



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# ECONOMY, ENERGY AND TOURISM COMMITTEE

Wednesday 10 March 2010

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**Wednesday 10 March 2010**

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**ECONOMY, ENERGY AND TOURISM COMMITTEE**

**9<sup>th</sup> Meeting 2010, Session 3**

**CONVENER**

\*Iain Smith (North East Fife) (LD)

**DEPUTY CONVENER**

\*Rob Gibson (Highlands and Islands) (SNP)

**COMMITTEE MEMBERS**

\*Ms Wendy Alexander (Paisley North) (Lab)

Gavin Brown (Lothians) (Con)

\*Christopher Harvie (Mid Scotland and Fife) (SNP)

\*Marilyn Livingstone (Kirkcaldy) (Lab)

\*Lewis Macdonald (Aberdeen Central) (Lab)

\*Stuart McMillan (West of Scotland) (SNP)

**COMMITTEE SUBSTITUTES**

Nigel Don (North East Scotland) (SNP)

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

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

David Whitton (Strathkelvin and Bearsden) (Lab)

\*attended

**THE FOLLOWING GAVE EVIDENCE:**

Duncan Macniven (General Register Office for Scotland)

Jim Mather (Minister for Enterprise, Energy and Tourism)

Neal Rafferty (Scottish Government Business, Enterprise and Energy Directorate)

Rob Wishart (Scottish Government Strategy and Ministerial Support Directorate)

**CLERK TO THE COMMITTEE**

Stephen Imrie

**LOCATION**

Committee Room 5



## Scottish Parliament

### Economy, Energy and Tourism Committee

*Wednesday 10 March 2010*

[The Convener opened the meeting at 09:34]

### International Trade Inquiry

**The Convener (Iain Smith):** I welcome everyone to the ninth meeting of the Economy, Energy and Tourism Committee in 2010. Agenda item 1 is to discuss our approach to our inquiry into the public sector's support for exporters, international trade and the attraction of inward investment. Members have a copy of the initial paper, which the clerk produced following discussion with me.

**Lewis Macdonald (Aberdeen Central) (Lab):** The paper captures the essence of what we want to do. I support the idea of a tightly focused inquiry to look into specific areas over a fairly limited timescale. In that way, we can make progress. Broadly speaking, the paper sets out the right approach. The proposal to bring together some key witnesses on 24 March is important and I support the list of who should be invited. Perhaps we should also include a Scottish Trades Union Congress representative at the round-table stage. They would give a perspective that the other organisations might not necessarily reflect.

**Rob Gibson (Highlands and Islands) (SNP):** How many people are we considering for the round table? We need enough time for discussion. It is good to have a range of folk, but we also need to get a view from everyone.

**The Convener:** In the past, we have had round-table sessions with about 10 to 12 people. It can work up to that number. Obviously, we will not have people at the table just to fill seats; we will ensure that everyone has something to contribute.

**Christopher Harvie (Mid Scotland and Fife) (SNP):** At the round-table stage, it might be worth while going out of Scotland and inviting people from a country of similar size to Scotland that also depends to a great extent on forms of international trade. We could invite a consular official or academic who specialises in that country and is based here. I do not mean the usual suspects such as Norway—

**Lewis Macdonald:** Greece!

**Christopher Harvie:** Well—

**The Convener:** We would look to take evidence from similar-sized countries or regions with similar powers to Scotland. I am not sure that it would be practical to do what you suggest, Chris, in the timescale that is available to us.

**Christopher Harvie:** The problem is that the usual suspects all know one another and play golf with one another. They will instantly go into defensive mode. Introducing a piranha from somewhere else would be valuable and healthy.

**The Convener:** I hear what you say, but on this occasion we should be the piranhas. We will take evidence from other areas to compare what happens in Scotland with what happens elsewhere. The key thing is to find out whether we are taking the right approach in Scotland.

**Lewis Macdonald:** I echo your comment, convener. It might be particularly valuable to consider a region such as Catalunya, the Basque Country, Baden-Württemberg or North Rhine-Westphalia. Some interesting parallels could be drawn with such Administrations.

**The Convener:** We are also considering Flanders.

**Ms Wendy Alexander (Paisley North) (Lab):** I make the point that I always do about seeing people at many levels. When we went to London as part of our financial services sector inquiry, it was hugely useful to see many people at the same time. In the same vein of minimising cost and time, a brief Brussels visit would be worth while. Such a visit would allow us to find whether there is a Europe-wide role in promoting European companies to the east, given the scale of the challenge in doing that, and get a flavour of what a large number of other geographies are doing. Scotland House in Brussels has a pretty firm handle on what we do in Scotland. One has to assume that other geographies with comparable delegations have a similar view. Perhaps we should consider that option.

**The Convener:** We are looking at the possibility of Brussels, partly to hold discussions with the European Community on its trade responsibilities and because it gives the option of tying in a visit to Flanders. It might be handy to meet trade missions from other regions while we are in Brussels.

We will make more detailed proposals for witnesses and evidence-taking sessions following the round-table session on 24 March. Are members happy with the approach as it stands?

**Members** *indicated agreement.*

**The Convener:** The Minister for Enterprise, Energy and Tourism, Jim Mather, who will be with us for our next agenda item, is not due to be here until about 10 o'clock. I propose to suspend the public session of the meeting until then. I ask members to stay at the table; we may want to discuss process while we wait.

09:40

*Meeting suspended.*

09:52

*On resuming—*

## **Subordinate Legislation**

### **Census (Scotland) Order 2010 (Draft)**

**The Convener:** We resume a little earlier than anticipated. I thank the Minister for Enterprise, Energy and Tourism for his co-operation in coming along a bit earlier.

We have a slightly unusual system for dealing with items 2 and 3, which are on the draft Census (Scotland) Order 2010. The order is an unusual instrument in a number of ways, not the least of which is that it is both a negative and an affirmative instrument. It is also an amendable instrument. My intention is to discuss under item 2 all the issues that members wish to raise and under item 3 to dispose of any outstanding questions and the motion. We will cover all the issues for debate under item 2, while the minister is supported by his officials, rather than under item 3, when the procedure will be more formal. I invite the minister to introduce his team and make opening remarks.

**The Minister for Enterprise, Energy and Tourism (Jim Mather):** I am happy to do that. I have with me Duncan Macniven, who is the Registrar General for Scotland, and Rob Wishart, who is the chief statistician.

I thank the committee for the engagement that we have had to date both within the confines of the committee and in additional meetings.

Members will be aware that the order gives the go ahead for the next census. We all acknowledge the importance of the census in providing information about a complex and changing Scotland. As a businessman in a previous life, as a back-bench MSP and now as a minister, I have found on many occasions that the statistics that are gathered in the census are invaluable.

The value of the census is of course dependent on every household completing the census questionnaire. The draft order will make that compulsory. The registrar general will talk about the arrangements for taking the census.

The order sets out the proposed questions in schedule 2. As the census is compulsory, it is right that the final decision on the questions is taken in this building, as we represent the people of Scotland who will have to complete the questionnaire. As I mentioned earlier, I have from the outset tried strenuously to achieve a consensus on the questions, because the census is a resource for the Parliament and the public as much as the current Administration.

I lodged an earlier draft of the order at the end of November and, since then, the registrar general and I have had useful contact—orally and in writing—with a number of MSPs who have expressed an interest in the order. I am particularly grateful to Lewis Macdonald, Derek Brownlee and Mike Rumbles, who are representing their respective parties, and with whom I have had most contact. Our discussions have been conducted in a totally non-partisan way, which is important in demonstrating unity of purpose as part of the efforts to maximise the number of people who complete the census questionnaire. As a result of those exchanges, I arranged for the original draft order to be changed in a number of ways, and we are discussing today a revised version that I lodged on 15 February.

It would be helpful to put on the record the reasons why we made those changes. Question 13 in schedule 2 asks what religion, religious denomination or body people belong to, and we have changed it in two ways. First, we have deleted a tick box that we had originally proposed. When that question was asked in the 2001 census, pagans were the largest group to use the box that was provided for other religions to be written in, and markedly more pagans than members of any other group used that box. However, the number totalled fewer than 2,000 out of a population of 5 million in Scotland. In the light of concerns that were expressed to me, I agreed to omit a special box for pagans, while retaining the option for pagans to use the write-in box as in 2001.

We have expanded the description of the write-in box at paragraph 13(j) so that it refers to “another religion or body” instead of simply “another religion”. At the same time, we added to the “other Christian” tick box a note to make it clear that people could write their denomination in the box at the foot of the question. Taken together, those changes will allow us to identify more clearly the range of Christian denominations and make it easier for humanists to specify their affiliation.

Secondly, we made linked changes to question 14, which is about national identity, and question 15, which is about ethnic group. In the original version of the order, there was considerable overlap between the tick boxes in those two questions—for example, there was a tick box for English in both questions. It was put to me that that was confusing, and that it was better for British and Irish identities to be established under the national identity question. That would allow people to identify themselves as both Scottish and British, for example, because it is possible to tick all the answers that apply in the national identity question, whereas only one tick is allowed in the ethnic group question.

With two exceptions, I was prepared to make that change. Although it will mean that we have less precise information about the number of English people in Scotland, for example, that is not a major problem. The two exceptions were Scottish and Irish, which are retained as categories in question 15, with Scottish appearing also in question 14. Those categories had separate tick boxes in the 2001 census, and I think that there is an overwhelming case for retaining them in the new census.

We have adjusted the part of question 15 that asks about African ethnicity. We have replaced the “African, Caribbean, or Black” category with two categories that ask separately about African ethnicity on the one hand and Caribbean or Black ethnicity on the other. Following a meeting that Lewis Macdonald and I held last month with representatives of the communities that are most involved, that formulation is clearly more acceptable, at least to that important group of stakeholders. The change does not substantially damage the quality of the information that is provided by the question, which is substantially important to policy and service delivery.

Finally, the draft order that is before us today differs from the November draft by making it clear, in question 31 about household income, that the census questionnaire seeks an estimated figure. We do not seek information of the precision that is required by, for example, the tax inspector.

The paper by the registrar general and the chief statistician gives more detail on those and other questions and compares them with the questions that were asked in the 2001 census and those that will be asked in the next census south of the border. The committee will note that the question on estimated household income has not previously been asked in a census—although such a question is asked in other Government surveys—and a similar question is not proposed in the rest of the United Kingdom. Therefore, I think that it is right that I should expand a little on why that question has been included. The chief statistician will also talk about that in a moment.

10:00

I acknowledge that there is a difficult choice to be made in deciding whether to include a question on income. In the end, it is a judgment on the value of the question. I see clearly the potential value to civic Scotland of the information that the question will yield. It will help us to tackle poverty—a problem that is still far too prevalent in Scotland—and a wide range of other matters that are affected by poverty and that are important to all parties. For example, the information will help us to design policies and programmes to tackle Scotland's health record and to achieve the full

potential of our young people. That was the initial justification for asking a question that some might see as intrusive. The evidence from the large-scale trials of the question—in 2006 and again last year—is that the people who feel that the income question is intrusive constitute a small minority, so the risk involved to census completion rates is small.

