now we know that at the same time that Mr McConnell was defending his failure to publish the Howat report and was attacking the Conservatives and the SNP, the Howat team

"faced difficulties in assessing the implications of switching or reducing spend in any programme."

The report found that

"The limitations of the SE's financial planning and management systems mean the assessment of the effectiveness of budget performance needs to be treated with a degree of caution."

It also found

"voluminous evidence of monitoring and measuring inputs", but not of spending being linked to outcomes. In relation to education, it discovered

"an attitude in more than one area that regarded budget lines of single-digit millions of pounds to be 'trivial'",

which was a mindset that

"does not engender confidence in general cost control practices."

On health, which is the single biggest item of expenditure in the Scottish budget, the report said that

"it remains difficult to assess whether the NHS in Scotland is delivering value for money".

Those are reasons enough why the previous Administration refused to publish the Howat report before the election.

However, that is just the start. I turn to one area that Mr Swinney alluded to in which the Conservatives have long advocated change. We argued for the mutualisation of Scottish Water not only during the election campaign that we have just had, as the Liberal Democrats did, but in the election campaign before that. As Mr Swinney said, the Howat report suggests that ministers should consider mutualisation in order to save £183 million a year, but what did ministers in the previous Executive do? In response to a question that I asked in the chamber on 15 March, Sarah Boyack confirmed that the previous Executive had not even reviewed Scottish Water's structure. The Howat report was not only suppressed, it was ignored.

Sarah Boyack (Edinburgh Central) (Lab):

Does the member accept that the framework that was put in place for Scottish Water has been accepted as financially rigorous and as much more transparent than any previous system for Scottish Water? Earlier this year, I made a lengthy appearance at the Finance Committee to talk through Scottish Water's detailed projects, performance targets and efficiency gains. It is not true to say that we are not interested in the efficiency of Scottish Water. Such a suggestion is unhelpful. The opposite is true.

Derek Brownlee: Whatever the member's interest in having an efficient Scottish Water, it is a fact that a year before she gave me that answer in the chamber, the Howat report suggested that she should consider the matter. However, her Government did not do so. At least her position is consistent—she does not appear to favour mutualisation now. I will leave the Liberal Democrats to explain how they got from rejecting mutualisation when they were in government to suddenly fighting an election on a platform of mutualisation.

There is a challenge in the Howat report for the current Government. Private sector prisons and prison escort services are cost effective, according to Howat. If, for ideological reasons, the new Government pursues a different path, it is questionable whether it will be acting, as Alex Salmond promised,

"wholly and exclusively in the Scottish national interest."—*[Official Report, 16 May 2007; c 36.]*

Publishing the Howat report is probably one of the easier commitments for the new Government to fulfil. I want to move on to one of its trickier commitments, on efficient government.

Alex Salmond has talked about his ambition. If he is ambitious with respect to efficiency targets, the Conservatives will certainly support him.

I start as a sceptic, not in relation to what can be delivered by way of efficiencies but in relation to what Governments have actually achieved. I am not alone in that. The Howat report said:

"We found that it was difficult to verify if savings promised through Efficient Government were actually obtained."

As Wendy Alexander said, one of the first acts of the new Government was to reorganise the shape of government. That is no bad thing—the Conservatives have long argued for smaller government. Yesterday, Annabel Goldie asked the First Minister what that would mean in practice; she also asked him to quantify what reduction, if any, there would be in the number of special advisers, civil servants and quangos. Mr Salmond answered some of Miss Goldie's questions, but he did not answer those ones. It is incumbent on the new Government to answer so that we know.

Jeremy Purvis: Will the member give way?

Derek Brownlee: I would like to make some progress.

The previous Government was rightly criticised by the new Minister for Enterprise, Energy and Tourism for failing to ensure that all the efficient government targets were measured on a net basis. I would be grateful to hear whether this Administration's new targets will be measured on a net basis and—crucially, given the change in the structure of government—whether the targets will be comparable with what has gone before, so that we can test whether the new Administration is more or less efficient than the one that it has replaced.

Mr Swinney touched on best value. There is a lot to be said about that, but I lay before the Government today a quite simple challenge: to ensure that, in common with local government, all best-value reports from central Government are published as a matter of routine. That would be in keeping with the spirit of openness and would represent significant progress.

As Wendy Alexander said, Mr Swinney has a broad remit in his new role; he also faces a great challenge. We will support him and his Government where they act to obtain better value for money and where they push for greater openness over the way in which Government works. Where they do not, or where, for ideological reasons or party advantage, they try to bluster their way through, we will have no hesitation in holding them to account.

14:51

Tavish Scott (Shetland) (LD): I apologise to the minister and to other members for having to leave early this afternoon due to commitments at home in Shetland tonight.

So far, successive new ministers have jumped up and down in Parliament to offer barrowloads of warm words, a great belief in consensus and a commitment to make not decisions but statements. This morning, an SNP back bencher congratulated Mr Lochhead on his caution. The SNP Government has raised expectations and declared that it can change the world, but it has done little. The Government has hit the ground prevaricating, and now we are debating an approach to government.

The cabinet secretary is a man of action—he has certainly demanded it for eight years. I have a series of questions for him; if he answers some questions, that would indicate that his Government and his department are prepared to take decisions. That is what Government is. I was often criticised, not least by Mr Swinney, for making decisions. Whether or not members agree with them, at least I made them.

When the previous Scottish Executive introduced its efficient government proposals, Mr Swinney—now a cabinet secretary—described them as “drivel” and said that real efficiency would require something

“a great deal more imaginative”.—[*Official Report*, 2 December 2004; c 12586.]

We know that Mr Swinney is committed to efficiency; he said in December last year in the chamber that he wants service improvements, not service cuts. He must therefore have been a little disappointed when he read the recommendations of the Howat report. He did not confirm, in response to my earlier question, whether he accepts those recommendations in their entirety. I am sure that we will want to pursue that vigorously over the coming weeks and months.

John Swinney: I made it clear that each and every recommendation will be considered by the Government as part of the strategic spending review, with the exception of the recommendation on Scottish Water. Today, I have allowed more people to be involved in that debate about the strategic spending review. More people have access to the Howat review than was the case under the previous Administration.

Tavish Scott: I accept the minister’s reply. However, despite more people being involved in a debate about decisions, it still comes down to the fact that ministers are paid, employed and put in the Parliament to make decisions. It is time that they decided to do exactly that. Does he—indeed does his Government—support a £60 million cut in

health capital spending? Does he support cutting trunk road maintenance by £67 million per annum? He has reiterated the position and has turned his back on a saving of £182.8 million per annum through the mutualisation of Scottish Water. Does he support the Howat report’s recommendation that the cities growth fund should be abolished? What about the Scottish National Party’s policy of giving £2,000 housing grants to first-time buyers? On page 106, the Howat report says:

“We see no reason for the continuation of general grants to individuals”.

Mr Swinney’s conversation on that subject could be quite interesting.

Gaelic is a subject dear to the hearts of not only my good friend, John Farquhar Munro, but new ministers, including Mike Russell, who is no longer in the chamber. Page 61 of the Howat report says:

“No SMART targets are in place. There is no basis to judge what difference the budgets make to the development of the Gaelic language.”

We will be interested to learn the Government’s position on that.

To be fair to the cabinet secretary, I do not expect full answers today—the Howat report is 181 pages long, after all. However, the Parliament expects the minister to make clear when he will indicate which recommendations he will back and which he will oppose. What is the minister’s approach to government?

Howat recommends an “‘independent’ challenge function”, with a minister for finance without any other responsibilities. As other members said this morning, and as I made clear when we debated the First Minister’s recommendations last week, I must assume that the SNP has ignored that recommendation, given Mr Swinney’s enormous set of responsibilities.

There is a further recommendation in Howat that bears further consideration. The report is against initiatives. I will not be the only member to be entertained to learn whether or not Mr Swinney will stop all initiatives by ministers from this day forward. I hope that that point will be addressed in the winding-up speech.

We know that Mr Swinney is devoted to efficiency. Therefore, he will not stop at the meagre savings that Howat proposes. If I have got his figures right, the cabinet secretary intends to deliver £4.3 billion of savings in three short years. Parliament will expect other imagined, or imaginative, proposals to fill that gap. I am not the only member who looks forward to hearing in detail over the coming months how the cabinet secretary proposes to keep to his principle of efficiencies, not cuts.

The Institute for Fiscal Studies was somewhat understating the position when it described the SNP's efficiency plans as "difficult to achieve." Professor Arthur Midwinter—who is tough on us all, in fairness—might have been closer when he said that the SNP's proposals should "carry a health warning."

Even if the SNP could fill the gap, there are further issues that must be addressed in Parliament. The SNP has underestimated how much its own policies will cost. Mr Swinney did not describe that this afternoon. It has yet to be confirmed—perhaps the minister can enlighten Parliament in his summing-up—whether the Executive intends to press ahead with its plans to write off all Scotland's accumulated student debt, abolish loans and replace them with grants, at a cost that we know will be at least £1.7 billion, not £100 million, as the SNP claimed when it was in Opposition.

Does the SNP intend to deliver the promises of the Minister for Community Safety to dual every A road in the country by cancelling one train line, while still managing to pay for a new toll-free Forth crossing and bullet trains between all the major cities of Scotland? Even rough estimates suggest that we would need five Howat reports to be able to pay for all those proposals. Once a third of the total of all those imaginative savings have gone to graduate debt, what will be left for investment in universities and colleges—an area of expenditure on which the Government of which I was part was very proud to deliver? The SNP manifesto did not pledge one extra penny for that important area of expenditure.

How many new schools will be built under the Executive's budget? Where will the money come from to make Scotland a renewables powerhouse, as the First Minister pledged yesterday? The cabinet secretary must explain—the First Minister failed to do so yesterday—how he intends to meet the funding gaps. What is the Government's position? Is it Howat plus, Howat minus or Howat not at all? The Parliament would welcome a clear exposition of the cabinet secretary's position.

14:59

Roseanna Cunningham (Perth) (SNP): One of the most welcome aspects of winning an election is that the SNP now gets the opportunity to show that it can make a real difference to Scotland and to the way in which we are governed. Throughout the election campaign, we regularly highlighted our intention to slim down government, and a start has been made already, with a smaller ministerial team than before.

Listening to the comments that were made by various members when the motions on Cabinet

and ministerial appointments were being debated, I noticed that people seemed to be surprised that what we had been saying was what we meant. I suggest that everyone should get used to that happening because it is going to happen more often.

What else have we been saying? The notion of slimmed-down government is not just about reducing the number of ministers; it is also about taking a long, hard look at the processes of government and working out how they can be streamlined to far better effect. The fact that something has aye been does not mean that it always will be. Frankly, I think that Scotland has been held back by the aye-been attitude. It is long past time for change. That change will be welcome.

Jeremy Purvis: In the spirit of reducing government, which is supported across the chamber, does Roseanna Cunningham support the idea that the cabinet secretary should introduce annual targets for a reduction in the number of Scottish Executive staff?