Our view on the need for such a question is widely supported by many bodies: the national health service in Scotland; local authorities; commercial users of the census; the Equality and Human Rights Commission; and a wide range of academic users who have previously made a major contribution to the information on which efforts to tackle poverty have been based. I hope that the committee will agree that those are powerful voices. Those people know that the information that will flow from the estimated household income question will be of real benefit to the people of Scotland—a point that is true of not just the estimated household income question, but the census more widely.

Today marks an important step in the preparations for the next census. I hope that I have adequately explained its context and some of the dilemmas that we have faced in drawing up the proposals that are in front of us.

I will ask the registrar general to speak briefly about the arrangements for taking the census. The chief statistician will then speak about the important uses of census data. Thereafter, we will be happy to respond to any questions that committee members may have.

**Duncan Macniven (General Register Office for Scotland):** Good morning. As members will know, we have been preparing for the next census for quite a few years. In that period, we have consulted extensively on the questions in order to ensure that, as far as possible, the census meets the demands of users while being easy enough for all members of the public to complete. In order to test the practicability of the proposals, we held two major tests, in April 2006 and March 2009. We have done a lot of detailed testing with small groups of people to check the answerability of individual questions. We have also consulted organisations such as RNIB Scotland and RNID Scotland and representatives of special communities that have often been underenumerated by the census, such as minority ethnic groups and Gypsy/Travellers, to ensure that everyone is able to complete a census form. As the minister said, it is vital that we get as full an enumeration as possible.

With that in mind, the draft order sets out who is responsible for completing a questionnaire and which persons their answers should cover. The arrangements for running the 2001 census worked

well and in most respects are simply being repeated. An important new element, which is not evident on the face of the draft order but is important for understanding how we expect the census to be completed, is that for the first time households will be able to complete their census forms online, in English or in Gaelic. That is one step that we are proposing to make it quicker and easier for people to fill in the questionnaire because, sadly, international experience suggests that census taking is becoming a progressively more difficult job. It is becoming more difficult to achieve the complete count of the country's population that is the essence of the census. For that reason, we have drafted the order with great care to ensure that everybody is included and has an obligation to complete a questionnaire.

I emphasise the confidentiality of the census returns, because that is part of the background to ensuring that people are confident in providing their details in answer to the census questionnaire. It is a criminal offence to disclose personal census information and we ensure that everyone who has access to such information has signed an acknowledgement of their awareness of that fact. The census results are processed by computer and we have ensured that the computer systems are secure. We publish only carefully anonymised outputs. As I stressed in our submission, we do not supply personal census information to any other Government department or, indeed, to anyone else, except the other two UK census departments for the purpose of providing UK statistics, especially about people who travel to work across the border. The personal information is kept secure for a century, after which it is released for family history purposes. We will take great joy, just before the 2011 census is held, in releasing the 1911 census books for family historians to use.

**Rob Wishart (Scottish Government Strategy and Ministerial Support Directorate):** I will say a little about the need and demand for data from the census. That, ultimately, is primarily the purpose of the census. I will focus on the income question, but am happy to provide information to the committee on any of the other questions.

I am aware that concerns have been expressed about the risk that the income question will be seen as intrusive or that it will affect response rates. I will return to that point at the end of my comments, but I say at the outset that balancing the need for data with the demands that asking for it place on the providers—in this case the public—is always a critical decision for the statistical service. I ask the committee to consider carefully the need for this information and the impact of not collecting it. That need is primarily, although not wholly, related to information on income poverty. Twenty per cent of children live in relative poverty,



the bottom 30 per cent earn 13 per cent of total income and the top three deciles get 53 per cent of total income. Poverty affects employability, educational opportunities and outcomes for children, health, housing and access to a wide range of services. It affects not only those who live in poverty, but the opportunities for the country as a whole to improve on all those issues; it affects different areas and different groups in society in different ways.

We currently have two main data sources. We have data from our own large-scale surveys and the UK Government's family resources survey, which is a 0.2 per cent sample. We also have proxy data, which are primarily data on benefits, tax credits and matters such as free school meals. We also find that the Scottish index of multiple deprivation is used as a proxy; it measures broader elements of deprivation and, in particular, the concentrations in small areas.

The survey data are useful for monitoring change and for drawing out some of the differences at national level. Relative poverty fluctuated at around 21 per cent until about 2001 and then it fell a bit and has fluctuated around 17 or 18 per cent for the past few years. We know that the bottom 30 per cent's share of total income has changed little over the past decade. That does not tell us much about dealing with poverty and its effects or whether policy is working. For that, we need data at local level and we need data that are broken down by other characteristics. At local level, we have only benefits data, which are better than they were thanks to the co-operation of our colleagues in UK departments, although their availability is always at risk, but they are nothing like enough.

What do we know about poverty in rural areas? The take-up of benefits may be an issue, as is seasonal employment. Rural areas themselves are far from uniform. As with the index of multiple deprivation, the census includes a lot of questions that are relevant to or proxies for income. Their use over the next 10 years will be greatly enhanced if we understand how they relate to incomes and it is through calibrating that information against information on income from the census that we get the real gains in respect of policy relevance. For example, in areas of low income where health or educational attainment is good, what is making that difference? Within minority groups and those sections of society that are subject to equalities legislation, we know that there are differences. For example, there are quite big differences in unemployment in the Asian category. Is that true everywhere? What are the household characteristics?

We know little about the incomes of people who are disabled or about differences between people

with various conditions or who are also in a minority ethnic group.

Affordable housing is an important issue that makes a real difference to people's lives, but it varies greatly across Scotland on a geographical basis. Clearly, it is affected by income variations.

It is not only national policy on those issues that is important, as a lot of important action is taken at a local level or is aimed at specific groups, but the data that are needed to understand the local dimension of those issues simply do not exist. It is no surprise that some of the most powerfully expressed demands for an income question have come from local authorities and other local and specialist organisations.

I said that I would return to the risks of asking the income question. The evidence does not suggest that the inclusion of an income question will affect the overall response rate significantly. As with many other questions in the census, some people might find it intrusive, but from census tests and other surveys at a national level we know that that is not a major concern. Many people assume that the Government already has those data.

One of the important arguments that has been made involves people's right to know. Information is power, and there is a case for saying that groups of people who suffer from poverty or who live in areas that suffer from poverty have a right to know that that is the case so that they can better articulate their needs and press for solutions.

As the minister has indicated, it is for the committee to decide on those matters. I hope that you will accept that the income information has the potential to contribute not only to tackling poverty, but to a range of other policy aims that have been adopted by this Administration and might be adopted by its successors and many other organisations across Scotland.

**The Convener:** Thank you for those opening remarks.

Before we continue, I welcome Alex Johnstone to the meeting. He is here to substitute for Gavin Brown, whose son is ill. We wish Gavin and his family well.

I ask Alex Johnstone to declare any relevant interests.

**Alex Johnstone (North East Scotland) (Con):** I do not believe that I have any relevant interests to declare.

**The Convener:** In order that we might have some structure to our discussion, I suggest that we begin with general points about the operation of the census, which is dealt with in schedule 1, and then move on to address points concerning

schedule 2. That will prevent us from jumping from issue to issue.

When the Parliament dealt with the order for the 2001 census—the Census (Scotland) Order 2000—it had little time in which to set up a procedure, and I remember that the way in which we dealt with it was a bit confusing. Ten years have passed since then, but I am not convinced that the way in which the draft order for the upcoming census is being dealt with is satisfactory. I appreciate the efforts to which the minister has gone to discuss matters with other parties, but this is the first opportunity for the committee to which the draft order has been referred—of course, I question whether this is the right committee in that regard—to consider it, and we do not have an opportunity to take evidence on issues in relation to which we might wish to make recommendations for amendments.

Minister, are you satisfied with the procedure, or do you think that we should recommend that the Standards, Procedures and Public Appointments Committee should consider the issue in advance of the 2021 census?

**Jim Mather:** That is an interesting question. I was not here in 2001, so I cannot make as full a comparison as you can.

We have found real value in interacting with members, committees and others who have been able to convey their feelings, concerns and aspirations as part of the informal dialogue that we have had. I hope that that will help to avoid unintended consequences and will elevate the nature of the end product.

10:15

I have been trying to act as an honest broker between the professionals—the General Register Office for Scotland and the chief statistician—the users, the people who are affected and the committee, in relation to the wider common good of Scotland. There might be a need to think about what can be done to put that arrangement on a more formal basis and give it more committee time. The nature of the committee engagement—with the committee serving and us returning, to use a tennis analogy—could be augmented by the interactive sessions that we have had wherein we have tried to reach common understanding with people who have different opinions, experiences and backgrounds.

**Lewis Macdonald:** I echo the minister's comments about the value of the engagement that we have had, but I also echo the question marks that the convener raised over the procedure. I wonder whether Parliament might want to consider having a more formal early process of engagement involving the committee and others,

through consultation, before the 2021 census gets under way. I think that one of the reasons why there has been constructive engagement on the part of Opposition parties has been the need for consensus around the value of the census, and for engagement across the board.

In his opening remarks, the registrar general said that international experience suggests that census taking is becoming an increasingly difficult job. I would be interested in hearing a little more about that.

**Jim Mather:** On your first point, I am drawing a lot on what we learned during the passage of the Arbitration (Scotland) Bill, which involved regular engagement with all the relevant consultees and frequent reports back to this committee. I would be keen for open engagement of that kind to be undertaken at an earlier stage in the census process next time around.

The challenge that the registrar general might face in achieving that end is in getting an audience. It might be that the combined power of Government, Parliament and this committee can help to deliver that audience and get the key stakeholders together in order to foster that debate.

**Duncan Macniven:** Looked at through my spectacles, the difficulty has been in identifying the right committee to speak to about the issue. In 2001, the Justice and Home Affairs Committee led on the census order, and there was a lot of contact with the committee, as it was necessary to have a new bit of primary legislation in order to add the religion question. However, the Justice Committee no longer seems to be the relevant committee to deal with the census.

During the preparations that I alluded to in my opening remarks, I have twice given evidence to the Equal Opportunities Committee, at its behest. I felt that that was constructive.

In December 2007, the minister wrote to the conveners of all the committees that had an interest in the census to offer to give evidence. In December 2008, we published a statement and John Swinney wrote to the convener of the Local Government and Communities Committee. The difficulty was in spotting which committee would be holding the baby when the order was implemented. That is something to which there is a procedural answer. The next time around, people can stand on the shoulders of those who went through the experience of this census.

Mr Macdonald asked about international experience. We compare notes with a wide variety of countries that take censuses in the same way that we do, although some do so at five-yearly intervals and some at 10-yearly intervals. Worldwide, their experience is that there is a

constant drop-off in the response rate of about 1 per cent per cycle. The figure probably differs from country to country and differs hugely within each country, but that is the general experience. We are trying to combat the problem by introducing internet completion and a number of other measures. Last time, we got a 96 per cent return rate, which is fine, as it is high enough to produce the small-area statistics that we need. We need to beware that the response rate does not fall too far below that figure.

**Lewis Macdonald:** It is helpful to know that last time the response rate was 96 per cent. How does that compare with the figure for the previous census, in 1991? Given that the 1991 census took place at the time of the poll tax, when there was a lot of concern about intrusive questions from Government, how did that census compare with the 1981 census?

**Duncan Macniven:** I do not have the figures at my fingertips.

**Lewis Macdonald:** You may answer in broad terms.

**Duncan Macniven:** In broad terms, it is true that there has been an erosion in response rates of 1 per cent per cycle. You are right to put your finger on the fact that the 1991 census was not our shiniest census and was confused with the poll tax—quite wrongly, because there was no question of our passing 1991 census information to the poll tax authorities. Nonetheless, the poll tax had an effect. I look back to the 1981 census as the gold standard.

**Rob Gibson:** Good morning, gentlemen. Presumably, after you conducted the 2001 census, you reviewed what had gone right and wrong. When was that report made available? As convener of the cross-party group on the Scots language, in 2005 and 2006 I was involved, through a sub-group, in discussions about the kind of questions that should be asked on the issue. Do you consider that early engagement is necessary? Should there have been such engagement before the change of Government in 2007?

**Jim Mather:** Duncan Macniven will answer the question about the 2001 census. I will chip in thereafter.

**Duncan Macniven:** I agree with Rob Gibson, in that we looked carefully at the lessons of the 2001 census, which was successful, and we are standing on its shoulders. We produced a series of reports on the various bits of the census process and published them on our website around 2003—certainly before we conducted our first round of consultation in 2004. I had a useful dialogue on the Scots language with a gentleman, whose name I can no longer remember, from the English department at the University of Aberdeen.

**Rob Gibson:** Was it Derrick McClure?

**Duncan Macniven:** Yes. We have had a continuing dialogue, and the question that we have formulated is well supported by Scots language experts such as Derrick McClure.

**Rob Gibson:** If there were reports by 2003, there was room in the parliamentary process soon after the 2001 census to start the process of preparing for the next one.

**Duncan Macniven:** That is what we tried to do—for example, in the letters that Mr Mather sent to committee conveners in December 2007.

**The Convener:** Before bringing in Stuart McMillan, I will follow up on the issue of which is the relevant committee. As you know, we do not particularly feel that this is the relevant committee to consider the draft order. However, we have got it, so we are dealing with it. From my point of view, this process is somewhere between the processes for primary and secondary legislation. It follows the secondary legislation route only, but we should perhaps have imported a stage 1 into it, so that whichever committee the draft order was referred to could take proper evidence and hear from various groups with their different points of view, rather than just taking your word for it, as it were, regarding consultation.

I am not criticising ministers for what has been done, but I think that the process is wrong. It is a parliamentary thing as much as it is a ministerial thing, and we need to sort it out. I am interested in your view, minister. Do you think that the committee should be making a recommendation now for the next census 10 years down the line that the process should be different and that there should be an opportunity for the relevant committee to take evidence before the final stage that we are now at?

**Jim Mather:** I very much appreciate our not locking horns on the matter, which would be unproductive. I appreciate the way in which you framed the question. We have had a rich experience in bringing the process to this point, and the ad hoc activity that we have undertaken has helped to facilitate that.

However, I take your point that there is a strong case for convening a wider group and getting a smoother, more appropriate process. We should learn from experience so that we leave a better legacy to those who will follow on at the time of the next census in 10 years' time. You will gather that there is an appetite among officials and on my part to go the extra mile to make the process as solid and consensual as possible. I have no difficulty in going that extra mile to leave a consensual legacy and to get the arrangements on to a firmer basis in the future.

**Stuart McMillan (West of Scotland) (SNP):** My point follows on from the point that Rob Gibson highlighted. The first report was in 2003, and dialogue started in 2004. Letters were sent out from yourselves to committee conveners in 2007. What happened between 2004 and 2007? Following the change in Administration in 2007, was there a change in direction in how the census should be dealt with? Did the approach continue along the same lines as in 2004?

**Jim Mather:** After we came into office in May 2007, Duncan Macniven engaged with me very early on regarding the forthcoming census, highlighting the decisions that had to be made and the process that had to be put in place. We engaged on the matter up until we put out the letter in December 2007 to trigger the process, which was mainly one of wider engagement. As for what happened between 2001 and 2007, I leave it to Duncan Macniven, and perhaps his predecessors, to tell us.

**Duncan Macniven:** I was there throughout most of that period. At its own instigation, the Equal Opportunities Committee approached us and asked for evidence. It was a constructive process. When the Government changed in May 2007, there was no change in direction. The Census Act 1920 gives the registrar general for Scotland, subject to ministerial direction, the job of preparing for the census. I continued that process through the change of Government, and there was no change of direction.

**Lewis Macdonald:** I have a further general question before we get on to the specifics, relating to the way in which the census is structured and the questions are put. The questions relate to returns for individuals, but they are compiled on a household basis. It might be helpful to understand how that operates in relation to the householder's responsibilities for replying to the questions that are put to him or her.

**Jim Mather:** The householder's responsibilities are pretty categorical. The requirements come under the law.

10:30

**Duncan Macniven:** The requirements are set out in paragraph 5 of the draft order, which puts the onus firmly on the householder and takes care to cover eventualities in which there is not someone who is clearly the householder.

**The Convener:** I would like to raise a couple of points. Duncan Macniven mentioned the issue of security in his opening remarks. How secure is secure? We have a bad track record, not so much in Scotland but across the UK, of disks, pen drives and other things going astray. Can the public be 100 per cent confident that information will not be

left on a train or passed on to another Government department at some point?

**Duncan Macniven:** It is obvious that the census is only as good as the people who are running it. We employ 6,500 temporary enumerators with whose work everyone is familiar: they are the people on the doorsteps. We take huge care to train them, particularly in relation to confidentiality, and to remind them—as I said in my opening remarks—of the duty of confidentiality that lies on them.

We have been running the census for 150 years, during which we have had 15 goes at it, including several in which computers have been used to amass the results, and our track record in safeguarding census information has been excellent. We also safeguard the other personal information that my department collects—the census is part of our work, but we hold a lot of other personal information that we safeguard very carefully. That is our stock in trade, and our reputation depends on it.

**The Convener:** I am not disputing your credibility, but technology has changed, even in the past 10 years. You can get an awful lot of data on to a little bit of equipment that you can put in your pocket, and it can then fall out. That is where the concerns about security lie.

**Duncan Macniven:** That is a danger, and for that reason the bits of our computers that can be used to extract data on to memory sticks are disabled; we take that type of technical security step. Because security is so important, we—the chief officials in the rest of the UK who are responsible for taking the census and I—have commissioned an independent review by an eminent external figure, who will report before the census on the measures that we have taken and consider whether those are in the public interest.

**Stuart McMillan:** Duncan Macniven mentioned earlier that some countries undertake a census every five years, whereas in Scotland and the UK it takes place every 10 years. Is a census every 10 years enough? Should it perhaps be carried out after every two parliamentary cycles, for example?

**Jim Mather:** I think that we have proved during this process that we are open to all manner of suggestions and are keen to evaluate them. I defer, in this instance, to the professionals. I ask Rob Wishart, who uses the data and represents those who use them, to comment on the usefulness of having a census every five years rather than every 10 years.

**Rob Wishart:** It is a question that we cannot resolve today. There is debate in many countries about the future of a census that is conducted in the way that we currently do it. Duncan Macniven

can explain more about sample censuses and censuses from administrative sources.

What I can say is that the availability of data from other sources, particularly at small area level, has developed quite considerably over the past 10 years. As members will know, we now have a huge amount of information available at local level.

After the 2001 census, we had some considerable debate about the balance between the census and other sources, so I think that we will want to have a similar debate after the next census. I do not know whether that will point to more frequent censuses or to censuses of different types, such as surveying administrative sources more thoroughly and more periodically. Those are all options, and I think that discussions have started already.

**Duncan Macniven:** The disadvantage of the census is that it produces wonderful data only once every 10 years. We could have a census once every five years, but that would almost double the cost. The cost of running the census—upwards of £60 million over the 10-year cycle for this census—is substantial.

We are looking at the future, but we will certainly not abandon the census until we have a system that produces data of the quality and reliability that users require. Therefore, I encourage the convener to continue thinking about how the census should be handled in 2021.

**The Convener:** Is £60 million the cost for the Scottish census or the UK census?

**Duncan Macniven:** The Scottish census.

**The Convener:** So the cost to the UK might be around £600 million.

I think that Chris Harvie has a general question.

**Christopher Harvie:** Duncan Macniven quoted 96 per cent as the completion rate for the 2001 census forms. How does that compare with the actual number of households?

**Jim Mather:** Yes, I think that 4 per cent of households were missing—

**Christopher Harvie:** How is that worked out?

**Duncan Macniven:** We check that figure by conducting a follow-up survey. Think of a pond in which there are fish. On census day, we put in a net to catch the fish, we tag them and we then put them back in. We then conduct a random survey in another part of the pond that catches another lot of fish, and we count the number that have already been tagged. That gives us pretty accurate information about the percentage that we missed first time round. We do that at household level.

**Christopher Harvie:** I want to ask about that. First, people may not have much facility with filling in census forms. For example, when recent migrants are confronted with this hefty wodge of paper, they might not be able to fill it in.

Secondly, given that we live in the age of Michael O'Leary—God help us—many people might be away, perhaps at a second home on the continent, over the census weekend.

Thirdly, the number of households has radically increased for various reasons. Since 1990, the number has gone up from about 1.9 million to something like 2.4 million. However, some of those households are possibly fictive, in that people might register themselves separately although they in fact live together. Does there tend to be a sort of wastage over time of reliable information?

Finally, I seem to recollect that the German Government ran into such big trouble with resistance on civil rights grounds that its census in the 1990s did not take place. I am not sure about the dates involved, but I seem to recollect that the 1990s census did not take place.

**The Convener:** Further to Christopher Harvie's first question, I recollect having to fill out the Irish census once because I happened to be over in Ireland for a meeting at the time. What is the basis on which the census date is chosen? Is it chosen to minimise the absentee rate? Presumably, the census date is clear of the Easter weekend, although it is close to Easter.

**Jim Mather:** The census date will be Sunday, 27 March, which we have calculated is a good time to get people at home. How far ahead will people receive the forms?

**Duncan Macniven:** Census forms are delivered to households shortly before the census, to ensure that they are not forgotten about. The key point in relation to Professor Harvie's question is that people who are away for up to six months must fill in the census form on their return. If you happen to be in Germany on 27 March, you are obligated to fill in the form on your return.

Migrant groups are hugely important to us. Last Thursday, I met the Polish consul to enlist his help and that of his office in asking Polish migrants to fill in the census form, as the census matters to them and they are obliged to complete the form. We provide help in the way of Polish translations, for example, to enable them to do that.

The other thing that we do to cope with today's more mobile society concerns visitors to the household. We have polished up our approach since 2001, when we concentrated on the place of usual residence. I suspect that we missed some people who did not complete a form at the place

where they were staying on census night because they counted themselves as visitors, but did not complete a form when they got back to their place of usual residence. On this occasion, we are asking for a small range of information about visitors, as well as information about the usual residents in the household, to enable us to cope with our mobile society. That is the point to which Professor Harvie's remarks related.

**Lewis Macdonald:** Further to the answer to Stuart McMillan's question, will the minister confirm that he supports the logic of the census in Scotland being held on the same day as the census in England, Wales and Northern Ireland? Is it not the case that the date of next year's census in England has been arranged to suit Scotland, Wales and Northern Ireland?