Roseanna Cunningham: When I have discussed the specifics of the issue with the cabinet secretary, I will give the member my views.

One thing that the change that I am talking about will mean is that the vast array of agencies, quangos, non-departmental public bodies and so on will be up for serious review. I hesitate to use the phrase "bonfire of the quangos" because it has never yet amounted to more than a damp squib. However, perhaps the cabinet secretary could indicate whether he intends, for example, to continue with plans to merge the Scottish Environment Protection Agency and Scottish Natural Heritage, which was talked about during the campaign. If he intends to do that, does he have a timescale in mind and can he guarantee that the merger will reduce bureaucracy?

I believe that cutting back on the proliferation of bodies that seem to do jobs that are slightly different variations on a similar theme will go down well with the public. Arguably, many functions can be taken back into central Government. Equally, we have robust local authorities in Scotland that might also be able to take on some of the functions of the various agencies. In particular, I would like the cabinet secretary to talk about his plans for Communities Scotland, whether he intends to consult local authorities before any transfer of functions takes place and whether he has a timetable for the completion of the changeover—if that is what is envisaged by the new Government, as I hope it is.

I ought to add the caveat that I hope that, should such further devolution of power to local

authorities take place—whether it involves Communities Scotland or any other body—there will be a concomitant adjustment in the financial settlement. During the past eight years, we have heard a constant refrain that, although the Government is willing to push more powers the way of local authorities, it is somewhat less willing to ensure that sufficient money is available to enable them to carry out those functions.

One of the biggest challenges facing us—and it is one that we all share, whether we are in government or in opposition—is the need to ensure that the image and standing of this Parliament are raised considerably. There might be significant proposals to be made about how some parliamentary reforms will bring this institution closer to the people whom it serves—that is for a different debate. However, yesterday, the First Minister made it clear that the results of the election, in and of themselves, demand a different way of working in this place. That, in turn, demands a different response from members across the chamber. Frankly, we might have to get used to the lack of diktat from the front bench. That means that former ministers will have to reprogramme their brains to accept that new reality—and, indeed, some of us who are now on the Government benches might have to reprogramme our brains to remember that it is we who have the ministers.

Alex Salmond said that the five subject debates that would follow on from yesterday's statement—of which this is the first—would provide members with an opportunity to contribute to and influence the Government's programme. Having said that, we could probably do without bedtime stories from Wendy Alexander—the fact that she was not up to a big workload does not mean that John Swinney is not.

Pinching other parties' good manifesto commitments is not new. In the past eight years, it has been done continually—mostly by Labour nicking our good manifesto ideas. What is new is the open acknowledgement of the source of those good ideas. There needs to be more of that openness.

My final comments are on the Howat review. It has taken two years and a change of Government to get the review out into the open, which is a shameful example of the worst way in which to govern. I have not yet seen the review, but I agree with Derek Brownlee that it would be useful to have a debate on the review alone. However, the issue is germane to today's debate, as the review was set up to consider the performance and outcome of programmes and to identify those that did not match partnership priorities. The cabinet secretary commented that the new smaller Government fits into what Howat found and that

the concerns about the “crowded public sector landscape” confirm the SNP's concerns, which is, no doubt, why the outgoing Administration did not want to reveal the results of the review. Equally, we can no doubt expect continued openness of a kind that is unparalleled in the history of the Parliament.

15:05

Malcolm Chisholm (Edinburgh North and Leith) (Lab): The themes on the approach to government that we heard about before today's debate were based on more joined-up government and the new-politics principles of the consultative steering group. Today, we have heard about an additional dimension, which is that of addressing what John Swinney described as the “crowded public sector landscape”. I will deal with each of those issues in turn.

The basic assumption about joined-up government is that it is essential to make ministers responsible for larger policy areas, but that is misguided. If that were the case, the acme of good government in Scotland would be the old Scottish Office, in which there were five ministers and a secretary of state. I believe that the changes in 1999 were a big advance on that, not just because of the accountability and scrutiny arrangements in the Scottish Parliament, but because the changes ensured that the balance of power between ministers and civil servants was changed and meant that ministers had far more time to engage with stakeholders, which is absolutely vital to the new politics in Scotland, which actually began in 1999.

I wish John Swinney and his colleagues well, but there is a fundamental problem with dealing equally with the details of a large number of subjects. I have fears for some aspects of his portfolio. For example, I know how much time Jackie Baillie, Wendy Alexander, other ministers and I spent with the voluntary sector when we had responsibility for it. I know that John Swinney regards the voluntary sector as important, but I fear for it, in the midst of all his other responsibilities.

I could give several other examples, but I will mention only one, as it has not been highlighted so far: the moving of the equality unit to the Justice Department. The unit has been essential to many successes in the Parliament and there has been widespread agreement in the Parliament about its achievements. The ministers who have been responsible for the unit have devoted a great deal of time to it. I wish Kenny MacAskill well in that work, but I have fears about the unit being joined up with the justice portfolio, which is already very large.

Some of the new arrangements are in principle welcome, such as the introduction of the broader remit of health and well-being. I welcome the fact that housing is to be included in that remit, which is one connection with the post-war Labour Government. However, even in that new remit, there are problems, because it is an illusion to think that it will capture the totality of well-being, which is an issue that must be addressed throughout the Executive. That is why I welcome the appointment of a Minister for Public Health, which may be a more significant development in that regard.

One of the oddest features of the changes is the way in which the responsibilities for climate change and the environment have been put in separate places. I understand the rationale for that, because I asked John Swinney about the matter—perhaps he will say something about the issue later—but I still think that having those responsibilities in two places will create difficulties. It would be better to have a champion on climate change—the Minister for Environment—cutting across the work of the Executive, in the way that the Minister for Public Health no doubt will.

It is difficult to disagree with many of the generalities that John Swinney expressed. The empowerment of front-line staff to deliver local services has been an objective for a long time. He said that the community planning partnerships are essential to delivery—they were set up by the previous Administration, so I am sure that we agree on that. However, the heart of what John Swinney said was about “crowded public sector landscape” and simplifying structures. We must be careful not to think that simply changing structures will deal with the many challenges in the public sector. That is not to say that such changes should not be considered, but I caution against assuming that they will be a panacea.

I know that John Swinney wants to get rid of Communities Scotland. We will debate that issue, but my view is that simply bringing all the Communities Scotland civil servants into John Swinney’s department and making it even bigger will not change fundamentally the delivery of housing and wider regeneration services. That must be considered carefully, but we need to have an open mind about the subject and about all that the Howat report says. I will not go into the details of the report, because I have not seen it for months, but I was critical of the recommendations that were made and of the group’s understanding of how central Government and local government work.

As for the new politics, I have always strongly supported the consultative steering group’s principles. If they start to permeate our proceedings—there have been signs of that since

the election—that is entirely welcome. However, as the First Minister said yesterday, the new politics is not about

“the mushy ground of false consensus.”—[*Official Report*, 23 May 2007; c 58.]

That is one danger of the new politics, so people still have to put their views vigorously. Another danger is the risk of incoherence and inconsistency, as one policy is voted in and out without a clear direction from the Government.

The key issue is how the Government will use executive power. Traditionally, Governments at Westminster and here have had great ability to use executive power without reference to Parliament and I welcome the fact that the Government has said that it will not do that. The first big touchstone of that will be the Edinburgh tram. I was shocked and disappointed by what the First Minister said about that yesterday. I do not for the life of me see how scrapping the Edinburgh tram is consistent with his overall objective of fuelling

“economic growth while reducing our impact on the planet.”—[*Official Report*, 23 May 2007; c 61.]

The tram is essential for the environment. Without it, Edinburgh will grind to a halt in years to come. The tram is also essential for the development of Edinburgh, Leith and—not least—the waterfront in my constituency.

In his wind-up speech, perhaps the minister will tell us how he will involve the Parliament in the decision about the tram. Will he pay heed to Parliament’s views? Apart from the SNP, everybody in the Parliament—all the other political parties and Margo MacDonald, the independent—supports the Edinburgh tram and realises its importance. In the spirit of the new politics and of involving the Parliament, will the minister at least indicate that he will listen to the views of the Parliament and of most people in Edinburgh and Leith on that issue?

15:12

Gavin Brown (Lothians) (Con): I echo my colleague Derek Brownlee’s thanks to the cabinet secretary for finally publishing the Howat report and giving us the chance to see it briefly before the debate. It was a little bit rich of the Liberal Democrat leader, who has left the chamber—

David McLetchie (Edinburgh Pentlands) (Con): The next leader.

Gavin Brown: The next leader—exactly, Mr McLetchie. Tavish Scott has a lean and hungry look about him at the moment.

It was a bit rich of Tavish Scott to criticise Mr Swinney for not having read all 181 pages of the

Howat report, as he had seen it for only a very short time. I am interested to know why the Howat report was not published earlier. We asked about that several times without receiving a satisfactory answer. Was it not published because Mr McCabe disliked its findings, because it was in Tavish Scott's bedroom all the time or because the initial part of the report was eaten by the hungry caterpillar about which we have heard?

I will echo some of the comments that we came up with earlier and I will ask the cabinet secretary for a bit more detail on the ideas of smaller and more efficient government. Of course, we agree with much of the rhetoric that we have heard about a tight focus on efficiency; enabling people and businesses to increase their wealth; the maximum value from the public purse; spending money wisely and to the best effect; and a small and strategic Government. We agree with all that rhetoric, but we would like very much to see the details. A previous Administration that talked about small government said that it would do less, better, but we did not see much evidence of that.

On specific details, Conservative party leader Annabel Goldie has asked for several answers, which I hope we will receive sooner rather than later. What will the Administration do with the number of quangos? What will it do to reduce administration costs, which have risen year after year? What will it do with the car pool, which has grown year after year? What will it do with the number of special advisers and spin doctors, and with the spend on advertising, which has increased year after year? Once we have answers to those questions, it will be clearer where we can support the Administration. On some matters, such as business, we can support the Administration.

I ask the cabinet secretary to closely examine the implementation of programmes. Will his department report back to us regularly on what savings have been made against budget? Will he commit to having some form of regular, independent, Howat-style review—perhaps not 181 pages every time—so that we can see the commitment to smaller and more efficient government?

Will the cabinet secretary also agree to dispense with some of the SNP manifesto commitments that do not favour smaller and more efficient government? I will give a couple of examples. We agree entirely with widening small and medium-sized enterprises' access to public sector contracts, but the manifesto states:

"We will set a minimum target of 20% of public sector contracts by value to be sourced from small and medium sized enterprises."

We question where that 20 per cent will come from and how the Government will enforce that target.

Is it going to force public sector agencies not to give contracts to the best companies purely on the basis that they are not SMEs?

Another commitment that I am concerned about, which appears later in the manifesto, talks about flexi-working. In principle, one can support that, but the commitment states:

"Every public sector body will be required within 6 months of our taking office to explain what its policy is and what has been preventing it from doing more, and to provide an action plan of measures."