**Jim Mather:** I am happy to concede that fact, although I was not aware of it.

**Duncan Macniven:** What the member says is true—the Scottish and Northern Irish tail wagged the English dog. We were moved away from another date that might have been suitable because of a public holiday in Northern Ireland.

**The Convener:** That concludes our general questions. We will now consider schedule 2 in detail. We will go through the schedule in order. Do members have any questions on page 7 of the draft order, which is the first page of schedule 2 and includes paragraphs 1 to 13?

**Lewis Macdonald:** I have a question about paragraph 13, which appears on the first and second pages of the schedule. I acknowledge what the minister said in his introductory remarks about the decision to provide people from other Christian denominations with the opportunity to write in their denomination. Can he or the registrar general provide an estimate of the number of people who may be expected to take advantage of that opportunity?

**Jim Mather:** I will leave it to the registrar general to provide the numbers. The provision is further evidence of the fact that we have sought to flex the census in response to feedback that we have received. We are keen to ensure that the question is aligned to and focuses on current religion.

**Duncan Macniven:** In 2001, we had a similar write-in arrangement, which we coded at the behest—and the cost—of the Pagan Federation. The largest group was pagans, of whom there were 2,000. The number of people who wrote in a religion other than those listed was not large.

**Lewis Macdonald:** My question was about Christians.

**Duncan Macniven:** I do not have at the tip of my finger the figure for other Christians.

**Rob Wishart:** It was 7 per cent.

**Lewis Macdonald:** How many is that, in rough terms?

**Duncan Macniven:** I am dreadful at mental arithmetic.

**Rob Wishart:** It is 350,000.

**Lewis Macdonald:** That is helpful.

**Duncan Macniven:** The figure includes people who are Episcopalian or members of the Free Church of Scotland, for example.

**The Convener:** Paragraph 8 of schedule 2 proposes that people be asked a question in the following terms:

*"Country of birth and, if not born in the United Kingdom, month and year of most recent arrival to live in the United Kingdom."*

That appears to be new wording. Is it similar to the wording that will be used in the rest of the UK?

**Jim Mather:** Yes.

10:45

**The Convener:** Is there any concern that that might lead to a drop-off in returns?

**Jim Mather:** Not that I have detected from either the registrar general or the chief statistician.

**The Convener:** It occurs to me that some people might not be keen on the authorities knowing when they arrived in the UK.

**Duncan Macniven:** Your point is true in general. It harks back to Professor Harvie's point about migrants. It is important for us to get through to people in migrant communities, who might come from countries with political backgrounds that are different from ours and in which the state plays a different role from the role that ours plays.

**Jim Mather:** We are taking steps in that regard. I know that the General Register Office for Scotland has talked to the Polish consul general. Who else have you talked to, Duncan?

**Duncan Macniven:** We have mainly contacted religious groups rather than national groups. I spoke to the Polish consul general because the Poles are such a large and novel migrant community. Apart from that, we have spoken to Muslim and other religious communities.

**The Convener:** Minister, I believe that you covered this issue in your opening remarks, but I will ask you about it in the interests of absolute clarity. Will the question about national identity, dealt with in paragraph 14, allow the ticking of multiple boxes?

**Jim Mather:** Yes.

**The Convener:** Paragraph 15 asks about other white ethnic groups. Does that revert to wording similar to that used in the 2001 census?

**Jim Mather:** Yes.

**Marilyn Livingstone (Kirkcaldy) (Lab):** I believe that a group in my constituency, the Fife Arabic Society, has raised with the Government and GROS a question about proposed question 15F. The group would like the words,

“Arab, Arab Scottish or Arab British”

to be replaced with “Arab, Scottish Arab or British Arab” and “Other ethnic group” to read “Arab or other ethnic group”. I understand that there have been discussions around the issue. Could you explain the Government’s position?

**Jim Mather:** We are sensitive to the preferences of the group. With the sequence of adjectives, we are trying to ensure uniformity with the way in which other ethnic groups are denominated in the census. The second of the changes that you mention could cause unintended consequences. First, it would risk reducing the response from ethnic groups that have no tick box, as their eye would be caught by the word, “Arab” in the section title and they might not notice the subsequent tick box for “Other”. Further, because the proposed category headings are the same throughout the UK, such a change would cause a loss of compatibility with England and Wales, which is important to many users of the census data.

I empathise with the views of the group and understand the thinking behind the suggestion, but the unintended consequences could involve the material disfranchisement of some people and would reduce the comparability of the data.

**Marilyn Livingstone:** I believe that the issue has been raised with the Equal Opportunities Committee and with other members of the committee. However, as the convener said, we have not been able to take evidence on the issues that have been raised, so the only chance that we have to discuss matters is to ask questions of you today.

The group thought that its suggestions would be accepted, but I believe that the position has changed, which has caused some confusion. Because there has been no opportunity for consultation and we are dealing with the order in a kind of strange way, today’s meeting is the only time when I can raise the issue. I know that that means that we end up in a he said, she said situation, but my point is that the group understood that there would be a change.

**Jim Mather:** You make an important point and we are keen that this census of ours in Scotland applies the highest standards and is as even-

handed and as consensual as possible. I regret the fact that we are where we are now, because when we go back and look at what we did with our colleagues from Africa and the Caribbean and other ethnic groups, we had such a good exchange that there was a commonality of interests. People began to understand what we were doing and could see that we were willing to make movement to try to ameliorate the situation over time. It goes back to the fundamental point that the convener made earlier, which is that we need a better process to make this happen, because, just as when a bill is taken through the Parliament, consultation processes can create a Gordian knot for the recipient of all the consultation. My feeling is that when we get people in the room we get to a better understanding and there is certainly more empathy. That in itself helps to move things forward.

**Lewis Macdonald:** I have questions on question 14, on national identity, and on section A, headed “White” of question 15, on ethnic group. First, I welcome your agreement to the proposition that British and Irish nationality should be brigaded under the national identity question. However, you said in your opening remarks that the exceptions would be “Scottish” and “Irish” and that “Scottish” would appear in both questions but “Irish” would not do so. Can you tell us why you made the decision not to include in question 14 an option for Irish national identity along with Scottish, English, Welsh, Northern Irish and British?

**Jim Mather:** That is really because we give people an opportunity to choose that in question 15, on ethnic group designation. We recognise that there is a material presence here and that many people look to that as being their roots, perhaps even two or three generations later.

**Lewis Macdonald:** I absolutely understand the point. What would you say to the proposition that, for some people who are of Irish origin and have lived in Scotland for two or three generations, had the Irish tick box appeared in both questions there would have been an opportunity to respond in the same way as those for whom marking Scottish and British or English and British is important?

**Jim Mather:** Exactly. Along with our other European neighbours, they have the opportunity to write in another national identity. As good Europeans, we are keen to be as even-handed as possible to our other European neighbours.

**Lewis Macdonald:** The formulation of question 15A now offers those who identify themselves ethnically as Scottish, English, Welsh, Northern Irish and British, two boxes of “Scottish” and “Other British”. Can you clarify and confirm that that removes the risk that people will be forced to choose between a Scottish identity and a British

identity in responding to that question? That, as you will be aware, was the concern about the original draft.

**Jim Mather:** I think that it does that, but it also recognises the predominant ethnic group in Scotland and gives them the opportunity clearly to identify themselves, and it will produce a lot of valuable data for Rob Wishart and other users to identify exactly what is happening to that community and what other things we might need to do, especially when there is frequently cause for concern in relation to, for example, university participation or unemployment.

**Lewis Macdonald:** But you agree that a choice between Scottish and British might be an invidious choice to put to many people responding to the census.

**Jim Mather:** Taking that in sequence with national identity, we are removing that invidious choice.

**Lewis Macdonald:** My other question is about the categories in questions 15D, headed "African", and 15E, headed "Caribbean or Black".

I welcome the development that the minister described earlier. However, people from Africa, of whom there are now—as I am sure the registrar general will confirm—many tens of thousands resident in Scotland, might wish to indicate not only that they are African but the part of Africa that they come from or their connection with Africa.

Is there a risk that the choice that is offered between "African" on the one hand and "other African background"—in which people may write in their background—on the other hand may be confusing for those people who are from Africa but wish to write in the box? In other words, what does somebody do if they want to tick the "African" box because that is where they were born, but they also want to indicate which part of Africa they come from, or their ethnic identity within Africa?

**Jim Mather:** They have the write-in facility to enable them to state whether they are from Kenya, Sudan or wherever. I am pleased at where we have got to with regard to that question, because it is a sign of maturity and evolution. We are moving in the right direction and recognising Africa for what it is: a huge continent that will have increasing significance for all of us in the years to come.

I am particularly pleased that we held a face-to-face session with African colleagues to get to where we are just now. We are leaving a positive legacy for other countries that are managing their own censuses and, in the long term, for our successors in 10 years' time, who can decide where they wish to take it from there.

**Lewis Macdonald:** I very much agree that the process has been constructive, and that it is good that we could reach agreement. However, you will be aware that the agreement is a compromise rather than an optimal outcome.

With regard to my question about Africans, you have said today on the record that people from Africa will have a write-in option, but the draft regulations that the committee has seen do not specifically provide that. They provide a write-in option only for those of other African origin, not for those from Africa. I wonder if that matter can be clarified when the regulations are brought forward.

**Jim Mather:** I will bring in Duncan Macniven to deal with that issue.

**Duncan Macniven:** I understand the point that Mr Macdonald makes, but that is not our intention, and I do not know that most people would interpret the form in that way. I have the current version of the questionnaire in front of me, of which the order is a legal form. A copy of the questionnaire was sent by the minister to the convener a couple of weeks ago.

Under the subheading "African" there are two tick boxes. One is for people who just want to describe themselves as African, African Scottish or African British in a general way—they are effectively saying, "I come from Africa but I have no narrower allegiance within Africa." The next tick box says, "Other, please write in", which is still under the "African" subheading. I would have said that a Sudanese person, for example, who wanted to express their Sudanese African ethnicity would write it in the box there.

**Lewis Macdonald:** That is a helpful clarification, and if the enumerators will be guided in those terms, that will answer the question.

**Duncan Macniven:** It will, and the same applies to the tick boxes in the other categories.

**The Convener:** I see that no one has any further questions on national identity or ethnicity, so I move on to the language issues, dealt with in paragraph 16. Having looked at the draft questionnaire and the order, I am confused about how people will fill in the form. The paper that we received from the registrar general and chief statistician compares the Scottish census questionnaire with the census in the rest of the UK, and states:

"only 2 questions about language will be asked in England and Wales"

—I have to say I am surprised about that in relation to Wales—

"compared to 3 proposed in Scotland: 'What is your main language?' (with an English tick box and an 'Other' write-in box) and, for those whose main language is not English,



'How well can you speak English' (with a range of 4 tick boxes)').

However, the draft Scottish census questionnaire—in question 16—asks people to “Tick all that apply” in respect of English, Scottish Gaelic and Scots for “Understand”, “Speak”, “Read”, “Write” or “None of these”. Question 17 then asks “How well can you speak English?”—which seems to apply to everyone—and question 18 asks “Do you use a language other than English at home?” That seems a very confusing set of questions that I doubt will provide the information that we want, which is presumably “What is your main language?” and “If English is not your main language, how well do you speak English?” I just think that the questions are a bit weird.

Let me also risk the wrath of my deputy convener by saying that I have no idea how I will fill in the question on Scots. Although I can speak, understand and probably read Fife, I am not very good when it comes to deepest Ayrshire or rural Aberdeenshire. I think that people could have some difficulty in understanding how to fill in that question because there is no shared understanding of what is meant by the term “Scots”. I appreciate that the deputy convener has a different point of view, but the general public do not have a clear understanding of what is meant by “Scots”.

11:00

**Jim Mather:** I am reading both the convener's words and the deputy convener's body language.

**The Convener:** My key point is that the census questions need to be clear and simply understood. I do not think that questions 16, 17 and 18, as outlined in the draft questionnaire, are clear and simple. The wording that is used in the equivalent English and Welsh census questions is much clearer and more straightforward. In my view, that would produce better information. I welcome the minister's comments.

**Jim Mather:** I understand that view. The registrar general can perhaps talk about our experience from trialling the draft census questions.

**Duncan Macniven:** We have agonised about the language question, which is probably one of the issues on which we have spent most time. Compared to a decade ago, there is a much higher demand from users for language information, especially on the extent to which people can speak English. Last time round, we asked only about the use of Gaelic, which is a question that goes back to 1891.

With question 16, we have essentially taken the Gaelic question that worked well in 2001 and that

has continued to work well in testing and added “English” and “Scots” columns to it. The question will allow people to show whether they can understand English or Scots. I agree that the definition of the Scots language is the difficult aspect. We are working with the Scots language centre to draw up guidance, which will go on our website, on what is meant by understanding Scots. The Scots language centre has provided a very good, simple form of words about that, which I think people will find helpful. I do not think one needs to understand every variant of Scots to be able to tick the box.

Question 17 is designed to produce information on the need for language translation and interpretation and for the teaching of English as a second language. The question, which aims to identify how well people can speak English, is identical to a question in the English census. The English census has never had—and will not include next time—an equivalent of question 16, which we are very keen to retain.

Question 18—“Do you use a language other than English at home?”—aims to draw out information on people's native or normal language. Neither question 16 nor question 17 does that. Question 18 also gives us an opportunity to ask about British Sign Language, information on which was one of the user needs that was represented to us in the wake of the 2001 census. We are very keen to be able to provide that information.

**The Convener:** I note that answer, but I remain concerned. I note that question 17 is included in the English census but only for those who state that English is not their main language, whereas question 17 in the draft Scottish census questionnaire seems to be aimed at everyone. I am not sure that the questions as currently framed will draw out what people's main language is in a way that might be useful. For example, the questions do not ask people whether Scottish Gaelic is their main language or just one language that they can understand and speak. I am very concerned that the questions will not produce information in a format that will be as useful to people as people might think.

However, Rob Gibson wants to have a go at me about Scots.

**Rob Gibson:** I was going to ask about the exercise that you did in West Dunbartonshire, Edinburgh and the Western Isles and about the difficulty of trying to get something that can be universally understood. Obviously, people speak in the language of the place they come from. There is not any difficulty about saying what Scots is—it is about the language that people speak. During the trials, did people find it easy to answer the questions?

**Duncan Macniven:** Yes, I think so. I do not remember people having great difficulty answering the questions in the two tests in 2006, which included West Dunbartonshire, and 2009, which included the Western Isles. There might have been difficulty in 2006, but there was not in the 2009 version. We have changed the questions a bit since 2009 in order to try to capture more about the Scots language and we have tested those revised questions very carefully indeed, because we were worried that they would not be easy to answer. The results of the tests give us no concerns at all.

**Rob Gibson:** The questions will, I presume, also give us a lot of information about people who might wish education to take more cognisance of that language and of the fact that there are many other ways for people to understand what is going on and to express themselves.

**Duncan Macniven:** I note the convener's concerns, but the answers to the questions certainly should provide a lot more information. That is in line with much higher user demand.

**Ms Alexander:** I refer to questions 18 and 20 in the questionnaire, on long-term health conditions. I welcome the fact that there are new questions on long-term health conditions and that there were consultation events on them in the summer. The issue is whether we can move from what is a good set of response categories to a better set of response categories, particularly with respect to the autistic spectrum. I do not know whether I speak for other members, but I think that we have probably had more individual representations on that matter than on any other in recent days. The registrar general will be familiar with the anxiety that exists.

In your report on testing responses, you say that you discovered that people with autism used five different categories in responding to the questions, which suggests that we do not have the best wording to identify the total numbers affected, or to optimise the value of the census as a planning tool. In 2001, the Public Health Institute of Scotland suggested that it is critical that we collate the numbers of people who are affected and that this census might provide the opportunity to do that. I will pause there and ask you to give us a sense of where we currently stand on that.

**Jim Mather:** We understand the wish to learn more about autism. The real reason behind questions on health conditions is to allow us to analyse links to other social and economic factors, rather than to get a definitive, accurate count of the number of people with specific conditions. There is a concern that the categories already include—under paragraph 18(d)—“Learning difficulty or developmental disorder”. Those final two words were added at the suggestion of the

National Autistic Society Scotland to identify people with autism.

The concern is that the suggested move could confuse autistic people with regard to which box they should tick, which might cause us difficulties. The write-in box gives us the scope to capture that. We are utterly sensitive to people's needs, situations and aspirations, and we are desperately concerned that we do not unintentionally create confusion and disenfranchise people, rather than achieve the objective that we all want to achieve.

**Ms Alexander:** If the registrar general does not wish to add to that, I have a few further questions. I will press some revisions to the order today; there are a number of options.

The issue of space on the census form has emerged, but that may be affected by subsequent decisions. The emerging view, given that we got five different responses from people on the autistic spectrum when they were asked to answer the question, is that that part of the census needs to be revisited. The incidence of the condition is not known, but its prevalence is higher than that of many of the other conditions that we are trying to specify in the census. We believe that it affects one in 100 people, although as I have said, we do not yet have all the evidence on that.

As the minister has indicated, the nature of the condition is that people look for literal specificity, which may lead us towards specifying the disorder on the form. The professionals are increasingly seeking a discrete classification—I will not go into detail on that, but it would be valuable for us to be ahead of the game, or at least running parallel, in the census.

I will make a suggestion that reflects the revisions that we will consider later, which I am happy for the Government to fine tune at a later stage. Autism Rights and The National Autistic Society Scotland are moving towards the position that it is incredibly difficult to distinguish between a learning disability and a learning difficulty. Given that a person might suffer from dyslexia or dyspraxia, it might be wiser to bring together the “Learning disability” or “Learning difficulty” categories in order to allow the “developmental disorder” category to stand and to have—if there is space—a specific category for autism spectrum disorder or Asperger's syndrome. However, if you find that you are incredibly pressed for space, it might be possible to combine that condition with the “developmental disorder” category. An examination of the evidence from testing people's responses produced the view that the “No condition” category is perhaps not entirely relevant or appropriate, so the removal of that category might free up space to tease out some of the information that we seek.

Committee members have submitted several revisions to the order, and I will press a set of revisions today. We will perhaps not end up with the precise formulation that the revisions set out, but there is an overwhelming sense that we should not miss the opportunity to try to get some precision in relation to the 50,000 individuals whom we believe are affected. I think that there is widespread recognition that, vis-à-vis other disabilities, service provision for such individuals has been poor. It is critical, particularly in the adult category, that we get some specificity around numbers. That would be helpful. I will press my revisions so that the Government has the opportunity to reflect on the issues and engage in further dialogue with the two organisations that are involved in advance of final parliamentary consideration.

**Jim Mather:** It is useful that Ms Alexander has put the matter on the record in such a nuanced way. It would be sensible for me to bring in Duncan Macniven and Rob Wishart to talk about the flow of data, with regard to the way in which the question is framed and the data are used.

**Duncan Macniven:** It is a difficult question to phrase. It is a new issue, and there is much demand from the health service for such a question. However, as the minister said, the census is not designed for that, and the questionnaire could not, because of space considerations, possibly be used to identify every health condition. For example, we have drawn a lot of conditions together under “Physical disability” and—as you can imagine—even in the deaf community, there is a demand for more categories under “Deafness or partial hearing loss” to reflect the spectrum. It is difficult to break things down below the kind of general categories at which we have arrived and I would not claim that those general categories are absolutely perfect. We have fine tuned them and fine tuned them again, most recently in response to a useful consultation event last summer, but as Ms Alexander hinted, professional opinion in the field is moving on and has not come to a specific view. The opinions that we are picking up would be hostile to the union of “Learning disability” and “Learning difficulty” that her amendment suggests.

11:15

The reason why we have put in the “No condition” box at the foot of the question is that our policy throughout the census questionnaire is based on the good survey design principle that everybody has an answer to give to every question except the ones that they have been told to skip, so that a respondent does not find that none of the tick boxes applies to them. That is an important point that we are anxious to keep, but

there is scope for flexibility in the number of lines in the question. It is not full, although it could not incorporate many more examples, and I would seek a general terminology rather than a specific one. We may be able to come to some better form of question, although it would need to be done very rapidly indeed to avoid us missing the March 2011 boat, because we need a firm questionnaire approved by Parliament by the middle of May and, granted the time that orders have to spend in Parliament, we have only a few days to get that right.

**Ms Alexander:** I am aware of how pressing the time constraints are, but this has been a helpful exchange. We would press the matter in the Parliament ultimately, but it would be preferable for the Government to reach its own view. There are two principal organisations. The registrar general is right that there is the option of two formulations, but even minor changes could move us enormously further forward, given the difficulties of the current formulation in the testing of responses, in which autism was classified in five different ways. I will press the amendments today. It would be helpful if the clerks were able to share immediately with the Government all the representations that we have had. I hope that we can find a successful way forward by the time the order comes back to the full Parliament.

**Jim Mather:** We welcome that material being provided by the clerk to the committee. I bring in Rob Wishart to talk about the data usage.

**Rob Wishart:** I am afraid that I do not have a solution to offer. I reiterate Duncan Macniven’s comment that joining together the headings “Learning disability” and “Learning difficulty” would present many difficulties for lots of other groups. We have had many representations on that front. I cannot say what the solution is. We have particular concerns about that element of it.

**Ms Alexander:** Could you combine “developmental disorder” with autism and Asperger’s syndrome? One of the two professional bodies has suggested that.

**Duncan Macniven:** There might be a solution somewhere in that area.

**Jim Mather:** We will certainly explore that. It has been a good exchange, which we will look to lift off the *Official Report*.

**The Convener:** The various representations that the committee has received, as opposed to those that were made to individual members, were circulated in today’s papers and are therefore available. We will ensure that the Government is given a copy of the papers.

**Christopher Harvie:** My question is on the incidence of Asperger’s syndrome—the disease of

the wise, as it is known in some countries. In Scottish historical terms, people such as Adam Smith and Lord Monboddo almost certainly had Asperger's. It is probable that Hugh Miller and Charles Rennie Mackintosh were affected, too. Such people have tremendous cognitive facilities on the one hand and great social awkwardness on the other. Asperger's is not a disability; it is something quite different. It is a cognitive gift—

**Jim Mather:** A cognitive capability.

**Christopher Harvie:** Yes. From the standpoint of any nation that is concerned with invention and innovation, the ability of such people to draw quite incredible and rapid inferences within their specialism is something that we overlook at our peril. We should not overlook the way in which such people should be specially nurtured. The French sociologist Emmanuel Todd made an interesting interpretation of Scottish and Irish history. He says that family structures in Scotland and Ireland were such that they encouraged this type of what can be called characterative development. We know that, in the 18<sup>th</sup> century, a traveller to Edinburgh was said to have remarked that he could, close to the Edinburgh Tolbooth,

"in a few minutes, take 50 men of genius and learning by the hand".