That will be a requirement of every public sector body. Some of the comments in the finance and sustainable growth part of the manifesto would not lead to leaner and more efficient government, and I hope that the cabinet secretary will agree to dispense with them.

An issue that is not directly related to finance and sustainable growth but that was put forward by the Scottish Conservatives throughout the election campaign is the concept of localism. In general, will the Administration agree to give more powers back to local government and give more powers to local community councils so that we have real local democracy and an end to, or at least a significant reduction in, the ring fencing that the previous Executive placed around local council spending throughout Scotland?

I agree with my colleague Derek Brownlee and, under protest, with Roseanna Cunningham that we ought to have a full debate on the Howat report.

I ask the cabinet secretary to review his comments about Scottish Water. To quote the First Minister, the strength of parliamentary debate ought to determine what happens on that issue. Mutualising Scottish Water will give us a great chance to take it forward to a brighter future. The rhetoric from the cabinet secretary was very good, but we need to see the reality sooner rather than later.

15:18

Alasdair Allan (Western Isles) (SNP): Mar a tha an sean-fhacal Leòdhasach a' ruith, "Is ann caochlaideach a tha a h-uile nì ach faochagan an Acha Mhòir."

Following is the translation:

As the Lewis proverb runs, "All things are subject to change except the wheelks of Acha Mòr."

The member continued in English:

The proverb is made all the more surreal by the fact that Acha Mòr, as members may know, is some distance inland. Nevertheless, surreal as it may be, the saying can be used to describe the political landscape in Scotland, which has

“changed, changed utterly”—a fact that the spirit of the new politics precludes me from celebrating too overtly this afternoon.

Government has changed and the style of government has changed. That fact is appreciated throughout Scotland, not least by islanders. Islanders in the constituency that I now have the honour of representing are looking to the Parliament both to listen to their distinctive economic needs and to act on them in order to develop the island economy and to maintain the environment and culture that give the islands their distinctive identity.

If Parliament wants to demonstrate that it is listening to those distinctive needs, it will, for instance, have to listen to the call for the people of Lewis to have a more direct say in the future of their island in terms of wind farm planning. Although I appreciate that ministers cannot prejudge that issue, I was encouraged by the First Minister's comment yesterday that he wants Scotland to become a renewables powerhouse. However, that does not mean that every application for renewables projects is right.

If the Parliament wants to show that it is going to address the economic needs of the Western Isles and similar places, it will have to address transport. Islanders are aware that the cost of living and doing business in the islands is so high as to be almost unsustainable. Recently, I spoke to a constituent who runs a business exporting goods from the islands. He told me that the cost of getting his goods from Stornoway to Ullapool is greater than that of getting them from Ullapool to Belgium. We would do well to examine the lessons that can be learned from other European countries, where island communities and their transport links are regarded as an integral part of or an extension to the national road network. That lesson can be learned in the Western Isles. I hope that the Parliament will examine it. My party has been at the forefront of that cause, but it has many other supporters.

No electorate in Scotland is more engaged, attent or sophisticated than that of the Western Isles. Today, it has heard a programme for, or an outline for an approach to, Government that it will find inspiring, not just because it is more open on issues such as the Howat report, but because it is generally and genuinely more open to listening to the voices of others and to the voice of Scotland. The programme or approach can be commended to all of Scotland, from Auchincruive to Acha Mòr.

15:22

Liam McArthur (Orkney) (LD): I congratulate Alasdair Allan on his maiden speech, much of which I recognise and sympathise with as a fellow

islander. This is also my maiden speech, and it is fair to say—I mean no disrespect to John Swinney by saying this—that efficient government was probably not the issue on which I envisaged reaching such an auspicious personal landmark.

I confess that in recent weeks I have given a fair degree of thought to what issues I might raise in my maiden speech. The options seemed to be considerable and varied, and I performed several U-turns. For example, I thought that renewables would be an obvious issue on which to set out some bold thinking. Thanks to the efforts of my predecessor, Jim Wallace, Orkney is home to the European Marine Energy Centre, which provides world-leading wave and tidal energy test facilities. As well as the world's largest commercial wave farm and leading-edge grid-connected tidal devices, Orkney proudly boasts a cluster of excellent companies in the renewable energy sector. I hope to be able to return to that issue in the near future.

Tourism would likewise have been a suitable subject on which to open my account here. Described by the Lonely Planet guide as

“a glittering centerpiece in Scotland's treasure chest of attractions”,

Orkney has much to offer the discerning and, indeed, the less discerning tourist.

Farming and fishing were prime candidates in my early musings about a maiden speech. Orkney's fantastic reputation for beef, lamb and seafood will be well known to many in the chamber. Although those sectors face challenging times, I know that we will return to those subjects later in the year.

There were other issues to be considered, and efficient government had serious competition. However, I do not want to create the impression that efficiency in public services is not important to Orkney—quite the contrary, for many of the reasons to which Alasdair Allan alluded. In a small constituency where public services are delivered to communities that are based on a number of islands, ensuring that maximum value is derived from every pound of public money spent is arguably more important than ever. Indeed, the cost of delivering public services to dispersed island communities with an ageing population is inevitably higher. That is still not fully recognised in the current funding arrangements. I will be arguing strongly about that in the months ahead.

However, Orkney already has a positive story to tell about making efficiencies and working more collaboratively across the public sector. Considerable work has been undertaken, and was supported by the previous Scottish Executive, to promote closer working between Orkney Islands Council, NHS Orkney and HIE Orkney. During the

election campaign, Liberal Democrats promoted the idea of a single public authority, where there is local demand for one, in Scotland's three island authority areas. That idea has considerable merit and a great deal of support in Orkney, provided that decisions are made and structures are decided locally. Although it offers scope for cost savings that can be redirected towards front-line services, such an initiative could also ensure a greater degree of local accountability and control, despite Tavish Scott's concerns about initiative overload.

This afternoon's debate is on the approach to government. I commend to the minister an approach that promotes exercising the greatest control at the most local level possible. Perhaps John Swinney will indicate this afternoon whether he is prepared to support the on-going work in Orkney and to provide the necessary transitional funding to enable it to be taken to the next level.

I am conscious that carrying on a Westminster tradition in the Parliament may be seen by some as heretical, but I believe that the tradition of paying tribute to one's predecessor is worth while. No one in the Parliament will fail to recognise Jim Wallace's enormous service not just to liberal democracy in Scotland but in supporting the creation of a stable, progressive Government in this country. Jim's approach to government was enlightened and far-sighted. He argued fiercely for the Scottish people to have more control over their affairs, through the Scottish Parliament. He also defended strongly the rights of communities—especially remoter communities such as Orkney—to be given the tools with which to take control of their futures.

I know how conscious Jim was of the task that faced him in following in the footsteps of Jo Grimond. I can only empathise with him and note that, over the past 24 years, Jim has made the task of following in the footsteps of one's predecessor considerably more daunting. However, a commitment by the new Government and across the Parliament to empowering local communities further would be a fitting way of taking forward Jim Wallace's work. It would also be a tangible and worthwhile legacy for the new politics about which we have heard so much.

15:27

Iain Gray (East Lothian) (Lab): I do not know whether it is technically possible to lose your maidenhood twice, but as this is my first speech in this chamber and my first as the member representing East Lothian, I hope that members will indulge me and allow me a moment to mark it.

From the birth of kings and the battles of many centuries to agriculture and the industrial

revolution, the history of Scotland was not just written but made in East Lothian. Unlike Mr McArthur, whom I congratulate on his maiden speech, I find the approach to government a good maiden speech topic, because it was in East Lothian that John P Mackintosh had the vision and clear sight to develop, in the face of opposition from all sides—including his own—the idea of a Scottish Parliament. Tragically, he did not live to see it. His successor—and my predecessor—John Home Robertson was one of those who carried the idea through to the Parliament. I pay tribute to John, who served my constituents as MP and MSP for 28 years.

Re-reading Mackintosh on how Scotland should be governed, I find it astonishing how prescient his vision of a Scottish Parliament was. He even foresaw the SNP holding power, or a share in power, in the Scottish Parliament. He did not fear that, because he thought that

“the practical task of governing the country”

might convince them that

“the days when small countries can maintain the fiction of national sovereignty are over.”

We can only hope that that will be the case.

Mackintosh's other great concern was the nature of cabinet government and the centralisation of power within the executive branch. He believed in efficiency and that a Scottish Parliament would improve the governance of Scotland, but he might have balked at the creation of ministerial briefs as all embracing as the one that is held by the Cabinet Secretary for Finance and Sustainable Growth.

Over the past couple of days there has been some banter about the crocodile tears that were shed by Mr Swinney when Wendy Alexander held the brief for enterprise, transport and lifelong learning. I, too, held that brief, although I do not recall receiving much sympathy from Mr Swinney at the time. That portfolio existed in the context of a clearly articulated strategy that explained how economic growth would be driven by improving the commercialisation of research and innovation in our universities. That link was never simply a convenient description of a ministerial brief; it represented a pipeline of support and funding, including the small firms merit award for research and technology—or SMART—funding, the support for products under research programme, the proof of concept fund and the Scottish co-investment fund. That support—unique to Scotland—has been internationally admired and has created and sustained spin-out companies in many sectors. Indeed, in the case of life sciences it has nurtured an industry that now contributes £1 billion to the Scottish economy.

The portfolio also responded to a business community that said that investment in the transport infrastructure was the key to success. The result was a transport delivery plan that had at its heart the route development fund, which has delivered more than 30 new direct air routes from Scotland, including vital links to the United States and the far east, and a plan for our capital city that seeks to place its international airport at the heart of our rail network and to link businesses from every part of Scotland to the rest of the world.

The Administration's early decisions have broken the link at the heart of government between ideas and enterprise, and have threatened the link between Scotland and the world that the Edinburgh airport rail hub can be—all for an efficiency saving that, by the cabinet secretary's own admission on television last week, amounts to around £500,000 over four years.

Efficiency in government is a good thing, and this side of the chamber will support it as long as it also underpins effectiveness. The efficiency that matters most to Scotland's economic future is to maximise the contribution that our people make to their own future and ours by ensuring that there is high-quality employment for all and by giving everyone access to the skills and training that they need. We must, above all, avoid wasting our people's potential.

In the spirit of these subject debates, and given the minister's willingness to listen and his desire to focus on the important issues, I commend to him Labour's plan for a full employment agency that would pull together all the necessary supports to put 100,000 more Scots into employment. If the Government really wants to put economic growth at the centre of its priorities—which is what the First Minister said yesterday he wished to do—it must put skills and full employment at its heart. I do not know whether this is what is meant by the new politics—after all, it has always been the politics on this side of the chamber—but I can tell the minister that he will have our support if he commits himself today to the goal of creating full employment to drive economic growth.

15:33

Margo MacDonald (Lothians) (Ind): Before I start, I should tell the shadow minister that I love "The Very Hungry Caterpillar".

The minister outlined his Government's ideas for its smooth running, but things cannot run smoothly if we do not have an effective Parliament that is infused with good will. We have just come through a bruising, sometimes bitter and constantly divisive election campaign. Of course, that is how it is in democratic politics: groups of people held together by shared ideologies—or more limited

objectives—personal loyalties, self-interest, history and comradeship all compete for the right to govern their fellow citizens.

However, in Scotland our political contests contain an additional element that can overshadow and poison debate on the policies and issues that quite properly distinguish one political party from another. The national question—or what is known as the constitutional or independence question—bedevils every election fought in Scotland. At a time of great change in the global economy, in security, in the environment and in the balance of power, that unresolved question can divert our energies and focus from those 21st century facts of life that we can deal with only if our society is united.

How do we in this Parliament resolve that question—or, if I can put it more accurately, how do we enable our fellow citizens to do so? It will not go away, because it is too deeply embedded in our politics and attitudes, nor will a resolution be arrived at unless the issue ceases to be the prerogative of one party and all Scots are empowered to decide the issue by knowledge rather than mythology and by opinion formulated by facts rather than bile or vested interest.

What part should be played by this Parliament—the forum of the nation? Cannot this institution take responsibility for however Scots wish its powers to be developed? The parties elected here have a duty to govern according to law and to scrutinise the policies and actions of Government. This Parliament has the function of providing the means for that to take place.

To bring about as good as possible a programme of governance, would we not be assisted by having the national question addressed by a special committee or unit of the Parliament charged with investigating, analysing and then publicising for public information the powers and relationships of this Parliament, drawing on the experience of the last two sessions and this third one? We all know of the confusion among our constituents on the powers of, and therefore the responsibilities of and possible outcome of actions undertaken by, the Parliament and its Governments.

Opinion polls usually show a clear majority of those polled to be in favour of more powers being vested in this Parliament. Even among MSPs on the other side of the constitutional divide from myself, there is acknowledgement of the need to enhance some powers, acquire some others and re-examine the terms of the memorandum on co-operation and understanding that we have with Westminster. It is fair to say that it has fallen into disrepair, and we are not exploiting the potential.

Had parties other than the Scottish National Party become the Government, it might have proved easier for all opinions represented here to act on those democratic and opportunity deficits. The hitherto expected response to initiatives such as I suggest, were they to be proposed by the SNP, would have been outright rejection by the unionists on the grounds that the intention would be to break up the UK and that voters do not want that, but voters in general have only a sketchy knowledge of the respective implications of the Parliament exercising sovereign or devolved powers. However, it is no longer the function of the SNP, now that it is in government, to concentrate on a campaign of information and persuasion on the merits of sovereignty. Would that it had done so consistently over the past decade, instead of confusing the issue by substituting a tactic—a referendum—for a policy: the establishment of sovereignty.

However, we are where we are, and we must devise a way of focusing on what Annabel Goldie called bread-and-butter issues. We must separate them from consideration of how our present powers are used, whether they help or hinder Scottish Governments to meet the expectations of Scots, what powers if any might be transferred from Westminster, whether our representation in the European Union is satisfactory—particularly with the onset of a new constitution—and whether our relationships with countries outwith the UK and the EU allow us appropriate participation in international activities.

Because of the Government's very narrow advantage over the main Opposition party, the Parliament will find it difficult to agree and to agree to differ on specific policies, never mind to agree on how best to develop the effectiveness of Parliament's powers, yet that is what we must do to keep faith with our electors.

I propose that an ad-hoc research and development, non-policy-making unit of the Parliament be established to provide researched information on the powers and operation of the Parliament. That might lead to another constitutional convention, or it might not, but it is certainly preferable to having our every exchange of views in this chamber permeated and undermined by attacks on and defence of a referendum that is highly unlikely ever to take place on constitutional choices that are unresearched, underpublicised and misunderstood by many—perhaps most—of our fellow citizens. I therefore appeal to the minister to consider my proposal.

15:39

Alex Neil (Central Scotland) (SNP): I congratulate the two brand new members and the

rebranded new member, Iain Gray, on their speeches. Liam McArthur, from Orkney, and Alasdair Allan, from the Western Isles, used their speeches to advertise their respective constituencies, so perhaps I should extol the virtues of Lanarkshire and, in particular, the Bellshill maternity hospital, which produced such excellent Scottish characters—national institutions, even—as Craig Brown and Margo MacDonald. I invite members to Bellshill any time—

Margo MacDonald: We left. [*Laughter.*]

Alex Neil: I will make some serious points about our approach to government. First, I agree in general with Margo MacDonald's point that we must address the question of the Parliament's future powers, irrespective of our point of view on the matter. The decision on carbon capture that BP announced yesterday will have a major impact on our ability to lead in a key technology in Scotland and I firmly believe that the decision would not have been made if the Scottish Parliament had had full powers over energy policy.

We must find the right mechanism for discussing such matters and we must make advances on the accretion of powers to the Parliament, not in four or five years' time but in a far shorter period. Gordon Brown has made a commitment to consider a written constitution and to reform the UK public appointments system, and developments are taking place in the context of the proposed EU constitution. As an institution, the Parliament cannot ignore such external developments. Some kind of mechanism, be it a cross-party committee or whatever, must be established sooner rather than later, to consider all the issues to do with power and governance in Scotland.

Secondly, I will make a series of suggestions about how we improve the efficiency of government in Scotland. I welcome the speech from the Cabinet Secretary for Finance and Sustainable Growth, John Swinney. The Howat report makes a worthwhile contribution to the debate, although I do not agree with everything in it. From my experience in dealing with Government as a parliamentarian and as a businessperson, I think that major savings can be made to the benefit of the taxpayer in six key areas. I will list the areas in which we can get a bigger bang for the buck.

Evaluation has become a new industry in Scotland. Every time someone in Scottish Enterprise sneezes, it costs about £30,000. Then a consultant is brought in, at a cost of £10,000, to evaluate the sneeze by deciding how far it went and how big an impact it had. A considerable amount of money is wasted on unnecessary and useless evaluation. Across the whole Government

we need just one evaluation unit that can compare performance between departments and consider Scotland's performance against international benchmarks.

Financial and quality audit is also a major area of waste. When the Enterprise and Lifelong Learning Committee in the first session of the Parliament conducted an inquiry into lifelong learning four or so years ago, one of the most astounding facts that we learned was that some colleges were being quality audited 28 times every year by different parts of the Scottish Executive and its agencies. That was complete nonsense. We can have an audit system that cuts across the whole Government; every nook and cranny does not need its own audit function.

Huge amounts of money are spent on public relations and advertising. Sometimes the democratic process is undermined by agencies that do not agree with decisions made in the Parliament or the Executive. There is massive scope for improvement in that regard.

Recruitment is another area of waste. When the intermediary technology institutes were set up, £300,000 was spent on recruiting the first three chief executives, all of whom resigned within a year of being appointed—£300,000 went down the Swanee.

Consultancy—of which I have some knowledge—is another area in which savings could be made. As Alex Salmond pointed out the other day, £100 million has been spent on consultancy by one agency in the past four years and much of that work has ended up on the shelf and has not been followed by action.

Finally, computer systems are another area of waste. Scottish Enterprise is just about to spend megabucks—up to £7 million—replacing a computer system that is working perfectly well and which was installed only three years ago at a cost of £3 million. Such matters can be addressed. Across those six areas alone, I believe that we could save between £200 million and £300 million over the next four years, which could be redirected into front-line services. That is where the emphasis must be.

The Government should go ahead with the efficiency drive—we need a bigger bang for the buck—but the purpose of doing so is to improve the quality of service delivery and to redirect resources. It is not simply a question of making Government smaller. Just as important is the redirection of resources away from bureaucracy into service provision. If we do that, Scotland will be a lot better off for it.

15:45

Jackie Baillie (Dumbarton) (Lab): I join other members in welcoming John Swinney to his post as cabinet secretary for everything and then just a little bit more—I keep discovering that there are more things for which he is responsible. Nevertheless, I am sure that he will rise to the challenge that will come from the sheer size of his portfolio.

My colleague Wendy Alexander referred to the bedtime story, "The Very Hungry Caterpillar", which I was delighted to hear is Margo MacDonald's favourite story, but I confess that I could not quite get my head round John Swinney turning from a caterpillar into a butterfly—that would be a fairytale worth reading.

I am sorry that Roseanna Cunningham has left the chamber because my memories of bedtime reading with my daughter are of that well-known tale, "Little Red Riding Hood". For those members who have not read it, in that story the big, bad W is the wolf. For the nationalists, I suspect, the big, bad W is Westminster. They spend most of their time blaming Westminster for all the ills and show no signs of stopping. Now, however, they must move from rhetoric to reality, which involves making the right—but tough—decisions. That is what comes with being in Government.

I turn to the subject of the debate—the Government's approach to government. Interesting. Once I got beyond the novelty of the lack of a motion to outline the Government's position, and John Swinney's beguiling speech, I concluded that empty vessels do, indeed, make a lot of noise. However, far be it from me, at this very early stage in proceedings, to break up the consensus about what needs to be done.

As I came to the Parliament today, I did not think that the people I passed in the street would have had the subject of this afternoon's debate uppermost in their minds. If asked, they would probably have concluded that they cared little for a discussion about the approach to government. They would probably have said that what they cared about, ultimately, were results—outcomes rather than inputs. They would have wanted to know how we would improve the quality of their daily lives and how we would deliver on their priorities.

On that basis, I have two points to commend to John Swinney. Frankly, a massive reorganisation of institutions wastes time and diverts attention. I speak from experience because I have been through a public sector reorganisation and I know that it is about nothing but people taking their eyes off the ball of delivery. Instead, Mr Swinney should consider working in partnership with the wealth creators in our economy, with those charged with

the delivery of public services, with civic Scotland and—for me, this is perhaps the most important partnership of all—with the people of Scotland to drive forward policy priorities. The basis of such partnership is all about delivery.

Scotland is uniquely placed. As a small country with a population of 5 million, we are able to talk to each other, to try things out, to innovate and to get things done quickly. In short, we are able to deliver for the people who put us here. However, I have a genuine concern about what John Swinney said. The SNP can have in place the very best strategic framework, but if it does not have a handle on delivery and the means to monitor outcomes, the results that people want will not be achieved and it will be unable to deliver on its priorities. I fear that the Government's idea of reform is simply a reorganisation of the public sector. That would be a missed opportunity to build a meaningful engagement of third parties in the delivery of public services.

I waited—in vain, unfortunately—for more than a passing mention of the voluntary sector or the role of the Scottish social economy. I think that that is a serious omission because Labour members desire to focus not just on delivery in general, but on delivery specifically for the very poorest people in our society. I am talking about those who live at the margins and who often live in communities that are disadvantaged, in which the market is non-existent, where the private sector will not go and where the public sector tries, but is not sufficiently flexible or sensitive to deal with the real problems experienced. It is often in communities like those that voluntary sector organisations come into their own. That is not to diminish their role as the major provider of services in sectors such as care and housing—in some cases across Scotland—but the added value that is achieved from voluntary organisations providing services in communities is of considerable interest.