How many of them were suffering from Asperger's syndrome?

**Jim Mather:** That is a fascinating proposition. I understand that a Danish company specialises in recruiting such people for their brilliance and capability in handling complex situations.

**Christopher Harvie:** Would it be possible for people to tick that box? Doing so would give our scientific community a notion of how to detect gifted people and how then to direct them.

**Jim Mather:** I invite Professor Harvie and Ms Alexander to convene with me and the registrar general after the session. We could continue the discussion and perhaps reach an accord.

**Ms Alexander:** I would like to put on the record an issue that is very much in that vein. The revision that I am pressing today would, for the reasons that Christopher Harvie pointed out, have a separate subsection marked "autism spectrum disorder" or "Asperger's syndrome" as distinct from "developmental disability". I think that there is a desire to keep separate the two, if that can be accommodated. I hope that the minister will reflect on that prior to our final consideration of the matter.

**The Convener:** We will return to the detail of how to handle the issues under agenda item 3. Technically speaking, we are not making amendments; we are making recommendations for change. Those recommendations will go

forward in our report to the Parliament, which has the final opportunity to make amendments if it so wishes. Today's meeting allows discussion between members and the Government before the issue comes before the full Parliament.

As no member has any further questions on page 9—up to question 23—we turn to page 10.

**Lewis Macdonald:** My first point is on question 31. The item in the schedule is, of course, brief and to the point. The question as it appears in the draft questionnaire is far more detailed, as it is bound to be. It makes it clear that what is sought is an estimate of income from all sorts of sources including earnings, pensions, grants, bursaries, benefits, tax credits, savings, investments and property rental. It asks people to estimate within fairly narrow bands. In the view of those who have lobbied the Government and described the poverty-related advantages of asking the question, at what point in the range of bands is poverty defined?

**Jim Mather:** The definition might vary according to the discipline that examines the data and the geography in which it is involved. I ask Rob Wishart to give me something more definitive than that.

**Rob Wishart:** We use the threshold of 60 per cent of equivalised income, which is hard to translate into exactly what is in the form. I do not have the relevant figure to hand, but I might be able to dig it out during the discussion.

**Lewis Macdonald:** The reason for my question is that all three of you said in your introductions that the purpose of asking the question is to identify poverty. However, it is unclear to you what defines poverty in relation to the income bands into which you ask people to estimate that they fall.

**Jim Mather:** If a bar chart were produced from the responses that covered a geographical area, we would begin to see a pattern that would differ between affluent and less affluent parts of Edinburgh and between rural and less rural parts, for example. That would start to show a distinct pattern. As much as anything, that is what is sought—a comparison between one area and another.

**Lewis Macdonald:** So, you will produce not precise data on income and poverty, but a broad indication of relative wealth and poverty between one neighbourhood and another.

**Jim Mather:** Indeed. That applies especially when we are talking about estimated data at household level.

**Lewis Macdonald:** Do you accept that other ways exist of identifying broad indications of

relative wealth and poverty between one neighbourhood and another?

**Jim Mather:** We are always keen to have any proxy that we can. Trying to find proxies that would help to give us such clarity is a legitimate search for us all to be involved in.

**Lewis Macdonald:** I am interested in another point that relates to the question that asks the householder to estimate the household's total income from all sources. A typical household in my constituency, in this city and in all cities with universities could have four recent graduates who are all single and employed. In that situation, who is responsible for reporting the data in the census?

**Jim Mather:** The responsibility still lies with the householder. What is interesting from our standpoint is that, when the rehearsal was undertaken back in March in Edinburgh and up in the Western Isles, we had 92 per cent of households returning the questionnaire with a completed response to the estimated household income question.

**Lewis Macdonald:** If we assume that the general response level is the same—when 4 per cent of people did not respond to the census at all—but 8 per cent did not respond to the question that we are discussing, is it fair to characterise the rate of failure to respond to the question on income as being double that for the generality of questions that are asked in the census?

**Jim Mather:** You are arithmetically absolutely accurate, but I ask Rob Wishart to talk about the statistical significance, which is beyond my ken.

**Rob Wishart:** I return to the earlier question about poverty. As far as I can see, the measure that we use is of the order of £250 a week, but that is equivalised, so the comparison is not exact. The first three boxes in the question relate to the margins around those in poverty. That depends on household circumstances.

Duncan Macniven might be able to add to my answer to the question about response rates. The response rate for individual questions is never the same as the overall response rate. Individual questions have lower response rates than the overall response rate.

11:30

**Duncan Macniven:** The response rate varies. Almost everyone responds to the question whether they are male or female, but the rate goes down to percentages in the 80s for occupation questions. The main reason for that is that elderly people who retired 40 years ago do not identify greatly with their former occupations.

Similarly, the Australian experience suggests that the lower response rate on income is because people are on benefits or are not earning in the normal way, rather than because they are revolting against the concept of the Government's knowing. As Rob Wishart said earlier, many people feel—incorrectly—that the Government already holds that information.

**Lewis Macdonald:** Rob Wishart just identified as the poverty marker something close to a weekly income of £250, yet the census does not ask people whether they earn more or less than £250.

**Rob Wishart:** The measure of income depends on household circumstances. To go back to your earlier point, we tend to use a relative poverty measure, which is of most interest and tends to change over time. You will notice that the breakdown of income is much more detailed at the lower end of the scale. That is to give a better feel for different levels of poverty. We use a cut-off point to give an overall index of how many people are living in poverty. The effect of poverty is not that somebody is suddenly poor; at that level, the effects can vary around the margins. We feel that the split of income that is detailed at the lower end of the scale gives us the best gauge of the differential effects of poverty on different groups.

**Lewis Macdonald:** So, if poverty for a household is somewhere around £250 a week, why do you need to know whether a household earns £500, £700, £950, £1,200 or £1,500 a week?

**Rob Wishart:** Again, I emphasise that it is equivalised income that allows for the household structure, therefore some households will certainly not earn the higher levels that you mentioned, but will be in the higher groups because their household structure deems that they are living in income poverty. It is clear that the upper ends of the income scale are of less interest as regards poverty. I said in my introductory remarks that the data are not wholly in relation to poverty and there is a fairly substantial demand for information on income distribution in a broader sense. The strongest demand is in relation to poverty, so it gives us a measure of that distribution.

**Lewis Macdonald:** It is interesting to have that clarification that it is not just about identifying poverty. I notice that one of the groups that you quoted in your paper was the demographics user group. Will you tell us a little more about that?

**Duncan Macniven:** Yes. It represents primarily commercial and industrial users of census data. They are people such as Experian who use census and other data to divide areas into a variety of categorisation, which supermarkets, for example, use when deciding where to locate

stores. Such users regard the information as being of great interest.

**Lewis Macdonald:** In fact, some of those users will want to know whether a household is making £1,000 and £1,250 a week because they are interested in knowing about wealth rather than poverty.

**Duncan Macniven:** Exactly so.

**Lewis Macdonald:** That is helpful. I have one more question, if I may.

**The Convener:** Is it on income?

**Lewis Macdonald:** It is on the previous paragraph—paragraph 30.

**The Convener:** We will come back to that.

**Rob Gibson:** I notice that a number of groups, including Highland Council, responded on the question about income. I understand why they think that the Scottish index of multiple deprivation does not help us in rural areas—indeed, I hope that it can be changed. Do you think that the question on the estimated gross income will help local authorities, which strongly support the inclusion of an income question in the census, so that policy can be made for the wide variety of circumstances in areas such as the one covered by Highland Council?

**Jim Mather:** That is very much the message that local authorities are conveying to us. That is why we have gone through this iteration and entered this level of debate with the committee on the matter.

**Rob Gibson:** Do we have any indication of whether the Scottish index of multiple deprivation might be changed?

**Rob Wishart:** I can answer that question. We have reached more accord with colleagues in Highland Council over the last wee while. We have repeatedly emphasised that the index of multiple deprivation measures the concentration of deprivation in small areas. Clearly, in Highland, as in many other rural areas, deprivation does not manifest itself in the same way to the same degree.

We have also repeatedly emphasised that the index of deprivation is for particular uses and is not a measure of the overall level of poverty in any one council area. It is a measure of the extent to which poverty and deprivation are concentrated in small areas. The reaction from colleagues to the most recent index of deprivation, which was released only a few months ago, was much more positive—I think that the comments in question predate that. We did a lot of work to emphasise the ways in which the index of deprivation could and could not be used, and they were comfortable with that.

**Rob Gibson:** I am aware that the Scottish Affairs Committee in the Westminster Parliament conducted a survey on rural poverty and found that the Scottish index of multiple deprivation does not help in many communities where people live side by side in poverty and wealth. I wonder whether we can continue to take such guidance from the Scottish index of multiple deprivation, which you have used for a long while but which clearly does not match the needs of areas such as Highland.

**Rob Wishart:** The index of deprivation uses a series of sources that are available every year, including benefits data, but the disadvantage is that it does not allow us to cross-tabulate the circumstances of any one individual or household. It does not allow us to say, for example, that a household is suffering from income poverty—in this case measured by benefits—plus poor health and poor education.

The census is the source that allows us to do that and to look at individual levels of multiple deprivation, which is one reason why we are so keen to have an income question. It will allow us to cross-tabulate data at an individual household level—we do not produce the data at that level but we can talk about the number of individuals who experience the multiple issues. Clearly, we do not have a question about benefits in the census, but by cross-tabulating census data we get a much better fix on what is happening to individual households.

**Rob Gibson:** Thank you for that explanation.

**Lewis Macdonald:** I want to come back in briefly to clarify the answer to a previous question. In a flat-sharing situation, a person nominated as the householder will be empowered by the census to ask each of their flatmates what their income is from earnings, pensions, benefits, student grants, bursaries, share income and all other sources of income indicated in the guidance. Is that correct?

**Duncan Macniven:** The onus is put on the individuals who are not the householder to supply the householder with the information and on the householder to return that but, in essence, you are right.

**Lewis Macdonald:** So the householder will pull together all that private information from their fellow residents in the accommodation—that will be the intention if the income question is included.

**Duncan Macniven:** Indeed.

**Lewis Macdonald:** We had a conversation about proxies. Paragraph 30 of the schedule, which asks about the number of cars and vans to which a household has access, provides a proxy for the status of a household, certainly by giving an indication of its access to transport and

implicitly by giving an indication of its disposable income in relation to its access to a vehicle. What limitations do you see in that? Is it a sufficient proxy for relative wealth and poverty?

**Jim Mather:** You and I have talked about the matter offline, and I have also drawn in input from the registrar general and Rob Wishart. The concern is that asking about that would reveal little more than we already know about the incidence of poverty in rural areas, where car ownership is mandatory and many retired people, perhaps on a decent income, hang on to cars for a fairly lengthy period; nor would it distinguish in the urban setting between people who cannot afford a car and those who choose not to have a car for environmental reasons or because of the absence of parking at the home that they own.