Aside from the range of quality, person-centred services that it provides, the sector is close to the communities that it serves because local people are involved in the delivery and management of the services. The voluntary sector enhances the capacity of the communities in which it operates. That is good value, so it is disappointing for all of us in the chamber to learn that many of Scotland's voluntary organisations are on the wire due to funding shortfalls from the public sector. The Scottish Council for Voluntary Organisations is quick to point out that the issue is not only about money; it is also about relationships and about how the voluntary sector and the Government can work better together. Will Mr Swinney rectify his earlier omission and make a commitment to the meaningful involvement of the voluntary sector as a significant delivery partner? It can deliver on our priorities.

John Swinney: Will the member give way?

Jackie Baillie: I am in my final minute.

The Deputy Presiding Officer (Trish Godman): You can take an intervention if you like.

John Swinney: I thank Jackie Baillie for the thoughtful comments that she has made on the third sector. I accept that she may have missed the remark that I made at the start of my speech. I said that I want our purpose as a Government to be understood and that we want to co-operate with business, public bodies, the third sector and local communities, because I accept entirely the direction of Jackie Baillie's thinking in relation to the third sector. One of the reasons why third sector issues have been brought into the responsibilities of my Cabinet portfolio and, more specifically, Mr Mather's responsibilities as the Minister for Enterprise, Energy and Tourism, is that we see a much more central role for the voluntary sector in policy making in this Administration. I hope that that clarifies our thinking.

Jackie Baillie: That certainly was not a question, but I am happy to accept the clarification because it is well intentioned.

My criticism is that there was no detail beyond that initial statement. I will take John Swinney up on his offer and commend to him and Mr Mather some bedtime reading. It is not a fairytale, but a report from the Better Public Services Forum, entitled "Quality through Diversity: emerging models for Scotland's public services". It does not sound desperately exciting, but I assure members that it is. I cannot do justice to all the report's recommendations. Suffice it to say that the challenge to Government is to put service users at the centre of thinking and action, to give service users an enhanced role in designing services and to empower communities to influence delivery and priorities. I suggest to John Swinney that he needs to stand on its head the approach that he has outlined today and, instead of tinkering with the institutions, focus on delivery and put people in our communities in the driving seat.

15:53

Patrick Harvie (Glasgow) (Green): Several members have started their speeches by commenting that the approach to government is a fundamentally different question, given the different kind of Government that is now in place. Minority government changes many things about the way in which we will have to work.

Wendy Alexander was right to say that new politics means more than just new politicians. She spoke about three of the core tests being the aspiration for consensus, ambition and for voters'

perceptions of Parliament to be that it is relevant and in touch with their priorities. No single political party can or should claim to be the sole embodiment of those qualities, but in a period of minority government all of us—if we bring the right spirit to our debates—can contribute and can help Parliament to embody those qualities better.

Ms Alexander: Does the member think that it would have been wise to submit the biggest restructuring of Scottish government for a decade to some form of Parliamentary discussion, which we are apparently to be denied?

Patrick Harvie: Ms Alexander has already asked the cabinet secretary that question and it has been answered.

I will comment on the Howat report, which many members have mentioned. There is a great deal to take in in a short time, so it is impossible to respond to everything in the report. I welcome the fact that John Swinney responded immediately by restating the commitment not to mutualise Scottish Water, which is one of the recommendations in the report. Several political parties agree with that manifesto commitment. Mutualisation would in practice be privatisation in key regards. I do not believe that most Scots would find that in keeping with their priorities or find it acceptable.

I agree with Margo MacDonald and Alex Neil that in this session Parliament will have to get its teeth into the issue of powers. Even the Howat report uses language such as the “evolution of devolution”. It would be bizarre and almost perverse if Parliament, after an election in which many people voted for change, was unable or unwilling to touch the issue of powers.

The Howat report's comments on the nature of a partnership agreement could be regarded as a harsh critique of the specific partnership agreement that was in place in the previous parliamentary session. However, more reasonably, it is a discussion of the problems inherent in any partnership agreement formed by a coalition. The report offers a series of options for helping to solve such problems.

What surprised me, though, is that in a report that sets such store by the quality of forward thinking in government there appears to be no discussion at all of the different set of problems that would arise and solutions that would be required if we eventually arrived at the situation in which we now find ourselves. We have a Government that does not command a legislative majority in Parliament and that cannot produce a partnership agreement or a programme for government that it can implement.

If a partnership agreement is seen as a mixed bag of commitments—general and specific, costed and uncostered—that lead to a lack of focus or

consistency and which causes problems for an Executive's budget, how much more complicated a situation are we now in? We do not even have the policies and legislation that are to be put in place over the next few years in the one bag yet, let alone a more consistent set of priorities or policies than those we saw in the previous parliamentary session. That is not an insurmountable problem, but it is a different problem. It is a new situation, which poses new challenges and requires new thinking.

Minority government means that some power has shifted from the Executive to the Parliament and that will be healthy. Legislative changes made by MSPs in parliamentary committees and in the chamber will have an impact on the Executive's budget. A majority Executive can be reasonably sure that, broadly speaking, its programme will be put in place, which means that Parliament can hold ministers to account for the consequences—we can hold them responsible for all the consequences. However, none of that holds now.

The question of how Parliament as a whole will exercise responsibility and take informed decisions, given that the civil service works only for the minority Executive, will arise in this session. The answers that we come up with may well come to be regarded as a precedent for minority Governments well into the future. The approach to government is therefore a question not only for the Government, but for us all.

Ministerial remits have been referred to. Initially, I shared Malcolm Chisholm's concerns about the possibility that the equalities agenda might move from the communities portfolio to justice. I believed that if that happened there would be a danger of an overly legislative focus developing in the equalities agenda. Social attitudes—the whole hearts and minds agenda—are crucially important to equalities policies. I was pleased therefore that that portfolio change did not take place and that equalities will stay in the communities portfolio. I think that that was an early indication that the Executive is willing to take on board concerns and rethink its plans.

Several members referred to the crucial issue of environmental remits. On one level, the more ministers who have an explicit responsibility for environment and climate change, the better. I would like to see them all have that explicit responsibility. However, on another level, there is a clear need to join the dots between cause and effect. The previous Scottish Executive sent some ministers out into the wider world to champion the cause of climate change and bang the drum on it, while other ministers pursued unsustainable policies, notably on economic growth and transport.

I may have as many criticisms of the SNP's transport policies as I did of those of the previous Executive, but at least now there is one cabinet secretary and ministerial team who are accountable for both cause and effect. I look forward to being able to question—in my oh-so-constructive tone—the same minister on his transport policies, his energy policies and the consequences in terms of climate change.

16:00

Elaine Murray (Dumfries) (Lab): Having congratulated Mr Swinney yesterday on his appointment as cabinet secretary, I start by congratulating Jim Mather, who is another former member of the Finance Committee, on his appointment to ministerial office.

I thank Mr Swinney for putting a little more meat on the bones of the Scottish National Party's approach to government. The First Minister's speech yesterday was a little light on content. His approach seemed to be predicated on the idea that the economy is a good thing and nuclear power is a bad thing. Mr Salmond often reminds audiences that he was a Royal Bank of Scotland economist before he became a politician. After I listened to his musings on power generation yesterday, it was certainly clear to me that he was never a scientist or an engineer.

One of Mr Swinney's priorities is to deliver

"annual efficiency savings of 1.5% per annum"

and to meet

"the Treasury target of 5% annual administration savings".

That is what it says on the SNP website. Unfortunately, as we know from the Finance Committee, that is easy to say but not always easy to do. Indeed, in last December's budget debate, Mr Swinney expressed strong reservations

"about whether it was possible to verify the effectiveness of the efficient government programme because of the lack of established baselines against which the process and the achievements that the Government was claiming could be judged."—[*Official Report*, 21 December 2006; c 30798.]

Audit Scotland also agreed that robust baselines were required and the Howat report—published today, I understand—advised ministers that efficiency savings must be more transparent, robustly costed and deducted from the budget baseline. Indeed, the Finance Committee also asked for changes in budget lines to be specifically reported in budget documents.

Therefore, let me put this question to Mr Swinney, although I appreciate that it is only one week since his appointment. Is progress being made on those actions that all members of the Finance Committee agreed required to be done if we are to be able to claim that we are making

efficiency savings? Will he say a little more about how he proposes to work towards achieving the necessary robustness of data? At this early stage, can the ministerial team claim that they will be able to achieve those levels of annual savings, given that efficient government and reversing decisions on Edinburgh's airport rail link and tram system and other infrastructure projects were the means by which the SNP was supposed to be able to fulfil its—at times extravagant—promises to the electorate in advance of 3 May? I appreciate that some of those commitments seem to have become slightly less robust since then.

Last week, the First Minister said that it was his belief that there had been

"too many Government departments, too many executive agencies and too many quangos for a country of 5 million people."—[*Official Report*, 17 May 2007; c 46.]

Today, the cabinet secretary said that he wished to "declutter the landscape". It is well worth debating that point, but if the Executive's intention is to bring departments together and to streamline government, how can it do that without any compulsory redundancies? Is slimming down government just about bringing people together in a bigger department but with the same number of people? How will that make savings? In particular, what is the new Government's attitude towards the relocation of departments and agencies?

Brian Adam (Aberdeen North) (SNP): I would be amazed if the natural turnover in any department was less than 1.5 per cent per annum. Compulsory redundancies are in no way essential to deliver the kind of savings that Mr Swinney has elucidated.

Elaine Murray: One cannot always be certain that the people who decide to leave are the people who should not be in the organisation. Sometimes departments need to recruit a person with a particular specialism, so they cannot simply say that they can do without a particular post just because the post holder happens to have retired or moved on.

What is the ministerial team's view on the relocation of departments? As we know, it was the Parliament's first First Minister who stated that the Executive should be

"committed to ensuring that government in Scotland is efficient and decentralised, as part of a wider vision of more accessible, open and responsive government."—[*Official Report, Written Answers*, 15 September 1999; S1W-1558.]

In 2002, progress was made with the small units initiative, which aimed to promote sustainable rural communities by relocating small units of Executive work to more remote and rural communities. How will that initiative sit with the new Executive's aim of bringing departments together? In the last session, the Finance Committee held an inquiry

into relocation. I think that we all agreed that relocation was an important issue. In fact, the report that the committee produced was one of the things that it could be proud of. The then Executive accepted much of it.

The First Minister and his colleagues have said that they will accept good ideas from the other parties. I want to venture one good idea. Before and during the election campaign, I sent out thousands of surveys to constituents to ascertain their priorities for the next parliamentary session. In the town of Dumfries, the top priority, even above tackling antisocial behaviour and drugs, was addressing the state of the town centre. The SNP's manifesto made no commitments on town centre regeneration, but the Labour Party's manifesto contained good ideas in that respect, such as the establishment of a town centre turnaround fund. Will the Executive please reflect on establishing town centre trusts with powers of compulsory purchase and the ability to set up business improvement districts, which our manifesto suggested? If the Government is to be consensual and we are to bring ideas to the table for it to contemplate, will it undertake to consider that suggestion in the forthcoming spending review?

Yesterday, the First Minister said:

"A vibrant, dynamic economy is the beating heart of a successful, confident nation."—[*Official Report*, 23 May 2007; c 60.]

A dynamic, vibrant town centre is the beating heart of a successful, confident local economy. I urge the Executive to prioritise town centre regeneration.

16:06

Andrew Welsh (Angus) (SNP): Elaine Murray's calls for budget baselines, transparency and the robust measurement of effectiveness were well made. Effectiveness must be at the heart of good, efficient government, but achieving that effectiveness has so far been difficult.

The debate is about how we should approach the government of this country. If what we bring to government is well thought through and in the public interest rather than in partisan interests, it will succeed in the public interest. The reality is that all of us in the Parliament, irrespective of our party-political affiliation, have been forced into searching for agreement by using ideas and the force of logic and argument to win majority support.

Governing is a practical operation. It is about getting things done in committees and as a result of debates in the chamber that are informed and in which cases are supported and judged on their merits. We should compare what happens here with the norm at Westminster. There, the job of the

official Opposition is to oppose, and there is constant confrontation in committees and in the chamber. The whole system there is based on such confrontation. By contrast, the Scottish Parliament has from the very start adopted a much more consensual approach in its investigative committee work and chamber debates. The shape of the chamber may take into account party allegiances, but it avoids the immediate and obvious encouragement of confrontation for its own sake.

Consensus is about the attitude that we bring to debates and how we turn common and understood sensible Scottish attitudes into practical action when we deal with local and national problems. If our attitude is right and what we bring to government is well thought through and in the public interest rather than in partisan interests, it will, as I said, succeed in the public interest.

We must have a knowledgeable approach to government. Ministers must have at their disposal the experience and expertise of civil servants, and members of the Scottish Parliament must benefit from the input of outside organisations and Scottish Parliament officials and researchers.

The work of Audit Scotland, which has built up a formidable reputation as the public finance watchdog, has been an almost unnoticed Scottish Parliament success story. The Auditor General for Scotland, Robert Black, and his team of public auditors have revolutionised public scrutiny of the Government and public organisations throughout Scotland. Major studies on value for money, good governance and effective management have provided improvements in the provision of public services in Scotland, from improvements in further education and national health service services to improvements in local government and in individual policies such as free care for the elderly. Audit Scotland always encourages value for money, better management practices and the efficient use of resources. In other words, the approach to government has to be one of learning from past practices and, most important, learning from past mistakes, in order to produce positive change for the benefit of all the people of Scotland.

Given the Parliament's finite resources, large though they may be, the approach to government must always be one of value for money, which should be put into practice—not financial cuts for their own sake but better use of resources. The approach to government must be one of sustainability. We must avoid the danger of one-off policies that disappear within a short timescale and probably leave the situation even worse than before they were introduced. The approach to government has to be medium to long term,

maximising the use of public resources in a sustainable, sensible fashion.

It is important that we reflect on what was said by the First Minister yesterday. Alex Salmond is not the most uncompetitive of individuals, yet he clearly set out the kind of Government approach that is necessary for the Parliament to deliver what the electorate has decided is the way forward. It is time to get down to business, to have respect for diversity of opinion and to put forward priorities that are to be considered as a first draft and not a final position. All of us should support good ideas that are well researched and well argued, and we should remain open to persuasion in a situation in which Government has to share power with Parliament. The goals are clear: the approach to government in the current session must involve not just legislation but the debate, inquiry and understanding that have always been the basis of the work of the Parliament's committees.

We must reduce unnecessary burdens on business, communities and individuals, and we must encourage faster, more sustainable economic growth and a vibrant, dynamic economy that rewards the energy and creativity through which Scottish business can flourish. We need environmentally sustainable economic success and we must provide the resources for the world-class education system, national health service and employment opportunities that we all seek for the people whom we represent. We must play to Scotland's strengths in, for example, developing renewables technology in wind, wave and biofuels, along with initiatives in energy conservation and microgeneration. The electoral conundrum that has been imposed on us by the choice of the electors of Scotland should be seen as an opportunity for a positive approach to the government of our nation. The arithmetic may be awkward for the party managers, but if our attitude is right and if we all think and act positively as MSPs, we can turn a potentially unstable situation into something positive for the benefit of Scotland.

The approach to government that we take as individuals and as part of party groupings will now determine whether the Government acts for or against the electors who sent us here. The work that the Parliament and the Executive do over the next four years will be judged by the electorate. I hope, after four years, to see a changed, modern, progressive Scotland. Such an advance is our duty. I hope that the Parliament now gets down to work to deliver that objective.

16:13

Robert Brown (Glasgow) (LD): This has been a high-quality debate, with many excellent contributions from a series of perspectives. It has, inevitably, been a wide-ranging debate. I single

out the maiden speeches of Alasdair Allan, Liam McArthur and—albeit in a slightly different sense—Iain Gray. Those speeches, along with that of Jackie Baillie, were the high points of the debate. The way in which those members identified the central issues did something to turn the tone of the debate. What has emerged from the debate and from what we have heard from the Scottish ministers today and over the past few days is that there is a void at the centre of government. John Swinney outlined five strategic objectives. All I can say about them is that they were significantly less elegant than those that have gone before—perhaps the civil servants who phrased them are less able. It was certainly difficult to identify them as setting out any new direction of travel for our country.

The perspective that we got from the western and northern isles emphasised a number of key points. The insights of Alasdair Allan and Liam McArthur on the value of beginning with local communities also came through from other members, and it is important for us to bear that point in mind. It was echoed in Jackie Baillie's observations about the position of the voluntary sector, which prompted a somewhat defensive reaction on the part of the cabinet secretary. Incidentally, I should have started by congratulating John Swinney on his appointment.

The Scottish Executive should take a clear approach to the roles of central and local government and the private and voluntary sectors. It is not just a matter of debating and discussing issues with the voluntary sector; it is a matter of how we involve the voluntary sector in building on the work that has already been done on making the new Scotland. The sector has an important part to play, and it is bound up in many ways with flexible and sensible approaches for delivering public services. I would like the new Executive to take a more sophisticated approach in that regard.

John Swinney homed in on good financial management, and that is a good starter for 10. Value for money—squeezing value out of every pound of the Executive's budget—is extremely important. That relates to John Swinney's points about leaving local decisions to local decision makers. I would like him to elaborate on that in the future, and not just in relation to today's debate. I was disappointed that he rejected without further discussion the idea of proceeding with the mutualisation of Scottish Water, which would have funding and organisational advantages.

Wendy Alexander spoke about the problem of John Swinney's sprawling department—he has the sympathy of many members about its breadth. It is a difficult challenge to bring to such a wide and dispersed department the cohesion that is required at the heart of government. Wendy

Alexander discussed the problems that have emerged from the SNP Executive's stated intention of in effect tearing up the capital city's public transport proposals. I hope that the Executive will reflect on that important matter.

There have been calls for further debate. Derek Brownlee spoke about the need for a debate on the Howat report, and one or two other members echoed that. I go along with that. The importance of being able to measure outputs as well as inputs was also raised. We have all struggled with that—it is not an easy thing to do. Eight years into the Scottish Parliament, there is now a greater understanding of that, but there has to be considerable development in that area. We require methods under which we can judge the performance of the Executive.

I have some comments to make about the Executive's position and approach. As the successive cabinet secretaries come to the chamber with their thoughts, we are beginning to get an idea of how the SNP Government intends to operate. I confess to a growing sense of surprise at the somewhat mushy nature of it all. Yesterday, in a speech that oozed consensus—not the thing that we most obviously associated with Alex Salmond in the past—the First Minister seemed to say that the SNP wants the Opposition to write its programme. There is of course a place for consensus and openness. I accept that there are limitations, but a minority Government is still a Government. It is supported by the civil service and it is able to make spending decisions. It should be able to show a coherence of direction. Even minority Governments should be in the business of proposing to Parliament what their direction is.

Andrew Welsh: Surely the point is that there is an invitation to participate. We look to the other parties in the Parliament to make positive contributions to the decision-making process. They have an opportunity to contribute, thanks to the approach of the new Executive.

Robert Brown: Absolutely. I listened to Andrew Welsh's speech, which I thought was a good one. That is of course a welcome opportunity to participate, of which we will take full advantage. However, that must be matched against the need for the Government to act as a Government. The SNP's dilemma is that its manifesto was for opposition not government.

Over the coming weeks, we will see the Government becoming impaled on the horns of more and more dilemmas as it tries to square a number of tricky circles: the commitment to a non-nuclear future and the opposition to wind farms; the transport policies that dual every road but also scrap the key public transport projects in Edinburgh; and scrapping student loans on an ill-

costed basis, with only Jim Mather's fairy dust to take matters forward. The Executive will have to struggle with a number of such issues.

I accept that we are only a few days into the new Executive and the new Parliament. We are all struggling to come to terms with the implications of the new Executive and its direction of travel and to see how the SNP's main objective of independence will be matched with its new role of running the country while having a minority of seats in the Parliament. Andrew Welsh touched on a good point when he talked about the role of the committees. When the committees get going, they will develop their own esprit de corps, objectives and direction. That will be one of the checks and balances that will develop in the new system.

All of us in the chamber have to consider the opportunities of the new situation. We must also look to the Executive for a degree of leadership on the priorities that it sets. I do not think that we have had that so far from the ministers who have come before Parliament.

This is an interesting time for Scotland. We have many issues to deal with and we must come to terms with the new arrangements and ensure that we live up to the expectations that the electorate has imposed on us. However, that is not simply a matter of relatively mushy consensus; it is a matter of consensus where possible and close scrutiny where necessary. The Executive will have to develop a more coherent view on how it wants Scotland to be run under the present disposition rather than under what it sees as the ideal disposition in the future.

16:21

Alex Johnstone (North East Scotland) (Con): I have enjoyed this debate for a number of reasons, not least because of the mention of that caterpillar in the opening speeches.

It is always nice to have a debate in which many members make their maiden speeches: it gives the debate an air of optimism, which is a quality that has worn rather thin over the years in the more cynical among us. It is because of that air of optimism in the Parliament that I welcome the fact that the first major debate that we have had this session has dealt with the approach to government. The approach to government will be key to how this Parliament and the Government work in years to come.

Many people have said that the new Executive has been a bit mushy and consensual. Let us remind ourselves that minority Governments have little alternative but to be consensual. Only through achieving consensus will anything get done.

John Swinney set out his stall: he talked about consensus, about his key areas and about achieving sustainable growth—which I support. He also talked a great deal about efficiency. Efficiency is something that Conservative Governments have talked about in Scotland and in the UK over many years. It is something we need to achieve, but John Swinney has to look over his shoulder because he made—or a number of his colleagues made—significant promises during the election campaign, which will hold him to ransom to some extent.

John Swinney set out what I would describe as sound right-wing principles in his approach to government. He talks the talk but will he walk the walk? That question will be answered only as we progress, but let us examine some of the issues that will demonstrate whether he will.