**Lewis Macdonald:** It is not a perfect proxy, but it would reflect income to a fair degree for the majority of people. What level of accuracy would knowing whether a household in an urban area has access to a car—you have made the point about rural areas and that is clear—provide in comparison to the response rates on income questions in the census?

**Jim Mather:** It is a worthy attempt to try to flush out the issue of which we all want to have a better understanding and a good attempt to try to identify a proxy. For the reasons that I have mentioned, there are difficulties. Rob Wishart has other concerns.

**Rob Wishart:** As you know, we have a question on car ownership—not particularly new car ownership—in the census. Car ownership has been widely used in the past in indices of deprivation, particularly in the health sphere. We are trying to wean people off it, particularly because of the rural issue. It does not measure deprivation uniformly throughout Scotland or among different household types—for instance, elderly people or students may have particular patterns of car ownership that vary—so I would be reluctant to suggest that it is the solution to the search for a proxy.

The element of new car ownership is relatively untested. It is possible that we can get those data from administrative sources anyway. I suspect that there might be even more difficulties with that. Patterns of new car ownership may reflect various extra things, such as company cars. I have never seen new car ownership mooted over car ownership generally.

**Lewis Macdonald:** My question was about the question on car ownership that is already proposed for the census. We have heard a response to that, but your answers have also taken us on to the suggestion that I lodged of using age of vehicle as a proxy. I accept that it is

untested; it is simply an attempt to offer the Government a proxy given the serious concerns about the proposed income question. Of course, the age of a household's newest vehicle reflects choice but, in the vast majority of cases, will it not also reflect levels of disposable income?

**Jim Mather:** I suspect that there may be a correlation and that it may even have crystallised as a function of the car scrappage scheme of late, but the people who have to sign off the data have expressed genuine disquiet to me.

It is a worthy attempt to try to find a proxy. We have moved on from the era in which other proxies, such as outside toilets, would have done the job. What we are doing is part of an evolutionary process. Our successors in 10 years' time may operate in a different climate and have a different approach to take the work on. It is reasonable for us to factor into our deliberations the point that, in the iteration of the past few months, we have been involved in an evolutionary process to mature the census. We are keen to maintain that spirit and leave a legacy so that successors, perhaps with a different process, can take it on to a new level in the future.

11:45

**The Convener:** I want to ask about paragraph 29 and the future use of the census. In the draft of the questionnaire that we have seen, the question about central heating in accommodation asks which type people have: "No central heating", "Gas", "Electric", "Oil", "Solid fuel" or "Other central heating". However, the census does not provide an opportunity to indicate any form of central heating powered by renewable energy. Given his other roles, the minister might want to reflect on that.

**Jim Mather:** I will reflect certainly reflect on that, although I feel that the "Other central heating" option would hit the tack.

**The Convener:** It does not allow people to specify; it is only a tick box.

**Jim Mather:** The reflection is happening as we speak. I have just come back from the Mitsubishi plant at Livingston and seen the success of its air-source heat pumps as a major driver for other central heating and its ambitious plans to hit the legacy properties in Scotland that could benefit from such technologies.

**The Convener:** I am glad that you have finally made it to Mitsubishi, minister. The question in the order is not amendable—I would not be seeking to amend it in any event—but is the questionnaire that we have seen still amendable? Would it be possible for the wording of the questionnaire to be

amended to specify renewable heat as a central heating option?

**Duncan Macniven:** We could certainly try, perhaps by including a write-in box for the type of “Other central heating”. It may be slightly difficult to define renewable central heating.

**The Convener:** A write-in box would probably be sufficient in this case, but I hope that future censuses would want to capture the amount of renewable heating and energy in homes. It is obviously important.

**Duncan Macniven:** I would not want to give an absolute commitment, because it may be something that we have thought about in the past and rejected for good reason, but we are certainly happy to look at it again.

**Jim Mather:** We will do that—we will look at the issue again and reflect on it.

**The Convener:** It would be good if you could let the committee know about that.

**Christopher Harvie:** There does not seem to be any question about whether windows are double glazed.

**Duncan Macniven:** That kind of information is available from surveys of housing rather than of households. It is not a piece of information for which we had user demand but which we had to push back because, for example, there was no space or we did not have a methodologically correct question. The house condition survey gives the information as required.

**Christopher Harvie:** The house condition survey is presumably a snapshot, or is it a comprehensive survey?

**Duncan Macniven:** It is a snapshot in the sense that it is a sample, but it is a large enough sample to cut the mustard for our purposes.

**Christopher Harvie:** Comparing my European flat with my British flat, I found that my European flat, which has triple glazing, could be heated throughout winter with only two radiators, whereas in my flat in Britain all six radiators were going full blast to stop the place freezing up as the heat soared through the lovely astragal windows.

**Jim Mather:** I have just been talking to a colleague of mine, who is building a new eco-house in Argyll. He is amazed at how much it is a combination of all the small items that make the difference. If we were to try to capture in the census all the components that can make a difference to passive house status, we would have another census in its own right. I am told that the house condition survey contains detailed information that is gathered by qualified surveyors. I suspect that, in light of the current movement, the energy efficiency lobby and the low-carbon

economy, we will see a comprehensive list in due course.

**Christopher Harvie:** I have one other point on paragraph 30. Bikes?

**Jim Mather:** I own a garage full of them.

**Duncan Macniven:** There has been no demand of consequence from users—of the census rather than of bikes—to record bike information in the census.

**Christopher Harvie:** As one party’s manifesto theme song once said, as far as bikes in Scotland are concerned, things can only get better. Some 2 per cent of Edinburgh’s commuters travel by bike compared with Copenhagen’s near 39 per cent of commuters who bike and walk to work. If there was a question in the census about bike ownership, it would be interesting to see how it shifted in the future.

**The Convener:** There is a question about travel to work that includes biking as an option, so maybe that captures the point. Of course, you are entitled to suggest amendment to paragraph 30 of schedule 2 to the draft order if you wish when we come to it. If there are no further questions on page 10 or the final four points on page 11, that concludes our consideration of agenda item 2.

We come now to the formal consideration of the motion under item 3. The procedure here is that I will ask the minister to move the affirmative motion, which is on the revised version of the agenda that was e-mailed to members yesterday. We will then consider any proposed changes to the parts of schedule 2 to the draft order that are in italics. If the committee agrees to any changes, which we will put in our final report, we will have to vote against the motion, almost by default, because otherwise we will approve what is already in the order. Our committee report then forms a recommendation to the Parliament and the minister is free to introduce the amended order or, if he does not do so, I will lodge the amendments on behalf of the committee. However, other members are free to lodge amendments in the normal way at that stage.

I invite the minister to move the motion formally.

**Jim Mather:** On the basis of the exchange that we have had today and our private conversations, I am getting the distinct impression that the intrusiveness, particularly of the question about estimated household income, gives committee members some difficulty. I understand that that is true of Labour Party members and, from conversations with Derek Brownlee and other of his colleagues in the Conservative party, I understand that that is also the case for them. I would be interested to hear confirmation that that is indeed the prevalent view.



**Alex Johnstone:** Yes.

**Lewis Macdonald:** Yes.

**Jim Mather:** That being the case, based on exchanges today and the reflection that we have to do, it would be better if we withdrew the order at this point to continue the process of trying to achieve a consensual outcome that shows flexibility on the ideas that are coming forward and to ensure that we have a final consensus on the order, as far as we possibly can, that meets the majority view that is prevalent here and which taps into the group intelligence that has been triggered offsite and around the committee table this morning.

**Rob Gibson:** On a point of order, convener. We do not know what the majority view is on this matter, although the particular question about income has been cited. It is necessary to find out what that majority view is.

**The Convener:** As the minister has said that he wishes to withdraw the order and does not propose to move the motion, I do not think that there is any mechanism for having that vote. I note the point that Rob Gibson is making but, as the minister has said that he does not wish to move the motion at this point, I propose that that concludes consideration of item 3. I thank the minister for his consideration. The *Official Report* and representations that we receive will be made available to the minister. I am sure that the minister will also accept any individual representations that members wish to make on the points that they have raised.

11:55

*Meeting suspended.*

12:01

*On resuming—*

### **Renewables Obligation (Scotland) Amendment Order 2010 (Draft)**

**The Convener:** I do not think that item 4 will take as long as the previous two items did, but we will see. The procedure is similar—we are dealing with an affirmative instrument. I ask the minister to introduce his colleague and to make opening remarks. We will then have questions, after which we will consider the motion.

**Jim Mather:** I am joined by Neal Rafferty from the Government's business, enterprise and energy directorate.

Thank you for the opportunity to speak. I know that the committee is familiar with the obligation and that it appreciates the obligation's importance not just to the renewables sector but to the

ambitious targets that we have set, on which there is much consensus.

The obligation was introduced in 2002. Since then, renewables generation in Scotland has almost doubled—its share rose from 12 per cent in the obligation's first year to 22 per cent in 2008. The legislation remains fundamental to the renewables sector and to the development of new capacity and technologies. The obligation needs to balance a stable climate for investors and controlled costs for consumers with the ability to respond to changes in the market and elsewhere.

The draft order introduces important changes to the obligation. The same changes are contained in an identical order that has been laid before Westminster in respect of the obligation that covers England and Wales.

The extension of the obligation's lifetime by 10 years to 2037 will give investors the long-term certainty that is necessary to incentivise them to invest in new generation up to 2020. However, to avoid overcompensation and thus limit the costs to consumers, we will limit support for new stations to a maximum of 20 years. That limit will apply to stations that receive full accreditation on or after 26 June 2008, up to the 2037 end date. New or additional capacity that is added to any generating station will also qualify for 20 years' support.

We will remove the 20 per cent cap on the size of the obligation, to allow renewable electricity generation to grow as much as possible, and we will increase the margin that is set between the predicted demand for and supply of renewables obligation certificates—known as headroom—from 8 to 10 per cent to ensure stability in the ROC market. Using headroom to set the obligation level creates stability, which is a valuable commodity, as it should make it easier for project developers to forecast revenues and secure investment.

The increase to the offshore wind band arises from a review conducted by the UK Government, based on evidence that demonstrated an increase in the costs of developing such projects. Based on that evidence, the review and the responses of our consultees, we are introducing the same increase to the offshore wind band under the renewables obligation Scotland. Although it is not certain that the timelines will catch any offshore wind capacity in Scottish waters, we believe that it is important to have consistency, as well as to send the signal that the bands will remain set at appropriate levels in future.

The introduction of feed-in tariffs for small generators and microgenerators, which is due to happen on 1 April, is a very welcome measure. The scheme provides a much simpler and more effective reward for such generators than the ROS. That is why our amendments will transfer

from the ROS all the microgenerators in technologies that will be eligible to claim feed-in tariffs, enabling them to join the new scheme from its start. That means that feed-in tariffs will be the only available support scheme for microgenerators in anaerobic digestion and hydro, solar and wind power. New generators above a certain size will have the choice in future between support under the renewables obligation Scotland or joining the feed-in tariffs scheme.