The Howat report raises issues to do with Scottish Water. John Swinney is determined that Scottish Water will not be mutualised. He will not take the opportunity to free that organisation from the dead hand of Government and return significant savings to the public purse because he is dogmatically committed to the principle of public ownership of the water supply.

Will John Swinney consider the opportunities to develop public services and secure public expenditure ahead of time through the continued use of public-private partnerships? In opposition, the SNP was determined not to exploit that method, but John Swinney has not addressed how he will achieve the necessary investment in public services without it. Has he considered the options for efficiency savings by forcing more public services into the private sector? Anyone who takes the trouble to look at the figures will realise that many of the services that have been moved into the private sector through contracts have been delivered far more efficiently. If Mr Swinney wants to achieve efficiency, he must go down that road.

Margo MacDonald: Does the member accept that many of the efficiencies that he mentions were brought about because of the lower wages that were paid to the people, such as hospital cleaners, who moved from the public sector into the private sector?

Alex Johnstone: I accept that that can be argued in some cases but, broadly, there are great examples of how moving services out of the public sector can achieve true efficiency savings. Not least of those examples are those that have been moved into what John Swinney described as the third sector, or the voluntary sector. I support John Swinney's commitment to make greater use of the opportunity to involve the voluntary sector in the provision of public services.

One or two very good points have been made in the debate and must be repeated. Derek Brownlee called for a full debate on the Howat report, once we have all had time to digest it but before the summer recess. I support that call, because the fact that the Howat report has informed significant elements of today's debate indicates that there is a great deal more discussion to be had on it.

In an excellent maiden speech, Gavin Brown suggested that we must quickly end ring fencing in local government budgets. Too often, the Labour Party, in coalition in the Parliament, was willing to grant money to local authorities only in a way that tied their hands in spending it. The finances of too many local government organisations have been seriously affected not by a lack of money, but by a lack of opportunity to spend money that would otherwise be available.

Jeremy Purvis: The member will recall that, during the election campaign, one of the main policies with ring fencing attached was the Conservative policy on ring fencing to reduce council tax for older residents. Is the member now reviewing that policy, given that he wants to abolish all forms of ring fencing for local government expenditure?

Alex Johnstone: The member takes a rather hybridised attitude to a policy that was designed specifically to help those who are most affected by the current impact of local government taxation.

Alex Neil mentioned BP's decision to pull out of the plans for a carbon capture power plant at Peterhead. That is likely to cause great regret to many members and is an example of how a Government, through mismanaging its finances, can cause the private sector to make decisions that it might not otherwise have made.

We now have a Government, albeit a minority one, that seems only too willing to take radical decisions based on dogma well in advance of the time when real decisions need to be made. The SNP must reconsider its dogmatic rejection of nuclear power in the Scottish context. I do not believe that I will ever see a nuclear power station being built in Scotland, but I need to see a Government that is prepared to take the radical decisions that are necessary if we are to avoid the enormous social and economic implications of the Government making heavy-handed decisions on the basis of dogma, when practical decisions on the basis of experience would be much more acceptable.

16:29

Des McNulty (Clydebank and Milngavie) (Lab): I welcome John Swinney and Jim Mather to their ministerial posts. Like Wendy Alexander and me, they were both members of the Finance

Committee in the previous session of Parliament. I look forward to a robust dialogue as we continue some of the approaches that we took in the committee. I hope that the new committee will be as robust as the previous one was in dealing with generalised comments such as those that populated much of John Swinney's speech. It is important to talk about best value, value for money and how we achieve greater efficiencies but, after today, we will want more details, specifics and numbers, whose provision will be expected.

I commend all the members who made maiden speeches. As Liam McArthur said, the debate might not have been the one in which they would have chosen to make their maiden speeches, but it has been interesting, not just because of the maiden speeches, but because of many other speeches.

It is interesting that, in the past fortnight, Alex Salmond has sought to make a virtue of the fact that the SNP Administration has the support of only 49 of the Parliament's 129 members by referring constantly to Scotland's new politics. We are asked to accept his inability to broker a coalition, and therefore to propose a programme of government against which he could be held to account, as a strength. It is rather strange to see that as a strength. Coming cap in hand to the chamber and saying, "What shall we do?"—if that is the message of what has been proposed—may raise an issue for the system of democratic accountability. If that is the new politics, we will have to find a new way of dealing with it.

Ministers cannot expect to abandon large chunks of their manifesto and to pick and mix other policies without some criticism. It may be old-fashioned to see elections as the opportunity for political parties to enter into a contract with voters, but a contractual process exists. Politicians say what they intend to do and they are judged on that basis. We expect to see not generalised ideas about how politics might be developed, but a concrete programme that ministers intend to follow, against which we can hold them properly to account.

I feel sorry for Green voters, whose representatives in this place have been enticed into Mr Salmond's warm embrace. What price have Robin Harper and Patrick Harvie extracted for what seems to be relatively unprincipled support for that other bedtime character, the enormous crocodile? Their former colleagues who lost their seats to the SNP must have looked somewhat askance when the Administration refused yesterday to publish officials' calculations of the increased vehicle congestion that will follow removal of the tolls on the Forth bridge—while the SNP mouthed off some platitudes about openness, transparency and accountability, as Mr

Swinney did, although I am sure that he will give us the details in due course.

Patrick Harvie: Will the member give way?

Des McNulty: I will give Patrick Harvie another insult and then let him in.

The support that the Green rump provides for Mr Salmond binds the Greens to the prospect of abandonment of Edinburgh trams by the Administration that he leads. On climate change, which is the key test for any environmentalist, the first steps that the new Government, which Patrick Harvie apparently supports, has taken have all been in reverse.

Patrick Harvie: Insults from Des McNulty are as delicious as ever, but he seems to have forgotten how to read a document that was published in full, that binds us to no aspect of policy, and that commits us to working together constructively when our policies genuinely overlap. We have made a commitment to work with the Executive on climate change, on opposition to nuclear power and on other subjects on which we genuinely share an agenda. Des McNulty misleads the chamber if he suggests that we have made a commitment to other policies.

Des McNulty: A question comes back: what did the Greens get for their support? They seem to have been steamrollered on climate change in the first fortnight, which is to their discredit.

It is possible that Mr Salmond may entice others in. In his smaller Government team, he has been careful to leave spaces in the ministerial car park. Perhaps Liberal Democrats might be enticed back by the accoutrements of office. Mr Scott may be less keen to stand at the bus stop when the winter weather comes—who knows? That may rest in the future.

The reality is that government demands that people take hard decisions, make hard choices, pursue a strategy and be held to account for what they do. Bluntly, the new politics should not have to incorporate a process in which ministers say that they are not responsible and do not have the votes to push policy through. The SNP is in government and must take responsibility for what it does, not blame things on others, whether other parties in the Parliament or institutions elsewhere in the UK. We will hold ministers to account in detail for the things they do—for the spending decisions they make, the administrative decisions they make, and the judgments they make on strategic priorities—and for their management in the administration of particular policies. That is a legitimate role of the Opposition, and we will exercise it enthusiastically and diligently.

Margo MacDonald: Given the narrowness of the Government's majority, I wonder whether—in

referring to the contract made with the voters prior to an election—the Opposition feels that it, too, has a duty and responsibility to try to enact its programme for government.

Des McNulty: We absolutely will do that. We will also reflect on issues in regard to which we feel that we were not able to persuade the people to support the policies that we put forward. The Labour Party has an underlying sense of who and what we stand for in political terms. That vision—the set of principles that has underpinned Labour policy for the past 100 years—is one that we will continue to pursue and that we will adapt in the new circumstances of the Scottish Parliament.

I represent an area that suffers from significant social deprivation and disadvantage. I will be looking to ministers to tackle such issues, to provide more employment and to deal with the health disadvantages and other problems that are experienced by my constituents and constituents elsewhere in Scotland. This is not a situation in which everybody's interests can always be satisfied. We will consider the principles that are applied by ministers in the decisions that they make, and when we find them wanting we will criticise in the most robust way possible.

Keith Brown (Ochil) (SNP): This is the first time I have spoken in the chamber, and I have perhaps not yet picked up the nuances of the language that is used here. Des McNulty says that the Labour Party is clear about what it stands for, yet he has again criticised the policy to remove the bridge tolls. I do not know where the Labour Party stands in relation to the tolls. I read in today's *Evening News* that the Labour group on the City of Edinburgh Council is against the removal of the tolls, yet we heard today from Wendy Alexander that Labour is now in favour of the removal of the tolls. Perhaps Des McNulty can clarify the matter.

Des McNulty: I can clarify it easily. The position is absolutely clear. The Government has proposed that tolls be removed from the Forth and Tay bridges. We recognise the case that has been put forward in Fife and elsewhere for the removal of tolls. There is a perceived inequity associated with them, and we recognise that the feeling within the Parliament is that they should be removed, but there are financial consequences to the removal of the tolls, which ministers have not taken into account in making their decision. Also, although it has been demonstrated that it is likely that there will be increases in congestion, ministers have not published that information or made apparent their knowledge of it in arriving at their decision. Crucially, the proposed new crossing of the Forth, which is a vital ingredient of taking forward the Scottish economy—which is ministers' top priority—has not been discussed in the context of the decision on tolls.

It is easy to do the nice bits; it is more difficult to look at the big picture in taking the whole issue forward on behalf of Scotland. Climate change is linked to economic development, which is linked to a series of other issues. We will hold ministers to account not on the basis of one decision, but on the basis of all the decisions they make. When we think that they have got it wrong, we will criticise them—and we will criticise them robustly.

16:39

The Minister for Enterprise, Energy and Tourism (Jim Mather): I commend Gavin Brown, Alasdair Allan, Liam McArthur and Iain Gray on their maiden speeches; they augur well for debate and dialogue, as did Andrew Welsh's strong invitation to participate, which I particularly welcome. I was heartened by the constructive tone of many of this afternoon's speeches, which were awash with good ideas, leaving me with insufficient time to respond to the debate. Fortunately, they will be recorded in the *Official Report* for all time.

Today, we set the tone by publishing the budget review at the earliest possible opportunity—we have started as we mean to go on. We have to contrast our position with the previous Government's year-long delay, the result of which has impacted on my colleague, Stewart Stevenson, and the Peterhead carbon capture project involving BP. Today, we have defined our strategy, giving out powerful signals about what we want Scotland to achieve and how that should be done. John Swinney covered those signals in his opening speech when he talked about moving to smaller, more focused and genuinely efficient government and a decluttered landscape, ensuring that Government is accountable, open and closer to the people. The most important signal was John Swinney's definition of the single, unifying goal of increased sustainable growth, in which he established that he expects a new constancy of purpose in all spheres of Scottish endeavour, which I welcome.

I will focus first on Wendy Alexander's speech. I understand how she feels and her concerns about what we are taking on board. We will be the most vociferous and effective of caterpillars, but we will not be deflected from focusing on our strategic goals and from delivering leadership. We are determined to pull Scotland together in common cause; that is what it is all about. I welcome her welcome for the publication of the Howat report, which was a nice moment.

When it comes to auditing efficient government, we can look back at what happened in the past when we had gross and no cost and did not know whether the net amount was negative or positive, because we had no baseline data. I welcome

Elaine Murray's comments that we must do better and be more accurately accountable. We also need to bring together much of the function of government to get the activity after which we all hanker.

Jeremy Purvis: Will the minister give way?

Jim Mather: I will first make this key point. GERS is a matter for the chief economic adviser, but we will still have our view.

Jeremy Purvis: I am grateful to the minister for giving way. As a former member of the Finance Committee, I welcome him to his post. He is a very sincere member and I wish him well.

In December, Mr Swinney said—this has been quoted already—that the claimed efficiency savings now being adopted by the SNP Administration wholesale and without change could not be trusted without improved baseline data. Will Mr Mather tell the chamber what specifically the new Administration will do to improve that baseline data, and will he deliver the opening up of access to the civil service to other parties during the budget process, which he called for year after year during the previous parliamentary session?

Jim Mather: We will crack on to deliver the efficiency that we say that we will deliver; we will do what is right for Scotland; and we will make sure that we are not led astray by bogus comparisons. The efficiency target that we announced today is the minimum, and we are looking for opportunities for further efficiencies throughout the public sector. They will have to be true efficiencies that are triggered by decent people who work in the public sector and are motivated to do better. The chancellor's target includes cuts, and we are going to make sure that ours is achieved without compulsory redundancies.

I applaud Derek Brownlee's continuing interest in the Howat report and, indeed, his utterly commendable early reading of it, which kindly verified many of the concerns shared by the members of the previous Finance Committee—the great apprenticeship that we served on that committee was very useful. He made an important point when he eloquently exposed the lost opportunities that were caused by the delay and by the money that was spent on a report that was not delivered to the Parliament for a whole year.

I notice that Derek Brownlee still has a healthy scepticism about efficient government. We will be assiduous in meeting the criteria that he sets. We will do so in preparation for building the country and making it more effective by moving forward and taking more powers on board.

However, I cannot agree with Derek Brownlee on Scottish Water. If Scottish Water moved towards mutualisation, the £3 billion that is held by the Treasury would have to move to the City, and we would pay extra for that. Once the City had us for £3 billion, we would be on a slippery slope to privatisation. Under privatisation, there would be shareholders outwith Scotland who had different objectives from ours and who would be looking to maximise their return. We want to maximise the economy—we want shareholders and the people of Scotland to work together closely to drive the economy forward. Derek Brownlee's colleagues found that the mutualisation of Scottish Water was a vote loser in Argyll and Bute, where it was a key issue in the election campaign. Scottish Water should remain a public body that is managed and regulated in Scotland and which contributes to our unifying goal of increased sustainable growth. We will stick with that approach.

Tavish Scott focused on efficiency. He must recognise that the previous approach did not stand up to audit and that we must move beyond it. We will have to wait and see how the Parliamentary Bureau responds to the call for a fulsome debate on the Howat report, but we are up for that, especially once we have had time—denied to us over a long period—to digest the report. We are conscious that the savings that we can encourage by decluttering the public sector will be consummate and material. We will take no lessons on the funding of student finance from the Liberal Democrats, a party that does not know the difference between a cash payment and a long-term debt.

Our financial obligations will firm up as we begin to define what consensus can be achieved in the Parliament. We will do so under the strict financial stewardship of John Swinney. At the moment we are in an interesting place. In a useful and erudite speech, Margo MacDonald asked us how we would resolve the national question and called for informed, reflective debate, instead of polarised advocacy. She floated some interesting ideas that are worthy of consideration. I say to her that we are fearless on the issue. We believe that every time we look at the problems that Scotland faces the answer will be independence. Only independence will give us the comprehensive solution.

Scotland still faces a core problem that limits competitiveness and growth and results in too much wealth that is created in Scotland not staying in Scotland. If we do not address that core problem, we will shift it constantly on to other people, other departments and the taxpayer. That will have unintended consequences, such as the low average incomes in Scotland. Wendy Alexander said that there is high employment in Scotland. That is true, but people in Scotland also

have incredibly low incomes. In December 2005 the Joseph Rowntree Foundation told us that a third of people in Scotland earn less than £6.50 an hour. That contributes to the unintended consequence of our lamentably low life expectancy, relative to that of people in other countries. It also creates a climate in which the focus is on process, rather than on tangible, valued progress. We will scythe through that climate when addressing the issue of efficient government. We need to move to tangible, valued progress, along the lines that we have specified in the worthy goal that we have set.

There were other interesting speeches. Alex Neil gave us some unpaid consultancy, going through a list of issues that are hot potatoes and which will undoubtedly deliver a vast amount of evaluation, when people could be piloting and benchmarking instead. The audit of audits that will be carried out by Lorne Crerar in his review of scrutiny will consider the inappropriate use of public relations and advertising, the recruitment costs that are cranked up time after time—sometimes with huge questions about the effectiveness of that recruitment—and the huge amount of consultancy that in many cases is essentially a fig leaf for state aid. We must move to a better position. Stewart Stevenson and I could bore for Scotland on computer systems, as we know how much waste exists in that area, but the problem can be tackled.

Elaine Murray also produced some good ideas. In her comments on town centres, I detected a possible convert to our small business bonus, which will do the trick and benefit not just town centres, but down-at-heel parts of cities and our villages—not just shops, but workshops and small businesses.

It is great to have Iain Gray back. I enjoyed his speech and the way in which he invoked the spirit of John P Mackintosh. However, I am sad to say that Mackintosh's hope was false: the fact is that small works very well and small countries do well. I am encouraged by the fact that we will now be able to address Iain Gray's point about the importance of avoiding wasted potential by generating economic growth and that we will certainly try to deflate John Mackintosh's gloomy prediction.

After all, we now have a second wind. We will genuinely be able to put our economic argument to the people of Scotland with clarity and put before them a proper, honest, open and fair comparison with other small countries. We have the chance to open the doors and windows, let the fresh air in and allow the diaspora—the Scots Americans, the Scots Canadians and the Scots Australians—to give us a critique about what is happening in Scotland, which will allow us to compare and contrast what is happening here with

what is happening elsewhere. The game is up; fresh air and new ideas are coming in; and Scotland is going to change.

As for Jackie Baillie's comments about big, bad Westminster, we will look to Westminster to co-operate with us in Scotland's best interests. We have been pressing for such an approach for years. We look forward to that co-operation, and I hope only that it is matched by the same spirit at Westminster.

As Wendy Alexander and Des McNulty know, I have, like Jackie Baillie, been converted to outcomes. Such an approach is crucial, because it is the only way of keeping our finger on the pulse and knowing how we are doing. The key outcome is, of course, sustainable long-term economic growth.

As for involving people in all this, the fact is that we are compelled to do so. I will read the "Quality through Diversity" report that Jackie Baillie mentioned; indeed, I have already spoken to the voluntary sector in Argyll and Bute and involved them in an interesting little exercise that, because it worked, I will share with the chamber. We got 16 people, mainly from the voluntary sector, in a room and spent about an hour discussing Mull's objective, which, it was decided, should be having more people in compelling and rewarding work. We then spent an hour and a half looking at Mull's potential. That was a heady experience, and we found many positives to broadcast to the planet. Finally, we spent another hour and a half on the inhibitors and problems arising from that objective, not just for the voluntary sector but for Argyll and Isles Enterprise, Argyll and Bute Council, Caledonian MacBrayne and VisitScotland.

The exercise resulted in genuine, positive engagement. It motivated people and made them willing to re-engage in the long term. I want to make such an approach contagious and ensure that more and more self-starting communities take these matters on board, push things forward and make things happen. As Jackie Baillie said, we want to put people in the driving seat. That is where they belong—after all, we work for them—and I welcome any opportunity to ensure that that happens.

In an interesting speech, Alex Johnstone was adamant about the need to achieve efficiency. I totally agree with him in that respect, but he needs to go back and look at his arguments about Scottish Water. They simply do not stack up. It is wrong to accuse Mr Swinney of being pragmatic—I am sorry; I mean dogmatic—on this issue. [Laughter.]

John Swinney: You were right the first time.

Jim Mather: Let me get this right: my boss was pragmatic, not dogmatic, because of the point that

I made earlier in response to Mr Brownlee. Our arguments on this matter certainly persuaded many voters in Argyll and Bute.

As for PPPs, all I can say is: Skye bridge no more, Inverness airport no more. We also have to be very careful when we talk about the efficiencies associated with the privatisation of public services. The arguments are generally not matched by performance. For example, in Norway, where MRSA is non-existent, hospital cleaners are full-time employees and valued members of staff. Of course, that is not the case in Scotland. We need to keep this issue going and reach that point.

Although Robert Brown's speech was interesting, it was, I feel, somewhat short on the Prozac. There are positives to take from all this, and there is certainly no void at the centre of the Government. I hope that we have managed to convey the arguments that drive our commitment to Scottish Water and to maintaining the momentum behind renewables. Yesterday, I visited the all-energy exhibition in Aberdeen and I can tell the chamber that there is a fantastic story to tell, not least with regard to Orkney, where the European Marine Energy Centre and Scotrenewables are doing a fantastic job in building value and capability. Their work is wonderfully rooted and is here to stay; it will not go simply because of the stroke of a pen elsewhere. I share Liam McArthur's optimism on this issue, and I am keen to have a dialogue with renewables companies in his constituency and to include them with the rest of the renewables sector to get things going.

Yesterday was exciting. At the exhibition, I saw the equivalent of what I saw in 1986, when personal computers were first coming out and there were PC exhibitions from lots of vibrant companies. The difference was that the companies yesterday were better organised, better presented and, I suspect, better financed. They had more capability to deliver real value throughout Scotland rather than silicon glen or elsewhere. We are in very good shape.

We welcome the fact that the Howat report published today echoes many of the themes of our manifesto—a manifesto that had certain input to the Finance Committee, where we built our opinion to the fore. Those echoes should be no surprise, because we have constantly taken a commonsense approach that is in Scotland's interest. We now need consensual common sense to address the real issues facing Scotland and to cut through the complex and often convoluted and cluttered governance of Scotland. That will require the smaller, more focused and genuinely more efficient government that John Swinney has specified. It will need the Government to be accountable, open and closer to the people, and it will need open adherence—

Jeremy Purvis: Will the minister give way?

Jim Mather: This is my last comment. We will require open adherence to the worthy, unifying goal of perpetually increasing sustainable growth for everyone in Scotland. I believe that we will get there and that we have started that journey today.

Motion without Notice

16:56

The Deputy Presiding Officer (Alasdair Morgan): I am minded to take a motion without notice to bring forward decision time.

Motion moved,

That, under Rule 11.2.4 of Standing Orders, Decision Time on Thursday 24 May 2007 be taken at 4.56 pm.—
[Bruce Crawford.]

Motion agreed to.

Decision Time

16:56

The Deputy Presiding Officer (Alasdair Morgan): There are no questions to be put as a result of today's business.

Meeting closed at 16:56.

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