Members will be aware that any changes to the renewables obligation Scotland need to be notified to the European Commission. That has been done, and we expect to have the Commission's response by the middle of this month. The draft order that is before the committee today will be made only if the Commission approves the amendments. We are confident that that will happen but, if it does not, we will withdraw the draft order and re-lay it at a later date. I am happy to inform the committee in writing as soon as we have the Commission's response.

These important changes will improve the running of the obligation and increase confidence among stakeholders, whom we have consulted. Before I move the motion on the draft order, I am happy to respond to any questions that the committee may have.

**The Convener:** Thank you for those opening remarks.

What happens if the Commission does not give the approval that is required under the state-aid rules? There is some reference to the obligation being annual—it runs from 1 April to 31 March. Therefore, I presume that the Renewables Obligation (Scotland) Order 2009 applies up to 31 March 2010. I ask for absolute clarity on whether, if the draft order is not made, the 2009 order rolls forward until such time that a new order is made. Is there no cut-off date for the legislation?

**Jim Mather:** Absolutely. However, it is important to put on record that there is no reason to believe that the Commission will not give its approval. As I said, we have given a commitment that the order will not be made without the Commission's approval. Should that approval be delayed or denied, the draft order will be withdrawn.

**The Convener:** I just want to be clear about what happens if the draft order is withdrawn. On 1 April 2010, would a renewables obligation Scotland scheme still operate using the existing legislation?

**Jim Mather:** Exactly so.

**Rob Gibson:** The consolidation of the schemes is excellent news. The development of our renewables is encapsulated by the draft order. Will

you give us a little bit more detail about how the feed-in tariffs will be rolled out so that we can get the very best news story out of the discussion?

**Jim Mather:** It will be a much more appropriate scheme for microgenerators than the renewables obligation. It will mean that many microgenerators in eligible technologies will cease to be part of the renewables obligation scheme, but it will motivate many more of them to come forward.

Although this is not exactly feed-in tariff territory, we ran a session on the renewable heat incentive last week in Glasgow. We had 180 people in the room to debate that—I expect that we will do exactly the same with the feed-in tariffs. That was a two-hour session in which we interacted with specific elements of the forum for renewable energy development in Scotland, the Department of Energy and Climate Change and a wide array of technologists, developers, housing associations, academics and local authorities. What was interesting was the mix of people in the room, the connections that were being made and the fact that, after we called time on the session, it took us a further 55 minutes to clear the room.

Chemistry exists around initiatives such as feed-in tariffs and the renewable heat incentive. We are really getting across the message about their implications and the synergies that are possible when people co-operate and collaborate to take advantage of those new moves.

**Lewis Macdonald:** I welcome the broad thrust of the draft order. Paragraph 3.13 of the regulatory impact assessment says that

“small generators already accredited under the”

renewables obligation Scotland before feed-in tariffs

“were announced will remain there”.

That might need to be the case for solid legal reasons. Do contractual circumstances require that, or does the measure protect the interests of existing microgenerators?

**Jim Mather:** I believe that the answer is the latter, but I ask Neal Rafferty to expand on that.

**Neal Rafferty (Scottish Government Business, Enterprise and Energy Directorate):** That is the case. It is also connected to the fact that people who were accredited under the ROS before feed-in tariffs were proposed made their investment and installed their technology on the basis of the returns that would be available, so no additionality would be present if they were transferred to the new schemes, and any additional costs that consumers incurred would result in no new capacity. The reason is to avoid any deadweight costs and to take account of the

fact that those people would continue to receive support under the obligation.

**Lewis Macdonald:** So it is because those people's plans were made on that basis. However, for the same developers proposing new projects and for new developers, the feed-in tariffs are a more appropriate and tailored response.

**Neal Rafferty:** That is right.

**Lewis Macdonald:** That is helpful.

The net effect will be an increase in costs to consumers over a period. Were consumer representative bodies consulted? If so, what were their responses?

**Neal Rafferty:** Such bodies were included in the consultation, which was a wide exercise, as usual, but we did not receive representations from consumer bodies or consumer representatives or any comments about costs.

The regulatory impact assessment contains information about the likely impact on costs. The Office of Gas and Electricity Markets estimates that the obligation will add £12 a year to consumers' bills. All the way along, we have been careful to ensure that everything that the obligation does and all the proposed changes have consumer costs in mind, which should be as controlled as possible. We do not hide from the fact that what the obligation aims to do will cost an additional amount, but we make clear the reasons that are behind that.

**Lewis Macdonald:** You are not concerned that consumers or consumer representative organisations are unaware of the implications, which is why no responses were made to the consultation.

**Neal Rafferty:** I do not think that they are unaware. The obligation is long established and we have had such exchanges before, which gives us confidence that people know that it exists and understand how it operates. However, if we can do more to ensure that that is explicit, we will look to do that.

**Lewis Macdonald:** I welcome the suggestion of higher banding for offshore wind at this critical point. The banding will be increased for a short time. What is the rationale for selecting that period? What capital pressures does offshore wind face that need to be addressed in that way in the next four years? How confident are you that those pressures will cease at the end of that period?

**Jim Mather:** The change is about momentum and achieving economies of scale that allow us to scale up the sector in the coming years. It became clear on our visit to Bremerhaven that, although people there were tooling up and doing much, they were already—and were liable to continue to be—

supply constrained. Anything that we can do to encourage investment here, such as the recent announcement that Iberdrola will open its offshore wind centre in Glasgow, is helpful in moving in the appropriate direction, so that we capitalise as much as we can on such developments.

12:15

**Lewis Macdonald:** If supply constraints are the issue, are there things outwith the scope of the ROS that the Government might do to enable the offshore wind sector to maximise its supply chain resource in Scotland?

**Jim Mather:** I think so. That is the key function of our continuing dialogue with the sector through FREDS and its sub-groups. I think that, in total, 170 people in FREDS and its sub-groups are in regular dialogue. They represent a variety of organisations, from engineering organisations to academic organisations. We intend to keep that dialogue going. Indeed, at the all-energy conference in Aberdeen this year, we intend to ensure that we bring together the totality of the Scottish energy sector, including the traditional elements that have existed in Scotland for many years, to ensure that there is a more collaborative and synergistic approach and that skills, capabilities and capital can be transferred from sub-sectors to other sub-sectors within the greater energy sector in Scotland.

**Christopher Harvie:** I have a tiny point to make. When I have talked to schools in Fife, I have found that there has been quite an interest in something that I have produced, to which I wonder whether any cash could flow. I have done surveys of existing watercourses that have been used for power generation in the past for things such as textile mills. With the new, very advanced and efficient turbines, quite a lot of those could, for conservation and power supply reasons, become useful microgenerators. Who knows? Schools might adopt them to guide young people into being entrepreneurs, for example.

**Jim Mather:** That is an interesting thought. It is clear that renewable energy social enterprises have a great facility to generate cash and trigger other things. If bright young minds are triggered, that is a plus.

Nick Forrest has carried out a detailed study of Scotland's hydro potential—mainly, I think, of run-of-the-river systems that would operate with minimum environmental damage. His initial report identified 657MW, but I think that he has augmented that figure. I cannot categorically say that that includes traditional, sometimes Victorian, watercourses—I am thinking about the Greenock Cut, for instance. We will see whether we can get some thinking done on that.

**Stuart McMillan:** You mention the Greenock Cut. I am working with a constituent who has put forward that type of proposal. There is another element. You know the Greenock area and Inverclyde well. If such a proposal were in operation, it would have a massive knock-on effect on flood prevention in parts of Inverclyde, which has been a major issue in recent years.

**Jim Mather:** Sure. We are in an interesting place. The more we get people from different disciplines talking, the more other things will emerge.

On synergies, I was recently at Celtic Connections, where I met Susan Deacon, who is a former colleague of Lewis Macdonald and Wendy Alexander. Susan Deacon and I have come from different trajectories to arrive at the same conclusions for solving problems. My approach involves getting everyone in a room; her approach, which is somewhat more modern than mine, involves getting everyone in the same space. The more we do that and get conversations going, the more things will emerge that none of us had in our heads or hearts beforehand.

**Stuart McMillan:** One problem that we have had in trying to move forward the scheme in Inverclyde is with the ownership of the watercourses and culverts. The Scottish Environment Protection Agency hosted an event before Christmas at which there was a debate about two or three watercourses in Inverclyde. A couple of my constituents and I were at that event, and the three of us spoke to the folk at the Scottish Water table, who told us that it does not own them and that the council does; we then spoke to the folk at the council table, who told us that it does not own them and that Scottish Water does.

That long-running saga is hampering attempts to move matters forward. We have looked at many different avenues to establish who owns the watercourses. I am sure that it is an issue across the country, not just in Inverclyde. Unfortunately, some potential developments will be hampered until we have established the ownership of watercourses.

**Jim Mather:** Yes. Sometimes we can bounce off various agencies and end up with nothing resolved and nothing concrete to show for our efforts. However, if we can get agencies into the room at the same time and get a debate going, especially if other stakeholders who can bring out the best in them are present, we will get a result.

**Stuart McMillan:** The two sides were about 2m away from each other but were saying different things and blaming the other organisation. That was extremely frustrating, especially for the constituents who were present. I was glad that

they were there to see and hear it, because it is one of the frustrations that I have had when trying to move the project forward.

**Jim Mather:** We have unleashed a powerful force in the shape of Russel Griggs, who runs the regulatory review group and is the manifestation of binning the blame game to try to get a more collegiate approach. The good offices of Russel or others could be brought to bear to help you.

**Stuart McMillan:** Thank you.

**The Convener:** I return briefly to the issue of feed-in tariffs, which Lewis Macdonald raised. Are people who already have microgeneration eligible to apply for such tariffs? If so, how far back will you go? Is there a cut-off time, beyond which people are not allowed to apply for feed-in tariffs?

**Neal Rafferty:** The feed-in tariff levels were proposed on 15 July 2009. Anyone who accredits between that date and 31 March this year will be eligible for feed-in tariffs, rather than the renewables obligation. In future, all microgenerators will automatically be eligible for feed-in tariffs only. The same argument applies to those who did not apply for accreditation beforehand. They installed microgeneration without needing additional support, so they will not be eligible for the feed-in tariff mechanism.

**The Convener:** So if someone went ahead with microgeneration before 15 July 2009, without applying for support under the ROC scheme, they are not eligible to apply for feed-in tariffs.

**Neal Rafferty:** Yes.

**The Convener:** That clarification is helpful.

*Motion moved,*

That the Economy, Energy and Tourism Committee recommends that the Renewables Obligation (Scotland) Amendment Order 2010 be approved.—[*Jim Mather.*]

**The Convener:** We will move straight to the question, if I can find the right page in my notes. The question is, that motion S3M-5847, in the name of the minister, on the draft Renewables Obligation (Scotland) Amendment Order 2010, be agreed to.

*Motion agreed to.*

**The Convener:** Apologies for the slight delay—there are too many bits of paper for this meeting.

That concludes the public part of today's business. I thank the minister and his officials for their attendance. At our next meeting, we will take evidence from a range of companies, trade bodies and trade unions on the issues and challenges facing the whisky industry, in one of our series of occasional state-of-the-economy sessions. We will also continue to discuss in private and, I hope,

finalise the draft report of our banking and financial services inquiry.

12:24

*Meeting continued in private until 12:45.*



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